

**BUSINESS REGULATIONS RELATING TO CORPORATE
BONDS, ETC.**

[TRANSLATION]

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The original Japanese text will be definitive in case of any divergence in the meaning.

(As in Effect January 5, 2009)

JAPAN SECURITIES DEPOSITORY CENTER, INC.

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CHAPTER 1: GENERAL PROVISIONS

PART 1: PURPOSE, ETC.

Article 1: Purpose

1. These Regulations set forth those provisions which are necessary for the performance by Japan Securities Depository Center, Inc. (hereinafter referred to as "JASDEC"), which has been appointed pursuant to Article 3, Paragraph 1, of Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001; hereinafter referred to as the "Act"), of the services relating to book-entry transfers of Corporate Bonds, etc. (which refer to the Corporate Bonds, etc. as such term is defined in Item (2) of the following Article) (hereinafter referred to as the "Corporate Bonds, etc. Book-Entry Transfer Business").
2. No bond issued by the Japanese government shall be handled in connection with the Corporate Bonds, etc. Book-Entry Transfer Business.

Article 2: Defined Terms

As used in these Regulations, the following terms shall have the meanings ascribed to them in the following Items:

- (1) Book-Entry Transfer System for Corporate Bonds, etc.: The book-entry transfer system for Corporate Bonds, etc., relating to the Corporate Bonds, etc. Book-Entry Transfer Business.
- (2) Corporate Bonds, etc.: Short Term Corporate Bonds, etc., “Corporate Bonds” and Investment Trust Beneficial Rights.
- (3) Short Term Corporate Bonds, etc.: Short Term Corporate Bonds, etc., prescribed in Article 8.
- (4) “Corporate Bonds”: “Corporate Bonds” prescribed in Article 8-2.
- (5) Investment Trust Beneficial Rights: Investment Trust Beneficial Rights prescribed in Article 8-3.
- (6) Account Management Institution: An entity which opens accounts for the purpose of implementing book-entry transfers of Corporate Bonds, etc., for third parties pursuant to the provisions of Article 23, and whose Upper Positioned Institutions include JASDEC.
- (7) Direct Account Management Institution: An Account Management Institution for which JASDEC has opened an account for the purpose of implementing book-entry transfers of Corporate Bonds, etc.
- (8) Indirect Account Management Institution: An Account Management Institution for which another Account Management Institution has opened an account for the purpose of implementing book-entry transfers of Corporate Bonds, etc., and which has been approved by JASDEC.

- (9) Book-Entry Transfer Institutions, etc.: JASDEC and Account Management Institutions.
- (10) Participant: A person for which/whom a Book Entry Transfer Institution, etc., has opened an account for the purpose of implementing book-entry transfers of Corporate Bonds, etc., pursuant to the provisions of Article 16 or 23.
- (11) JASDEC Participant: A Participant for which/whom JASDEC has opened a JASDEC Participant Account.
- (12) JASDEC Participant Account: An account opened by JASDEC pursuant to an application to open an account submitted pursuant to the provisions of Article 16.
- (13) Transfer Account Book: An account book prepared by a Book-Entry Transfer Institution, etc., for the purpose of implementing book-entry transfers of Corporate Bonds, etc.
- (14) Nearest Upper Positioned Institution: A Book-Entry Transfer Institution, etc., at which a Participant's account has been opened.
- (15) Upper Positioned Institution: Any of the following:
- A. Nearest Upper Positioned Institution.
 - B. Nearest Upper Positioned Institution's Nearest Upper Positioned Institution.
 - C. Nearest Upper Positioned Institution of any entity that is treated as an Upper Positioned Institution under Item B above or this Item C.
- (16) Nearest Lower Positioned Institution: An Account Management Institution for which an account has been opened by a Book-Entry Transfer Institution, etc., pursuant to these Regulations.

- (17) Lower Positioned Institution: Any of the following:
- A. Nearest Lower Positioned Institution.
 - B. Nearest Lower Positioned Institution's Nearest Lower Positioned Institution.
 - C. Nearest Lower Positioned Institution of any entity that is treated as a Lower Positioned Institution under Item B above or this Item C.
- (18) Common Nearest Upper Positioned Institution: An Upper Positioned Institution of multiple Participants whose Lower Positioned Institutions do not include any Upper Positioned Institution of such Participants.
- (19) Fund Settlement Corporation: An entity which implements settlements of funds for Participants or Issuers in connection with new record, book-entry transfers, obliteration, fixed date redemptions (i.e., the redemption method under which a certain equal percentage of the value of each corporate bond is redeemed on any interest payment date of the issue of "Corporate Bonds," and under which the unredeemed ratio can be expressed as a Factor without any decimal below 0.0000000001; the same shall apply hereinafter) and interest payments relating to Short Term Corporate Bonds, etc. or "Corporate Bonds," and which is previously registered at JASDEC as such.
- (20) BOJ Net Fund Settlement Corporation: An entity which implements settlements of funds for Participants or Issuers in connection with new record and obliteration in connection with cancellation of Investment Trust Beneficial Rights using the method prescribed in Article 31, and which is previously registered at JASDEC as such.
- (21) Issuing Agent: An entity which is previously designated by JASDEC as an Issuer's agent that performs new record procedures relating to Short Term Corporate Bonds, etc., and "Corporate Bonds" pursuant to the provisions of these Regulations.

- (22) **Paying Agent:** An entity which is previously designated by JASDEC as an Issuer's agent that performs procedures relating to Short Term Corporate Bonds, etc., and "Corporate Bonds" after the payment and ending with obliteration, pursuant to the provisions of these Regulations.
- (23) **Trustee Corporation:** A trust company or a financial institution that engages in trust business, which executes a trust agreement concerning Investment Trust Beneficial Rights as the trustee and which is previously registered at JASDEC as an entity that issues notice concerning the establishment of trust for the benefit of Issuers.
- (24) **Designated Distributing Company:** An Account Management Institution prescribed in Item 6, which is previously registered at JASDEC as an entity which, pursuant to agreements with Issuers, handles primary offering of Investment Trust Beneficial Rights (*i.e.*, handles primary offering prescribed in Article 2, Paragraph 8, Item 9, of the Financial Instruments and Exchange Act (Act No. 25 of 1948)), handles a private placement (*i.e.*, handles a private placement prescribed in Article 2, Paragraph 8, Item 9, of the Financial Instruments and Exchange Act), and performs services including the payment of profit distributions, cancellation proceeds [*kaiyakudaikin*] and redemption amounts, etc.
- (25) **Self Account:** An account in the Transfer Account Book, where Participants' rights relating to Corporate Bonds, etc., are recorded digitally or recorded in written entries.
- (26) **Customer Account:** An account of an Account Management Institution in the Transfer Account Book, where the rights of Participants of the Account Management Institution or one of its Lower Positioned Institutions relating to Corporate Bonds, etc., are recorded digitally or recorded in written entries.
- (27) **Pledge Account:** A Self Account where Participants' pledge-related rights as pledgees are recorded digitally or recorded in written entries.

- (28) Holding Account: A Self Account where rights (other than the rights recorded in Pledge Accounts) are recorded digitally or recorded in written entries.
- (29) Trust Account: A Pledge Account or Holding Account where trust assets are recorded digitally or recorded in written entries when the Participant is the trustee of a trust.
- (30) Institutional Account: An account where JASDEC implements book-entry transfers of Corporate Bonds, etc., for itself in order to perform JASDEC's obligations relating to excessive records pursuant to Article 60.
- (31) DVP Settlement: The system where JASDEC temporarily records the transferors' Corporate Bonds, etc., in an Issue Account, Book-Entry Transfer Account, Cancellation Account or Redemption Account opened for the sake of convenience, then completes book-entry transfers of such Corporate Bonds, etc., to the transferees after confirming that the Bank of Japan has implemented the corresponding settlement of funds.
- (32) Non-DVP Settlement: A settlement performed by a method other than DVP Settlement.
- (33) Issue Account: An account which is opened by JASDEC for the sake of convenience in order to implement a DVP Settlement or Non-DVP Settlement, and where the details of the Issuer's prior notice concerning payments, etc., are temporarily recorded.
- (34) Book-Entry Transfer Account: An account which is opened by JASDEC for the sake of convenience in order to implement a DVP Settlement, and where information concerning the records of the decrease in the amount resulting from book-entry transfers is temporarily recorded.
- (35) Cancellation Account: An account which is opened by JASDEC for the sake of

convenience in order to implement a DVP Settlement or Non-DVP Settlement, and where information concerning the records of the decrease in the number of units of Investment Trust Beneficial Rights resulting from obliteration in connection with cancellation or a trust consolidation, or from a consolidation of Investment Trust Beneficial Rights, is temporarily recorded.

(36) Redemption Account: An account which is opened by JASDEC for the sake of convenience in order to implement a DVP Settlement or Non-DVP Settlement, and where information concerning the records of the decrease in the amount of Short Term Corporate Bonds, etc., and “Corporate Bonds” resulting from obliteration and the records of the decrease in the number of units of Investment Trust Beneficial Rights (limited to those relating to a Non-DVP Settlement) resulting from obliteration in connection with redemption is temporarily recorded.

(37) Factor: The ratio, calculated based on the following calculation formula, which constitutes information concerning any issue of “Corporate Bonds”:

$$\text{Factor} = (\text{Value of each corporate bond} - \text{Total of previously paid fixed date redemption with respect to value of each corporate bond}) \div \text{Value of each corporate bond}$$

(38) Actual Balance: An amount equal to the amount recorded digitally or recorded in written entries in the Transfer Account Book, multiplied by the Factor.

(39) Book-Entry Transfer from/to a non-DDC Account: A book-entry transfer of Investment Trust Beneficial Rights, in connection with which Information Concerning Book-Entry Transfer from/to a non-DDC Account is registered or eliminated.

(40) Information Concerning Book-Entry Transfer from/to a non-DDC Account: Information which is managed by JASDEC pursuant to the provisions of Article 58-44, Paragraph 2, and which is necessary in order to process payments of profit distributions and redemption amounts relating to those Investment Trust Beneficial

Rights which are recorded digitally or recorded in written entries in the account of a Participant whose Nearest Upper Positioned Institution is not the Designated Distributing Company for the applicable issue of Investment Trust Beneficial Rights.

Article 3: Hours of Service

1. Except as otherwise provided in these Regulations and the Rules prescribed pursuant to these Regulations (hereinafter referred to as the “Rules”), the Corporate Bonds, etc. Book-Entry Transfer Business shall be performed from 9 a.m. until 5 p.m.
2. When deemed necessary, JASDEC shall have the right to temporarily change the hours during which services are performed; in such event, JASDEC shall provide prior notice relating thereto to Issuers (Issuing Agents and Paying Agents, if Issuing Agents and Paying Agents have been appointed; the same shall apply hereinafter in this Chapter), JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations.

Article 4: Holidays, etc.

1. The Corporate Bonds, etc. Book-Entry Transfer Business shall not be performed on the following days:
 - (1) Saturdays and Sundays.
 - (2) Holidays designated by The Act on National Holidays (Act No. 178 of 1948).
 - (3) January 2 and 3, and December 31.
2. When deemed necessary, JASDEC shall have the right to temporarily designate additional days on which services are performed, and days on which services are not performed; in such event, JASDEC shall provide prior notice relating thereto to Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement

Corporations and Trustee Corporations.

Article 5: Temporary Suspension of Services

When deemed necessary, JASDEC shall have the right to temporarily suspend some or all of its services; in such event, JASDEC shall provide notice relating thereto to Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations without delay.

PART 2: NOTICES, REQUESTS, ETC., BY ELECTROMAGNETIC METHODS

Article 6: JASDEC's Notice Methods, etc.

1. The following notices and other communications (hereinafter in this Article referred to as "Notices, etc." shall be provided by electromagnetic methods (i.e., methods that utilize electronic information processing systems or other information communication technologies) that are prescribed by the Rules:
 - (1) Notices, etc. to be given by JASDEC to Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations pursuant to the provisions of these Regulations or the Rules.
 - (2) Notices, etc. to be submitted by Issuers, JASDEC Participants or Trustee Corporations to JASDEC pursuant to the provisions of these Regulations or the Rules.
2. Except as otherwise specifically provided in these Regulations or the Rules, Notices, etc. to be given by JASDEC to Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations or Trustee Corporations pursuant to the provisions of these Regulations or the Rules shall be given in accordance with the classifications of Notices, etc. in the following Items, and to the applicable persons set forth in the applicable Items:

- (1) Notices, etc. concerning Short Term Corporate Bonds, etc.

Issuers of Short Term Corporate Bonds, etc., JASDEC Participants and Fund Settlement Corporations.

- (2) Notices, etc. concerning “Corporate Bonds.”

Issuers of “Corporate Bonds,” JASDEC Participants and Fund Settlement Corporations.

- (3) Notices, etc. concerning Investment Trust Beneficial Rights.

Issuers of Investment Trust Beneficial Rights, JASDEC Participants, BOJ Net Fund Settlement Corporations and Trustee Corporations.

3. Except as otherwise specifically provided in these Regulations or the Rules, the Notices, etc. prescribed in Paragraph 1, Item (1) shall be deemed to be delivered to the other party on the date on which the Notices, etc. are provided in compliance with the provisions of Paragraph 1.
4. Notwithstanding the provisions of Paragraph 1, if specifically so provided in these Regulations or the Rules, or if JASDEC deems appropriate, methods other than those prescribed in Paragraph 1 may be used to provide the Notices, etc., prescribed in Paragraph 1.

Article 7: Preparation of Books, etc., Using Electromagnetic Records

Except as otherwise specifically provided in these Regulations or the Rules, JASDEC Participants shall have the right to prepare their books and other documents using electromagnetic records (i.e., records which are prepared using electronic methods, magnetic methods or other methods beyond recognition by human senses, capable of reliably retaining records concerning the Corporate Bonds, etc. Book-Entry Transfer Business).

CHAPTER 2: SCOPE, ETC., OF CORPORATE BONDS, ETC.

Article 8: Scope of Short Term Corporate Bonds, etc.

1. For purposes of the Corporate Bonds, etc. Book-Entry Transfer Business, JASDEC shall handle those which are listed below, with respect to which JASDEC has obtained their Issuers' consent pursuant to the provisions of Article 13, Paragraph 1, of the Act, and which satisfy the conditions set forth in Paragraph 2 below as Short Term Corporate Bonds, etc.:

- (1) Short-term corporate bonds prescribed in Article 66, Item 1, of the Act.
- (2) Short-term investment company bonds prescribed in Article 139-12, Paragraph 1, of the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951).
- (3) Short-term corporate bonds prescribed in Article 61-10, Paragraph 1, of the Insurance Business Act (Act No. 105 of 1995).
- (4) Specified short-term corporate bonds prescribed in Article 2, Paragraph 8, of the Act on Securitization of Assets (Act No. 105 of 1998).
- (5) Short-term bonds prescribed in Article 54-4, Paragraph 1, of the Shinkin Bank Act (Act No. 238 of 1951).
- (6) Short-term agricultural/forestry bonds prescribed in Article 62-2, Paragraph 1, of the Norinchukin Bank Act (Act No. 93 of 2001).
- (7) Short-term foreign bonds prescribed in Article 38, Paragraph 2, of the Order Concerning Supervision of General Book-Entry Transfer Institutions (Cabinet/Ministry of Justice Order No. 1 of 2002; hereinafter referred to as the "Order Concerning Supervision of General Book-Entry Transfer Institutions").

2. For purposes of the preceding Paragraph, "Short Term Corporate Bonds, etc." shall mean

those which satisfy the following conditions:

- (1) Issued with original issue discount.
- (2) Value of each corporate bond is the same, equal to or in excess of 100,000,000 Yen, and a multiple of 1,000,000 Yen.
- (3) Issued in Japan.

Article 8-2: Scope of “Corporate Bonds”

1. For purposes of the Corporate Bonds, etc. Book-Entry Transfer Business, JASDEC shall handle those which are listed below (excluding those prescribed in the preceding Article; hereinafter in this Article referred to as “Corporate Bonds, etc.”), with respect to which JASDEC has obtained their Issuers’ consent pursuant to the provisions of Article 13, Paragraph 1, of the Act (limited to those with respect to which, when the decision was made to issue such “Corporate Bonds, etc.,” it was decided that the Act shall apply to all of the “Corporate Bonds, etc.,” to be issued pursuant to such decision), and which satisfy the conditions set forth in Paragraph 2 below, as “Corporate Bonds”:
 - (1) Corporate bonds (excluding corporate bonds with subscription rights) prescribed in Article 2, Paragraph 1, Item 1, of the Act.
 - (2) Municipal bonds prescribed in Article 2, Paragraph 1, Item 3, of the Act.
 - (3) Investment company bonds prescribed in the Act on Investment Trust and Investment Corporations prescribed in Article 2, Paragraph 1, Item 4, of the Act.
 - (4) Corporate bonds issued by mutual companies prescribed in the Insurance Business Act prescribed in Article 2, Paragraph 1, Item 5, of the Act.
 - (5) Specified corporate bonds prescribed in the Act on Securitization of Assets prescribed in Article 2, Paragraph 1, Item 6, of the Act (excluding convertible

specified corporate bonds and specified corporate bonds with warrants regarding preferred securities [*shin-yusen-shusshi-hikiuke-ken*]).

- (6) Rights that should be represented by bond certificates issued by corporations under a special law prescribed in Article 2, Paragraph 1, Item 7, of the Act (excluding those prescribed in Items 1, 3, 4 and 5; hereinafter referred to as the “Special Corporation Bonds”).
 - (7) Rights that should be represented by bond certificates issued by any governments or companies in foreign countries (excluding those with the characteristics of bonds with subscription rights) prescribed in Article 2, Paragraph 1, Item 11, of the Act (hereinafter referred to as “Foreign Bonds”).
2. For purposes of the preceding Paragraph, “Corporate Bonds” shall mean those which satisfy the following conditions:
- (1) Denominated in a currency which can be expressed using the currency code based on ISO4217 established by the International Standardization Organization (hereinafter referred to as the “Currency”) when issued.
 - (2) Total issue amount is equal to or in excess of 10,000,000 in the smallest denomination of the Currency.
 - (3) Value of each corporate bond is the same, equal to or in excess of 1000 in the smallest denomination of the Currency and a multiple of 1000 in the smallest denomination of the Currency.
 - (4) To be redeemed in one of the following methods:
 - A. Redemption by Bullet Maturity (i.e., a redemption method under which the entire balance of issue is redeemed on the Redemption Due Date (i.e., the Redemption Date (if the Redemption Date falls on a holiday prescribed in Article 4 or on a foreign holiday designated in the issue conditions of the issue

of “Corporate Bonds,” the actual date of redemption); the same shall apply hereinafter).

B. Fixed Date Redemption.

C. Pre-Maturity Redemption upon the exercise of a call option (i.e., the right of the Issuer, exercisable upon its declaration of intent, to cause the Pre-Maturity Redemption (i.e., the redemption method under which some or all of the balance of issue is redeemed from the day after the payment day to the day preceding the Redemption Due Date; the same shall apply hereinafter) or fixed date redemption with respect to the issue of “Corporate Bonds” issued by such Issuer; the same shall apply hereinafter).

D. Pre-Maturity Redemption (limited to those implemented on any day on which an interest payment is made with respect to the applicable issue of “Corporate Bonds”) upon the exercise of a put option (i.e., the right of a Participant, upon its declaration of intent, with respect to the issue of “Corporate Bonds” owned by the Participant, to require the Issuer of such issue of “Corporate Bonds” to implement a Pre-Mature Redemption; the same shall apply hereinafter).

(5) Interest is paid not more frequently than twelve (12) times per year.

(6) Issued in Japan.

Article 8-3: Scope of Investment Trust Beneficial Rights

1. For purposes of the Corporate Bonds, etc. Book-Entry Transfer Business, JASDEC shall handle those beneficial rights of investment trusts prescribed in Article 2, Paragraph 1, Item 8, of the Act, with respect to which JASDEC has obtained their Issuers’ consent pursuant to the provisions of Article 13, Paragraph 1, of the Act (limited to those beneficial rights of investment trusts whose investment trust agreements (i.e., the investment trust agreements prescribed in Paragraph 1 of Article 4 or Paragraph 1 of Article 49 of the Act on Investment Trust and Investment Corporations; the same shall

apply hereinafter) provide that the Act shall apply to all of such investment trust beneficial rights), and which satisfy the conditions set forth in Paragraph 2 below, as Investment Trust Beneficial Rights.

2. For purposes of the preceding Paragraph, Investment Trust Beneficial Rights shall mean those which satisfy the following conditions:
 - (1) Beneficial rights of investment trusts established in Japan pursuant to the Act on Investment Trust and Investment Corporations.
 - (2) Not planned to be acquired by the trustees of other investment trusts (other than the “fund of funds”).
 - (3) The minimum number of units that can be issued is one (1) unit.
 - (4) Not listed on any financial product exchange.
 - (5) With respect to those investment trust agreements under which Investment Trust Beneficial Rights are to be split or consolidated, those investment trust agreements which provide that the increase or decrease in the number of units of the Investment Trust Beneficial Rights as a result of the split or consolidation shall be calculated separately for each of the accounts (excluding Customer Accounts) in the Transfer Account Book maintained by the applicable Book-Entry Transfer Institution, etc., of each Participant of such Book-Entry Transfer Institution, etc., and that, if the number of units so calculated includes a fractional number, such fractional number is rounded down (rounded up in the case of a consolidation) to a whole number.

Article 9: Consent of Issuers

1. Before it commences handling the Corporate Bonds, etc., prescribed in the preceding three (3) Articles, JASDEC shall obtain written consent of the Issuers of the applicable Corporate Bonds, etc., pursuant to the provisions of Article 13, Paragraph 1, of the Act.

2. The consent-related matters required in connection with the written consent prescribed in the preceding Paragraph shall be prescribed by the Rules.

Article 10: Cessation of Handling of Corporate Bonds, etc.

JASDEC shall stop handling any Corporate Bond, etc., which ceases to satisfy the requirements under Article 8, 8-2 or 8-3.

Article 11: Notices to Issuers, JASDEC Participants and Fund Settlement Corporations

Whenever JASDEC handles Short Term Corporate Bonds, etc., pursuant to the provisions of Article 8, or stops handling them pursuant to the provisions of Article 10, in connection with the Corporate Bonds, etc. Book-Entry Transfer Business, JASDEC shall so notify the Issuers (the Issuing Agents and the Paying Agents, if Issuing Agents and Paying Agents have been appointed) of the applicable Short Term Corporate Bonds, etc., JASDEC Participants and Fund Settlement Corporations.

CHAPTER 3: ISSUERS, ISSUING AGENTS, PAYING AGENTS,
FUND SETTLEMENT CORPORATIONS, BOJ NET FUND SETTLEMENT
CORPORATIONS AND TRUSTEE CORPORATIONS

Article 12: Issuers

1. Issuers (other than the Issuers of Investment Trust Beneficial Rights) shall provide JASDEC with prior notice concerning their Issuing Agents and Paying Agents; provided, however, that, with respect to the Issuers of Short Term Corporate Bonds, etc., the foregoing shall apply only when appointing Issuing Agents and Paying Agents.
2. Issuers shall provide JASDEC with notice immediately upon the occurrence of any change concerning matters of which JASDEC was previously notified pursuant to the provisions of the preceding Paragraph.

3. If any of the following Items applies to any Issuer, pursuant to a resolution adopted by JASDEC's Board of Directors, JASDEC shall have the right to issue a warning to the applicable Issuer; in such event, JASDEC shall issue public notice relating thereto without delay:
 - (1) The breach of (i) laws, regulations, rules or ordinances, (ii) disciplinary action by an administrative or governmental entity based on laws, regulations, rules or ordinances, (iii) these Regulations, (iv) the Rules or (v) determinations made by JASDEC pursuant to the provisions of Article 75.
 - (2) In addition to the situation described in the preceding Item, whenever JASDEC determines it necessary in order to ensure the proper and efficient performance of the Corporate Bonds, etc. Book-Entry Transfer Business.
4. If either of the Items under the preceding Paragraph applies to any Issuer, and if JASDEC determines that the Issuer's business operation methods need to be improved, JASDEC shall recommend that the Issuer improve its business operation methods relating to the Corporate Bonds, etc. Book-Entry Transfer Business. In such event, any Issuer that receives such recommendation shall submit written reports to JASDEC concerning improvements to its business operation methods without delay.
5. Issuers of Investment Trust Beneficial Rights shall cause the BOJ Net Fund Settlement Corporation (other than BOJ Net Fund Settlement Corporations involved in direct primary offering, etc., prescribed in Paragraph 3 of the following Article) which is used for new record and obliteration in connection with cancellation of Investment Trust Beneficial Rights by way of a DVP Settlement to be the trustee for the applicable issue of Investment Trust Beneficial Rights.
6. Issuers of Investment Trust Beneficial Rights shall provide JASDEC with written notice immediately upon the occurrence of any event which causes the continued operation of the investment management business (i.e., the investment management business prescribed in Article 28, Paragraph 4, of the Financial Instruments and Exchange Act) to be difficult.

Article 12-2 Direct Primary Offering, Etc., by Issuers of Investment Trust Beneficial Rights

1. An Issuer of Investment Trust Beneficial Rights shall provide JASDEC with prior notice when it plans to implement a direct primary offering, etc. (i.e., an Issuer's primary offering (i.e., the primary offering prescribed in Article 2, Paragraph 3, of the Financial Instruments and Exchange Act), private placement (i.e., the private placement prescribed in Article 2, Paragraph 3, of the Financial Instruments and Exchange Act) or acquisition, on its own, of the beneficial rights of investment trusts established by such Issuer; the same shall apply hereinafter).
2. Upon its receipt of notice referenced in the preceding Paragraph, JASDEC shall register the applicable Issuer as the Issuer which implements direct primary offering, etc.
3. Upon the request of the Issuer of Investment Trust Beneficial Rights which provides notice referenced in Paragraph 1, JASDEC shall register the BOJ Net Fund Settlement Corporation which such Issuer uses in connection with the work relating to direct primary offering, etc. (hereinafter simply referred to as the "BOJ Net Fund Settlement Corporation involved in direct primary offering, etc.").

Article 13: Issuing Agents

1. Any entity (which must be a corporation) that wishes to implement the procedures involving JASDEC on behalf of the Issuer in connection with new record procedures concerning Short Term Corporate Bonds, etc., or "Corporate Bonds" must file applications as an Issuing Agent to JASDEC in advance, using the method prescribed by the Rules.
2. When the preceding Paragraph applies, in the event that JASDEC determines that the applicant has sufficient equipment for the methods prescribed in Article 6, and that it is otherwise capable of performing the services concerning new record relating to Short Term Corporate Bonds, etc., or "Corporate Bonds" and involving JASDEC in a proper

and reliable manner, JASDEC shall appoint the applicant as an Issuing Agent.

3. JASDEC shall issue public notice of the names of the Issuing Agents which have been appointed pursuant to the preceding Paragraph.
4. Issuing Agents shall provide JASDEC with notice immediately upon the occurrence of any change concerning matters set forth in the application submitted to JASDEC pursuant to the provisions of Paragraph 1.
5. Any Issuing Agent, which wishes to cause its appointment as an Issuing Agent to be cancelled, shall submit a request to such effect to JASDEC using the method prescribed by the Rules. In such event, JASDEC shall cancel such appointment as an Issuing Agent, unless JASDEC deems that the cancellation of such appointment as an Issuing Agent pursuant to such request may adversely affect the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc.
6. If any of the following Items applies to any Issuing Agent, pursuant to a resolution adopted by JASDEC's Board of Directors, JASDEC shall have the right to cancel its appointment as an Issuing Agent or issue a warning to the applicable Issuing Agent:
 - (1) The breach of (i) laws, regulations, rules or ordinances, (ii) disciplinary action by an administrative or governmental entity based on laws, regulations, rules or ordinances, (iii) these Regulations, (iv) the Rules or (v) determinations made by JASDEC pursuant to the provisions of Article 75.
 - (2) In addition to the situation described in the preceding Item, whenever JASDEC determines it necessary in order to ensure the proper and efficient performance of the Corporate Bonds, etc. Book-Entry Transfer Business.
7. If the appointment as an Issuing Agent is to be cancelled pursuant to the provisions of the preceding Paragraph, JASDEC shall notify the applicable Issuing Agent of the date of such cancellation, in advance.

8. If the appointment as an Issuing Agent is to be made pursuant to the provisions of Paragraph 1, or the appointment as an Issuing Agent is to be cancelled pursuant to the provisions of Paragraph 5 or 6, JASDEC shall notify Issuers (Issuing Agents and Paying Agents, if Issuing Agents and Paying Agents have been appointed), JASDEC Participants and Fund Settlement Corporations of the name of the applicable Issuing Agent and the date of such appointment or cancellation.
9. If the appointment as an Issuing Agent is cancelled pursuant to the provisions of Paragraph 5 or if any disciplinary action is taken pursuant to Paragraph 6, JASDEC shall issue public notice relating thereto without delay.
10. If either of the Items under Paragraph 6 applies to any Issuing Agent, and if JASDEC determines that the Issuing Agent's business operation methods need to be improved, JASDEC shall recommend that the Issuing Agent improve its business operation methods relating to the Corporate Bonds, etc. Book-Entry Transfer Business. In such event, any Issuing Agent that receives such recommendation shall submit written reports to JASDEC concerning improvements to its business operation methods without delay.

Article 14: Paying Agents

1. Any entity (which must be a corporation) that wishes to implement the procedures commencing after payments relating to Short Term Corporate Bonds, etc., or "Corporate Bonds" are made and ending with their obliteration involving JASDEC on behalf of the Issuer must file applications as a Paying Agent to JASDEC in advance, using the method prescribed by the Rules.
2. When the preceding Paragraph applies, in the event that JASDEC determines that the applicant has sufficient equipment for the methods prescribed in Article 6, and that it is otherwise capable of performing the services concerning obliteration, etc., of Short Term Corporate Bonds, etc., or "Corporate Bonds" involving JASDEC in a proper and reliable manner, JASDEC shall appoint the applicant as a Paying Agent.
3. JASDEC shall issue public notice of the names of the Paying Agents which have been

appointed pursuant to the preceding Paragraph.

4. Paying Agents shall provide JASDEC with notice immediately upon the occurrence of any change concerning matters set forth in the application submitted to JASDEC pursuant to the provisions of Paragraph 1.
5. Any Paying Agent, which wishes to cause its appointment as a Paying Agent to be cancelled, shall submit a request to such effect to JASDEC using the method prescribed by the Rules. In such event, JASDEC shall cancel such appointment as a Paying Agent, unless JASDEC deems that the cancellation of such appointment as a Paying Agent pursuant to such request may adversely affect the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc.
6. If any of the following Items applies to any Paying Agent, pursuant to a resolution adopted by JASDEC's Board of Directors, JASDEC shall have the right to cancel its appointment as a Paying Agent or issue a warning to the applicable Paying Agent:
 - (1) The breach of (i) laws, regulations, rules or ordinances, (ii) disciplinary action by an administrative or governmental entity based on laws, regulations, rules or ordinances; (iii) these Regulations, (iv) the Rules or (v) determinations made by JASDEC pursuant to the provisions of Article 75.
 - (2) In addition to the situation described in the preceding Item, whenever JASDEC determines it necessary in order to ensure the proper and efficient performance of the Corporate Bonds, etc. Book-Entry Transfer Business.
7. If the appointment as a Paying Agent is to be cancelled pursuant to the provisions of the preceding Paragraph, JASDEC shall notify the applicable Paying Agent of the date of such cancellation in advance.
8. If the appointment as a Paying Agent is to be made pursuant to the provisions of Paragraph 1, or if the appointment as a Paying Agent is to be cancelled pursuant to the provisions of Paragraph 5 or 6, JASDEC shall notify Issuers (Issuing Agents and Paying

Agents, if Issuing Agents and Paying Agents have been appointed), JASDEC Participants and Fund Settlement Corporations of the name of the applicable Paying Agent and the date of such appointment or cancellation.

9. If the appointment as a Paying Agent is cancelled pursuant to the provisions of Paragraph 5, or if any disciplinary action is taken pursuant to Paragraph 6, JASDEC shall issue public notice relating thereto without delay.
10. If either of the Items under Paragraph 6 applies to any Paying Agent, and if JASDEC determines that the Paying Agent's business operation methods need to be improved, JASDEC shall recommend that the Paying Agent improve its business operation methods relating to the Corporate Bonds, etc. Book-Entry Transfer Business. In such event, any Paying Agent that receives such recommendation shall submit written reports to JASDEC concerning improvements to its business operation methods without delay.

Article 15: Fund Settlement Corporations

1. If a financial institution, etc., which has a business relationship with the Bank of Japan involving checking accounts, and which owns an entity that conducts on-line business transactions involving the Bank of Japan Financial Network System (hereinafter referred to as the "BOJ Net") so requests using the method prescribed by the Rules, JASDEC shall register it as a Fund Settlement Corporation.
2. JASDEC shall issue public notice of the names of the Fund Settlement Corporations which have been registered pursuant to the preceding Paragraph.
3. A Fund Settlement Corporation shall use the BOJ Net when implementing fund settlements by way of a DVP Settlement in connection with new record, book-entry transfers, obliteration procedures relating to Short Term Corporate Bonds, etc., or "Corporate Bonds" for a Participant or an Issuer.
4. When deemed necessary in order to implement a DVP Settlement efficiently, JASDEC shall have the right to make inquiries to Fund Settlement Corporations concerning fund

settlements involving Short Term Corporate Bonds, etc., or “Corporate Bonds” which such Fund Settlement Corporations implement with the use of the BOJ Net.

5. When the preceding Paragraph applies, the Fund Settlement Corporations shall take necessary measures such as making inquiries to the Participants which requested the applicable fund settlements, etc.
6. Fund Settlement Corporations shall provide JASDEC with notice immediately upon the occurrence of any change concerning matters of which JASDEC was previously notified pursuant to the provisions of Paragraph 1.
7. Any Fund Settlement Corporation, which wishes to cause its registration as a Fund Settlement Corporation to be cancelled, shall submit a request to such effect to JASDEC using the method prescribed by the Rules. In such event, JASDEC shall cancel such registration as a Fund Settlement Corporation, unless JASDEC deems that the cancellation of such registration as a Fund Settlement Corporation pursuant to such request may adversely affect the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc.
8. If the registration as a Fund Settlement Corporation is to be made pursuant to the provisions of Paragraph 1, or if such registration is to be cancelled pursuant to the provisions of the preceding Paragraph, JASDEC shall notify Issuers (Issuing Agents and Paying Agents, if Issuing Agents and Paying Agents have been appointed), JASDEC Participants and Fund Settlement Corporations of the name of the applicable Fund Settlement Corporation and the date of such registration or cancellation.
9. If the registration as a Fund Settlement Corporation is cancelled pursuant to the provisions of Paragraph 7, JASDEC shall issue public notice relating thereto without delay.

Article 15-2: BOJ Net Fund Settlement Corporations

1. If a financial institution, etc., which has a checking account in the Bank of Japan, and

which conducts on-line business transactions with others in the BOJ Net so requests using the method prescribed by the Rules, JASDEC shall register it as a BOJ Net Fund Settlement Corporation.

2. JASDEC shall issue public notice of the names of the BOJ Net Fund Settlement Corporations which have been registered pursuant to the preceding Paragraph.
3. A BOJ Net Fund Settlement Corporation shall use the BOJ Net when implementing fund settlements by way of a DVP Settlement in connection with new record procedures and obliteration procedures in connection with cancellation relating to Investment Trust Beneficial Rights for a Participant or an Issuer.
4. When deemed necessary in order to implement a DVP Settlement efficiently, JASDEC shall have the right to make inquiries to BOJ Net Fund Settlement Corporations concerning fund settlements involving Investment Trust Beneficial Rights which such BOJ Net Fund Settlement Corporations implement with the use of the BOJ Net.
5. When the preceding Paragraph applies, the BOJ Fund Settlement Corporations shall take necessary measures such as making inquiries to the Participants which requested the applicable fund settlements, etc.
6. BOJ Net Fund Settlement Corporations shall provide JASDEC with notice immediately upon the occurrence of any change concerning matters of which JASDEC was previously notified pursuant to the provisions of Paragraph 1.
7. Any BOJ Net Fund Settlement Corporation, which wishes to cause its registration as a BOJ Net Fund Settlement Corporation to be cancelled, shall submit a request to such effect to JASDEC using the method prescribed by the Rules. In such event, JASDEC shall cancel such registration as a BOJ Net Fund Settlement Corporation.
8. If the registration as a BOJ Net Fund Settlement Corporation is to be made pursuant to the provisions of Paragraph 1, or if such registration is to be cancelled pursuant to the provisions of the preceding Paragraph, JASDEC shall notify Issuers, JASDEC

Participants, BOJ Net Fund Settlement Corporations and Trustee Corporations of the name of the applicable BOJ Net Fund Settlement Corporation and the date of such registration or cancellation.

Article 15-3: Trustee Corporations

1. If a trust company or a financial institution that engages in trust business, which executes a trust agreement concerning Investment Trust Beneficial Rights as the trustee, so requests using the method prescribed by the Rules, and if such entity making the request is deemed to have the ability to perform work relating to new record concerning Investment Trust Beneficial Rights with JASDEC, etc., properly and accurately, JASDEC shall register it as a Trustee Corporation.
2. JASDEC shall issue public notice of the names of the Trustee Corporations which have been registered pursuant to the preceding Paragraph.
3. When deemed necessary, JASDEC shall have the right to make inquiries to Trustee Corporations concerning the work relating to new record which such Trustee Corporations perform.
4. Trustee Corporations shall provide JASDEC with notice immediately upon the occurrence of any change concerning matters of which JASDEC was previously notified pursuant to the provisions of Paragraph 1.

CHAPTER 4: JASDEC PARTICIPANTS

PART 1: PROCEDURES FOR OPENING ACCOUNTS

Article 16: Opening of JASDEC Participant Accounts

1. Any person who/which wishes to cause JASDEC to open an account for the purpose of implementing book-entry transfers of Corporate Bonds, etc., shall submit an application to JASDEC, which shall specify whether the account to be opened would be for Short

Term Corporate Bonds, etc., “Corporate Bonds” or Investment Trust Beneficial Rights.

2. Upon its receipt of the application prescribed in the preceding Paragraph, JASDEC shall open an account for the applicant if the applicant is deemed to meet the following standards:
 - (1) The applicant is a person to whom/which any of the Items of Paragraph 1 of Article 44 of the Act applies (in the event that the account to be opened by JASDEC relates to “Corporate Bonds,” excluding any person which/who is described in Item 13 of Paragraph 1 of Article 44), or which is a person (limited to a corporation) specifically approved by JASDEC.
 - (2) The applicant’s becoming a JASDEC Participant is not likely to adversely affect the reputation of the Book-Entry Transfer System for Corporate Bonds, etc., or its efficient operation.
 - (3) The applicant has previously notified JASDEC of the Fund Settlement Corporation prescribed in Article 15 which the applicant uses (in the event that the account to be opened relates to Investment Trust Beneficial Rights, excluding Fund Settlement Corporations) and other matters set forth in the Rules.
3. Any person who/which wishes to cause a JASDEC Participant Account to be opened must submit to JASDEC such person’s certificate of registered matters and such other documents prescribed by the Rules. In such event, JASDEC shall confirm the identity of the applicant using the method prescribed by the Act on Prevention of Transfer of Criminal Proceeds (Act No. 22 of 2007).
4. If JASDEC approves of the opening of any JASDEC Participant Account, it shall without delay notify the person for which/whom such JASDEC Participant Account is opened of the date on which such account will be opened.
5. If JASDEC opens any JASDEC Participant Account, JASDEC shall notify in advance Issuers (Issuing Agents and Paying Agents if Issuing Agents and Paying Agents have

been appointed; the same shall apply hereinafter in this Chapter), JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations of the name of the person for whom/which the JASDEC Participant Account is opened and the date on which such account is opened.

6. JASDEC shall issue public notice of the names of the JASDEC Participants which have opened the account prescribed in Paragraph 2.
7. In addition to the provisions of the preceding Paragraphs, matters required in connection with the opening of JASDEC Participant Accounts shall be prescribed by the Rules.

Article 17: Deleted.

Article 18: Account Classifications

1. JASDEC Participant Accounts shall be classified as follows; provided, however, all accounts of JASDEC Participants who/which are not Account Management Institutions shall fall under Item 1:
 - (1) Self Accounts
 - (2) Customer Accounts
2. A JASDEC Participant shall have the right to request that JASDEC open, within such JASDEC Participant's account, sub-accounts (hereinafter referred to as "Classified Accounts") based on use/purpose.
3. When making the request prescribed in the preceding Paragraph, the JASDEC Participant shall notify JASDEC (i) with respect to a Self Account, whether it will be used as a Pledge Account, Holding Account or Trust Account, or for any other purpose; and (ii) with respect to a Customer Account, the purpose for which it will be used.
4. In addition to the provisions of the preceding three (3) Paragraphs, matters required in

connection with Classified Accounts shall be prescribed by the Rules.

PART 2: NOTIFICATIONS BY JASDEC PARTICIPANTS, ETC.

Article 19: Matters for Notification

1. Upon the occurrence of any change concerning matters prescribed in Article 16, Paragraph 2, Item 3, or matters of which JASDEC was previously notified in writing pursuant to the provisions of Article 16, Paragraph 3, the JASDEC Participants shall provide JASDEC with notice relating thereto without delay.
2. Upon its receipt of notice concerning any change in the name of any JASDEC Participant, JASDEC shall so notify Issuers, other JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations.
3. If any JASDEC Participant ceases to meet the requirements set forth in Article 16, Paragraph 2, Item 1, it shall so notify JASDEC without delay.

PART 3: CLOSING OF JASDEC PARTICIPANT ACCOUNTS

Article 20: Closing of JASDEC Participant Accounts

1. Any JASDEC Participant shall have the right to request that JASDEC close its account pursuant to the provisions of the Rules. In such event, such request shall be made not less than one (1) month before the date on which the JASDEC Participant wishes to have its account closed.
2. JASDEC shall close the account of any JASDEC Participant to whom/which any of the following Items applies:
 - (1) The JASDEC Participant makes the request prescribed in the preceding Paragraph.
 - (2) The JASDEC Participant ceases to meet the requirements set forth in Article 16,

Paragraph 2, Item 1 or 2.

3. Any JASDEC Participant whose JASDEC Participant Account is to be closed must, prior to the closing of such account, complete the procedures for implementing book-entry transfers of the Corporate Bonds, etc., relating to such JASDEC Participant to another account.
4. JASDEC shall not be liable for any damage arising in connection with the closing of any JASDEC Participant Account.
5. When closing a JASDEC Participant Account, JASDEC shall notify in advance the applicable JASDEC Participant of the date on which such account will be closed.
6. When closing a JASDEC Participant Account, JASDEC shall notify Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations of the name of such JASDEC Participant and the date on which its account will be closed.
7. Any JASDEC Participant shall have the right to request that JASDEC close any of its Classified Accounts separately. The procedures applicable in such event shall be the same as the procedures for the closing of JASDEC Participant Accounts.

PART 4: MEASURES TO BE TAKEN WHEN JASDEC PARTICIPANTS
VIOLATE LAWS, ORDINANCES, ETC.

Article 21: Disciplinary Actions to be Taken with Respect to JASDEC Participants

1. If any of the following Items applies to any JASDEC Participant, JASDEC shall give an opportunity to such JASDEC Participant to defend itself, and then JASDEC shall have the right, pursuant to a resolution adopted by JASDEC's Board of Directors, to close such JASDEC Participant's JASDEC Participant Account or to issue a warning to such JASDEC Participant.

- (1) The breach of (i) laws, regulations, rules or ordinances, (ii) disciplinary action by an administrative or governmental entity based on laws, regulations, rules or ordinances; (iii) these Regulations, (iv) the Rules or (v) determinations made by JASDEC pursuant to the provisions of Article 75.
 - (2) In addition to the situation described in the preceding Item, whenever JASDEC determines it necessary in order to ensure the proper and efficient performance of the Corporate Bonds, etc. Book-Entry Transfer Business.
2. Closing of the applicable JASDEC Participant Account pursuant to the provisions of the preceding Paragraph shall not preclude JASDEC from exercising its right to pursue claims for compensation for damages.
 3. The provisions of Paragraphs 3 through 6 of the preceding Article shall apply mutatis mutandis to the closing of a JASDEC Participant Account as a disciplinary action taken pursuant to the provisions of Paragraph 1.
 4. If any disciplinary action is taken pursuant to Paragraph 1, JASDEC shall issue public notice relating thereto without delay.

Article 22: Recommendation to JASDEC Participants to Improve Their Business Operations

If either of the Items under Paragraph 1 of the preceding Article applies to any JASDEC Participant, and if JASDEC determines that the JASDEC Participant's business operation methods need to be improved, JASDEC shall recommend that the JASDEC Participant improve its business operation methods relating to the Corporate Bonds, etc. Book-Entry Transfer Business. In such event, any JASDEC Participant that receives such recommendation shall submit written reports to JASDEC concerning improvements to its business operation methods without delay.

CHAPTER 5: ACCOUNT MANAGEMENT INSTITUTIONS

PART 1: PROCEDURES FOR OPENING ACCOUNTS

Article 23: Scope of Account Management Institutions

Any person to whom/which any of the Items 1 through 13 of Paragraph 1 of Article 44 of the Act applies shall have the right to open accounts for the purpose of implementing book-entry transfers of Corporate Bonds, etc., for third parties upon their application therefor. In such event, an account of such person for the purpose of implementing book-entry transfers of Corporate Bonds, etc., shall have previously been opened by JASDEC or another Account Management Institution (limited to another Account Management Institution, if the person described in Item 13 of Paragraph 1 of Article 44 of the Act opens an account relating to “Corporate Bonds”).

Article 24: Evaluation for Opening of Accounts to Be Conducted By Account Management Institutions

1. After an Account Management Institution receives an application from a third party to open an account pursuant to the provisions of the preceding Article, the Account Management Institution shall open an account for such applicant (which must be a corporation when opening an account for Short Term Corporate Bonds, etc.).
2. Any person who/which requests that an Account Management Institution open an account shall submit to the Account Management Institution documents prescribed by the Rules.
3. When the provisions of Paragraph 1 apply, the Account Management Institution shall confirm the identity of the applicant using the method prescribed by the Act on Prevention of Transfer of Criminal Proceeds.
4. After an Account Management Institution approves of the opening of an account pursuant to the provisions of Paragraph 1, the Account Management Institution shall so notify the applicant.

Article 25: Account Classifications

An Account Management Institution shall handle its Participants' accounts in accordance with JASDEC's account classifications applicable to JASDEC Participants prescribed in the provisions of Article 18.

Article 26: Agreements with Participants

1. When opening an account of a Participant pursuant to the provisions of Article 24, an Account Management Institution shall enter into an agreement with the Participant, which shall include the following provisions:
 - (1) The Participant's account shall be opened under the Book-Entry Transfer System for Corporate Bonds, etc.; and, in connection with the handling of the Participant's account, the parties shall comply with the provisions of the agreement, the Act and other laws and ordinances, these Regulations, and other provisions prescribed by JASDEC in connection with the Book-Entry Transfer System for Corporate Bonds, etc.
 - (2) Documents, etc., necessary for the confirmation of the Participant's identity to be conducted by the Account Management Institution pursuant to the provisions of Article 24, Paragraph 3, shall be submitted.
 - (3) Only those Corporate Bonds, etc., in which the Participant has rights/interests, shall be recorded digitally or recorded in written entries in the Participant's account (excluding Customer Accounts of any Participant that is an Indirect Account Management Institution; the same shall apply hereinafter in this Article, other than Item 3 of Paragraph 2 and Item 3 of Paragraph 3).
 - (4) If any change to the Participant's name/trade name or address occurs, the Participant shall so notify the applicable Account Management Institution without delay.
 - (5) The applicable Account Management Institution (except when it is one of those

prescribed in Article 44, Paragraph 1, Item 13, of the Act) shall jointly guarantee, for the benefit of the Participant prescribed in Article 11, Paragraph 2, of the Act, the performance of all of the obligations which are owed by the Participant's Upper Positioned Institution to the Participant under Paragraph 2 of Article 80 and Paragraph 2 of Article 81 of the Act (including when the foregoing provisions are applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120, 121 and 127 of the Act).

- (6) If the applicable Participant is an Indirect Account Management Institution, the Account Management Institution shall communicate to such Participant the matters which are noted by JASDEC to the Account Management Institution.
 - (7) If Customer Accounts are to be opened for an Account Management Institution or its Upper Positioned Institution by multiple respective Nearest Upper Positioned Institutions, the applicable Account Management Institution shall so notify the Participant and advise the names of the Nearest Upper Positioned Institution and its Upper Positioned Institution(s) (other than JASDEC) which will open the Customer Account(s) where the amount or number of units of the issue of Corporate Bonds, etc., in which the Participant has rights/interests will be recorded digitally or recorded in written entries.
2. When opening a Participant's account relating to Short Term Corporate Bonds, etc., the agreement prescribed in the preceding Paragraph shall set forth the provisions listed below, in addition to the matters described in the Items under the preceding Paragraph:
- (1) The Participant shall have the right to request the applicable Account Management Institution to make book-entry transfers with respect to those Short Term Corporate Bonds, etc. (other than those subject to attachment and those with respect to which book-entry transfers and applications therefor are otherwise prohibited under laws and ordinances), which are recorded digitally or recorded in written entries in the Participant's account.
 - (2) Upon the occurrence of Redemption Dates with respect to those Short Term

Corporate Bonds, etc., which are recorded digitally or recorded in written entries in the Participant's account, the Participant shall request the applicable Account Management Institution to complete the procedures to obliterate such Short Term Corporate Bonds, etc., pursuant to the provisions of Article 52.

- (3) The redemption amounts relating to those Short Term Corporate Bonds, etc. (other than those subject to attachment and those with respect to which obliteration and applications therefor are otherwise prohibited under laws and ordinances), which are recorded digitally or recorded in written entries in the Participant's account, shall be received by the applicable Account Management Institution on behalf of the applicable Participant pursuant to the provisions of Article 52, and then distributed to the applicable Participant.
 - (4) If the Account Management Institution does not handle any of the issues of Short Term Corporate Bonds, etc., which are handled by JASDEC, under the provisions of Article 8 (limited to those instances where it does not constitute an unfair discriminatory practice prescribed in Article 14 of the Act, which is applicable under Article 46 of the Act), the Account Managing Institution shall so notify the Participant.
3. When opening a Participant's account relating to "Corporate Bonds," the agreement prescribed in Paragraph 1 shall set forth the provisions listed below, in addition to the provisions described in the Items under Paragraph 1:
- (1) The Participant shall have the right to request the applicable Account Management Institution to make book-entry transfers with respect to those "Corporate Bonds" (other than those subject to attachment and those with respect to which book-entry transfers and applications therefor are otherwise prohibited under laws and ordinances), which are recorded digitally or recorded in written entries in the Participant's account; provided, however, that the Participant shall not make any application for a book-entry transfer relating to "Corporate Bonds" to be implemented on the applicable "Corporate Bonds" redemption due date, pre-maturity redemption due date (i.e., the pre-maturity redemption date (if the pre-

maturity redemption date falls on a holiday prescribed in Article 4 or a foreign holiday designated in the issue conditions of the applicable issue of “Corporate Bonds,” the actual pre-maturity redemption date); the same shall apply hereinafter), or the business day (hereinafter referred to as the “Corporate Bonds Transfer Suspension Date”) immediately preceding the redemption due date, the pre-maturity redemption due date, fixed date redemption due date (i.e., the fixed date redemption date (if the fixed date redemption date falls on a holiday prescribed in Article 4 or a foreign holiday designated in the issue conditions of the applicable issue of “Corporate Bonds,” the actual fixed date redemption date); the same shall apply hereinafter) or the interest payment due date (i.e., the interest payment date (if the interest payment date falls on a holiday prescribed in Article 4 or a foreign holiday prescribed in the issue conditions of the applicable issue of “Corporate Bonds,” the day on which the interest is actually paid); the same shall apply hereinafter).

- (2) If any of the “Corporate Bonds,” which are recorded digitally or recorded in written entries in the Participant’s account, are to be redeemed or pre-maturely redeemed, the Participant shall request the applicable Account Management Institution to complete the procedures to obliterate such “Corporate Bonds” pursuant to the provisions of Article 58-25.
- (3) The redemption amounts (including amounts received upon pre-mature redemptions and fixed date redemptions) and interest relating to those JASDEC-Related Issues (i.e., those issues of “Corporate Bonds” whose redemption amounts and interest are handled pursuant to the provisions of Chapter 6-2, Part 7; the same shall apply hereinafter) (other than those subject to attachment and those with respect to which obliteration and applications therefor are otherwise prohibited under laws and ordinances), which are recorded digitally or recorded in written entries in the Participant’s account, shall be received by the applicable Account Management Institution on behalf of the applicable Participant pursuant to the provisions of Article 58-31, and then distributed to the applicable Participant.
- (4) If the Account Management Institution does not handle any of the issues of

“Corporate Bonds,” which are handled by JASDEC, under the provisions of Article 8-2 (limited to those instances where it does not constitute an unfair discriminatory practice prescribed in Article 14 of the Act, which is *mutatis mutandis* applied to Article 46 of the Act), the Account Managing Institution shall so notify the Participant.

- (5) If the Participant makes an application for a book-entry transfer relating to Non-JASDEC-Related Issues (i.e., those issues of “Corporate Bonds” other than JASDEC-Related Issues; the same shall apply hereinafter), which are recorded digitally or recorded in written entries in the Participant’s account, the Participant shall so notify the applicable Account Management Institution in advance.
4. Notwithstanding the provisions of Item 3 of the preceding Paragraph, an Account Management Institution shall have the right to agree with the applicable Participant to distribute some or all of the interest relating to JASDEC-Related Issues (other than those subject to attachment and those with respect to which obliteration and applications therefor are otherwise prohibited under laws and ordinances), which are recorded digitally or recorded in written entries in the Participant’s account, to a person other than the Participant pursuant to the Participant’s request.
5. When opening a Participant’s account relating to Investment Trust Beneficial Rights, the agreement prescribed in Paragraph 1 shall set forth the provisions listed below, in addition to the provisions described in the Items under Paragraph 1:
 - (1) The Participant shall have the right to request the applicable Account Management Institution to make book-entry transfers with respect to those Investment Trust Beneficial Rights (other than those subject to attachment and those with respect to which book-entry transfers and applications therefor are otherwise prohibited under laws and ordinances), which are recorded digitally or recorded in written entries in the Participant’s account; provided, however, that the Participant shall not make any book-entry transfer application for a book-entry transfer relating to Investment Trust Beneficial Rights to be implemented on any of the dates listed below (hereinafter referred to as the “Investment Trust Beneficial Rights Transfer

Suspension Date”):

- A. Business days designated by the Issuer on which book-entry transfers are suspended for the purpose of processing profit distributions (excluding book-entry transfer requests for book-entry transfers to the applicable Account Management Institution’s accounts);
- B. Business days during the period (hereinafter referred to as the “Book-Entry Transfer Suspension Period”) ending on the redemption date (i.e., the date on which the term of the applicable trust agreement ends; provided, however, that if the date on which the term of the applicable trust agreement ends is a holiday prescribed in Article 4, the business day preceding the redemption date or the business day following the redemption date, depending upon the classification designated by the Issuer; the same shall apply hereinafter in this Paragraph and in Chapter 6-3) designated by the Issuer for the purpose of processing redemption amounts, during which book-entry transfers are suspended (excluding book-entry transfer requests for book-entry transfers to the applicable Account Management Institution’s accounts);
- C. The business day following the redemption date (excluding book-entry transfer requests submitted on or before the business day preceding the proposed book-entry transfer date for book-entry transfers to the applicable Account Management Institution’s accounts); and
- D. The days described below, with respect to book-entry transfer requests for Book-Entry Transfers from/to non-DDC Accounts:
 - (a) The business day preceding the business day designated by the Issuer on which book-entry transfers are suspended for the purpose of processing profit distributions (excluding book-entry transfer requests submitted on or before the business day preceding the proposed book-entry transfer date);

- (b) The business day designated by the Issuer on which book-entry transfers are suspended for the purpose of processing profit distributions;
 - (c) Business days during the Book-Entry Transfer Suspension Period ending on the business day which is two (2) business days before the redemption date (excluding book-entry transfer requests for book-entry transfers to the applicable Account Management Institution's accounts);
 - (d) The business day preceding the redemption date (if such business day does not occur during the Book-Entry Transfer Suspension Period, excluding book-entry transfer requests submitted on or before the business day preceding the proposed book-entry transfer date; if such business day occurs during the Book-Entry Transfer Suspension Period, excluding book-entry transfer requests for book-entry transfers to the applicable Account Management Institution's accounts);
 - (e) The redemption date; and
 - (f) The business day following the redemption date.
- (2) If any of the Investment Trust Beneficial Rights which are recorded digitally or recorded in written entries in a Participant's account is to be redeemed or cancelled pursuant to the request of the Participant, the Participant shall request the applicable Account Management Institution to complete the procedures for requesting obliteration of such Investment Trust Beneficial Rights pursuant to the provisions of Article 58-48.
- (3) If the Account Management Institution does not handle any of the issues of Investment Trust Beneficial Rights, which are handled by JASDEC, under the provisions of Article 8-3 (limited to those instances where it does not constitute an unfair discriminatory practice prescribed in Article 14 of the Act, which is *mutatis mutandis* applied to Article 46 of the Act), the Account Managing Institution shall

so notify the Participant.

PART 2: JASDEC'S APPROVALS CONCERNING INDIRECT ACCOUNT
MANAGEMENT INSTITUTIONS

Article 27: Approval of Indirect Account Management Institutions

1. In addition to the provisions of the preceding Part, if any Account Management Institution prescribed in Article 23 is to serve as an Indirect Account Management Institution, such Account Management Institution that will serve as an Indirect Account Management Institution shall specify to JASDEC whether the account to be opened by the Nearest Upper Positioned Institution relates to Short Term Corporate Bonds, etc., "Corporate Bonds" or Investment Trust Beneficial Rights, clearly identify all of its Upper Positioned Institutions and make an application for JASDEC's approval in advance in accordance with the Rules.
2. In connection with the application prescribed in the preceding Paragraph, the applicant shall submit to JASDEC the documents prescribed by the Rules such as a certificate of its registered matters.
3. With respect to the application prescribed in Paragraph 1, JASDEC shall approve it if it determines that allowing the applicant to become an Indirect Account Management Institution is not likely to adversely affect the reputation of the Book-Entry Transfer System for Corporate Bonds, etc., or its efficient operation.
4. Upon its approval of an Indirect Account Management Institution, JASDEC shall notify such Indirect Account Management Institution of the date of such approval.
5. Upon its approval of an Indirect Account Management Institution, JASDEC shall notify Issuers (Issuing Agents and Paying Agents if Issuing Agents and Paying Agents have been appointed; the same shall apply hereinafter in this Chapter), JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations of the name of the applicable Indirect Account Management Institution and

the date of such approval.

6. In addition to the provisions of the preceding Paragraphs, matters required in connection with the approval of Indirect Account Management Institutions shall be prescribed by the Rules.
7. JASDEC shall issue public notice of the names of the Indirect Account Management Institutions which have been approved pursuant to the provisions of Paragraph 3.

Article 28: Deleted.

Article 29: Notification of Change of Trade Name, etc., of Indirect Account Management Institutions

1. If any change to an Indirect Account Management Institution's trade name, address, or other matters relating thereto previously communicated to JASDEC occurs, the Indirect Account Management Institution shall so notify JASDEC without delay.
2. Upon its receipt of notice concerning any change to the name of any Indirect Account Management Institution, JASDEC shall so notify Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations.
3. If any Indirect Account Management Institution ceases to be an entity prescribed in Article 44, Paragraph 1, Items 1 through 13, of the Act, it shall so notify JASDEC without delay.

Article 30: Cancellation of Approval Concerning Indirect Account Management Institutions

1. Pursuant to the provisions of the Rules, an Indirect Account Management Institution shall have the right to apply to JASDEC for the cancellation of its approval as an Indirect

Account Management Institution. Such application shall be submitted not less than one (1) month before the proposed cancellation date.

2. JASDEC shall cancel its approval of any Indirect Account Management Institution if any of the following Items applies to such Indirect Account Management Institution:
 - (1) The Indirect Account Management Institution submits the application prescribed in the preceding Paragraph.
 - (2) The Indirect Account Management Institution ceases to be an entity prescribed in Article 44, Paragraph 1, Items 1 through 13, of the Act.
3. If an Indirect Account Management Institution's approval as an Indirect Account Management Institution is to be cancelled, prior to such cancellation, the Indirect Account Management Institution shall complete procedures to implement book-entry transfers of those Corporate Bonds, etc., which are recorded digitally or recorded in written entries in the Customer Account which has been opened for such Indirect Account Management Institution at its Nearest Upper Positioned Institution to another account.
4. JASDEC shall not be liable for any damage arising in connection with the cancellation of its approval of Indirect Account Management Institutions.
5. When canceling its approval of an Indirect Account Management Institution, JASDEC shall notify in advance the applicable Indirect Account Management Institution of the date on which such cancellation shall occur.
6. When canceling its approval of an Indirect Account Management Institution, JASDEC shall notify in advance Issuers, JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations of the name of such Indirect Account Management Institution and the date on which such cancellation will occur.

Article 31: Measures To Be Taken Upon an Indirect Account Management Institution's

Violation of Laws, Ordinances, etc.

1. If any of the following Items applies to any Indirect Account Management Institution, JASDEC shall give an opportunity to such Indirect Account Management Institution to defend itself, and then JASDEC shall have the right, pursuant to a resolution adopted by JASDEC's Board of Directors, to cancel its approval of such Indirect Account Management Institution or to issue a warning to such Indirect Account Management Institution.
 - (1) The breach of (i) laws, regulations, rules or ordinances; (ii) disciplinary action by an administrative or governmental entity based on laws, regulations, rules or ordinances; (iii) these Regulations, (vi) the Rules or (v) determinations made by JASDEC pursuant to the provisions of Article 75.
 - (2) In addition to the situation described in the preceding Item, whenever JASDEC determines it necessary in order to ensure the proper and efficient performance of the Corporate Bonds, etc. Book-Entry Transfer Business.
2. Cancellation of approval of the applicable Indirect Account Management Institution pursuant to the provisions of the preceding Paragraph shall not preclude JASDEC from exercising its right to pursue claims for compensation for damages.
3. The provisions of Paragraphs 3 through 6 of the preceding Article shall apply mutatis mutandis to the cancellation of approval of an Indirect Account Management Institution as a disciplinary action taken pursuant to the provisions of Paragraph 1.
4. In the event that any disciplinary action is taken pursuant to Paragraph 1, JASDEC shall issue public notice relating thereto without delay.

Article 32: Recommendation to Indirect Account Management Institutions to Improve Their Business Operations

If either of the Items under Paragraph 1 of the preceding Article applies to any Indirect

Account Management Institution, and if JASDEC determines that the Indirect Account Management Institution's business operation methods need to be improved, JASDEC shall recommend that the Indirect Account Management Institution improve its business operation methods relating to the Corporate Bonds, etc. Book-Entry Transfer Business. In such event, any Indirect Account Management Institution that receives such recommendation shall submit written reports to JASDEC concerning improvements to its business operation methods without delay.

CHAPTER 6: HANDLING OF BOOK-ENTRY TRANSFERS, ETC.,
OF SHORT TERM CORPORATE BONDS, ETC.

PART 1: TRANSFER ACCOUNT BOOK

Article 33: Matters to be Recorded Digitally or Recorded in Written Entries in Transfer Account Books

1. Transfer Account Books relating to Short Term Corporate Bonds, etc. (hereinafter in this Chapter referred to simply as "Transfer Account Books"), which are maintained by JASDEC shall have a separate section for each JASDEC Participant's account, and which are maintained by Account Management Institutions shall have a separate section for each Participant's account.
2. The following matters shall be recorded in each JASDEC Participant's account (other than Customer Accounts) in the Transfer Account Book maintained by JASDEC:
 - (1) JASDEC Participant's name and address.
 - (2) Issue of Short Term Corporate Bonds, etc.
 - (3) The amount, and amounts of increase and decrease, of each issue of Short Term Corporate Bonds, etc., in the account (if Classified Accounts have been established, in each Classified Account; the same shall apply hereinafter in this Article).

- (4) If any restriction on disposition of Short Term Corporate Bonds, etc., owned by the JASDEC Participant itself has been imposed under an attachment order, etc., a notation relating thereto and the date on which such attachment order, etc., was delivered.
 - (5) Other matters prescribed by the Enforcement Order of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.. (Cabinet Order No.362 of 2002; hereinafter referred to as the “Enforcement Order”).
3. The following matters shall be recorded in each Customer Account in the Transfer Account Book prescribed in the preceding Paragraph:
 - (1) Matters prescribed in Items 1 and 2 of the preceding Paragraph.
 - (2) The amount, and amounts of increase and decrease, of each issue of Short Term Corporate Bonds, etc., in the account.
 - (3) Other matters prescribed by the Enforcement Order.
4. The following matters shall be recorded digitally or recorded in written entries in each Participant’s account in the Transfer Account Book maintained by Account Management Institutions (other than Customer Accounts):
 - (1) Participant’s name and address.
 - (2) Issue of Short Term Corporate Bonds, etc.
 - (3) The amount, and amounts of increase and decrease, of each issue of Short Term Corporate Bonds, etc., in the account.
 - (4) If any restriction on disposition of Short Term Corporate Bonds, etc., owned by Participant itself has been imposed under an attachment order, etc., a notation relating thereto and the date on which such attachment order, etc., was delivered.

- (5) Other matters prescribed by the Enforcement Order.
5. The following matters shall be recorded digitally or recorded in written entries in each Customer Account in the Transfer Account Book prescribed in the preceding Paragraph:
- (1) Matters prescribed in Items 1 and 2 of the preceding Paragraph.
 - (2) The amount, and amounts of increase and decrease, of each issue of Short Term Corporate Bonds, etc., in the account.
 - (3) Other matters prescribed by the Enforcement Order.

Article 34: Units of Amount of Short Term Corporate Bonds, etc., to Be Recorded Digitally or Recorded in Written Entries in Transfer Account Books

Amount of Short Term Corporate Bonds, etc., recorded digitally or recorded in written entries in Transfer Account Books shall be integer multiples of the value of each corporate bond relating to each issue of Short Term Corporate Bonds, etc.

Article 35: Maintenance of Transfer Account Books

Book-Entry Transfer Institutions, etc., shall properly and accurately maintain the Transfer Account Books; provided, however, that they shall have the right to delete those digital and written entry records which were made over ten (10) years ago, and to destroy portions relating to such digital and written entry records.

Article 36: Revisions and Corrections of Digital and Written Entry Records in Transfer Account Books

- 1. A Book-Entry Transfer Institution, etc., shall, upon its receipt of notice concerning any change affecting matters recorded digitally or recorded in written entries in the Transfer Account Book maintained by it, record digitally or record in written entries, such change

in such Transfer Account Book without delay.

2. A Book-Entry Transfer Institution, etc., shall, whenever any error is discovered in any digital or written entry record in the Transfer Account Book maintained by it, make a correction to such digital or written entry record without delay.

PART 2: NEW RECORD PROCEDURES

Article 37: Issuers' Notice Concerning New Record Procedures

1. Issuers (Issuing Agents, if Issuing Agents have been appointed; the same shall apply hereinafter in this Part, except for Paragraph 2 of the following Article and Item 2 of Article 41) of Short Term Corporate Bonds, etc., shall notify JASDEC of the following matters upon their issuance of new Short Term Corporate Bonds, etc.:
 - (1) The following information concerning the issue of Short Term Corporate Bonds, etc., scheduled to be issued (hereinafter in this Chapter referred to as "Information of the Issue"):
 - A. Issue of the Short Term Corporate Bonds, etc.
 - B. Total issue amount.
 - C. Value of each corporate bond.
 - D. Payment date.
 - E. Redemption date.
 - F. Other matters prescribed by the Rules.
 - (2) The following information concerning the acquisition of Short Term Corporate Bonds, etc., scheduled to be issued (hereinafter referred to as "Acquisition

Information”):

- A. Matters prescribed by the Rules to identify the name of the Participant which will make the payment (hereinafter in this Chapter referred to as the “Paying Participant”).
 - B. Matters prescribed by the Rules to identify the account opened for the Paying Participant for the purpose of implementing book-entry transfers of such Short Term Corporate Bonds, etc.
 - C. With respect to each Participant, the amount of the Short Term Corporate Bonds, etc., in connection with which such Participant will make payments.
 - D. Other matters prescribed by the Rules.
2. The notice prescribed in the preceding Paragraph may be given up to the payment date of the applicable Short Term Corporate Bonds, etc.
 3. In addition to the provisions of the preceding two (2) Paragraphs, matters required in connection with the Issuers’ notice concerning new record procedures shall be prescribed by the Rules.

Article 38: Classification of Settlement Methods

1. When new record concerning Short Term Corporate Bonds, etc., is made, settlement methods shall be classified either as a DVP Settlement or a Non-DVP Settlement.
2. In connection with the classification prescribed in the preceding Paragraph, if the Issuer’s Fund Settlement Corporation is different from the Fund Settlement Corporation of the Paying Participant, and if the Issuer and the Paying Participant so agree, a DVP Settlement may be designated.
3. When designating a DVP Settlement, the Issuer shall, in addition to the notice prescribed

in Paragraph 1 of the preceding Article, provide JASDEC with the following information relating to a DVP Settlement (hereinafter in this Chapter referred to as “DVP Settlement New Record Information”):

- (1) The fact that a DVP Settlement will be designated.
- (2) Fund settlement amount relating to the payment.
- (3) Fund Settlement Corporation used by the Paying Participant.
- (4) Other matters prescribed by the Rules.

Article 39: Recordation in Issue Accounts

1. Upon its receipt of the Issuer’s notice prescribed in Paragraph 1 of Article 37 (in the case of a DVP Settlement, including notice relating to DVP Settlement New Record Information), JASDEC shall take the measures prescribed in the following Items, depending on the settlement method classification set forth in the following Items:

- (1) When a DVP Settlement is not designated:

JASDEC shall record details of Information of the Issue and Acquisition Information in the Issue Account and provide the Issuer and the Purchaser JASDEC Participant (i.e., the JASDEC Participant (i) which makes the payment; (ii) whose Participant makes the payment; (iii) whose Lower Positioned Institution makes the payment; or (iv) whose Lower Positioned Institution’s Participant makes the payment; the same shall apply hereinafter in this Chapter) with the details of such record and other matters prescribed by the Rules.

- (2) When a DVP Settlement is designated:

JASDEC shall notify the Issuer and the Purchaser JASDEC Participant of the matters prescribed by the Rules as information required for the implementation of

a DVP Settlement.

2. When Item 2 of the preceding Paragraph applies, the Purchaser JASDEC Participant shall confirm the details of the matters set forth in the applicable notice, and notify JASDEC whether it approves or disapproves them as a result of such confirmation.
3. Upon its receipt of notice from the Purchaser JASDEC Participant prescribed in the preceding Paragraph, JASDEC shall take the measures prescribed in the following Items, depending upon whether the approval prescribed in the following Items is given or not given:
 - (1) When matters so notified are approved by the Purchaser JASDEC Participant:
 - A. JASDEC shall record the Information of the Issue, the Acquisition Information and DVP Settlement New Record Information in the Issue Account, and notify the Issuer and the Purchaser JASDEC Participant of the details of such record and the Settlement Number [*kessai-bangou*] designated by JASDEC in order to implement a DVP Settlement.
 - B. On the payment date, JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of Short Term Corporate Bonds, etc., recorded in the Issue Account.

- (2) When matters so notified are not approved by the Purchaser JASDEC Participant:

JASDEC shall notify the Issuer that the matters so notified were not approved.

Article 40: Fund Settlement by Way of a DVP Settlement

When a DVP Settlement is designated, fund settlement methods shall be as prescribed in the

following Items:

- (1) When the Purchaser JASDEC Participant makes the payment on its own account:

The Purchaser JASDEC Participant shall take the measures prescribed by the Rules, which are necessary in order to make payments of funds through the BOJ Net. In such event, if the fund settlement is to be made using a Fund Settlement Corporation, the Purchaser JASDEC Participant shall communicate to the Fund Settlement Corporation that the funds will be paid through the BOJ Net and the Issue Fund Settlement Information (i.e., the information prescribed by the Rules as that portion of the information recorded in the Issue Account, which is necessary for the fund settlement, and the Settlement Number).

- (2) When the Purchaser JASDEC Participant's Participant or its Lower Positioned Institution's Participant makes the payment:

The Purchaser JASDEC Participant shall take measures prescribed by the Rules, which are necessary in order to enable the Paying Participant (if such Paying Participant implements the fund settlement using a Fund Settlement Corporation, the Fund Settlement Corporation) to make payments of funds through the BOJ Net.

Article 41: Notice Upon Payment

Notice to JASDEC upon payments relating to Short Term Corporate Bonds, etc., shall be given as set forth in the following Items:

- (1) When a DVP Settlement is not designated:

Upon the Issuer's confirmation that payments relating to the issue of Short Term Corporate Bonds, etc., issued by it and recorded in the Issue Account have been made, the Issuer shall so notify JASDEC.

- (2) When a DVP Settlement is designated:

Upon JASDEC's confirmation pursuant to the provisions of the Rules of the completion of fund settlements implemented through the BOJ Net in accordance with the provisions of the Items of the preceding Article in connection with the payments for the Short Term Corporate Bonds, etc., any notice prescribed by Article 37, Paragraph 1, shall be deemed to constitute notice concerning the payments relating to such Short Term Corporate Bonds, etc. which the Issuer is required to issue.

Article 42: New Record

1. In the event that the notice prescribed in the preceding Article is given, JASDEC shall take the measures prescribed in the following Items with respect to the amounts recorded in the Issue Account in connection with the issue of Short Term Corporate Bonds, etc., relating to such notice pursuant to the provisions of Item 1 of Paragraph 1 of Article 39 and Item 1 of Paragraph 3 of Article 39, based on the classifications set forth in the following Items:

- (1) If JASDEC opened the account prescribed in Article 37, Paragraph 1, Item 2-B:

The amount of increase shall be recorded in the Holding Account of the applicable account.

- (2) If JASDEC did not open the account prescribed in Article 37, Paragraph 1, Item 2-B:

The amount of increase shall be recorded in the Customer Account of the account of the Account Management Institution which is the Purchaser JASDEC Participant, and JASDEC shall notify such Account Management Institution of those portions of the Information of the Issue and the Acquisition Information, which are described in Article 37, Paragraph 1, Item 1-A and Item 2-A, B and C.

2. If the notice prescribed in Item 2 of the preceding Paragraph (including when it is applied

to this Paragraph) is given, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to any Account Management Institution that receives such notice.

3. When recording digitally or recording in written entries the amount of any increase pursuant to the preceding two (2) Paragraphs, if the account prescribed in Article 37, Paragraph 1, Item 2-B is a Trust Account, the notice prescribed in Article 37 shall include the application information concerning the trust's digital or written entry records pursuant to Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Articles 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, the Book-Entry Transfer Institution, etc. at which such Trust Account is opened shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Articles 115, 117, 118, 120 and 127 of the Act).
4. In the event that JASDEC enters new record prescribed in the preceding three (3) Paragraphs, JASDEC shall notify the Issuer and the Purchaser JASDEC Participant that the new record has been entered and other matters prescribed by the Rules. In such event, the recipients of such notice shall confirm the contents thereof.

PART 3: BOOK-ENTRY TRANSFER PROCEDURES

Article 43: Book-Entry Transfer Procedures

1. When an application for a book-entry transfer (excluding those book-entry transfers to be implemented by JASDEC by way of a DVP Settlement; the same shall apply hereinafter in this Part) involving specified issue of Short Term Corporate Bonds, etc. is made, the Book-Entry Transfer Institution, etc., shall, under the provisions of Paragraphs 4 through 9, and pursuant to the notations set forth in the application pursuant to the provisions of Paragraph 3, record digitally/record in written entries or give notice concerning the amount of increase or reduction in the Transfer Account Book maintained by it.
2. The application prescribed in the preceding Paragraph shall be made by the Participant in whose account (other than Customer Accounts) the amount of reduction arising from the

book-entry transfer will be recorded digitally or recorded in written entries (hereinafter in this Chapter referred to as the “Transferor Participant”) to its Nearest Upper Positioned Institution.

3. The Transferor Participant shall include the following matters (hereinafter in this Chapter referred to as the “Book-Entry Transfer Application Information”) in the application relating to the book-entry transfer:

(1) The issue and amount of the Short Term Corporate Bonds, etc., in connection with whose book-entry transfer the amount of increase or reduction must be recorded digitally or recorded in written entries.

(2) Indication as to whether the amount of reduction should be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Transferor Participant’s account.

(3) Matters prescribed by the Rules in order to identify the account (other than Customer Accounts; hereinafter in this Chapter referred to as the “Transferee Account”) where the amount of increase should be recorded digitally or recorded in written entries.

(4) Indication as to whether the amount of increase should be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Transferee Account (other than an Institutional Account).

(5) The date on which the book-entry transfer is implemented.

(6) Other matters prescribed by the Rules.

4. If an application prescribed in Paragraph 1 is made, the Book-Entry Transfer Institution, etc., that received the application shall take the following measures without delay.

(1) Record digitally or record in written entries the amount of reduction with respect

to the amount (hereinafter referred to as the “Transfer Amount”) prescribed in Item 1 of the preceding Paragraph in the Holding Account or the Pledge Account of the Transferor Participant’s account prescribed in the provisions of Item 2 of the preceding Paragraph.

- (2) If the applicable Book-Entry Transfer Institution, etc., is not the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, notify the Nearest Upper Positioned Institution of the matters prescribed in Items 1 and 3 through 6 of the preceding Paragraph.
 - (3) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, which opened the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Holding Account or the Pledge Account in such Transferee Account prescribed in Item 4 of the preceding Paragraph.
 - (4) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, which did not open the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Customer Account of the account of the Nearest Lower Positioned Institution of such Common Nearest Upper Positioned Institution, which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters prescribed in Items 1 and 3 through 6 of the preceding Paragraph.
5. If a notice is given pursuant to Item 2 of the preceding Paragraph, the Book-Entry Transfer Institution, etc., that has received such notice shall take the following measures without delay:
- (1) Record digitally or record in written entries the amount of reduction relating to the Transfer Amount in the Customer Account of the account of the Account

Management Institution that issued such notice.

- (2) If the applicable Book-Entry Transfer Institution, etc., is not the Common Nearest Upper Positioned Institution concerning such book-entry transfer, notify the Nearest Upper Positioned Institution of the matters concerning which the notice pursuant to the provisions of Item 2 of the preceding Paragraph was given.
 - (3) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution concerning such book-entry transfer, which opened the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Holding Account or the Pledge Account of the applicable Transferee Account prescribed in the provisions of Item 4 of Paragraph 3.
 - (4) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution concerning such book-entry transfer, which did not open the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Customer Account of the account of the Nearest Lower Positioned Institution of such Common Nearest Upper Positioned Institution, which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters set forth in such notice provided pursuant to Item 2 of the preceding Paragraph.
6. If a notice is given pursuant to Item 2 of the preceding Paragraph (including when it is applied to this Paragraph), the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Book-Entry Transfer Institution, etc., that received such notice.
 7. If a notice prescribed in Item 4 of Paragraph 4 or Item 4 of Paragraph 5 (including when it is applied *mutatis mutandis* to the preceding Paragraph; the same shall apply hereinafter in this Paragraph) is given, the Account Management Institution that received such notice shall take the following measures without delay:

- (1) If the applicable Account Management Institution opened the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Holding Account or the Pledge Account in such Transferee Account prescribed in the provisions of Item 4 of Paragraph 3.
 - (2) If the applicable Account Management Institution did not open the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Customer Account of the account of the Nearest Lower Positioned Institution of such Account Management Institution, which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters set forth in such notice provided pursuant to Item 4 of Paragraph 4 or Item 4 of Paragraph 5.
8. If a notice is given pursuant to Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* to this Paragraph), the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Account Management Institution that received such notice.
9. In connection with the digital record or record in written entries of the amount of increase pursuant to the provisions of Paragraphs 4 through 8, if the Transferee Account is a Trust Account, the application for book-entry transfers prescribed in Paragraph 1 shall include the application information concerning the trust's digital or written entry records pursuant to the provisions of Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Articles 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, the Book-Entry Transfer Institution, etc., at which such Trust Account is opened, shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Articles 115, 117, 118, 120 and 127 of the Act).
10. In addition to the provisions of the preceding Paragraphs, matters required in connection with the book-entry transfer prescribed in this Article shall be prescribed by the Rules.

Article 43-2: Special Rules for Book-Entry Transfer Procedures Relating to Offering Collateral to the Bank of Japan

When a BOJ Collateral Provider JASDEC Participant (i.e., a JASDEC Participant which or whose Participant provides the Bank of Japan with collateral; the same shall apply hereinafter in this Chapter) makes an application (limited to those made to JASDEC) for a book-entry transfer (including a notice) relating to book-entry transfer procedures prescribed in the preceding Article in connection with the provision of collateral to the Bank of Japan, the Bank of Japan shall make such application on behalf of the applicable BOJ Collateral Provider JASDEC Participant.

PART 4: SPECIAL RULES FOR JASDEC'S BOOK-ENTRY TRANSFER PROCEDURES

Article 44: Settlement Method Classifications

1. Settlement methods to be used at the time of book-entry transfers by JASDEC shall be classified between a DVP Settlement and a Non-DVP Settlement.
2. In connection with the classification prescribed in the preceding Paragraph, a DVP Settlement may be designated if all of the conditions listed below are satisfied:
 - (1) The Fund Settlement Corporation of the Transferor Participant is different from the Fund Settlement Corporation of the Participant (hereinafter in this Chapter referred to as the "Transferee Participant") in whose account (other than Customer Accounts) the amount of increase relating to the book-entry transfer will be recorded.
 - (2) The Transferor Participant and the Transferee Participant have reached an agreement.
 - (3) An application for a book-entry transfer is made directly to JASDEC based on the confirmation results relating to settlement conditions.

Article 45: JASDEC's Book-Entry Transfer Procedures

With respect to book-entry transfer procedures relating to a DVP Settlement prescribed in the settlement method classification set forth in the provisions of the preceding Article, book-entry transfers to be implemented by JASDEC shall be in accordance with the provisions of Articles 46 through 50 below.

Article 46: Book-Entry Transfer Application Relating to a DVP Settlement

1. If a DVP Settlement is designated, the Transferor JASDEC Participant (i.e., the JASDEC Participant (i) which acts as the transferor with respect to the book-entry transfer; (ii) whose Participant acts as the transferor with respect to the book-entry transfer; (iii) whose Lower Positioned Institution acts as the transferor with respect to the book-entry transfer; or (iv) whose Lower Positioned Institution's Participant acts as the transferor with respect to the book-entry transfer; the same shall apply hereinafter in this Chapter) shall notify JASDEC, in addition to the notification of the Book-Entry Transfer Application Information, of the following information relating to a DVP Settlement (hereinafter in this Chapter referred to as the "Book-Entry Transfer DVP Settlement Information"):
 - (1) The fact that a DVP Settlement is designated.
 - (2) Fund settlement amounts relating to the book-entry transfer.
 - (3) Fund Settlement Corporations used by the Transferor Participant and the Transferee Participant.
 - (4) Other matters prescribed by the Rules.
2. In addition to the provisions of the preceding Paragraph, matters required in connection with the book-entry transfer applications involving a DVP Settlement shall be prescribed by the Rules.

Article 47: Recordation in Transfer Account in Connection with a DVP Settlement

1. Upon its receipt of notice prescribed in Paragraph 1 of the preceding Article, JASDEC shall take the following measures:
 - (1) On the day on which the book-entry transfer is implemented, JASDEC shall record in the Transfer Account the Book-Entry Transfer Application Information and the Book-Entry Transfer DVP Settlement Information, and notify the Transferor JASDEC Participant and the Transferee JASDEC Participant (i.e., the JASDEC Participant (i) which acts as the transferee with respect to the book-entry transfer; (ii) whose Participant acts as the transferee with respect to the book-entry transfer; (iii) whose Lower Positioned Institution acts as the transferee with respect to the book-entry transfer; or (iv) whose Lower Positioned Institution's Participant acts as the transferee with respect to the book-entry transfer; the same shall apply hereinafter in this Chapter) the information recorded in the Transfer Account and the Settlement Number designated by JASDEC in order to implement a DVP Settlement.
 - (2) On the day on which the book-entry transfer is implemented, JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issue of Short Term Corporate Bonds, etc., recorded in the Transfer Account.
2. In addition to the provisions of the preceding Paragraph, matters required in connection with the recordation, etc., in the Transfer Account relating to a DVP Settlement shall be prescribed by the Rules.

Article 48: Fund Settlements by Way of a DVP Settlement

When a DVP Settlement is designated, the fund settlement shall be as set forth in the

following Items:

- (1) When the Transferee JASDEC Participant makes payments on its own account.

The Transferee JASDEC Participant shall take the measures prescribed by the Rules, which are necessary in order to make payments of funds through the BOJ Net. In such event, if the fund settlement is to be implemented with the use of a Fund Settlement Corporation, the Transferee JASDEC Participant shall communicate to the Fund Settlement Corporation that payments of funds will be made through the BOJ Net and the Book-Entry Transfer Fund Settlement Information (i.e., that portion of the information recorded in the Transfer Account, which is prescribed by the Rules as information necessary for fund settlements and the Settlement Number).

- (2) When the Transferee JASDEC Participant's Participant or its Lower Positioned Institution's Participant makes payments.

The Transferee JASDEC Participant shall take measures prescribed by the Rules, which are necessary in order to enable the payer (if the payer uses a Fund Settlement Corporation in order to implement the fund settlement, the Fund Settlement Corporation) to make payments of funds through the BOJ Net.

Article 49: Book-Entry Transfer Records in Connection with a DVP Settlement

1. Upon JASDEC's confirmation pursuant to the provisions of the Rules that the Bank of Japan has completed settlement of funds by way of a DVP Settlement in connection with the book-entry transfers, JASDEC shall record the amount of reduction in the Transferor JASDEC Participant's account, and record the amount of increase in the Transferee JASDEC Participant's account, with respect to the amount recorded in the Transfer Account pursuant to the provisions of Article 47, Paragraph 1, Item 1.
2. If the account where the amount of increase is recorded pursuant to the provisions of the preceding Paragraph is a Transferee Account and also a Trust Account, the application for

book-entry transfers prescribed in Paragraph 1 of Article 43 shall include the application information concerning the trust's digital or written entry records pursuant to the provisions of Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Articles 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, JASDEC shall record in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Articles 115, 117, 118, 120 and 127 of the Act).

Article 50: Notice of Completion of Book-Entry Transfer Recordation

In the event that JASDEC implements book-entry transfers pursuant to the provisions of Articles 43 and 49, JASDEC shall notify the Transferor JASDEC Participant and the Transferee JASDEC Participant that such book-entry transfers were implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

PART 5: OBLITERATION PROCEDURES

Article 51: Obliteration Procedures

1. If an application for obliteration (except where Part 6 applies) of specified issue of Short Term Corporate Bonds, etc., is made, the Account Management Institution shall, under the provisions of Paragraphs 4 through 6, record digitally/record in written entries or give notice concerning the amount of reduction in the Transfer Account Book maintained by it in accordance with the instructions set forth in the application pursuant to the provisions of Paragraph 3.
2. The application prescribed in the preceding Paragraph shall be made by the Participant (hereinafter in this Chapter referred to as the "Obliteration Applicant Participant"), in whose account (other than Customer Accounts) the amount of reduction relating to the obliteration shall be recorded digitally or recorded in written entries, to its Nearest Upper Positioned Institution.

3. In its application for obliteration, the Obliteration Applicant Participant shall set forth the following matters (hereinafter in this Chapter referred to as “Obliteration Application Information”):
 - (1) The issue and amount of the Short Term Corporate Bonds, etc., for which the amount of reduction shall be recorded digitally or recorded in written entries in connection with such obliteration.
 - (2) Indication as to whether the amount of reduction will be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Obliteration Applicant Participant’s account.
 - (3) Other matters prescribed by the Rules.
4. If the application prescribed in Paragraph 1 is made, the Account Management Institution that received such application shall take the following measures without delay:
 - (1) Record digitally or record in written entries the amount of reduction with respect to the amount prescribed in Item 1 of the preceding Paragraph in the Holding Account or the Pledge Account of the Obliteration Applicant Participant’s account prescribed in Item 2 of the preceding Paragraph.
 - (2) If the Account Management Institution that received the applicable application is an Indirect Account Management Institution, notify the Nearest Upper Positioned Institution of the matters set forth in the notice pursuant to the provisions of Item 1 of the preceding Paragraph.
5. When the notice prescribed in Item 2 of the preceding Paragraph is given, the Account Management Institution that received such notice shall take the following measures without delay:
 - (1) Record digitally or record in written entries the amount of reduction with respect to the amount prescribed in Item 1 of Paragraph 3 in the Customer Account of the

account of the Account Management Institution that issued such notice.

- (2) If the Account Management Institution that received the applicable notice is an Indirect Account Management Institution, notify the Nearest Upper Positioned Institution of the matters set forth in the notice pursuant to the provisions of Item 2 of the preceding Paragraph.
6. When a notice prescribed in Item 2 (including when it is applied *mutatis mutandis* pursuant to this Paragraph) of the preceding Paragraph is issued, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Account Management Institution that received such notice.

Article 52: Delegation of Obliteration Procedures

1. A Participant (other than JASDEC Participants) shall delegate to its Nearest Upper Positioned Institution that is an Account Management Institution those matters relating to the receipt of redemption amounts in connection with the obliteration procedures and the administrative work relating to obliteration procedures, which are prescribed by the Rules.
2. If the Account Management Institution to which work is delegated pursuant to the preceding Paragraph is an Indirect Account Management Institution, such Indirect Account Management Institution shall delegate the same to its Nearest Upper Positioned Institution that is an Account Management Institution. The same shall apply when such Nearest Upper Positioned Institution is another Indirect Account Management Institution.

PART 6: JASDEC'S OBLITERATION PROCEDURES

Article 53: Classification of Settlement Methods

1. Settlement methods to be used by JASDEC acting as a book-entry transfer institution when implementing obliteration shall be classified between a DVP Settlement and a Non-DVP Settlement.

2. With respect to the settlement method classification prescribed in the preceding Paragraph, (i) a Non-DVP Settlement shall be used when the Fund Settlement Corporation relating to the Obliteration Applicant JASDEC Participant (i.e., a JASDEC Participant which implements obliteration procedures for itself or for the Participant which has delegated work pursuant to the provisions of the preceding Article; the same shall apply hereinafter in this Chapter) is the same Fund Settlement Corporation relating to the Issuer of the Short Term Corporate Bonds, etc.; and (ii) a DVP Settlement shall be used when such Fund Settlement Corporations are not the same.
3. Notwithstanding the provisions of the preceding Paragraph, if deemed necessary by JASDEC, a different classification of settlement methods may be prescribed pursuant to the provisions of the Rules.

Article 54: Application for Obliteration

1. When JASDEC implements obliteration as a Book-Entry Transfer Institution, the Obliteration Applicant JASDEC Participant shall provide JASDEC with the Obliteration Application Information and communicate the matters set forth in the following Items as information necessary for the implementation of a DVP Settlement (hereinafter in this Chapter referred to as the “Obliteration DVP Settlement Information”):
 - (1) Fund settlement amounts relating to the obliteration procedures.
 - (2) The Fund Settlement Corporation used by the Obliteration Applicant JASDEC Participant.
 - (3) Other matters prescribed by the Rules.
2. The Obliteration Applicant JASDEC Participant shall have the right to make an application for obliteration to JASDEC commencing on the business day immediately preceding the day on which it wishes to implement obliteration.
3. Notwithstanding the provisions of the preceding two (2) Paragraphs, the notice prescribed

in Paragraph 1 shall be deemed to have been given if the period prescribed by the Rules expires on the redemption date (if such date becomes a non-business day after the new record relating to those issues of Short Term Corporate Bonds, etc., relating to such obliteration is entered, the business day immediately preceding such day; the same shall apply hereinafter in this Chapter) relating to specified issue of Short Term Corporate Bonds, etc.

4. In addition to the provisions of the preceding three (3) Paragraphs, matters required in connection with applications for obliteration, when JASDEC, acting as a book-entry transfer institution, is to implement obliteration, shall be prescribed by the Rules.

Article 55: Recordation in Redemption Accounts

Upon its receipt of an application for obliteration prescribed in the preceding Article from an Obliteration Applicant JASDEC Participant, JASDEC shall take the measures set forth in the following Items in accordance with the settlement method classification set forth in the Items below:

- (1) In the case of a Non-DVP Settlement:

On the Redemption Date, JASDEC shall record the Obliteration Application Information in the Redemption Account, and notify the Issuer (the Paying Agent, if a Paying Agent has been appointed; the same shall apply hereinafter in this Article) and the Obliteration Applicant JASDEC Participant of the details of such record and that a DVP Settlement will not be implemented.

- (2) In the case of a DVP Settlement:

- A. On the redemption date, JASDEC shall record in the Redemption Account the Obliteration Application Information and Obliteration DVP Settlement Information, and notify the Issuer and the Obliteration Applicant JASDEC Participant of the details of such record, that a DVP Settlement will be implemented, and the Settlement Number designated by JASDEC in order to

implement a DVP Settlement.

- B. On the redemption date, JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., of the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of Short Term Corporate Bonds, etc., recorded in the Redemption Account.

Article 56: Fund Settlements by Way of a DVP Settlement

In connection with a fund settlement by way of a DVP Settlement, the Issuer (the Paying Agent, if a Paying Agent has been appointed; the same shall apply hereinafter in this Article) shall take measures which are necessary in order to make payments of funds through the BOJ Net; in such event, if a Fund Settlement Corporation is used for settlement of funds, the Issuer shall communicate to the Fund Settlement Corporation that the payment of funds will be made through the BOJ Net and the Redemption Fund Settlement Information (i.e., that portion of the information recorded in the Redemption Account, which is designated by the Rules to be necessary for settlement of funds, and the Settlement Number).

Article 57: Fund Settlement Confirmation

The provisions of the following Items shall apply to notices to JASDEC relating to settlement of funds in connection with redemption of Short Term Corporate Bonds, etc.:

- (1) In the case of a Non-DVP Settlement:

Upon confirmation of receipt of the redemption amounts relating to the issue of Short Term Corporate Bonds, etc., involved in the obliteration and recorded in the Redemption Account, the Obliteration Applicant JASDEC Participant shall so notify JASDEC.

- (2) In the case of a DVP Settlement:

JASDEC shall confirm, using the methods prescribed by the Rules, the notice from the Bank of Japan concerning the settlement of funds through the BOJ Net pursuant to the provisions of the preceding Article with respect to the completion of settlement of funds in connection with the redemption of Short Term Corporate Funds, etc.

Article 58: Obliteration Records

1. In connection with the recordation of the amount of reduction in connection with obliteration procedures, JASDEC shall take the measures prescribed in the following Items in accordance with the settlement method classification set forth in the following Items:

- (1) In the case of a Non-DVP Settlement:

Upon its receipt of the notice prescribed in Item 1 of the preceding Article, JASDEC shall record the amount of reduction in the Obliteration Applicant JASDEC Participant's account with respect to the amount recorded in the Redemption Account pursuant to the provisions of Item 1 of Article 55.

- (2) In the case of a DVP Settlement:

Upon the confirmation pursuant to Item 2 of the preceding Article, JASDEC shall record the amount of reduction in the Obliteration Applicant JASDEC Participant's account with respect to the amount recorded in the Redemption Account pursuant to the provisions of Item 2 of Article 55.

2. Upon entering the records of obliteration prescribed in the preceding Paragraph, JASDEC shall notify the Issuer (the Paying Agent, if a Paying Agent has been appointed) and the Obliteration Applicant JASDEC Participant that such obliteration has been implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

CHAPTER 6-2: HANDLING OF BOOK-ENTRY TRANSFERS, ETC.,
OF “CORPORATE BONDS”

PART 1: TRANSFER ACCOUNT BOOKS

Article 58-2: Matters to be Recorded Digitally or Recorded in Written Entries in Transfer
Account Books

1. The Transfer Account Books relating to “Corporate Bonds” (hereinafter in this Chapter simply referred to as the “Transfer Account Book”), which are maintained by JASDEC shall have a separate section for each JASDEC Participant’s account, and which are maintained by Account Management Institutions shall have a separate section for each Participant’s account.
2. The following matters shall be recorded in each JASDEC Participant’s account (other than Customer Accounts) in the Transfer Account Book maintained by JASDEC:
 - (1) JASDEC Participant’s name and address.
 - (2) Issue of “Corporate Bonds.”
 - (3) The amount, and amounts of increase and decrease, of each issue of “Corporate Bonds” in the account (if Classified Accounts have been established, in each Classified Account; the same shall apply hereinafter in this Article).
 - (4) If the issue prescribed in Item 2 is an issue of “Corporate Bonds” which are redeemed at a fixed date (hereinafter referred to as the “Fixed Date Redemption Issue”), the Factor or the Actual Balance.
 - (5) If any restriction on disposition of “Corporate Bonds” owned by JASDEC Participant itself has been imposed under an attachment order, etc., a notation relating thereto and the date on which such attachment order, etc., was delivered.

- (6) Other matters prescribed by the Enforcement Order.
3. The following matters shall be recorded in each Customer Account in the Transfer Account Book prescribed in the preceding Paragraph:
 - (1) Matters prescribed in Items 1, 2 and 4 of the preceding Paragraph.
 - (2) The amount, and amounts of increase and decrease, of each issue of “Corporate Bonds” in the account.
 - (3) Other matters prescribed by the Enforcement Order.
 4. The following matters shall be recorded digitally or recorded in written entries in each Participant’s account in the Transfer Account Book maintained by Account Management Institutions (other than Customer Accounts):
 - (1) Participant’s name and address.
 - (2) Issue of “Corporate Bonds.”
 - (3) The amount, and amounts of increase and decrease, of each issue of “Corporate Bonds” in the account.
 - (4) If any of the issues prescribed in Item 2 is the Fixed Date Redemption Issue, the Factor or the Actual Balance.
 - (5) If any restriction on disposition of “Corporate Bonds” owned by the Participant itself has been imposed under an attachment order, etc., a notation relating thereto and the date on which such attachment order, etc., was delivered.
 - (6) Other matters prescribed by the Enforcement Order.

5. The following matters shall be recorded digitally or recorded in written entries in each Customer Account in the Transfer Account Book prescribed in the preceding Paragraph:

- (1) Matters prescribed in Items 1, 2 and 4 of the preceding Paragraph.
- (2) The amount, and amounts of increase and decrease, of each issue of “Corporate Bonds” in the account.
- (3) Other matters prescribed by the Enforcement Order.

Article 58-3: Units of Amount of “Corporate Bonds” to be Recorded Digitally or Recorded in Written Entries in Transfer Account Books

Amount of “Corporate Bonds” recorded digitally or recorded in written entries in Transfer Account Books shall be integer multiples of the value of each corporate bond relating to each issue of “Corporate Bonds.”

Article 58-4: Maintenance of Transfer Account Books

Book-Entry Transfer Institutions, etc., shall properly and accurately maintain the Transfer Account Books; provided, however, that they shall have the right to delete those digital and written entry records which were made over ten (10) years ago, and to destroy portions relating to such digital and written entry records.

Article 58-5: Revisions and Corrections of Digital and Written Entry Records in Transfer Account Books

1. A Book-Entry Transfer Institution, etc., shall, upon its receipt of notice concerning any change affecting matters recorded digitally or recorded in written entries in the Transfer Account Book maintained by it, record digitally or record in written entries such change in such Transfer Account Book without delay.
2. A Book-Entry Transfer Institution, etc., shall, whenever any error is discovered in any

digital or written entry record in the Transfer Account Book maintained by it, make a correction to such digital or written entry record without delay.

PART 2: NEW RECORD PROCEDURES

Article 58-6: Issuing Agents' Notice Concerning the Information of the Issue

1. Issuing Agents of Issuers (hereinafter in this Chapter referred to as the "Issuing Agents"), when such Issuers issue new "Corporate Bonds," shall notify JASDEC of the following matters (hereinafter in this Chapter referred to as the "Information of the Issue") concerning the issue of "Corporate Bonds" that are scheduled to be issued:
 - (1) Issue of the "Corporate Bonds."
 - (2) Total issue amount.
 - (3) Trade name of the corporate bond manager.
 - (4) Value of each corporate bond and the Currency in which it is denominated.
 - (5) Payment date.
 - (6) Whether or not interest payments will be made.
 - (7) Interest Payment Dates (limited to "Corporate Bonds" with respect to which interest payments will be made).
 - (8) Interest rate (limited to "Corporate Bonds" with respect to which interest payments will be made; the same shall apply in the following Item).
 - (9) Whether or not the interest rate will fluctuate.
 - (10) Currency in which interest payments will be denominated (limited to "Corporate

Bonds” with respect to which interest payments will be made).

- (11) Redemption date.
 - (12) Currency in which the redemption amount will be denominated.
 - (13) Other matters prescribed by the Rules.
2. When applying the provisions of Item 3 of the preceding Paragraph to municipal bonds, the reference in the Item to “corporate bond manager” shall be replaced with “person entrusted with the primary offering or management of municipal bonds prescribed in Article 705, Paragraph 1, of the Companies Act (Act No. 86 of 2005) which is applied *mutatis mutandis* with modifications under Article 5-6 of the Local Government Finance Act (Act No. 109 of 1948).”
 3. When applying the provisions of Item 3 of Paragraph 1 to investment company bonds, the reference in the Item to “corporate bond manager” shall be replaced with “investment company bond manager prescribed in Article 139-8 of the Act on Investment Trust and Investment Corporations.”
 4. When applying the provisions of Item 3 of Paragraph 1 to specified corporate bonds, the reference in the Item to “corporate bond manager” shall be replaced with “specified corporate bond manager prescribed in Article 126 of the Act on Securitization of Assets.”
 5. When applying the provisions of Item 3 of Paragraph 1 to Special Corporation Bonds, the reference in the Item to “corporate bond manager” shall be replaced with “person entrusted with the management of rights represented by the bond certificates issued by a company under a special law.”
 6. When applying the provisions of Item 3 of Paragraph 1 to Foreign Bonds, the reference in the Item to “corporate bond manager” shall be replaced with “person entrusted with the management of rights represented by the bond certificates issued by foreign governments or foreign corporations.”

7. The notice prescribed in Paragraph 1 may be given up to the business day immediately preceding the payment date of the applicable “Corporate Bonds.”
8. Upon its receipt of the notice prescribed in Paragraph 1 from the Issuing Agent, JASDEC shall notify the applicable Issuing Agent and the JASDEC Participant of the matters prescribed by the Rules as information necessary in order to implement the new record procedures.
9. In addition to the provisions of the preceding Paragraphs, matters required in connection with the notification concerning the Information of the Issue shall be prescribed by the Rules.

Article 58-7: Notices from Paying Agents Concerning Decisions, etc., Concerning Information of the Issue

The Paying Agents of the Issuers (hereinafter in this Chapter referred to as the “Paying Agents”) shall, whenever decisions, etc., concerning matters relating to the Information of the Issue of the “Corporate Bonds” issued by such Issuers, which are prescribed by the Rules, are made, notify JASDEC of the details thereof.

Article 58-8: Notices from Issuing Agents Concerning New Record Information

1. When an Issuer of “Corporate Bonds” issues new “Corporate Bonds,” its Issuing Agent shall notify JASDEC of the following matters (hereinafter in this Chapter referred to as the “New Record Information”) in addition to the notice prescribed in Article 58-6, Paragraph 1:
 - (1) Information prescribed by the Rules that will identify the name or trade name of the Participant who will make payments (hereinafter in this Chapter referred to as the “Paying Participant”).
 - (2) Information prescribed by the Rules that will identify the account opened for the

Paying Participant for the purpose of implementing book-entry transfers for the applicable “Corporate Bonds.”

- (3) Amount of the “Corporate Bonds” relating to the payments to be made by each Participant.
 - (4) Other matters prescribed by the Rules.
2. The notice prescribed in the preceding Paragraph may be given up to the payment date of the applicable “Corporate Bonds.”

Article 58-9: Classification of Settlement Methods

1. When new record concerning “Corporate Bonds” is made, settlement methods shall be classified either as a DVP Settlement or a Non-DVP Settlement.
2. In connection with the classification prescribed in the preceding Paragraph, if all of the following conditions are satisfied, a DVP Settlement may be designated.
 - (1) The Fund Settlement Corporation of the Issuer is different from the Fund Settlement Corporation of the Paying Participant.
 - (2) The Issuer and the Paying Participant have reached an agreement.
 - (3) Notification concerning the New Record Information will be given directly to JASDEC based on the confirmation results relating to settlement conditions.
3. When designating a DVP Settlement, the Issuing Agent shall, in addition to the notice prescribed in Paragraph 1 of the preceding Article, provide JASDEC with the following information relating to a DVP Settlement (hereinafter in this Chapter referred to as “DVP Settlement New Record Information”):
 - (1) The fact that a DVP Settlement will be designated.

- (2) Fund settlement amount relating to the payment.
- (3) Fund Settlement Corporation used by the Paying Participant.
- (4) Fund Settlement Corporation used by the Issuer.
- (5) Other matters prescribed by the Rules.

Article 58-10: Recordation in Issue Accounts

Upon its receipt of the Issuing Agent's notice prescribed in Paragraph 1 of Article 58-8 (in the case of a DVP Settlement, including notice relating to DVP Settlement New Record Information), JASDEC shall take the measures prescribed in the following Items, depending on the settlement method classification set forth in the following Items:

- (1) When a DVP Settlement is not designated:

JASDEC shall record details of the Information of the Issue prescribed by the Rules and the New Record Information in the Issue Account and provide the Issuing Agent and the Purchaser JASDEC Participant (i.e., the JASDEC Participant (i) which makes the payment; (ii) whose Participant makes the payment; (iii) whose Lower Positioned Institution makes the payment; or (iv) whose Lower Positioned Institution's Participant makes the payment; the same shall apply hereinafter in this Chapter) with the details of such record.

- (2) When a DVP Settlement is designated:

A. JASDEC shall record in the Issue Account details of the Information of the Issue prescribed by the Rules, the New Record Information and the DVP Settlement New Record Information, notify the Issuing Agent and the Purchaser JASDEC Participant of the details of such record and the Settlement Number designated by JASDEC in order to implement a DVP

Settlement.

- B. JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., of the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of “Corporate Bonds” recorded in the Issue Account.

Article 58-11: Fund Settlement by Way of a DVP Settlement

When a DVP Settlement is designated, fund settlement methods shall be as prescribed in the following Items:

- (1) When the Purchaser JASDEC Participant makes the payment on its own account:

The Purchaser JASDEC Participant shall take the measures prescribed by the Rules, which are necessary in order to make payments of funds through the BOJ Net. In such event, if the fund settlement is to be made using a Fund Settlement Corporation, the Purchaser JASDEC Participant shall communicate to the Fund Settlement Corporation that the funds will be paid through the BOJ Net and the Issue Fund Settlement Information (i.e., the information prescribed by the Rules as that portion of the information recorded in the Issue Account, which is necessary for the fund settlement, and the Settlement Number).

- (2) When the Purchaser JASDEC Participant’s Participant or its Lower Positioned Institution’s Participant makes the payment:

The Purchaser JASDEC Participant shall take measures prescribed by the Rules, which are necessary in order to enable the Paying Participant (if such Paying Participant implements the fund settlement using a Fund Settlement Corporation, the Fund Settlement Corporation) to make payments of funds through the BOJ Net.

Article 58-12: Notice Upon Payment

Notice to JASDEC upon payments relating to “Corporate Bonds” shall be given as set forth in the following Items:

- (1) When a DVP Settlement is not designated:

Upon the Issuing Agent’s confirmation that payments relating to the issue of “Corporate Bonds” issued by the Issuer, for which it is acting as an Issuing Agent, and recorded in the Issue Account have been made, the Issuing Agent shall so notify JASDEC.

- (2) When a DVP Settlement is designated:

Upon JASDEC’s confirmation pursuant to the provisions of the Rules of the completion of fund settlements implemented through the BOJ Net in accordance with the provisions of the Items of the preceding Article in connection with the payments for the “Corporate Bonds,” any notice prescribed by Article 58-8, Paragraph 1, shall be deemed to constitute notice concerning the payments relating to such “Corporate Bonds.” which the Issuer is required to issue.

Article 58-13: New Record

1. In the event that the notice prescribed in the preceding Article is given, JASDEC shall take the measures prescribed in the following Items with respect to the amounts recorded in the Issue Account in connection with the issue of “Corporate Bonds” relating to such notice pursuant to the provisions of Item 1 of Paragraph 1 of Article 58-10 and Item 2-A of Paragraph 2 of Article 58-10 based on the classifications set forth in the following Items:

- (1) If JASDEC opened the account prescribed in Article 58-8, Paragraph 1, Item 2:

The amount of increase shall be recorded in the Holding Account of the applicable account.

- (2) If JASDEC did not open the account prescribed in Article 58-8, Paragraph 1, Item 2:

The amount of increase shall be recorded in the Customer Account of the account of the Account Management Institution which is the Purchaser JASDEC Participant, and JASDEC shall notify such Account Management Institution of those portions of the Information of the Issue and the New Record Information, which are described in Article 58-6, Paragraph 1, Item 1, and Article 58-8, Paragraph 1, Items 1 through 3.

2. If the notice prescribed in Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* to this Paragraph) is given, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to any Account Management Institution that receives such notice.
3. When recording digitally or recording in written entries the amount of increase pursuant to the preceding two (2) Paragraphs, if the account prescribed in Article 58-8, Paragraph 1, Item 2 is a Trust Account, the notice prescribed in Article 58-8, Paragraph 1, shall include the application information concerning the trust's digital or written entry records pursuant to Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Article 16, 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, the Book-Entry Transfer Institution, etc. at which such Trust Account is opened shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Article 113, 115, 117, 118, 120 and 127 of the Act).
4. In the event that JASDEC enters new record prescribed in the preceding three (3) Paragraphs, JASDEC shall notify the Issuing Agent and the Purchaser JASDEC Participant that the new record has been entered and other matters prescribed by the Rules. In such event, the recipients of such notice shall confirm the contents thereof.

PART 3: BOOK-ENTRY TRANSFER PROCEDURES

Article 58-14: Book-Entry Transfer Procedures

1. When an application for a book-entry transfer (excluding those book-entry transfers to be implemented by JASDEC by way of a DVP Settlement; the same shall apply hereinafter in this Part) involving specified issue of “Corporate Bonds” is made, the Book-Entry Transfer Institution, etc., shall, under the provisions of Paragraphs 4 through 9, and pursuant to the notations set forth in the application pursuant to the provisions of Paragraph 3, record digitally/record in written entries or give notice concerning the amount of increase or reduction in the Transfer Account Book maintained by it.
2. The application prescribed in the preceding Paragraph shall be made by the Participant in whose account (other than Customer Accounts) the amount of reduction arising from the book-entry transfer will be recorded digitally or recorded in written entries (hereinafter in this Chapter referred to as the “Transferor Participant”) to its Nearest Upper Positioned Institution.
3. The Transferor Participant shall include the following matters (hereinafter in this Chapter referred to as the “Book-Entry Transfer Application Information”) in the application relating to the book-entry transfer:
 - (1) The issue and amount of the “Corporate Bonds” in connection with whose book-entry transfer the amount of increase or reduction must be recorded digitally or recorded in written entries.
 - (2) Indication as to whether the amount of reduction should be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Transferor Participant’s account.
 - (3) Matters prescribed by the Rules in order to identify the account (other than Customer Accounts; hereinafter in this Chapter referred to as the “Transferee Account”) where the amount of increase should be recorded digitally or recorded in written entries.

- (4) Indication as to whether the amount of increase should be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Transferee Account (other than an Institutional Account).
 - (5) The date on which the book-entry transfer is implemented.
 - (6) Other matters prescribed by the Rules.
4. If an application prescribed in Paragraph 1 is made, the Book-Entry Transfer Institution, etc., that received the application shall take the following measures without delay.
- (1) Record digitally or record in written entries the amount of reduction relating to the amount (hereinafter in this Chapter referred to as the “Transfer Amount”) prescribed in Item 1 of the preceding Paragraph in the Holding Account or the Pledge Account of the Transferor Participant’s account prescribed in the provisions of Item 2 of the preceding Paragraph.
 - (2) If the applicable Book-Entry Transfer Institution, etc., is not the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, notify the Nearest Upper Positioned Institution of the matters prescribed in Items 1 and 3 through 6 of the preceding Paragraph.
 - (3) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, which opened the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Holding Account or the Pledge Account in such Transferee Account prescribed in Item 4 of the preceding Paragraph.
 - (4) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, which did not open the Transferee Account, record digitally or record in written entries

the amount of increase relating to the Transfer Amount in the Customer Account of the account of the Nearest Lower Positioned Institution of such Common Nearest Upper Positioned Institution which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters prescribed in Items 1 and 3 through 6 of the preceding Paragraph.

5. If a notice is given pursuant to Item 2 of the preceding Paragraph, the Book-Entry Transfer Institution, etc., that has received such notice shall take the following measures without delay:
 - (1) Record digitally or record in written entries the amount of reduction relating to the Transfer Amount in the Customer Account of the account of the Account Management Institution that issued such notice.
 - (2) If the applicable Book-Entry Transfer Institution, etc., is not the Common Nearest Upper Positioned Institution concerning such book-entry transfer, notify the Nearest Upper Positioned Institution of the matters concerning which the notice pursuant to the provisions of Item 2 of the preceding Paragraph was given.
 - (3) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution concerning such book-entry transfer, which opened the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Holding Account or the Pledge Account of the applicable Transferee Account prescribed in the provisions of Item 4 of Paragraph 3.
 - (4) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution concerning such book-entry transfer, which did not open the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Customer Account of the account of the Nearest Lower Positioned Institution of such Common Nearest Upper Positioned Institution, which is an Upper Positioned Institution of the

Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters set forth in such notice provided pursuant to Item 2 of the preceding Paragraph.

6. If a notice is given pursuant to Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* to this Paragraph), the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Book-Entry Transfer Institution, etc., that received such notice.
7. If a notice prescribed in Item 4 of Paragraph 4 or Item 4 of Paragraph 5 (including when it is applied *mutatis mutandis* to the preceding Paragraph; the same shall apply hereinafter in this Paragraph) is given, the Account Management Institution that received such notice shall take the following measures without delay:
 - (1) If the applicable Account Management Institution opened the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Holding Account or the Pledge Account in such Transferee Account prescribed in the provisions of Item 4 of Paragraph 3.
 - (2) If the applicable Account Management Institution did not open the Transferee Account, record digitally or record in written entries the amount of increase relating to the Transfer Amount in the Customer Account of the account of the Nearest Lower Positioned Institution of such Account Management Institution, which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters set forth in such notice provided pursuant to Item 4 of Paragraph 4 or Item 4 of Paragraph 5.
8. If a notice is given pursuant to Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* to this Paragraph), the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Account Management Institution that received such notice.

9. In connection with the digital or written entry record of the amount of increase pursuant to the provisions of Paragraphs 4 through 8, if the Transferee Account is a Trust Account, the book-entry transfer application prescribed in Paragraph 1 shall include the application information concerning the trust's digital and written entry records pursuant to the provisions of Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Articles 16, 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, the Book-Entry Transfer Institution, etc., at which such Trust Account is opened, shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120 and 127 of the Act).
10. In addition to the provisions of the preceding Paragraphs, matters required in connection with the book-entry transfer prescribed in this Article shall be prescribed by the Rules.

Article 58-15: Special Rules for Book-Entry Transfer Procedures Relating to Offering Collateral to the Bank of Japan

When a BOJ Collateral Provider JASDEC Participant (*i.e.*, a JASDEC Participant which or whose Participant provides the Bank of Japan with collateral; the same shall apply hereinafter in this Chapter) makes an application (limited to those made to JASDEC) for a book-entry transfer (including a notice) relating to book-entry transfer procedures prescribed in the preceding Article in connection with the provision of collateral to the Bank of Japan, the Bank of Japan shall make such application on behalf of the applicable BOJ Collateral Provider JASDEC Participant.

PART 4: SPECIAL RULES FOR JASDEC'S BOOK-ENTRY TRANSFER PROCEDURES

Article 58-16: Settlement Method Classifications

1. Settlement methods to be used at the time of book-entry transfers by JASDEC shall be classified between a DVP Settlement and a Non-DVP Settlement.

2. In connection with the classification prescribed in the preceding Paragraph, a DVP Settlement may be designated if all of the conditions listed below are satisfied:
 - (1) The Fund Settlement Corporation of the Transferor Participant is different from the Fund Settlement Corporation of the Participant (hereinafter in this Chapter referred to as the “Transferee Participant”) in whose account (other than Customer Accounts) the amount of increase relating to the book-entry transfer will be recorded.
 - (2) The Transferor Participant and the Transferee Participant have reached an agreement.
 - (3) An application for a book-entry transfer is made directly to JASDEC based on the confirmation results relating to settlement conditions.

Article 58-17: JASDEC’s Book-Entry Transfer Procedures

With respect to book-entry transfer procedures relating to a DVP Settlement prescribed in the settlement method classification set forth in the provisions of the preceding Article, book-entry transfers to be implemented by JASDEC shall be in accordance with the provisions of Articles 58-18 through 58-22 below.

Article 58-18: Book-Entry Transfer Application Relating to a DVP Settlement

1. If a DVP Settlement is designated, the Transferor JASDEC Participant (i.e., the JASDEC Participant (i) which acts as the transferor with respect to the book-entry transfer; (ii) whose Participant acts as the transferor with respect to the book-entry transfer; (iii) whose Lower Positioned Institution acts as the transferor with respect to the book-entry transfer; or (iv) whose Lower Positioned Institution’s Participant acts as the transferor with respect to the book-entry transfer; the same shall apply hereinafter in this Chapter) shall notify JASDEC, in addition to the notification of the Book-Entry Transfer Application Information, of the following information relating to a DVP Settlement (hereinafter in this Chapter referred to as the “Book-Entry Transfer DVP Settlement

Information”):

- (1) The fact that a DVP Settlement is designated.
 - (2) Fund settlement amounts relating to the book-entry transfer.
 - (3) Fund Settlement Corporations used by the Transferor Participant and the Transferee Participant.
 - (4) Other matters prescribed by the Rules.
2. In addition to the provisions of the preceding Paragraph, matters required in connection with the book-entry transfer applications involving a DVP Settlement shall be prescribed by the Rules.

Article 58-19: Recordation in Transfer Account in Connection with a DVP Settlement

1. Upon its receipt of notice prescribed in Paragraph 1 of the preceding Article, JASDEC shall take the following measures:
 - (1) On the day on which the book-entry transfer is implemented, JASDEC shall record in the Transfer Account the Book-Entry Transfer Application Information and the Book-Entry Transfer DVP Settlement Information, and notify the Transferor JASDEC Participant and the Transferee JASDEC Participant (i.e., the JASDEC Participant (i) which acts as the transferee with respect to the book-entry transfer; (ii) whose Participant acts as the transferee with respect to the book-entry transfer; (iii) whose Lower Positioned Institution acts as the transferee with respect to the book-entry transfer; or (iv) whose Lower Positioned Institution’s Participant acts as the transferee with respect to the book-entry transfer; the same shall apply hereinafter in this Chapter) the information recorded in the Transfer Account and the Settlement Number designated by JASDEC in order to implement a DVP Settlement.

- (2) On the day on which the book-entry transfer is implemented, JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., of the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issue of “Corporate Bonds” recorded in the Transfer Account.
2. In addition to the provisions of the preceding Paragraph, matters required in connection with the recordation, etc., in the Transfer Account relating to a DVP Settlement shall be prescribed by the Rules.

Article 58-20: Fund Settlements by Way of a DVP Settlement

When a DVP Settlement is designated, the fund settlement method shall be as set forth in the following Items:

- (1) When the Transferee JASDEC Participant makes payments on its own account.

The Transferee JASDEC Participant shall take the measures prescribed by the Rules, which are necessary in order to make payments of funds through the BOJ Net. In such event, if the fund settlement is to be implemented with the use of a Fund Settlement Corporation, the Transferee JASDEC Participant shall communicate to the Fund Settlement Corporation that payments of funds will be made through the BOJ Net and the Book-Entry Transfer Fund Settlement Information (i.e., that portion of the information recorded in the Transfer Account, which is prescribed by the Rules as information necessary for fund settlements and the Settlement Number).

- (2) When the Transferee JASDEC Participant’s Participant or its Lower Positioned Institution’s Participant makes payments.

The Transferee JASDEC Participant shall take measures prescribed by the Rules, which are necessary in order to enable the payer (if the payer uses a Fund

Settlement Corporation in order to implement the fund settlement, the Fund Settlement Corporation) to make payments of funds through the BOJ Net.

Article 58-21: Book-Entry Transfer Records in Connection with a DVP Settlement

1. Upon JASDEC's confirmation pursuant to the provisions of the Rules that the Bank of Japan has completed settlement of funds by way of a DVP Settlement in connection with the book-entry transfers, JASDEC shall record the amount of reduction in the Transferor JASDEC Participant's account, and record the amount of increase in the Transferee JASDEC Participant's account, with respect to the amount recorded in the Transfer Account pursuant to the provisions of Article 58-19, Paragraph 1, Item 1.
2. If the account where the amount of increase is recorded pursuant to the provisions of the preceding Paragraph is a Transferee Account and also a Trust Account, the application for book-entry transfers prescribed in Paragraph 1 of Article 58-14 shall include the application information concerning the trust's digital or written entry records pursuant to the provisions of Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Articles 16, 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, JASDEC shall record in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120 and 127 of the Act).

Article 58-22: Notice of Completion of Book-Entry Transfer Recordation

In the event that JASDEC implements book-entry transfers pursuant to the provisions of Articles 58-14 and 58-21, JASDEC shall notify the Transferor JASDEC Participant and the Transferee JASDEC Participant that such book-entry transfers were implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

Article 58-23: Restrictions on Book-Entry Transfers

1. No application for book-entry transfers of "Corporate Bonds" to be implemented on the

Transfer Suspension Date of such “Corporate Bonds” shall be made; provided, however, that the foregoing shall not apply to applications for book-entry transfers for the implementation of book-entry transfers (limited to those with respect to which no application by a Participant for the exercise of its Put Option is made) of such “Corporate Bonds” on the Pre-Maturity Redemption Due Date relating to the Pre-Maturity Redemption resulting from the exercise of the Put Option prescribed in Article 8-2, Paragraph 2, Item 4-D.

2. In addition to the provisions of the preceding Paragraph, matters required in connection with the restrictions on book-entry transfers of “Corporate Bonds” shall be prescribed by the Rules.

PART 5: OBLITERATION PROCEDURES

Article 58-24: Obliteration Procedures

1. If an application for obliteration (except where Part 6 applies) of specified issue of “Corporate Bonds” is made, the Account Management Institution shall, under the provisions of Paragraphs 4 through 6, record digitally/record in written entries or give notice concerning the amount of reduction in the Transfer Account Book maintained by it in accordance with the instructions set forth in the application pursuant to the provisions of Paragraph 3.
2. The application prescribed in the preceding Paragraph shall be made by the Participant (hereinafter in this Chapter referred to as the “Obliteration Applicant Participant”), in whose account (other than Customer Accounts) the amount of reduction relating to the obliteration shall be recorded digitally or recorded in written entries, to its Nearest Upper Positioned Institution.
3. In its application for obliteration, the Obliteration Applicant Participant shall set forth the following matters (hereinafter in this Chapter referred to as “Obliteration Application Information”):

- (1) The issue and amount of the “Corporate Bonds,” for which the amount of reduction shall be recorded digitally or recorded in written entries in connection with such obliteration.
 - (2) Indication as to whether the amount of reduction will be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Obliteration Applicant Participant’s account.
 - (3) Other matters prescribed by the Rules.
4. If the application prescribed in Paragraph 1 is made, the Account Management Institution that received such application shall take the following measures without delay:
 - (1) Record digitally or record in written entries the amount of reduction with respect to the amount prescribed in Item 1 of the preceding Paragraph in the Holding Account or the Pledge Account of the Obliteration Applicant Participant’s account prescribed in Item 2 of the preceding Paragraph.
 - (2) If the Account Management Institution that received the applicable application is an Indirect Account Management Institution, notify the Nearest Upper Positioned Institution of the matters set forth in the notice pursuant to the provisions of Item 1 of the preceding Paragraph.
5. When the notice prescribed in Item 2 of the preceding Paragraph is given, the Account Management Institution that received such notice shall take the following measures without delay:
 - (1) Record digitally or record in written entries the amount of reduction with respect to the amount prescribed in Item 1 of Paragraph 3 in the Customer Account of the account of the Account Management Institution that issued such notice.
 - (2) If the Account Management Institution that received the applicable notice is an Indirect Account Management Institution, notify the Nearest Upper Positioned

Institution of the matters set forth in the notice pursuant to the provisions of Item 2 of the preceding Paragraph.

6. When a notice prescribed in Item 2 (including when it is applied *mutatis mutandis* pursuant to this Paragraph) of the preceding Paragraph is issued, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Account Management Institution that received such notice.

Article 58-25: Delegation of Obliteration Procedures

1. A Participant (other than JASDEC Participants) shall delegate to its Nearest Upper Positioned Institution that is an Account Management Institution those matters relating to the administrative work relating to obliteration procedures, which are prescribed by the Rules.
2. If the Account Management Institution to which work is delegated pursuant to the preceding Paragraph is an Indirect Account Management Institution, such Indirect Account Management Institution shall delegate the same to its Nearest Upper Positioned Institution that is an Account Management Institution. The same shall apply when such Nearest Upper Positioned Institution is another Indirect Account Management Institution.

PART 6: JASDEC'S OBLITERATION PROCEDURES

Article 58-26: Classification of Settlement Methods

1. Settlement methods to be used by JASDEC acting as a book-entry transfer institution when implementing obliteration shall be classified between a DVP Settlement and a Non-DVP Settlement.
2. With respect to the settlement method classification prescribed in the preceding Paragraph, (i) a Non-DVP Settlement shall be used if any of the following Items applies; and (ii) otherwise, a DVP Settlement shall be used.

- (1) The Fund Settlement Corporation relating to the Obliteration Applicant JASDEC Participant (i.e., a JASDEC Participant which implements obliteration procedures for itself or for the Participant which has delegated work pursuant to the provisions of the preceding Article; the same shall apply hereinafter in this Chapter) is the same Fund Settlement Corporation relating to the Issuer of the “Corporate Bonds.”
 - (2) The “Corporate Bonds” involved in JASDEC’s obliteration procedures are Non-JASDEC-Related Issues.
 - (3) The redemption amounts (including Pre-Maturity Redemption amounts; the same shall apply hereinafter in this Part) of the “Corporate Bonds” involved in JASDEC’s obliteration procedures are denominated in a Currency other than Japanese Yen.
3. Notwithstanding the provisions of the preceding Paragraph, if deemed necessary by JASDEC, a different classification of settlement methods may be prescribed pursuant to the provisions of the Rules.

Article 58-27: Recordation in Redemption Accounts

1. On the business day immediately preceding the Redemption Due Date or the Pre-Maturity Redemption Due Date of a specified issue of “Corporate Bonds,” an application for obliteration of such issue of “Corporate Bonds” is deemed to have been made by the Obliteration Applicant JASDEC Participant, and JASDEC shall record in the Redemption Account the issue and the amount recorded in each JASDEC Participant’s account on the business day immediately preceding the Redemption Due Date or the Pre-Maturity Redemption Due Date.
2. Notwithstanding the provisions of the preceding Paragraph, matters required in connection with the recordation, etc., in the Redemption Account relating to the Pre-Mature Redemption resulting from the exercise of a Put Option shall be prescribed by the Rules.

Article 58-28: Fund Settlement Confirmation

1. The provisions of the following Items shall apply to notices to JASDEC relating to settlement of funds in connection with redemption of “Corporate Bonds”:

- (1) In the case of a Non-DVP Settlement:

Upon confirmation of receipt of the redemption amounts relating to the issues of “Corporate Bonds” involved in the obliteration and recorded in the Redemption Account, the Obliteration Applicant JASDEC Participant shall so notify JASDEC.

- (2) In the case of a DVP Settlement:

JASDEC shall confirm, using the methods prescribed by the Rules, the completion of settlement of funds by the Bank of Japan in connection with the redemption of “Corporate Bonds” by way of a DVP Settlement.

2. An Obliteration Applicant Participant (other than JASDEC Participants) shall, upon its confirmation of receipt of the redemption amounts relating to specified issue of Non-JASDEC-Related Issues, provide its Nearest Upper Positioned Institution with a notice relating thereto.
3. If the Account Management Institution that receives the notice prescribed in the preceding Paragraph is an Indirect Account Management Institution, such Indirect Account Management Institution shall notify its Nearest Upper Positioned Institution of the matters set forth in the notice received by it. The same shall apply when such Account Management Institution that received such notice is another Indirect Account Management Institution.

Article 58-29: Obliteration Records

1. In connection with the recordation of the amount of reduction in connection with obliteration procedures, JASDEC shall take the measures prescribed in the following

Items in accordance with the settlement method classification set forth in the following Items:

- (1) In the case of a Non-DVP Settlement:

Upon its receipt of the notice prescribed in Item 1, Paragraph 1, of the preceding Article, JASDEC shall record the amount of reduction in the Obliteration Applicant JASDEC Participant's account with respect to the amount recorded in the Redemption Account pursuant to the provisions of Paragraph 1 of Article 58-27.

- (2) In the case of a DVP Settlement:

Upon the confirmation pursuant to Item 2, Paragraph 1, of the preceding Article, JASDEC shall record the amount of reduction in the Obliteration Applicant JASDEC Participant's account with respect to the amount recorded in the Redemption Account pursuant to the provisions of Paragraph 1 of Article 58-27.

2. Upon entering the records of obliteration prescribed in the preceding Paragraph, JASDEC shall notify the Issuing Agent and the Obliteration Applicant JASDEC Participant that such obliteration has been implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

PART 7: HANDLING OF REDEMPTION AMOUNTS AND INTEREST

Article 58-30: Procedures Concerning Claims, etc., for Redemption Amounts and Interest

1. A JASDEC Participant shall request that JASDEC make claims for redemption amounts (including Pre-Maturity Redemption amounts and fixed date redemption amounts; the same shall apply hereinafter in this Part) and interest relating to the JASDEC-Related Issues (other than those subject to attachment and those with respect to which obliteration and applications therefor are otherwise prohibited under laws and ordinances; the same shall apply hereinafter in this Part); in such event the JASDEC Participant (excluding any

Collateral Recipient JASDEC Participant (i.e., a JASDEC Participant that accepts “Corporate Bonds” as collateral from a Participant, and that has been authorized by JASDEC to cause a Collateral Provider JASDEC Participant (i.e., a JASDEC Participant that provided the Collateral Recipient JASDEC Participant with collateral or a JASDEC Participant that is the Upper Positioned Institution of the Participant that provided the Collateral Recipient JASDEC Participant with collateral; the same shall apply hereinafter) to receive fixed date redemption amounts and interest concerning such “Corporate Bonds”; the same shall apply hereinafter) shall notify JASDEC of the matters prescribed by the Rules as information (hereinafter in this Chapter referred to as the “Tax Information”) concerning interest income taxation required for making claims for the interest relating to the JASDEC-Related Issue.

2. Pursuant to the request under the preceding Paragraph, JASDEC shall make claims to the Paying Agents pursuant to the Rules with respect to the redemption amounts and interest of the “Corporate Bonds” of JASDEC-Related Issues, whose Redemption Due Date, Pre-Maturity Redemption Due Date, fixed date redemption Due Date or Interest Payment Due Date falls two (2) business days later, and which are recorded in the JASDEC Participant’s account.
3. When the preceding Paragraph applies, any Paying Agent, which receives from the Issuer payments of redemption amounts and interest in connection with the issues of “Corporate Bonds” relating to the claims prescribed in the preceding Paragraph, shall distribute the redemption amounts and interest prescribed in the preceding Paragraph to JASDEC Participants pursuant to the provisions of the Rules.
4. In addition to the provisions of the preceding three (3) Paragraphs, matters required in connection with the procedures for making claims, etc., for redemption amounts and interest shall be prescribed by the Rules.

Article 58-31: Entrustment to Upper Positioned Institutions Concerning Receipt of Redemption Amounts and Interest

1. Participants (other than JASDEC Participants) shall request their Nearest Upper

Positioned Institutions that are Account Management Institutions to make claims for, and receive, the redemption amounts and interest prescribed in the preceding Article.

2. If the Account Management Institution that receives the request prescribed in the preceding Paragraph is an Indirect Account Management Institution, such Indirect Account Management Institution shall make the same request to its Nearest Upper Positioned Institution and communicate to it the Tax Information that is necessary for the JASDEC Participant to give the notice prescribed in Item 1 of the preceding Article. The same shall apply when such Nearest Upper Positioned Institution is another Indirect Account Management Institution.

CHAPTER 6-3: HANDLING OF BOOK-ENTRY TRANSFERS, ETC., OF INVESTMENT TRUST BENEFICIAL RIGHTS

PART 1: TRANSFER ACCOUNT BOOKS

Article 58-32: Matters to be Recorded Digitally or Recorded in Written Entries in Transfer Account Books

1. The Transfer Account Books relating to Investment Trust Beneficial Rights (hereinafter in this Chapter simply referred to as the “Transfer Account Book”), which are maintained by JASDEC shall have a separate section for each JASDEC Participant’s account, and which are maintained by Account Management Institutions shall have a separate section for each Participant’s account.
2. The following matters shall be recorded in each JASDEC Participant’s account (other than Customer Accounts) in the Transfer Account Book maintained by JASDEC:
 - (1) JASDEC Participant’s name and address.
 - (2) Issue of Investment Trust Beneficial Rights.
 - (3) The number of units, and number of units of increase and decrease, of each issue

of Investment Trust Beneficial Rights in the account (if Classified Accounts have been established, in each Classified Account; the same shall apply hereinafter in this Article).

- (4) If any restriction on disposition of Investment Trust Beneficial Rights owned by JASDEC Participant itself has been imposed under an attachment order, etc., a notation relating thereto and the date on which such attachment order, etc., was delivered.
 - (5) Other matters prescribed by the Enforcement Order.
3. The following matters shall be recorded in each Customer Account in the Transfer Account Book prescribed in the preceding Paragraph:
- (1) Matters prescribed in Items 1 and 2 of the preceding Paragraph.
 - (2) The number of units, and number of units of increase and decrease, of each issue of Investment Trust Beneficial Rights in the account.
 - (3) Other matters prescribed by the Enforcement Order.
4. The following matters shall be recorded digitally or recorded in written entries in each Participant's account in the Transfer Account Book maintained by Account Management Institutions (other than Customer Accounts):
- (1) Participant's name or trade name and address.
 - (2) Issue of Investment Trust Beneficial Rights.
 - (3) The number of units, and number of units of increase and decrease, of each issue of Investment Trust Beneficial Rights in the account.
 - (4) If any restriction on disposition of Investment Trust Beneficial Rights owned by

the Participant itself has been imposed under an attachment order, etc., a notation relating thereto and the date on which such attachment order, etc., was delivered.

- (5) Other matters prescribed by the Enforcement Order.
5. The following matters shall be recorded digitally or recorded in written entries in each Customer Account in the Transfer Account Book prescribed in the preceding Paragraph:
- (1) Matters prescribed in Items 1 and 2 of the preceding Paragraph.
 - (2) The number of units, and number of units of increase and decrease, of each issue of Investment Trust Beneficial Rights in the account.
 - (3) Other matters prescribed by the Enforcement Order.

Article 58-33: Units of Investment Trust Beneficial Rights to be Recorded Digitally or Recorded in Written Entries in Transfer Account Books

Number of units of Investment Trust Beneficial Rights recorded digitally or recorded in written entries in Transfer Account Books shall be integer multiples of each unit of Investment Trust Beneficial Rights.

Article 58-34: Maintenance of Transfer Account Books

Book-Entry Transfer Institutions, etc., shall properly and accurately maintain the Transfer Account Books; provided, however, that they shall have the right to delete those digital and written entry records which were made over ten (10) years ago, and to destroy portions relating to such digital and written entry records.

Article 58-35: Revisions and Corrections of Digital and Written Entry Records in Transfer Account Books

1. A Book-Entry Transfer Institution, etc., shall, upon its receipt of notice concerning any

change affecting matters recorded digitally or recorded in written entries in the Transfer Account Book maintained by it, record digitally or record in written entries such change in such Transfer Account Book without delay.

2. A Book-Entry Transfer Institution, etc., shall, whenever any error is discovered in any digital or written entry records in the Transfer Account Book maintained by it, make a correction to such digital or written entry records without delay.

PART 2: NEW RECORD PROCEDURES

Article 58-36: Issuer's Notice Concerning the Information of the Issue

1. An Issuer of Investment Trust Beneficial Rights, when it issues new Investment Trust Beneficial Rights, if such Investment Trust Beneficial Rights are issued on the execution of the applicable investment trust agreement, shall notify JASDEC of the following matters (hereinafter in this Chapter referred to as the "Information of the Issue") concerning such issue:
 - (1) Issue of the Investment Trust Beneficial Rights.
 - (2) Trade name of the Trustee Corporation.
 - (3) Trade name of the Issuer.
 - (4) Whether it is a public offering, a private placement for qualified institutional investors or a private placement for a small number of investors.
 - (5) With respect to Investment Trust Beneficial Rights of a trustor-directed type [*itakusha sashizu-gata*] investment trust, to which principal may be additionally entrusted, the limit of the amount of principal that can be additionally entrusted.
 - (6) Term of the trust agreement.

- (7) The trust principal redemption date.
- (8) The trust profit distribution date.
- (9) The trust principal redemption and profit distribution location(s).
- (10) Calculation method, payment method and payment date of trust remuneration [*shintaku hoshu*] and other fees to be received by the trustee and the trustor.
- (11) If the trustor or the trustee is to delegate the authority concerning investment instructions, the name or trade name and address of the person to whom/which such authority concerning investment instructions is to be delegated by the trustor or the trustee.
- (12) Amount of expenses relating to the delegation referenced in the preceding Item.
- (13) If the trustor is to delegate the authority concerning investment instructions, details of such delegation.
- (14) Notation that, in the case of securities investment trusts other than those described below, even if the purchase or redemption price prescribed in the investment trust agreement is less than the amount of such trust's principal, no purchase or redemption shall be made for a price in excess of the above-referenced price:
 - A. Public bonds investment trusts prescribed in Article 13, Item 2(a), of the Enforcement Rules for the Act on Investment Trust and Investment Corporations (Prime Minister's Office Order No. 129 of 2000).
 - B. Parent investment trusts [*oya-toshi-shintaku*] prescribed in Article 13, Item 2(b), of the Enforcement Rules for the Act on Investment Trust and Investment Corporations.
 - C. In addition to those which are listed in (a) and (b) above, those whose

investment trust agreements at the time of their establishment provide otherwise.

(15) Other matters prescribed by the Rules.

2. The notice prescribed in the preceding Paragraph may be given up to the day described in the Items below, depending upon the classification set forth in the Items below:

(1) Primary public offering:

The business day which is two (2) business days before the offering commencement date.

(2) Private placement for qualified institutional investors or private placement for a small number of investors:

The business day which is two (2) business days before the initial establishment date.

3. Upon its receipt of the notice prescribed in Paragraph 1 from the Issuer, JASDEC shall notify those notice recipients described in the Items below, depending upon the classification set forth in the Items below, of the matters prescribed by the Rules as information necessary in order to implement new record procedures:

(1) Primary public offering:

The Issuer, the Trustee Corporation and the JASDEC Participant of the applicable issue.

(2) Private placement for qualified institutional investors or private placement for a small number of investors:

The Issuer and the Trustee Corporation of the applicable issue.

4. In addition to the provisions of the preceding Paragraphs, matters required in connection with the notification from Issuers concerning the Information of the Issue shall be prescribed by the Rules.

Article 58-37: Notices from Issuers Concerning New Record Information

1. When an Issuer of Investment Trust Beneficial Rights issues new Investment Trust Beneficial Rights, such Issuer shall notify JASDEC of the following matters (hereinafter in this Chapter referred to as the “New Record Information”) as information concerning the new record of the Investment Trust Beneficial Rights to be issued:
 - (1) Information prescribed by the Rules that will identify the name or trade name of the Participant (hereinafter in this Chapter referred to as the “Beneficiary”) who will be the beneficiary of the trust.
 - (2) Information prescribed by the Rules that will identify the account opened for the Beneficiary for the purpose of implementing book-entry transfers for the applicable Investment Trust Beneficial Rights.
 - (3) Number of units of Investment Trust Beneficial Rights relating to the applicable trust with respect to each Participant.
 - (4) Settlement date.
 - (5) The Designated Distributing Company used by the Beneficiary in connection with the applicable Investment Trust Beneficial Rights (hereinafter in this Chapter referred to simply as the “Designated Distributing Company”); provided, however, that, if the applicable Investment Trust Beneficial Rights relate to a direct primary offering, etc., by the Issuer, the Issuer which implements the direct primary offering, etc.
 - (6) Other matters prescribed by the Rules.

2. The notice prescribed in the preceding Paragraph must be given on the settlement date of the applicable Investment Trust Beneficial Rights.
3. In addition to the provisions of the preceding two (2) Paragraphs, matters required in connection with the notification from Issuers concerning the New Record Information shall be prescribed by the Rules.

Article 58-38: Classification of Settlement Methods

1. When new record concerning Investment Trust Beneficial Rights is made, settlement methods shall be classified either as a DVP Settlement or a Non-DVP Settlement.
2. In connection with the classification prescribed in the preceding Paragraph, a DVP Settlement may be designated if the BOJ Net Fund Settlement Corporation of the Issuer is different from the BOJ Net Fund Settlement Corporation of the Designated Distributing Company, and if the Issuer and the Designated Distributing Company have reached an agreement (in the case of a direct primary offering, etc., by the Issuer, [a DVP Settlement may be designated] if the BOJ Net Fund Settlement Corporation involved in the direct primary offering, etc., is not the Trustee Corporation for the applicable issue of the Investment Trust Beneficial Rights).
3. When designating a DVP Settlement, the Issuer shall, in addition to the notice prescribed in Paragraph 1 of the preceding Article, provide JASDEC with the following information relating to the DVP Settlement (hereinafter in this Chapter referred to as “DVP Settlement New Record Information”):
 - (1) The fact that a DVP Settlement will be designated.
 - (2) Fund settlement amount relating to the trust establishment.
 - (3) BOJ Net Fund Settlement Corporation used by the Designated Distributing Company (in the case of a direct primary offering, etc., by the Issuer, the BOJ Net

Fund Settlement Corporation involved in the direct primary offering, etc.; the same shall apply hereinafter in this Chapter).

- (4) BOJ Net Fund Settlement Corporation used by the Issuer.
- (5) Other matters prescribed by the Rules.

Article 58-39: Recordation in Issue Accounts

1. Upon its receipt of the Issuer's notice prescribed in Paragraph 1 of Article 58-37 (in the case of a DVP Settlement, including notice relating to the DVP Settlement New Record Information), JASDEC shall take the measures prescribed in the following Items, depending on the settlement method classification set forth in the following Items:

- (1) When a DVP Settlement is not designated:

JASDEC shall record details of the New Record Information in the Issue Account and provide the Issuer, the Purchaser JASDEC Participant (*i.e.*, the JASDEC Participant (i) which becomes the Beneficiary; (ii) whose Participant becomes the Beneficiary; (iii) whose Lower Positioned Institution becomes the Beneficiary; or (iv) whose Lower Positioned Institution's Participant becomes the Beneficiary; the same shall apply hereinafter in this Chapter) and the Trustee Corporation with the details of such records and other matters prescribed by the Rules.

- (2) When a DVP Settlement is designated:

JASDEC shall notify the Issuer, the Purchaser JASDEC Participant and the Trustee Corporation of the details of the New Record Information, the DVP Settlement New Record Information and other matters prescribed by the Rules.

2. When Item 2 of the preceding Paragraph applies, the Purchaser JASDEC Participant shall confirm the details of the matters included in such notice, and, upon its approval thereof, shall so notify JASDEC.

3. Upon its receipt from the Purchaser JASDEC Participant of the approval notice referenced in the preceding Paragraph, JASDEC shall take the measures prescribed in the following Items:

- (1) JASDEC shall record in the Issue Account details of the New Record Information, the New Record DVP Settlement Information and matters prescribed by the Rules, and notify the Issuer, the Purchaser JASDEC Participant and the Trustee Corporation of the details of such records and the Settlement Number assigned by JASDEC in order to implement the DVP Settlement.
- (2) JASDEC shall notify the BOJ Net Fund Settlement Corporation of the matters prescribed by the Rules as the information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of Investment Trust Beneficial Rights recorded in the Issue Account.
- (3) On the settlement date, JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., of the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of Investment Trust Beneficial Rights recorded in the Issue Account.

Article 58-40: Fund Settlement by Way of a DVP Settlement

When a DVP Settlement is designated, fund settlement methods shall be as prescribed in the following Items:

- (1) When the Purchaser JASDEC Participant is a Designated Distributing Company:

The Purchaser JASDEC Participant shall take the measures prescribed by the Rules, which are necessary in order to make payments of funds through the BOJ Net. In such event, if the fund settlement is to be made using a BOJ Net Fund

Settlement Corporation, the Purchaser JASDEC Participant shall communicate to the BOJ Net Fund Settlement Corporation that the funds will be paid through the BOJ Net and the Issue Fund Settlement Information (i.e., the information prescribed by the Rules as that portion of the information recorded in the Issue Account, which is necessary for the fund settlement, and the Settlement Number; the same shall apply hereinafter in this Article).

- (2) When the Purchaser JASDEC Participant is not a Designated Distributing Company (except in the event of a direct primary offering, etc., by the Issuer):

The Purchaser JASDEC Participant shall take measures prescribed by the Rules, which are necessary in order to enable the Designated Distributing Company (if such Designated Distributing Company uses a BOJ Net Fund Settlement Corporation in order to implement fund settlements, the BOJ Net Fund Settlement Corporation) to make payments of funds through the BOJ Net.

- (3) In the case of a direct primary offering, etc., by the Issuer:

The Issuer shall communicate to the BOJ Net Fund Settlement Corporation involved in the direct primary offering, etc., that the funds will be paid through the BOJ Net and the Issue Fund Settlement Information.

Article 58-41: Notice Upon Trust Establishment

Notice to JASDEC upon the establishment of the trust relating to Investment Trust Beneficial Rights shall be given as set forth in the following Items:

- (1) When a DVP Settlement is not designated:

Upon the establishment of the trust relating to the issue of Investment Trust Beneficial Rights recorded in the Issue Account pursuant to the Issuer's instructions, the Trustee Corporation shall so notify JASDEC. When JASDEC is so notified, any notice prescribed by Article 58-37, Paragraph 1, shall be deemed

to constitute notice concerning the establishment of the trust relating to such Investment Trust Beneficial Rights which the Issuer is required to issue.

- (2) When a DVP Settlement is designated:

Upon JASDEC's confirmation pursuant to the provisions of the Rules of the completion of fund settlements implemented through the BOJ Net in accordance with the provisions of the preceding Article in connection with the establishment of the trust relating to Investment Trust Beneficial Rights, any notice prescribed by Article 58-37, Paragraph 1, shall be deemed to constitute notice concerning the establishment of the trust relating to such Investment Trust Beneficial Rights which the Issuer is required to issue.

Article 58-42: New Record

1. In the event that the notice prescribed in the preceding Article is given, JASDEC shall take the measures prescribed in the following Items with respect to the number of units recorded in the Issue Account in connection with the issue of Investment Trust Beneficial Rights relating to such notice pursuant to the provisions of Item 1 of Paragraph 1 of Article 58-39 and Item 1 of Paragraph 3 of Article 58-39 based on the classifications set forth in the following Items:

- (1) If JASDEC opened the account prescribed in Article 58-37, Paragraph 1, Item 2:

The increase shall be recorded in the Holding Account of the applicable account.

- (2) If JASDEC did not open the account prescribed in Article 58-37, Paragraph 1, Item 2:

The increase shall be recorded in the Customer Account of the account of the Account Management Institution which is the Purchaser JASDEC Participant, and JASDEC shall notify such Account Management Institution of those portions of the Information of the Issue and the New Record Information, which are described

in Article 58-36, Paragraph 1, Item 1, and Article 58-37, Paragraph 1, Items 1 through 3.

2. If the notice prescribed in Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* in this Paragraph) is given, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to any Account Management Institution that receives such notice.
3. When the increase is recorded digitally or recorded in written entries pursuant to the provisions of the preceding two (2) Paragraphs, if the account prescribed in Article 58-37, Paragraph 1, Item 2, is a Trust Account, the notice prescribed in Article 58-37, Paragraph 1, shall include the application concerning the trust's digital or written entry records pursuant to Article 8 of the Enforcement Order, which shall apply *mutatis mutandis* with modifications in Article 24 of the Enforcement Order; in such event, the Book-Entry Transfer Institution, etc., at which such Trust Account is opened shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act, which shall apply *mutatis mutandis* with modifications in Article 121 of the Act.
4. In the event that JASDEC enters new record prescribed in the preceding three (3) Paragraphs, JASDEC shall notify the Issuer and the Purchaser JASDEC Participant that such new record has been entered and other matters prescribed by the Rules. In such event, the recipients of such notice shall confirm the contents thereof.

PART 3: BOOK-ENTRY TRANSFER PROCEDURES

Article 58-43: Book-Entry Transfer Procedures

1. When an application for a book-entry transfer involving a specified issue of Investment Trust Beneficial Rights is made, the Book-Entry Transfer Institution, etc., shall, under the provisions of Paragraphs 4 through 9, and pursuant to the notations set forth in the application pursuant to the provisions of Paragraph 3, record digitally/record in written entries or give notice concerning the increase or reduction in the Transfer Account Book

maintained by it.

2. The application prescribed in the preceding Paragraph shall be made by the Participant in whose account (other than Customer Accounts) the reduction arising from the book-entry transfer will be recorded digitally or recorded in written entries (hereinafter in this Chapter referred to as the “Transferor Participant”) to its Nearest Upper Positioned Institution.
3. The Transferor Participant shall include the following matters (hereinafter in this Chapter referred to as the “Book-Entry Transfer Application Information”) in the application relating to the book-entry transfer:
 - (1) Issue and number of units of the Investment Trust Beneficial Rights in connection with whose book-entry transfer the increase or reduction must be recorded digitally or recorded in written entries.
 - (2) Indication as to whether the reduction should be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Transferor Participant’s account.
 - (3) Matters prescribed by the Rules in order to identify the account (other than Customer Accounts; hereinafter in this Chapter referred to as the “Transferee Account”) where the increase should be recorded digitally or recorded in written entries.
 - (4) Indication as to whether the increase should be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Transferee Account (other than an Institutional Account).
 - (5) The date on which the book-entry transfer is implemented.
 - (6) Other matters prescribed by the Rules.

4. If an application prescribed in Paragraph 1 is made, the Book-Entry Transfer Institution, etc., that received the application shall take the following measures without delay:
 - (1) Record digitally or record in written entries the reduction relating to the number of units (hereinafter in this Chapter referred to as the “Transfer Units”) prescribed in Item 1 of the preceding Paragraph in the Holding Account or the Pledge Account of the Transferor Participant’s account prescribed in the provisions of Item 2 of the preceding Paragraph.
 - (2) If the applicable Book-Entry Transfer Institution, etc., is not the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, notify the Nearest Upper Positioned Institution of the matters prescribed in Items 1 and 3 through 6 of the preceding Paragraph.
 - (3) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, which opened the Transferee Account, record digitally or record in written entries the increase relating to the Transfer Units in the Holding Account or the Pledge Account in such Transferee Account prescribed in Item 4 of the preceding Paragraph.
 - (4) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution relating to the applicable book-entry transfer, which did not open the Transferee Account, record digitally or record in written entries the increase relating to the Transfer Units in the Customer Account of the account of the Nearest Lower Positioned Institution of such Common Nearest Upper Positioned Institution which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters prescribed in Items 1 and 3 through 6 of the preceding Paragraph.
5. If a notice is given pursuant to Item 2 of the preceding Paragraph, the Book-Entry Transfer Institution, etc., that has received such notice shall take the following measures

without delay:

- (1) Record digitally or record in written entries the reduction relating to the Transfer Units in the Customer Account of the account of the Account Management Institution that issued such notice.
 - (2) If the applicable Book-Entry Transfer Institution, etc., is not the Common Nearest Upper Positioned Institution concerning such book-entry transfer, notify the Nearest Upper Positioned Institution of the matters concerning which the notice pursuant to the provisions of Item 2 of the preceding Paragraph was given.
 - (3) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution concerning such book-entry transfer, which opened the Transferee Account, record digitally or record in written entries the increase relating to the Transfer Units in the Holding Account or the Pledge Account of the applicable Transferee Account prescribed in the provisions of Item 4 of Paragraph 3.
 - (4) If the applicable Book-Entry Transfer Institution, etc., is the Common Nearest Upper Positioned Institution concerning such book-entry transfer, which did not open the Transferee Account, record digitally or record in written entries the increase relating to the Transfer Units in the Customer Account of the account of the Nearest Lower Positioned Institution of such Common Nearest Upper Positioned Institution, which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters set forth in such notice provided pursuant to Item 2 of the preceding Paragraph.
6. If a notice is given pursuant to Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* in this Paragraph), the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Book-Entry Transfer Institution, etc., that received such notice.

7. If a notice prescribed in Item 4 of Paragraph 4 or Item 4 of Paragraph 5 (including when it is applied *mutatis mutandis* in the preceding Paragraph; the same shall apply hereinafter in this Paragraph) is given, the Account Management Institution that received such notice shall take the following measures without delay:
 - (1) If the applicable Account Management Institution opened the Transferee Account, record digitally or record in written entries the increase relating to the Transfer Units in the Holding Account or the Pledge Account in such Transferee Account prescribed in the provisions of Item 4 of Paragraph 3.
 - (2) If the applicable Account Management Institution did not open the Transferee Account, record digitally or record in written entries the increase relating to the Transfer Units in the Customer Account of the account of the Nearest Lower Positioned Institution of such Account Management Institution, which is an Upper Positioned Institution of the Participant to which the applicable Transferee Account belongs, and notify such Nearest Lower Positioned Institution of the matters set forth in such notice provided pursuant to Item 4 of Paragraph 4 or Item 4 of Paragraph 5.
8. If a notice is given pursuant to Item 2 of the preceding Paragraph (including when it is applied *mutatis mutandis* in this Paragraph), the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Account Management Institution that received such notice.
9. When recording digitally or recording in written entries the increase pursuant to the provisions of Paragraphs 4 through 8, if the Transferee Account is a Trust Account, the book-entry transfer application prescribed in Paragraph 1 shall include the application information concerning the trust's digital and written entry records pursuant to the provisions of Article 8 of the Enforcement Order, which is applied *mutatis mutandis* with modifications in Article 24 of the Enforcement Order; in such event, the Book-Entry Transfer Institution, etc., at which such Trust Account is opened, shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act, which shall apply *mutatis mutandis* with modifications in

Article 121 of the Act.

10. In addition to the provisions of the preceding Paragraphs, matters required in connection with the book-entry transfers prescribed in this Article shall be prescribed by the Rules.

Article 58-44: Special Rules for Book-Entry Transfer Procedures Relating to Book-Entry Transfers from/to Non-DDC Accounts

1. When a Transferor Participant implements a Book-Entry Transfer from/to a non-DDC Account, the Transferor JASDEC Participant (i.e., the JASDEC Participant (i) which becomes the transferor in connection with the book-entry transfer; (ii) whose Participant becomes the transferor in connection with the book-entry transfer; (iii) whose Lower Positioned Institution becomes the transferor in connection with the book-entry transfer; (iv) whose Lower Positioned Institution's Participant becomes the transferor in connection with the book-entry transfer; the same shall apply hereinafter in this Article) shall notify JASDEC, in addition to the Book-Entry Transfer Application Information, that it is a Book-Entry Transfer from/to a non-DDC Account, and the Individual Principal Reference Code [*Kobetsu ganpon sanshou code*] which is previously registered with the Beneficial Interest Certificate Delivery Management System [*Shukko jueki-shôken kanri system*] of The Investment Trusts Association, Japan, as information concerning the individual principal of the Investment Trust Beneficial Rights relating to such book-entry transfer application.
2. Upon its receipt of the notice referenced in the preceding Paragraph, JASDEC shall record or eliminate such Individual Principal Reference Code and other matters prescribed by the Rules as Information Concerning Book-Entry Transfer from/to a non-DDC Account.
3. When the Information Concerning Book-Entry Transfer from/to a non-DDC Account referenced in the preceding Paragraph is registered with JASDEC, on the business day which is five (5) business days before the business day designated by the Issuer on which book-entry transfers are suspended for the purpose of processing profit distributions, or on the business day which is five (5) business days before the commencement of the

Book-Entry Transfer Suspension Period, JASDEC shall notify Non-DDC Account JASDEC Participants (i.e., JASDEC Participants (i) on whose account Investment Trust Beneficial Rights relating to the Information Concerning Book Entry Transfer from/to a non-DDC Account is recorded; (ii) on whose Participant's account Investment Trust Beneficial Rights relating to the Information Concerning Book Entry Transfer from/to a non-DDC Account is recorded; (iii) on whose Lower Positioned Institution's account Investment Trust Beneficial Rights relating to the Information Concerning Book Entry Transfer from/to a non-DDC Account is recorded; (iv) on whose Lower Positioned Institution's Participant's account Investment Trust Beneficial Rights relating to the Information Concerning Book Entry Transfer from/to a non-DDC Account is recorded; the same shall apply hereinafter in this Article) of the Information Concerning Book Entry Transfer from/to a non-DDC Account and matters prescribed by the Rules.

4. When the Information Concerning Book-Entry Transfer from/to a non-DDC Account referenced in Paragraph 2 is registered with JASDEC, on the business day preceding the business day designated by the Issuer on which book-entry transfers are suspended for the purpose of processing profit distributions, or on the business day preceding the Redemption Date, JASDEC shall notify the applicable Non-DDC Account JASDEC Participants of the Information Concerning the Book Entry Transfer from/to a non-DDC Account and matters prescribed by the Rules. In such event, the Non-DDC Account JASDEC Participants shall confirm the details of such notice and notify JASDEC of the matters prescribed by the Rules as tax information (hereinafter in this Chapter referred to as the "Investment Trust Beneficial Rights Tax Information") which is necessary in order to process profit distributions or redemption amounts.
5. Upon its receipt of the notice referenced in the latter part of the preceding Paragraph, JASDEC shall notify the Transferor JASDEC Participants which issued the notice referenced in Paragraph 1 for the purpose of registering the Information Concerning Book Entry Transfer from/to a non-DDC Account (excluding Transferor JASDEC Participants involved in Book Entry Transfers from/to non-DDC Accounts if the Information Concerning Book Entry Transfer from/to a non-DDC Account has previously been registered) of the details of such notice.

Article 58-45: Notice of Completion of Book-Entry Transfer Recordation

In the event that JASDEC implements book-entry transfers pursuant to the provisions of the preceding two (2) Articles, JASDEC shall notify the Transferor JASDEC Participant and the Transferee JASDEC Participant that such book-entry transfers were implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

Article 58-46: Restrictions on Book-Entry Transfers

1. No application for book-entry transfers of Investment Trust Beneficial Rights to be implemented on the Transfer Suspension Date of such Investment Trust Beneficial Rights shall be made.
2. In addition to the provisions of the preceding Paragraph, matters required in connection with the restrictions on book-entry transfers of Investment Trust Beneficial Rights shall be prescribed by the Rules.

PART 4: OBLITERATION PROCEDURES

Article 58-47: Obliteration Procedures

1. If an application for obliteration (except where Part 5 (including when it is applied *mutatis mutandis* with modifications pursuant to the provisions of Article 58-60) or Part 6 applies) of a specified issue of Investment Trust Beneficial Rights is made, the Account Management Institution shall, under the provisions of Paragraphs 4 through 6, record digitally/record in written entries or give notice concerning the reduction in the Transfer Account Book maintained by it in accordance with the instructions set forth in the application pursuant to the provisions of Paragraph 3.
2. The application prescribed in the preceding Paragraph shall be made by the Participant (hereinafter in this Chapter referred to as the “Obliteration Applicant Participant”), in whose account (other than Customer Accounts) the reduction relating to the obliteration

shall be recorded digitally or recorded in written entries, to its Nearest Upper Positioned Institution.

3. In its application for obliteration, the Obliteration Applicant Participant shall set forth the following matters (hereinafter in this Chapter referred to as the “Obliteration Application Information”):
 - (1) Issue and number of units of the Investment Trust Beneficial Rights, for which the reduction shall be recorded digitally or recorded in written entries in connection with such obliteration.
 - (2) Indication as to whether the reduction will be recorded digitally or recorded in written entries in the Holding Account or the Pledge Account in the Obliteration Applicant Participant’s account.
 - (3) Other matters prescribed by the Rules.
4. If the application prescribed in Paragraph 1 is made, the Account Management Institution that received such application shall take the following measures without delay:
 - (1) Record digitally or record in written entries the reduction with respect to the number of units prescribed in Item 1 of the preceding Paragraph in the Holding Account or the Pledge Account of the Obliteration Applicant Participant’s account prescribed in Item 2 of the preceding Paragraph.
 - (2) If the Account Management Institution that received such application is an Indirect Account Management Institution, notify the Nearest Upper Positioned Institution of the matters set forth in the notice pursuant to the provisions of Item 1 of the preceding Paragraph.
5. When the notice prescribed in Item 2 of the preceding Paragraph is given, the Account Management Institution that received such notice shall take the following measures without delay:

- (1) Record digitally or record in written entries the reduction with respect to the number of units prescribed in Item 1 of Paragraph 3 in the Customer Account of the account of the Account Management Institution that issued such notice.
 - (2) If the Account Management Institution that received such notice is an Indirect Account Management Institution, notify the Nearest Upper Positioned Institution of the matters set forth in the notice pursuant to the provisions of Item 2 of the preceding Paragraph.
6. When a notice prescribed in Item 2 (including when it is applied *mutatis mutandis* in this Paragraph) of the preceding Paragraph is issued, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Account Management Institution that received such notice.

Article 58-48: Delegation of Obliteration Procedures

1. A Participant (other than JASDEC Participants) shall delegate to its Nearest Upper Positioned Institution that is an Account Management Institution those matters concerning the administrative work relating to obliteration procedures prescribed in the preceding Paragraph, which are prescribed by the Rules.
2. If the Account Management Institution to which the delegation is made pursuant to the preceding Paragraph is an Indirect Account Management Institution, such Indirect Account Management Institution shall delegate the same to its Nearest Upper Positioned Institution that is an Account Management Institution. The same shall apply when such Nearest Upper Positioned Institution is another Indirect Account Management Institution.

PART 5: JASDEC'S PROCEDURES FOR OBLITERATION UPON CANCELLATION

Article 58-49: Information Concerning Planned Obliteration Upon Cancellation

1. When JASDEC implements obliteration upon cancellation (hereinafter in this Chapter

referred to as “Obliteration Upon Cancellation”) as a book-entry transfer institution, any Issuer that receives notice of request for cancellation from the Designated Distributing Company (i.e., the Designated Distributing Company which relays the Obliteration Applicant Participant’s request for cancellation to the Issuer; the same shall apply hereinafter in this Part) or the Beneficiary (limited to Beneficiaries involved in direct primary offering, etc., by the Issuer) must notify JASDEC of the matters (hereinafter in this Chapter referred to as the “Information Concerning Planned Obliteration Upon Cancellation”) as information concerning the Investment Trust Beneficial Rights whose reduction will be recorded at the time of Obliteration Upon Cancellation:

- (1) Issue and number of units of the Investment Trust Beneficial Rights relating to the Obliteration Upon Cancellation.
 - (2) Name of the JASDEC Participant in whose account the reduction will be recorded, and the account classification.
 - (3) Settlement date.
 - (4) The Designated Distributing Company; in the event of a direct primary offering, etc., by the Issuer, the Issuer which implements the direct primary offering, etc.
 - (5) Other matters prescribed by the Rules.
2. In addition to those prescribed in the preceding Paragraph, the matters necessary in connection with the Information Concerning Planned Obliteration Upon Cancellation when JASDEC implements Obliteration Upon Cancellation as a book-entry transfer institution shall be prescribed by the Rules.

Article 58-50: Classification of Settlement Methods

1. Settlement methods to be used by JASDEC acting as a book-entry transfer institution when implementing Obliteration Upon Cancellation shall be classified between a DVP Settlement and a Non-DVP Settlement.

2. In connection with the classification prescribed in the preceding Paragraph, a DVP Settlement may be designated if the BOJ Net Fund Settlement Corporation of the Issuer is different from the BOJ Net Fund Settlement Corporation of the Designated Distributing Company, and if the Issuer and the Designated Distributing Company have reached an agreement (in the case of a direct primary offering, etc., by the Issuer, [a DVP Settlement may be designated] if the BOJ Net Fund Settlement Corporation involved in the direct primary offering, etc., is not the Trustee Corporation for the applicable issue of the Investment Trust Beneficial Rights).

3. When designating a DVP Settlement pursuant to the provisions of the preceding Paragraph, the Issuer shall, in addition to the notice prescribed in the preceding Article, provide JASDEC with the following information relating to the DVP Settlement (hereinafter in this Chapter referred to as “DVP Settlement Information Upon Cancellation”):
 - (1) The fact that a DVP Settlement will be designated.
 - (2) Fund settlement amount relating to the obliteration procedures.
 - (3) BOJ Net Fund Settlement Corporation used by the Designated Distributing Company.
 - (4) BOJ Net Fund Settlement Corporation used by the Issuer.
 - (5) Other matters prescribed by the Rules.

Article 58-51: Recordation in Cancellation Accounts

1. JASDEC shall, if it receives from the Issuer notice of the Information Concerning Planned Obliteration Upon Cancellation prescribed in Article 58-49, take the measures described in the following Items, depending upon the classification of settlement methods described in the following Items:

- (1) In the case of a Non-DVP Settlement:

JASDEC shall record in the Cancellation Account details of the Information Concerning Planned Obliteration Upon Cancellation on the settlement date, and notify the Issuer, the Obliteration Applicant JASDEC Participant (i.e., the JASDEC Participant which implements obliteration procedures for itself or for a Participant which made the delegation prescribed in Article 58-48, Paragraph 1; the same shall apply hereinafter in this Chapter) and the Trustee Corporation of the details of such records and matters prescribed by the Rules.

- (2) In the case of a DVP Settlement:

JASDEC shall notify the Issuer, the Obliteration Applicant JASDEC Participant and the Trustee Corporation of the details of the Information Concerning Planned Obliteration Upon Cancellation and the Information Concerning DVP Settlement Upon Cancellation as well as the matters prescribed by the Rules.

2. When Item 2 of the preceding Paragraph applies, the Obliteration Applicant JASDEC Participant shall confirm the details of the matters included in such notice, and, upon its approval thereof, shall so notify JASDEC.
3. Upon its receipt from the Obliteration Applicant JASDEC Participant of the approval notice referenced in the preceding Paragraph, JASDEC shall take the measures prescribed in the following Items:
 - (1) JASDEC shall record in the Cancellation Account details of the Information Concerning Planned Obliteration Upon Cancellation and the Information Concerning DVP Settlement Upon Cancellation on the settlement date, and notify the Issuer, the Obliteration Applicant JASDEC Participant and the Trustee Corporation of the details of such records and the Settlement Number assigned by JASDEC in order to implement the DVP Settlement.

- (2) JASDEC shall notify the BOJ Net Fund Settlement Corporation of the matters prescribed by the Rules as the information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of Investment Trust Beneficial Rights recorded in the Cancellation Account.
- (3) On the settlement date, JASDEC shall, by an electromagnetic method, notify the Bank of Japan, using the system relating to the Book-Entry Transfer System for Corporate Bonds, etc., of the matters prescribed by the Rules as information necessary for the implementation of fund settlements through the BOJ Net in connection with the issues of Investment Trust Beneficial Rights recorded in the Cancellation Account.

Article 58-52: Fund Settlement by Way of a DVP Settlement

In connection with fund settlement by way of a DVP Settlement, the Issuer shall notify the BOJ Net Fund Settlement Corporation used by it that the fund settlement will be implemented through the BOJ Net. In such event, the BOJ Net Fund Settlement Corporation shall take measures prescribed by the Rules which are necessary in order to pay funds through the BOJ Net.

Article 58-53: Application for Obliteration Upon Cancellation

The provisions of the following Items shall apply to the application for the Obliteration Upon Cancellation of Investment Trust Beneficial Rights (hereinafter in this Chapter referred to as the “Application for Obliteration Upon Cancellation”) submitted to JASDEC:

- (1) In the case of a Non-DVP Settlement:

The Obliteration Applicant JASDEC Participant shall, upon its confirmation of receipt of the cancellation proceeds with respect to the issue of Investment Trust Beneficial Rights relating to the Obliteration Upon Cancellation recorded in the Cancellation Account, so notify JASDEC. JASDEC shall treat such notice as an Application for Obliteration Upon Cancellation submitted to JASDEC by the

Obliteration Applicant JASDEC Participant.

- (2) In the case of a DVP Settlement:

With respect to the completion of the fund settlement upon the Obliteration Upon Cancellation of Investment Fund Beneficial Rights by way of a DVP Settlement, JASDEC shall confirm, using the method prescribed by the Rules, the notice from the Bank of Japan concerning the fund settlement through the BOJ Net pursuant to the provisions of the preceding Article. JASDEC shall treat such notice as an Application for Obliteration Upon Cancellation submitted to JASDEC by the Obliteration Applicant JASDEC Participant.

Article 58-54: Obliteration Records

1. In connection with the recordation of reduction in connection with Obliteration Upon Cancellation procedures, JASDEC shall take the measures prescribed in the following Items in accordance with the settlement method classification set forth in the following Items:

- (1) In the case of a Non-DVP Settlement:

Upon its receipt of the notice prescribed in Item 1 of the preceding Article, JASDEC shall record the reduction in the Obliteration Applicant JASDEC Participant's account with respect to the number of units recorded in the Cancellation Account pursuant to the provisions of Item 1 of Paragraph 1 of Article 58-51.

- (2) In the case of a DVP Settlement:

Upon the confirmation pursuant to Item 2 of the preceding Article, JASDEC shall record the reduction in the Obliteration Applicant JASDEC Participant's account with respect to the number of units recorded in the Cancellation Account pursuant to the provisions of Item 1 of Paragraph 3 of Article 58-51.

2. Upon entering the records of obliteration prescribed in the preceding Paragraph, JASDEC shall notify the Issuer and the Obliteration Applicant JASDEC Participant that such obliteration has been implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

PART 6: JASDEC'S PROCEDURES FOR OBLITERATION UPON REDEMPTION

Article 58-55: Recordation in Redemption Accounts

1. On the business day following the Redemption Date of a specified issue of Investment Trust Beneficial Rights, JASDEC shall record in the Redemption Account the number of units of decrease in the number of units recorded in each JASDEC Participant's account, which needs to be recorded as a result of obliteration relating to redemption (hereinafter in this Chapter referred to as "Obliteration Upon Redemption").
2. JASDEC shall notify the Issuer and the Obliteration Applicant JASDEC Participant the details of records prescribed in Paragraph 1 and the matters prescribed by the Rules.

Article 58-56: Application for Obliteration Upon Redemption

1. The Obliteration Applicant JASDEC Participant shall, upon its confirmation of receipt of the redemption amount with respect to the issue of Investment Trust Beneficial Rights recorded in the Redemption Account, so notify JASDEC.
2. If JASDEC receives the notice referenced in the preceding Paragraph, such notice shall be deemed to constitute a submission of an application for obliteration in connection with redemption (hereinafter in this Chapter referred to as the "Application for Obliteration Upon Redemption").

Article 58-57: Obliteration Records

1. Upon its receipt of the notice prescribed in Paragraph 1 of the preceding Article,

JASDEC shall record the reduction in the Obliteration Applicant JASDEC Participant's account with respect to the number of units recorded in the Redemption Account pursuant to the provisions of Article 58-55.

2. Upon entering the records of obliteration prescribed in the preceding Paragraph, JASDEC shall notify the Issuer and the Obliteration Applicant JASDEC Participant that such obliteration has been implemented and other matters prescribed by the Rules; in such event, recipients of such notification shall confirm the contents thereof.

PART 7: SPECIAL RULES FOR RECORD PROCEDURES FOR TRUST
CONSOLIDATIONS

Article 58-58: Issuers' Notice Concerning Trust Consolidations

1. Issuers of Investment Trust Beneficial Rights shall, whenever a consolidation of the trusts relating to Investment Trust Beneficial Rights is to be implemented, notify JASDEC in writing of the following matters:
 - (1) The issue of the Investment Trust Beneficial Rights to be delivered to the beneficiaries of the pre-consolidation trusts in connection with the consolidation of such trusts (hereinafter in this Part referred to as the "Post-Consolidation Issue").
 - (2) The issue of the Investment Trust Beneficial Rights of the pre-consolidation trusts (hereinafter in this Part referred to as the "Cancelled Issue").
 - (3) The date on which the trust consolidation becomes effective (hereinafter in this Part referred to as the "Consolidation Date").
 - (4) The ratio of the total number of units of the Cancelled Issue to the total number of units of the Post-Consolidation Issue to be delivered to the beneficiaries of the Cancelled Issue in connection with the trust consolidation.
2. The notice prescribed in the preceding Paragraph shall be given on or before the day

described in the Items below, depending upon the classification set forth in the Items below:

- (1) Matters prescribed in Items (1) through (3) of the preceding Paragraph: Two (2) weeks before the Consolidation Date.
 - (2) Matters prescribed in Item (4) of the preceding Paragraph: The business day immediately preceding the Consolidation Date.
3. Upon receipt of the notice prescribed in Item (1) through (3) of Paragraph 1 from the Issuer (limited to when the issue of the Investment Trust Beneficial Rights relating to the notice is involved in a public offering), JASDEC shall notify Issuers, JASDEC Participants, BOJ Net Fund Settlement Corporations and Trustee Corporations of the contents of such notice.

Article 58-59: New Record Procedures for Trust Consolidations

When applying the provisions of Part 2 (other than Article 58-38, Paragraph 1, Item (2) and Paragraphs 2 and 3 of Article 58-39, Article 58-40 and Item (2) of Article 58-41), if the new record procedures for Investment Trust Beneficial Rights are implemented in connection with a trust consolidation, the phrase appearing in Paragraph 2 of Article 58-36, “the day described in the Items below, depending upon the classification set forth in the Items below” shall be replaced with the phrase, “the day which is two (2) weeks before the Consolidation Date.”

Article 58-60: Obliteration Procedures for Trust Consolidations

The provisions of Part 5 (other than Article 58-50, Paragraph 1, Item (2) and Paragraphs 2 and 3 of Article 58-51, Article 58-52, Item (2) of Article 58-53, and Paragraph 1, Item (2), and Paragraph 2 of Article 58-54) shall apply *mutatis mutandis* to the obliteration procedures implemented when JASDEC, as a book-entry transfer institution, obliterates Investment Trust Beneficial Rights in connection with trust consolidations. In such event, the words set forth in the middle column of the table below contained in the provisions of these Regulations prescribed in the left column in the table below, shall be replaced with the words set forth in

the right column of the table below:

Provisions Revised	Words to be Replaced	Words to Replace
Article 58-49	Upon Cancellation	Upon Consolidation
Article 58-49, Paragraph 1	obliteration upon cancellation	obliteration upon consolidation
	that receives notice of request for cancellation	that receives notice
	or the	of the number of units of the Cancelled Issue to be obliterated in connection with the trust consolidation or that calculates the number of units which must be obliterated with respect to each
Article 58-51, Paragraph 1	Upon Cancellation	Upon Consolidation
Article 58-53	Upon Cancellation	Upon Consolidation
Article 58-53	receipt of the cancellation proceeds	new records of the Investment Trust Beneficial Rights of the Post-Consolidation Issue to be delivered
Article 58-54	Upon Cancellation	Upon Consolidation

**PART 8: RECORD PROCEDURES FOR SPLITS OF INVESTMENT TRUST
BENEFICIAL RIGHTS**

Article 58-61: Issuers’ Notice Concerning Splits of Investment Trust Beneficial Rights

1. The Issuer of Investment Trust Beneficial Rights of a particular issue shall, whenever a

split of such Investment Trust Beneficial Rights is to be implemented, notify JASDEC of the following matters:

- (1) The issue of the Investment Trust Beneficial Rights involved in the split (hereinafter in this Part referred to as the “Split Issue”).
 - (2) The ratio of the total number of units described in (a) below to the total number of issued units described in (b) below (hereinafter in this Part referred to as the “Increase Ratio”):
 - (a) Total number of units of the applicable Investment Trust Beneficial Rights to be received by the beneficiary through the split.
 - (b) Total number of issued units of the applicable Investment Trust Beneficial Rights prior to the split.
 - (3) The date of the split.
 - (4) Other matters prescribed by the Rules.
2. The notice prescribed in the preceding Paragraph shall be given not less than two (2) weeks before the split date in writing in a prescribed form.
 3. Upon receipt of the notice prescribed in Paragraph 1 from the Issuer, JASDEC shall notify JASDEC Participants, BOJ Net Fund Settlement Corporations and Trustee Corporations of the contents of such notice.
 4. Upon the issuance of notice prescribed in the preceding Paragraph, the JASDEC Participant which received such notice shall immediately provide its Nearest Lower Positioned Institution with notice concerning the issue of the Investment Trust Beneficial Rights to which such notice relates, setting forth the matters described in the Items under Paragraph 1.

5. Whenever any notice prescribed in the preceding Paragraph (including when it is applied *mutatis mutandis* in this Paragraph) is issued, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Nearest Lower Positioned Institution which receives such notice.

Article 58-62: Recordation and Notice of Splits by Account Management Institutions

1. Upon the issuance of notice prescribed in Paragraph 3, 4 or 5 of the preceding Article, the Account Management Institution that received such notice shall take the measures described below on the split date (limited to those described in Item (1) if the applicable Account Management Institution is a JASDEC Participant or has Customer Accounts):
 - (1) To record digitally or record in written entries in the account (other than a Customer Account) in the Transfer Account Book maintained by it, where the Investment Trust Beneficial Rights of the Split Issue are recorded digitally or recorded in written entries, the increase resulting from the multiplication of the number of units recorded digitally or recorded in written entries in such account (excluding the number of units which have previously been cancelled or with respect to which application for cancellation has been submitted) by the Increase Ratio (any fractional number less than one (1) unit shall be rounded down).
 - (2) To notify the Nearest Upper Positioned Institution of the number of units whose increase was recorded digitally or recorded in written entries pursuant to the provisions of the preceding Item.
2. Upon the issuance of notice prescribed in Item (2) of the preceding Paragraph or Item (2) of this Paragraph, the Account Management Institution that received such notice shall immediately take the measures described below (limited to those described in Item (1) in the case of a JASDEC Participant):
 - (1) Record digitally or record in written entries in the Customer Account of the account of the Account Management Institution that issued such notice the increase relating to the number of units with respect to which such notice was

received.

- (2) Notify the Nearest Upper Positioned Institution of the number of units whose increase was recorded digitally or recorded in written entries pursuant to the provisions of Item (1) of the preceding Paragraph and the number of units with respect to which notice was received from the Nearest Lower Positioned Institution pursuant to Item (2) of the preceding Paragraph or this Item.

Article 58-63: Notice to JASDEC Concerning Split Information

Upon the issuance of notice prescribed in Paragraph 3, 4 or 5 of Article 58-61, the JASDEC Participant that received such notice shall, on the split date, notify JASDEC of the following matters as information relating to the Investment Trust Beneficial Rights whose increase through the split will be recorded:

- (1) The number of units of increase recorded digitally or recorded in written entries pursuant to the provisions of Item (1) of Paragraph 1 of the preceding Article, and the number of units with respect to which notice was received from the Nearest Lower Positioned Institution pursuant to Item (2) of Paragraph 1, or Item (2) of Paragraph 2, of the preceding Article.
- (2) The number of units (any fractional number less than one (1) unit shall be rounded down) equal to the number of units of the Investment Trust Beneficial Rights of the Split Issue recorded in the Self Account of its own JASDEC Participant Account (excluding the number of units which have previously been cancelled or with respect to which application for cancellation has been submitted), multiplied by the Increase Ratio.
- (3) The Classified Account in which the increase relating to the preceding two (2) Items should be recorded.
- (4) The Designated Distributing Company; provided, however, in the event that an Issuer engages in a direct primary offering, etc., the Issuer that engages in the

direct primary offering, etc.

- (5) Other matters prescribed by the Rules.

Article 58-64: Recordation of Split by JASDEC

1. Upon receipt of the notice prescribed in the preceding Article from a JASDEC Participant, JASDEC shall record the increase relating to the number of units prescribed in Items (1) and (2) of the preceding Paragraph in the Classified Account prescribed in Item (3) of the preceding Article in the account of the applicable JASDEC Participant, where the Investment Trust Beneficial Rights of the issue relating to such notice are recorded.
2. After the recordation prescribed in the preceding Paragraph is made, JASDEC shall notify the Issuer, the applicable JASDEC Participant and the Trustee Corporation of the fact that such increase was recorded and other matters prescribed by the Rules. In such event, the recipients of such notice shall confirm the contents thereof.

Article 58-65: Notification Concerning the Pre-Split Number of Units

1. Any Account Management Institution which receives notice prescribed in Paragraph 3, 4 or 5 of Article 58-61 shall, without delay and using the method prescribed by the Rules, notify the Nearest Upper Positioned Institution of the number of units of the Investment Trust Beneficial Rights relating to the split recorded digitally or recorded in written entries in the account (other than the Customer Account) of the Participant of such Account Management Institution in the Transfer Account Book maintained by the Account Management Institution as of the date immediately preceding the split date, and the number of units of the applicable Investment Trust Beneficial Rights with respect to which notice was received from its Nearest Lower Positioned Institution pursuant to the provisions of this Paragraph.
2. JASDEC shall, using the method prescribed by the Rules, notify the Issuer of the number of units of the Investment Trust Beneficial Rights relating to the split recorded in the JASDEC Participant Account in the Transfer Account Book maintained by JASDEC as of

the date immediately preceding the split date, and the number of units of the applicable Investment Trust Beneficial Rights with respect to which notice was received from the JASDEC Participant pursuant to the provisions of the preceding Paragraph.

PART 9: RECORD PROCEDURES FOR CONSOLIDATIONS OF INVESTMENT
TRUST BENEFICIAL RIGHTS

Article 58-66: Issuers' Notice Concerning Consolidations of Investment Trust Beneficial
Rights

1. The Issuer of Investment Trust Beneficial Rights of a particular issue shall, whenever a consolidation of such Investment Trust Beneficial Rights is to be implemented, notify JASDEC of the following matters:
 - (1) The issue of the Investment Trust Beneficial Rights involved in the consolidation (hereinafter in this Part referred to as the "Beneficial Rights Consolidation Issue").
 - (2) Ratio equal to one (1), reduced by the ratio of the total number of issued units described in (a) below to the total number of issued units described in (b) below (hereinafter in this Part referred to as the "Decrease Ratio"):
 - (a) Total number of issued units of the applicable Investment Trust Beneficial Rights after the consolidation.
 - (b) Total number of issued units of the applicable Investment Trust Beneficial Rights prior to the consolidation.
 - (3) The date of the consolidation.
 - (4) Other matters prescribed by the Rules.
2. The notice prescribed in the preceding Paragraph shall be given not less than two (2) weeks before the consolidation date in writing in a prescribed form.

3. Upon receipt of the notice prescribed in Paragraph 1 from the Issuer, JASDEC shall notify JASDEC Participants, BOJ Net Fund Settlement Corporations and Trustee Corporations of the contents of such notice.
4. Upon the issuance of notice prescribed in the preceding Paragraph, the JASDEC Participant which received such notice shall immediately provide its Nearest Lower Positioned Institution with notice concerning the issue of the Investment Trust Beneficial Rights to which such notice relates, setting forth the matters described in the Items under Paragraph 1.
5. Whenever any notice prescribed in the preceding Paragraph (including when it is applied *mutatis mutandis* in this Paragraph) is issued, the provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Nearest Lower Positioned Institution which receives such notice.

Article 58-67: Recordation and Notice of Consolidations by Account Management Institutions

1. Upon the issuance of notice prescribed in Paragraph 3, 4 or 5 of the preceding Article, the Account Management Institution that received such notice shall take the measures described below on the consolidation date (limited to those described in Item (1) if the applicable Account Management Institution is a JASDEC Participant or has Customer Accounts):
 - (1) To record digitally or record in written entries in the account (other than a Customer Account) in the Transfer Account Book maintained by it, where the Investment Trust Beneficial Rights of the Beneficial Rights Consolidation Issue are recorded digitally or recorded in written entries, the decrease resulting from the multiplication of the number of units recorded digitally or recorded in written entries in such account (excluding the number of units which have previously been cancelled or with respect to which application for cancellation has been submitted) by the Decrease Ratio (any fractional number less than one (1) unit shall be

rounded up).

- (2) To notify the Nearest Upper Positioned Institution of the number of units whose decrease was recorded digitally or recorded in written entries pursuant to the provisions of the preceding Item.
2. Upon the issuance of notice prescribed in Item (2) of the preceding Paragraph or Item (2) of this Paragraph, the Account Management Institution that received such notice shall immediately take the measures described below:
 - (1) Record digitally or record in written entries in the Customer Account of the account of the Account Management Institution that issued such notice, the decrease relating to the number of units with respect to which such notice was received.
 - (2) Notify the Nearest Upper Positioned Institution of the number of units whose decrease was recorded digitally or recorded in written entries pursuant to the provisions of Item (1) of the preceding Paragraph and the number of units with respect to which notice was received from the Nearest Lower Positioned Institution pursuant to Item (2) of the preceding Paragraph or this Item.

Article 58-68: Notice to Issuers

1. If the Account Management Institution which recorded digitally or recorded in written entries the decrease prescribed in the provisions of Paragraph 1, Item (1), of the preceding Article is not the Designated Distributing Company of the Beneficial Rights Consolidation Issue (except when the account where the decrease was recorded digitally or recorded in written entries was only the Self Account of the Designated Distributing Company of the Beneficial Rights Consolidation Issue), such Account Management Institution shall notify the Designated Distributing Company of the Beneficial Rights Consolidation Issue (which means the Designated Distributing Company which serves as the book-entry transferor of the applicable Investment Trust Beneficial Rights or the Issuer which conducts a direct primary offering; the same shall apply in the following

Paragraph) of the number of units of the decrease recorded digitally or recorded in written entries pursuant to the provisions of Paragraph 1, Item (1), of the preceding Article, and the name and the Classified Account of the JASDEC Participant in connection with which the decrease should be recorded in the Transfer Account Book maintained by JASDEC.

2. Any JASDEC Participant which receives notice prescribed in Paragraph 3, 4 or 5 of Article 58-66, if the Investment Trust Beneficial Rights of the Beneficial Rights Consolidation Issue have been recorded digitally or recorded in written entries in the Self Account of its own JASDEC Participant Account in the Transfer Account Book maintained by JASDEC and if it is not the Designated Distributing Company of the Beneficial Rights Consolidation Issue, shall notify the Designated Distributing Company of the Beneficial Rights Consolidation Issue of the number of units equal to the number of units of the Investment Trust Beneficial Rights of the Beneficial Rights Consolidation Issue recorded digitally or recorded in written entries in the Self Account of its own JASDEC Participant Account (excluding the number of units which have previously been cancelled or with respect to which application for cancellation has been submitted) multiplied by the Decrease Ratio (any fractional number less than one (1) unit shall be rounded up), and the name and the Classified Account of the applicable JASDEC Participant.

3. The Account Management Institution which is the Designated Distributing Company of the Beneficial Rights Consolidation Issue shall notify the Issuer of the number of units, which is equal to the number of units with respect to which a decrease was recorded digitally or recorded in written entries pursuant to the provisions of Paragraph 1, Item (1), of the preceding Article, the number of units with respect to which notice was received pursuant to the provisions of the preceding two (2) Paragraphs, and the number of units of the Investment Trust Beneficial Rights of the Beneficial Rights Consolidation Issue recorded digitally or recorded in written entries in the Self Account in its account in the Transfer Account Book maintained by its Nearest Upper Positioned Institution (excluding the number of units which have previously been cancelled or in connection with which application for cancellation has been submitted), multiplied by the Decrease Ratio (any fractional number of unit less than one (1) shall be rounded up), and the name and the

Classified Account of the JASDEC Participant with respect to which a decrease needs to be recorded in the Transfer Account Book maintained by JASDEC.

Article 58-69: Notice from Issuers Concerning Reductions in the Number of Units, etc.

Upon the issuance of notice prescribed in Paragraph 3 of the preceding Article, the Issuer which received such notice shall notify JASDEC of the matters listed below as information concerning the Investment Trust Beneficial Rights, a reduction of which shall be recorded in connection with the consolidation of the beneficial rights:

- (1) The number of units with respect to which notice was received pursuant to the provisions of Paragraph 3 of the preceding Article.
- (2) The name and the Classified Account of the JASDEC Participant with respect to which the decrease should be recorded.
- (3) The Designated Distributing Company; provided, however, in the case of a direct primary offering, etc., by the Issuer, the Issuer which conducts the direct primary offering, etc.
- (4) Other matters prescribed by the Rules.

Article 58-70: Recordation in Cancellation Accounts

JASDEC shall, if it receives from the Issuer notice prescribed in the preceding Article, immediately record in the Cancellation Account the matters set forth in such notice and notify the Issuer, the JASDEC Participants and the Trustee Corporations of the details of such records and matters prescribed by the Rules.

Article 58-71: JASDEC's Record of Consolidation

1. A JASDEC Participant shall, if it receives notice prescribed in the preceding Article, confirm the details of such notice and, upon its approval thereof, shall so notify JASDEC.

2. JASDEC shall, if it receives notice prescribed in the preceding Paragraph, record the reduction in the JASDEC Participant's account, with respect to the number of units recorded in the Cancellation Account.
3. When the record of reduction prescribed in the preceding Paragraph is made, JASDEC shall notify the Issuer and the applicable JASDEC Participant of the fact that the reduction was recorded and other matters prescribed by the Rules. In such event, recipients of such notification shall confirm the contents thereof.

Article 58-72: Notice Concerning the Number of Units Prior to Consolidation

1. Any Account Management Institution which receives notice prescribed in Paragraph 3, 4 or 5 of Article 58-66 shall notify its Nearest Upper Positioned Institution without delay, using the method prescribed by the Rules, of the number of units of the Investment Trust Beneficial Rights relating to the applicable consolidation and recorded digitally or recorded in written entries in the account of such Account Management Institution's Participant (excluding the Customer Account) in the Transfer Account Book maintained by it as of the day preceding the consolidation date, and the number of units of such Investment Trust Beneficial Rights with respect to which notice was received from its Nearest Lower Positioned Institution pursuant to the provisions of this Paragraph.
2. JASDEC shall notify the Issuer, using the method prescribed by the Rules, of the number of units of the Investment Trust Beneficial Rights relating to the applicable consolidation recorded in the JASDEC Participant Account in the Transfer Account Book maintained by it as of the day immediately preceding the consolidation date, and the number of units of such Investment Trust Beneficial Rights with respect to which notice was received from the JASDEC Participant pursuant to the provisions of the preceding Paragraph.

CHAPTER 7: SERVICE FEES

Article 59: Service Fees

Issuers, Issuing Agents, Paying Agents, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations, Trustee Corporations, JASDEC Participants, Indirect Account Management Institutions and the interested parties prescribed in Article 70 shall pay to JASDEC service fees prescribed by the Rules in accordance with the provisions of the Rules.

CHAPTER 7-2: PARTICIPANT PROTECTION TRUSTS

Article 59-2: Prescription in the Business Regulations Concerning Participants' Meetings and Participant Protection Trusts

The necessary matters concerning the Participant Protection Trusts shall be prescribed by the Business Regulations Concerning Participants' Meetings and Participant Protection Trusts.

CHAPTER 8: PERFORMANCE OF OBLIGATIONS RELATING TO EXCESSIVE RECORDS MADE DIGITALLY OR IN WRITTEN ENTRIES

PART 1: JASDEC'S PERFORMANCE OF OBLIGATIONS RELATING TO EXCESSIVE RECORDS MADE DIGITALLY

Article 60: Matters Concerning Performance of JASDEC's Obligations Relating to Excessive Records Made Digitally

1. With respect to the issue of Corporate Bonds, etc., rights in which have been acquired pursuant to Article 77 of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120, 121 and 127 of the Act), if the total amount of such issue of Corporate Bonds, etc., owned by the Participants exceed the total issue amount (excluding the previously redeemed amount) of such issue of Corporate Bonds, etc., and if the total amount set forth in Item 1 exceeds the total issue amount set forth in Item 2, JASDEC shall acquire Corporate Bonds, etc. on its own account, in an amount equal to such excess (i.e., the total amount set forth in Item 1, reduced by the total issue amount set forth in Item 2):

(1) Total amount of the applicable issue of Corporate Bonds, etc., recorded in

JASDEC Participants' accounts in the Transfer Account Book maintained by JASDEC.

- (2) Total issue amount (excluding the previously redeemed amount) of the applicable issue of Corporate Bonds, etc.
2. The amount prescribed in Item 1 of the preceding Paragraph shall be an amount without regard to any record if (i) it is a record of an amount of increase or reduction in the account prescribed in Item 1 of the preceding Paragraph; (ii) no right relating to such record was actually accrued, transferred or cancelled; and (iii) it has been proven that no person acquired the amount of the Corporate Bonds, etc. as recorded pursuant to the provisions of Article 77 of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120, 121 and 127 of the Act).
3. If JASDEC acquires Corporate Bonds, etc., pursuant to the provisions of Paragraph 1, it shall immediately notify the Issuer of JASDEC's intent of releasing all obligations relating to such Corporate Bonds, etc.; in such event, all rights relating to such Corporate Bonds, etc., shall be written-off and JASDEC shall cause such Corporate Bonds, etc., to be obliterated in the Transfer Account Book.

Article 61: Opening of Institutional Accounts

1. JASDEC shall open an Institutional Account when completing the procedures prescribed in the provisions of the preceding Article.
2. When opening an Institutional Account, JASDEC shall establish a section for Institutional Accounts in its Transfer Account Book, where the following matters shall be recorded:
 - (1) Issue of Corporate Bonds, etc.
 - (2) Denomination of each issue of Corporate Bonds, etc.

- (3) Reason for any increase or reduction in the amount of each issue of Corporate Bonds, etc.

PART 2: ACCOUNT MANAGEMENT INSTITUTIONS' PERFORMANCE OF
OBLIGATIONS RELATING TO EXCESSIVE RECORDS MADE DIGITALLY OR IN
WRITTEN ENTRIES

Article 62: Matters Concerning Performance of Obligations by Account Management
Institutions Relating to Excessive Records Made Digitally or in Written
Entries

1. With respect to the issue of Corporate Bonds, etc., rights in which have been acquired pursuant to Article 77 of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120, 121 and 127 of the Act), if the total amount of such issue of Corporate Bonds, etc., owned by the Participants exceed the total issue amount (excluding the previously redeemed amount) of such issue of Corporate Bonds, etc., and if the total amount set forth in Item 1 exceeds the amount set forth in Item 2 with respect to any Account Management Institution, such Account Management Institution shall have the obligation to notify the Issuer of its intent of releasing all obligations relating to such issue of Corporate Bonds, etc., to the extent equal to the amount of such excess (i.e., the total amount set forth in Item 1, reduced by the amount set forth in Item 2):
 - (1) Sum of the amount of the applicable issue of Corporate Bonds, etc., recorded digitally or recorded in written entries in the accounts of such Account Management Institution's Participants in the Transfer Account Book maintained by such Account Management Institution.
 - (2) Amount of the applicable issue of Corporate Bonds, etc., recorded digitally or recorded in written entries in the Customer Accounts of such Account Management Institution's account in the Account Transfer Book maintained by the Nearest Upper Positioned Institution of the applicable Account Management Institution.

2. The provisions of Paragraph 2 of Article 60 shall be applied *mutatis mutandis* to the following matters:
 - (1) Amount prescribed in Item 1 of the preceding Paragraph.
 - (2) Amount prescribed in Item 2 of the preceding Paragraph, where no right relating to any digital or written entry record of an amount of increase or reduction recorded digitally or recorded in written entries in the Customer Account prescribed in Item 2 of the preceding Paragraph was actually accrued, transferred or cancelled.
3. When Paragraph 1 applies, if the Account Management Institution does not own such amount of the issue of Corporate Bonds, etc., prescribed in Paragraph 1 that is equal to the excess prescribed in Paragraph 1, such Account Management Institution shall have the obligation to acquire enough of the applicable issue of Corporate Bonds, etc., to reach the amount of the excess before declaring its intent to release the obligations pursuant to the provisions of Paragraph 1.
4. Immediately after declaring its intent to release the obligations pursuant to the provisions of Paragraph 1, an Account Management Institution shall notify its Nearest Upper Positioned Institution of the following matters:
 - (1) The fact that such declaration of intent to release the obligations has been made.
 - (2) Issue and amount of the Corporate Bonds, etc., relating to such declaration of intent to release the obligations.
5. The Nearest Upper Positioned Institution prescribed in the preceding Paragraph shall, immediately after its receipt of the notice prescribed in the preceding Paragraph, record digitally or recorded in written entries the following matters in the Transfer Account Book maintained by it with respect to the issue of the Corporate Bonds, etc., prescribed in Item 2 of the preceding Paragraph:
 - (1) Record digitally or record in written entries the amount of reduction relating to the

amount prescribed in Item 2 of Paragraph 2 in the Self Account of the account of the Account Management Institution prescribed in the preceding Paragraph.

- (2) Record digitally or record in written entries the amount of increase relating to the amount prescribed in Item 2 of the preceding Paragraph in the Customer Account of the account prescribed in the preceding Item.

**PART 3: MODIFICATIONS MADE IN THE CASE OF
INVESTMENT TRUST BENEFICIAL RIGHTS**

Article 62-2: Modifications to Be Made to Provisions When the Subject of the Obligations to be Performed in Connection with Excessive Records Made Digitally or in Written Entries Are Investment Trust Beneficial Rights

When the Corporate Bonds, etc., referenced in the preceding three (3) Articles are Investment Trust Beneficial Rights, the words set forth in the middle column of the table below contained in the provisions prescribed in the left column of the table below shall be replaced with the words set forth in the right column of the table below:

Provisions Revised	Words to be Replaced	Words to Replace
Article 60, Paragraph 1	total amount	total number of units
	total issue amount (excluding the previously redeemed amount)	total number of units issued (excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)
	total amount	total number of units
	total issue amount	total number of units issued
	amount equal to such excess	number of units equal to such excess
	total amount ... reduced by	total number of units ...

		reduced by
	amount [equal to such excess]	number of units [equal to such excess]
	Amount	number of units
Article 60, Paragraph 2	Amount	number of units
	amount of increase or reduction	number of units of increase or reduction
Article 61, Paragraph 2	Amount	number of units
	increase or reduction in the amount	increase or reduction
Article 62, Paragraph 1	total amount	total number of units
	total issue amount (excluding the previously redeemed amount)	total number of units issued (excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)
	total amount	total number of units
	Amount	number of units
	amount of such excess	number of units of such excess
	total amount ... reduced by	total number of units ... reduced by
	equal to the amount	equal to the number of units
Article 62, Paragraph 2	Amount	number of units
	amount of increase or reduction	number of units of increase or reduction
Article 62, Paragraph 3	amount of excess	excess number of units
	Amount	number of units
Article 62, Paragraph 4, Item 2	Amount	number of units

Article 62, Paragraph 5, Item 1	amount of reduction	number of units of reduction
Article 62, Paragraph 5, Item 2	amount of increase	number of units of increase

CHAPTER 9: MEETINGS OF PARTICIPANTS

Article 63: Delegation to the Business Regulations Concerning Participants' Meetings and Participant Protection Trusts

The necessary matters concerning the Participants' Meetings shall be prescribed by the Business Regulations Concerning Participants' Meetings and Participant Protection Trusts.

Article 64: Deleted.

Article 65: Deleted.

Article 66: Deleted.

CHAPTER 10: NOTIFICATION OF MATTERS BY THE ISSUERS

Article 67: Notification of Material Matters, etc., Concerning Corporate Bonds, etc.

1. Pursuant to the provisions of the Rules, if any decision is made concerning material matters regarding the rights relating to or handling of Corporate Bonds, etc., or if any material matter occurs with respect to Corporate Bonds, etc., the applicable Issuer shall notify JASDEC of the details thereof.
2. Upon its receipt of notice prescribed in the preceding Paragraph from the Issuer, JASDEC shall so notify JASDEC Participants, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations.

CHAPTER 11: MISCELLANEOUS PROVISIONS

Article 68: Prevention of Excess Recording

1. Book-Entry Transfer Institutions, etc., shall manage the Transfer Account Books maintained by them with utmost care in order to prevent excess recording from occurring.
2. For the purpose prescribed in the preceding Paragraph, JASDEC shall check the total amount in JASDEC Participants' accounts of each issue of Corporate Bonds, etc., and the total issue amount (excluding the previously redeemed amount) of such issue of Corporate Bonds, etc., in the Transfer Account Book on a daily basis.
3. For the purpose prescribed in Paragraph 1, each Direct Account Management Institution shall receive notice from JASDEC concerning the amount in the Customer Account of each issue of Corporate Bonds, etc., confirm it against the amount in the Transfer Account Book maintained by it, and notify JASDEC of the result thereof pursuant to the provisions of the Rules.
4. The provisions of the preceding Paragraph shall apply mutatis mutandis to the confirmation of amounts conducted by Indirect Account Management Institutions.
5. When applying the provisions of the preceding three (3) Paragraphs to Investment Trust Beneficial Rights, the word, "amount," appearing in such Paragraphs shall be replaced with "number of units"; and the phrase, "the total issue amount (excluding the previously redeemed amount)" appearing in Paragraph 2 shall be replaced with "the total number of units issued (excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)".
6. For the purpose prescribed in Paragraph 1, Issuers of Investment Trust Beneficial Rights shall confirm the total number of units of each issue of Investment Trust Beneficial Rights (i.e., the number of units after confirmation pursuant to Paragraph 2 which is applied with modifications in the preceding Paragraph) with respect to which notice is received from JASDEC, and shall immediately notify JASDEC if there is any discrepancy between such number of units and the total number of issued units of such

issue of Investment Trust Beneficial Rights (excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment).

Article 68-2: Handling, etc. of Certificates of “Corporate Bonds”

1. Pursuant to the text prior to the proviso in Paragraph 3 of Article 86 of the Act (including when it is applied *mutatis mutandis* in Articles 115, 117 and 118 of the Act), each Participant shall have the right to request that its Nearest Upper Positioned Institution deliver the written instrument (hereinafter referred to as the “Certificate”) certifying the matters set forth in the Items under Paragraph 3 of Article 68 of the Act (including when it is applied *mutatis mutandis* in Articles 115, 117 and 118 of the Act) concerning the “Corporate Bonds” recorded digitally or recorded in written entries in the Self Account of the Transfer Account Book maintained by such Nearest Upper Positioned Institution; provided, however, that the foregoing shall not apply to any person who/which has previously received the Certificates relating to the applicable “Corporate Bonds” and who/which has not returned such Certificates to the applicable Nearest Upper Positioned Institution.
2. When making the request pursuant to the provisions of the preceding Paragraph, the Participant shall submit to the applicable Nearest Upper Positioned Institution to which such demand is made a written request in a prescribed form setting forth the following matters:
 - (1) Name/trade name and address of the person making the request.
 - (2) Purpose of the request.
 - (3) Account of the Participant with respect to which the request is made.
 - (4) Other information sufficient to identify the matters to be certified.
3. Any Participant that receives the Certificate pursuant to the provisions of Paragraph 1

shall not have any right to make an application for book-entry transfers or an application for obliteration or to receive redemption amounts (including Pre-Maturity Redemption amounts) with respect to the “Corporate Bonds” relating to the Certificate, until such Certificate is returned to the Nearest Upper Positioned Institution prescribed in Paragraph 1.

4. Upon its issuance of the Certificate to a Participant, an Indirect Account Management Institution shall immediately notify the Nearest Upper Positioned Institution of such Indirect Account Management Institution of that fact and the issue and amount of the “Corporate Bonds” relating to the Certificate.
5. The Nearest Upper Positioned Institution that received the notice prescribed in the preceding Paragraph, if it is an Indirect Account Management Institution, shall immediately notify its Nearest Upper Positioned Institution of the matters with respect to which it received notice pursuant to the provisions of the preceding Paragraph. The same shall apply when the Nearest Upper Positioned Institution that received such notice is another Indirect Account Management Institution.
6. If a JASDEC Participant issues the Certificate to a Participant or receives the notice prescribed in the preceding two (2) Paragraphs, such JASDEC Participant shall immediately notify JASDEC in writing of that fact, the issue and amount of the “Corporate Bonds” relating to the Certificate or notice, and the Classified Account in the Transfer Account Book maintained by JASDEC where such issue of the “Corporate Bonds” are recorded.
7. The provisions of the preceding three (3) Paragraphs shall apply *mutatis mutandis* when a Participant returns the Certificate. In such event, the phrase, “if a JASDEC Participant issues the Certificate to a Participant,” shall be replaced with the phrase, “if a Participant returns the Certificate to a JASDEC Participant.”
8. If JASDEC issues the Certificate to a JASDEC Participant or receives the notice prescribed in Paragraph 6 from a JASDEC Participant, JASDEC shall take necessary measures to prevent any book-entry transfer, obliteration or payment of redemption

amounts (including amounts received upon pre-mature redemptions) from being made with respect to the issue of the “Corporate Bonds” relating to such Certificate or notice, the amount thereof, or the Classified Account in the Transfer Account Book maintained by JASDEC, where such issue of the “Corporate Bonds” is recorded, and, in addition, shall notify the Paying Agent of the applicable issue of the “Corporate Bonds” in writing of the matters set forth in the Certificate or notice.

9. If a JASDEC Participant returns the Certificate or if JASDEC receives the notice prescribed in Paragraph 6, which is applied *mutatis mutandis* under Paragraph 7 with modifications, JASDEC shall take necessary measures in order to cancel the measures prescribed in the preceding Paragraph, and, in addition, shall notify the Paying Agent of the issue of the “Corporate Bonds” relating to such Certificate or notice in writing of the matters set forth in the Certificate or notice.

Article 69: Provision of Information Concerning Details of Corporate Bonds, etc.

Upon its receipt from the Issuer of Corporate Bonds, etc., of any notice concerning payments for the Corporate Bonds, etc. (in the event that such Corporate Bonds, etc., are Investment Trust Beneficial Rights, any notice concerning the establishment of a trust), JASDEC shall provide information concerning such Corporate Bonds, etc., in a manner prescribed by the Rules pursuant to Article 87 of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120, 121 and 127 of the Act).

Article 70: Certification of Matters Recorded Digitally or Recorded in Written Entries in the Transfer Account Book, etc.

1. A JASDEC Participant shall have the right to request, in a manner prescribed by the Rules, that JASDEC deliver a written instrument certifying the matters recorded in its JASDEC Participant Account or provide information concerning such matters by electromagnetic methods prescribed in Article 24, Paragraph 1, Item 1, of the Order Concerning Supervision of General Book-Entry Transfer Institutions. The same shall apply to an interested party (*i.e.*, a party who, under the Enforcement Order, is deemed to have an interest prescribed in Article 277 of the Act; the same shall apply hereinafter in

this Article) of the JASDEC Participant Account when a valid reason exists.

2. A Participant shall have the right to request that the Account Management Institution at which the Participant's account is opened deliver a written instrument certifying the matters recorded digitally or recorded in written entries in such account or provide information concerning such matters by electromagnetic methods prescribed in the Items under Paragraph 1 of Article 4 of the Order Concerning Account Management Institutions (Cabinet/Ministry of Justice/Ministry of Finance Order No. 2 of 2002). The same shall apply to an interested party of such account when a valid reason exists.
3. When making the request pursuant to the provisions of the preceding two (2) Paragraphs, the JASDEC Participant, Participant or interested party shall submit a written request setting forth the following matters to JASDEC or the Account Management Institution to which such request is made:
 - (1) Name/trade name and address of the person making the request.
 - (2) Purpose of the request.
 - (3) The JASDEC Participant Account or the Participant's account with respect to which the request is made.
 - (4) Other information sufficient to identify the matters to be certified.
4. When an interested party makes the request under the preceding Paragraph, a document evidencing such party's interest shall be attached to the written request.

Article 70-2: Handling of Attachment, etc.

1. If an Indirect Account Management Institution receives delivery of a notice concerning restrictions imposed pursuant to an attachment order, etc., on the disposition of Corporate Bonds, etc., recorded digitally or recorded in written entries in the Self Account of the Transfer Account Book maintained by it (in the event that such Corporate Bonds, etc., are

Investment Trust Beneficial Rights, except when the measures prescribed in Paragraph 5 to be taken by JASDEC are clearly unnecessary), such Indirect Account Management Institution shall immediately notify its Nearest Upper Positioned Institution of such fact and the issue and amount or number of units of the Corporate Bonds, etc., relating to the notice so delivered.

2. The Nearest Upper Positioned Institution that received the notice prescribed in the preceding Paragraph from an Indirect Account Management Institution, if it is another Indirect Account Management Institution, shall immediately notify its Nearest Upper Positioned Institution of the matters with respect to which it received notice from the Indirect Account Management Institution pursuant to the provisions of the preceding Paragraph. The same shall apply if the Nearest Upper Positioned Institution that received such notice is another Indirect Account Management Institution.
3. If a JASDEC Participant receives delivery of a notice concerning restrictions imposed pursuant to an attachment order, etc., on the disposition of Corporate Bonds, etc., recorded digitally or recorded in written entries in the Self Account of the Transfer Account Book maintained by it (in the event that such Corporate Bonds, etc., are Investment Trust Beneficial Rights, except when the measures prescribed in Paragraph 5 to be taken by JASDEC are clearly unnecessary), or a notice prescribed in the preceding two (2) Paragraphs, such JASDEC Participant shall immediately notify JASDEC in writing of such fact, the issue and amount or number of units of the Corporate Bonds, etc., relating to the notice so delivered or the notice prescribed in the preceding two (2) paragraphs, and the Classified Account in the Transfer Account Book maintained by JASDEC where the issue of the applicable Corporate Bonds, etc., are recorded.
4. The provisions of the preceding three (3) Paragraphs shall apply mutatis mutandis upon the receipt of delivery of notice concerning withdrawal of application for, or cancellation, etc., of attachment orders, etc. In such event, the phrase, “if a JASDEC Participant receives delivery of a notice concerning restrictions imposed pursuant to an attachment order, etc., on the disposition of Corporate Bonds, etc.,” shall be replaced with the phrase, “if a JASDEC Participant receives delivery of a notice concerning withdrawal of application for, or cancellation, etc., of attachment orders, etc.”

5. If JASDEC receives delivery of a notice concerning restrictions imposed pursuant to an attachment order, etc., on the disposition of Corporate Bonds, etc., recorded in the Self Account of the Transfer Account Book maintained by it, or the notice prescribed in Paragraph 3 from a JASDEC Participant, JASDEC shall take necessary measures in order to prevent any book-entry transfer or obliteration (if the applicable issue consists of Short-Term Corporate Bonds, etc., including the payment of redemption amounts; if the applicable issue consists of “Corporate Bonds,” including the payment of redemption amounts (including amounts received upon pre-mature redemptions and fixed date redemptions) and interest) from being made with respect to the issue, amount or number of units of the Corporate Bonds, etc., relating to the notice so delivered or to the notice prescribed in Paragraph 3, or the Classified Account in the Transfer Account Book maintained by JASDEC where the issue of the applicable Corporate Bonds, etc., are recorded, and, in addition, if such issue consists of “Corporate Bonds,” notify the Paying Agent in writing of such issue of the matters set forth in the notice so delivered or in the notice prescribed in Paragraph 3.

6. If JASDEC receives delivery of notice concerning withdrawal of application for, or cancellation, etc., of attachment orders, etc., with respect to Corporate Bonds, etc., recorded in the Self Account of the Transfer Account Book maintained by it, or notice prescribed in Paragraph 3, which is applied *mutatis mutandis* in Paragraph 4 with modifications, JASDEC shall take necessary measures in order to cancel the measures taken pursuant to the preceding Paragraph, and, in addition, if the issue relating to the notice so delivered or to the notice prescribed in Paragraph 3, which is applied *mutatis mutandis* in Paragraph 4 with modifications, consists of “Corporate Bonds,” notify the Paying Agent in writing of such issue of the matters set forth in the notice so delivered or in the notice prescribed in Paragraph 3, which is applied *mutatis mutandis* in Paragraph 4 with modifications.

Article 71: Reports and Investigations

1. Upon the occurrence of any event prescribed in Article 62 or other incident prescribed in Article 19 of the Act, the Account Management Institution shall report such fact and the

following matters to JASDEC without delay:

- (1) Name of the business office where the incident occurred.
 - (2) Name or trade name and title of the director, accounting advisor, auditor, officer or employee who caused the incident.
 - (3) General description of the incident.
2. Upon the discovery of the details of the incident which was reported pursuant to the provisions of the preceding Paragraph, the Account Management Institution shall report the following matters to JASDEC without delay:
- (1) Details of the incident.
 - (2) Improvement plans.
3. Whenever deemed necessary and appropriate in order to ensure the proper operation of the Corporate Bonds, etc. Book-Entry Transfer Business, JASDEC shall have the right, after presentation of the reasons therefor, to require Issuers (including Issuing Agents and Paying Agents; the same shall apply hereinafter in this Chapter), JASDEC Participants, Indirect Account Management Institutions and Trustee Corporations to submit reports or information concerning matters required in connection with the Corporate Bonds, etc. Book-Entry Transfer Business.
4. When the provisions of Paragraph 1 apply, or when otherwise deemed necessary in order to promote the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc., JASDEC shall have the right to review the Transfer Account Books maintained by Account Management Institutions.

Article 72: Partial Delegation of Work

Whenever deemed necessary for the operation of the Corporate Bonds, etc. Book-Entry

Transfer Business, with the approval of the Minister in charge of applicable matters, JASDEC shall have the right to delegate some of its work to third parties.

Article 73: Release of Liabilities

1. Except when JASDEC is deemed to have committed intentional misconduct or gross negligence, JASDEC shall not owe any liability for damages resulting from matters handled pursuant to the applications, notices, etc., from Issuers, JASDEC Participants and Trustee Corporations based on the determinations made by JASDEC pursuant to these Regulations and Article 75.
2. In addition to the provisions of the preceding Paragraph, JASDEC shall have no liability for damages resulting from causes for which JASDEC is not responsible.

Article 74: Prohibition of Withdrawal of Application for a DVP Settlement

With respect to JASDEC's procedures concerning new record, book-entry transfers and obliteration (limited to those implemented by way of a DVP Settlement), after the Issuer and JASDEC Participant give notices concerning settlement of funds pursuant to the provisions of these Regulations and the Fund Settlement Corporation or the BOJ Net Fund Settlement Corporation makes payments of funds through the BOJ Net, such Issuer and JASDEC Participant shall have no right to withdraw their application for procedures concerning new record, book-entry transfers or obliteration.

Article 75: Determination of Required Matters, etc.

For the purpose of operating the Book-Entry Transfer System for Corporate Bonds, etc., properly and in a reliable manner, in addition to the provisions of these Regulations, JASDEC shall have the right to promulgate regulations concerning required matters and to take necessary measures.

Article 76: Abolishment of System

If JASDEC determines that the Book-Entry Transfer System for Corporate Bonds, etc., does not need to continue its existence, JASDEC shall have the right to abolish it upon six (6) months' prior notice; provided, however, that the foregoing shall not apply if the designation under Article 3, Paragraph 1, of the Act is cancelled pursuant to the provisions of Article 22, Paragraph 1, of the Act.

Article 77: Amendment of Regulations, etc.

1. When deemed necessary in order to promote the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc., JASDEC shall have the right to amend these Regulations (other than the provisions relating to the Participant Protection Trusts) with the approval of the Commissioner of the Financial Services Agency and the Minister of Legal Affairs.
2. When deemed necessary in order to promote the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc., JASDEC shall have the right to amend these Regulations (limited to the provisions relating to the Participant Protection Trusts) with the approval of the Commissioner of the Financial Services Agency, the Minister of Legal Affairs and the Minister of Finance.
3. When deemed necessary in order to promote the efficient operation of the Book-Entry Transfer System for Corporate Bonds, etc., JASDEC shall have the right to amend the Rules promulgated, or the necessary measures to be taken, pursuant to Article 75.

Article 78: Governing Law and Agreed Jurisdiction

1. The rights and obligations among JASDEC, Issuers, JASDEC Participants, Indirect Account Management Institutions, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations concerning the Book-Entry Transfer System for Corporate Bonds, etc., shall be governed by the laws of Japan.
2. If any dispute arises concerning the rights and obligations among JASDEC, Issuers, JASDEC Participants, Indirect Account Management Institutions, Fund Settlement

Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations concerning the Book-Entry Transfer System for Corporate Bonds, etc., the Tokyo District Court shall have exclusive jurisdiction over any litigation relating thereto; provided, however, that JASDEC shall have the right to commence lawsuits against Issuers, JASDEC Participants, Indirect Account Management Institutions, Fund Settlement Corporations, BOJ Net Fund Settlement Corporations and Trustee Corporations in courts outside of Japan having jurisdiction.

Supplementary Rule

These Regulations shall become effective on January 10, 2003.

Supplementary Rule

These revised Regulations shall become effective on January 17, 2003.

Supplementary Rule

These revised Regulations shall become effective on June 20, 2003.

Supplementary Rule

These revised Regulations shall become effective on April 1, 2004.

Supplementary Rule

These revised Regulations shall become effective on October 1, 2004.

Supplementary Rule

These revised Regulations shall become effective on March 7, 2005.

Supplementary Rules

Article 1: Effective Date

These revised Regulations shall become effective on January 10, 2006.

Article 2: Special Rules Concerning “Corporate Bonds”

The provisions of these Regulations (other than Articles 8 through 8-3, Article 11, Article 12 (Paragraphs 5 and 6), Article 12-2, Article 15-2, Article 15-3, Article 26 (Paragraphs 2 and 5), Chapter 6, Article 58-6, Articles 58-8 through 58-13, Chapter 6-3, Article 62-2, Article 68 (Paragraphs 5 and 6) and Article 69) shall apply to the Special Rule “Corporate Bonds” (i.e., those (i) which are Special Rule Corporate Bonds prescribed in Article 10 of the Supplementary Provisions of the Act; Special Rule Municipal Bonds prescribed in Article 27 (Paragraph 1) of the Supplementary Provisions of the Act; Special Rule Investment Company Bonds prescribed in Article 28 (Paragraph 1) of the Supplementary Provisions of the Act; Special Rule Corporate Bonds prescribed in Article 29 (Paragraph 1) of the Supplementary Provisions of the Act; Special Rule Specified Corporate Bonds prescribed in Article 30 (Paragraph 1) of the Supplementary Provisions of the Act; Special Rule Special Corporation Bonds prescribed in Article 31 (Paragraph 1) of the Supplementary Provisions of the Act; or Special Rule Foreign Bonds prescribed in Article 36 (Paragraph 1) of the Supplementary Provisions of the Act; (ii) which satisfy the requirements set forth in Article 8-2, Paragraph 2 (except for Items 2 through 4) of the Business Regulations as amended by these amendments (hereinafter referred to as the “Regulations”); (iii) whose denomination of each corporate bond is 1,000 denomination of the Currency or more, and a multiple of 1,000 denomination of the Currency; and (iv) whose redemption method involves partial redemption of the total issue amount on specified interest payment due dates without the use of the method prescribed in Article 8-2, Paragraph 2, Item 4, of these Regulations or the fixed date redemption method; the same shall apply hereinafter), with respect to which JASDEC obtains the consent of the Issuer of the Special Rule “Corporate Bonds” pursuant to the provisions of Article 13, Paragraph 1, of the Act, which are recorded digitally or recorded in written entries in the Transfer Acceptance Book [*furikae-ukeirebo*], and which are thus treated as “Corporate Bonds.” In such event, the words set forth in the middle column of the table below prescribed in these Regulations, contained in the provisions of these Regulations prescribed in

the left column in the table below, shall be replaced with the words set forth in the right column of the table below:

Provisions Revised	Words to be Replaced	Words to Replace
Article 10	the requirements under Article 8, Article 8-2 or Article 8-3	Special Rule “Corporate Bonds”
Article 24, Paragraph 1	such applicant (which must be a corporation when opening an account for Short Term Corporate Bonds, etc.)	such applicant
Article 26, Paragraph 3, Item 5	other than JASDEC-Related Issues	other than JASDEC-Related Issues and Issues Substantially Managed by Serial Number (i.e., those issues of Special Rule “Corporate Bonds” which are not redeemed by the fixed date redemption method, and whose total issue amount is partially redeemed on specified interest payment due dates; the same shall apply hereinafter)
Article 58-3	value of each corporate bond	value of each corporate bond (the smallest denomination if any Corporate Bond has more than one denomination)
Article 58-26, Paragraph 2, Item 2	Non-JASDEC-Related Issues	Non-JASDEC-Related Issues and Issues Substantially Managed by Serial Number
Article 58-28, Paragraph 2	Non-JASDEC-Related Issues	Non-JASDEC-Related Issues and Issues Substantially

		Managed by Serial Number
Article 60, Paragraph 1	the total issue amount (excluding	the sum of the amounts recorded digitally or recorded in written entries in the Transfer Acceptance Book in connection therewith (excluding amounts relating to any digital or written entry record in the event that such digital or written entry record did not become effective and
	total issue amount	total amount
Article 60, Paragraph 2	was accrued, transferred or cancelled	accrued (including digital or written entry records in the Transfer Acceptance Book becoming effective), was transferred or cancelled (including digital or written entry records in the Transfer Acceptance Book ceasing to be effective)
	relating to such records	relating to such records in the applicable account
Article 62, Paragraph 1	the total issue amount (excluding	the sum of the amounts recorded digitally or recorded in written entries in the Transfer Acceptance Book in connection therewith (excluding amounts relating to any digital or written entry record in the event that such digital or written entry record

		did not become effective and
Article 62, Paragraph 2, Item 2	was accrued, transferred or cancelled	was accrued (including digital or written entry records in the Transfer Acceptance Book becoming effective), transferred or cancelled (including digital or written entry records in the Transfer Acceptance Book ceasing to be effective)
Article 68, Paragraph 2	the total issue amount (excluding	the sum of the amounts recorded digitally or recorded in written entries in the Transfer Acceptance Book in connection therewith (excluding amounts relating to any digital or written entry record in the event that such digital or written entry record did not become effective and

Article 3: Notice from Issuing Agents Concerning Information of the Issue of Special Rule “Corporate Bonds”

The provisions of Article 58-6 (other than Paragraph 7) of the Regulations shall apply *mutatis mutandis* when the Issuer of the Special Rule “Corporate Bonds” gives its consent prescribed in Article 13, Paragraph 1, of the Act to JASDEC. In such event, the words set forth in the middle column of the table below prescribed in these Regulations, contained in the provisions of these Regulations prescribed in the left column in the table below, shall be replaced with the words set forth in the right column of the table below:

Provisions Revised	Words to be Replaced	Words to Replace
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Article 58-6, Paragraph 1	“Corporate Bonds” that are scheduled to be issued	Special Rule “Corporate Bonds”
Article 58-6, Paragraph 1, Item 1	“Corporate Bonds”	Special Rule “Corporate Bonds”
Article 58-6, Paragraph 1, Item 4	Value of each corporate bond	Value of each corporate bond (the smallest denomination if any corporate bond has more than one denomination; the same shall apply hereinafter in this Paragraph)
Article 58-6, Paragraph 1, Item 7	“Corporate Bonds”	Special Rule “Corporate Bonds”
Article 58-6, Paragraph 2	municipal bonds	Special Rule Municipal Bonds
Article 58-6, Paragraph 3	investment company bonds	Special Rule Investment Company Bonds
Article 58-6, Paragraph 4	specified corporate bonds	Special Rule Specified Corporate Bonds
Article 58-6, Paragraph 5	Special Corporation Bonds	Special Rule Special Corporation Bonds
Article 58-6, Paragraph 6	Foreign Bonds	Special Rule Foreign Bonds
Article 58-6, Paragraph 8	new record procedures	application for a digital or written entry record in the Transfer Acceptance Book

Article 4: Maintenance of the Transfer Acceptance Book

JASDEC shall maintain the Transfer Acceptance Book (i.e., the one relating to Special Rule “Corporate Bonds”; the same shall apply hereinafter).

Article 5: Application for Digital Record or Written Entry Record Concerning Special Rule “Corporate Bonds” in the Transfer Acceptance Book

1. A Participant (hereinafter referred to as the “Special Rule Participant”) that has rights concerning Special Rule “Corporate Bonds” (limited to those with respect to which JASDEC has obtained the consent of the Issuer of the Special Rule “Corporate Bonds” pursuant to the provisions of Article 13, Paragraph 1, of the Act; the same shall apply hereinafter) shall have the right to submit an application to JASDEC to record digitally or record in written entries the Special Rule “Corporate Bonds” owned by it in the Transfer Acceptance Book. The following matters shall be set forth in such application:
 - (1) Issue and amount of the Special Rule “Corporate Bonds.”
 - (2) Numbers assigned to the corporate bond certificates of the Special Rule “Corporate Bonds.”
 - (3) Name/trade name and address of the Special Rule Participant.
 - (4) Name of the Registration Institution (*i.e.*, the registration institution prescribed in Article 2 of the Corporate Bonds, etc., Registration Act (Act No. 11 of 1942) prior to its abolition under Article 3 of the Act on Improvements, etc., of the Laws Related to the Improvements of the Securities Market through a Reform of the Securities Settlement System, etc. (Act No. 65 of 2002), which is deemed to remain effective under the provisions of Article 3 of the Supplementary Provisions Rule to the Act on Improvements, etc., of the Laws Related to the Improvements of the Securities Market through a Reform of the Securities Settlement System, etc.; the same shall apply hereinafter)(limited to those registered pursuant to the provisions of Article 3, Paragraph 1 of the Corporate Bonds, etc., Registration Act (other than those with respect to which restrictions on disposition, pledge rights (including re-pledge rights), or security interest have been registered); hereinafter referred to as the “Recorded Bonds”).
 - (5) Special Rule Participant’s account.
 - (6) Other matters prescribed by the Rules.

2. The Special Rule Participant that submits an application prescribed in the preceding Paragraph shall submit to JASDEC the corporate bond certificates of the Special Rule “Corporate Bonds” relating to such application (limited to those whose coupons for interest, which is not yet due and payable, are not missing); provided, however, that if such Special Rule “Corporate Bonds” are Recorded Bonds, instead of submitting the corporate bond certificates, the certification prescribed in Article 14, Paragraph 3, of the Supplementary Provisions of the Act Concerning Special Rule “Corporate Bonds” (including when it is applied *mutatis mutandis* in Article 27 (Paragraph 2), Article 28 (Paragraph 2), Article 29 (Paragraph 2), Article 30 (Paragraph 2), Article 31 (Paragraph 2) and Article 36 (Paragraph 2) of the Supplementary Provisions of the Act) may be given.
3. In addition to the provisions of the preceding two (2) Paragraphs, matters required in connection with applications for a digital or written entry record concerning Special Rule “Corporate Bonds” in the Transfer Acceptance Book shall be prescribed by the Rules.

Article 6: JASDEC’s Digital or Written Entry Record in the Transfer Acceptance Book, and Issuance of Notices, Concerning Special Rule “Corporate Bonds”

Upon its receipt of an application prescribed in Paragraph 1 of the preceding Article, JASDEC shall record digitally or record in written entries in the Transfer Acceptance Book the matters set forth in Items 1 through 4 of Paragraph 1 of the preceding Article, and the date on which a digital or written entry record in the Transfer Account Book is made in connection with such application. In such event, JASDEC shall notify the Issuer of the Special Rule “Corporate Bonds” (in the case of Recorded Bonds, the Issuer and the Registration Institution) that a digital or written entry record has been made in the Transfer Acceptance Book.

Article 7: Period During Which Digital or Written Entry Record in the Transfer Acceptance Book Concerning Special Rule “Corporate Bonds” is Suspended

When deemed necessary, JASDEC shall have the right to designate a period during which no digital or written entry records in the Transfer Acceptance Book concerning Special Rule “Corporate Bonds” can be made.

Article 8: Digital or Written Entry Record in Transfer Account Book, and Issuance of Notices, Concerning Special Rule “Corporate Bonds”

1. When a digital or written entry record in the Transfer Acceptance Book has been made pursuant to the provisions of Article 6 of the Supplementary Provisions, if the account prescribed in the application pursuant to Article 5, Paragraph 1, of the Supplementary Provisions had been opened by JASDEC, JASDEC shall record the amount of increase based on such application in the Self Account of the Special Rule Participant that made the application in the Transfer Account Book maintained by JASDEC concerning the issue of the Special Rule “Corporate Bonds” relating to such application.
2. When a digital or written entry record in the Transfer Acceptance Book has been made pursuant to the provisions of Article 6 of the Supplementary Provisions, if the account prescribed in the application pursuant to Article 5, Paragraph 1, of the Supplementary Provisions had not been opened by JASDEC, JASDEC shall record the amount of increase based on such application in the Customer Account of the JASDEC Participant that is the Upper Positioned Institution of the Special Rule Participant that made the application in the Transfer Account Book maintained by JASDEC concerning the issue of the Special Rule “Corporate Bonds” relating to such application. In such event, JASDEC shall notify the applicable JASDEC Participant of the following matters:
 - (1) Issue and amount of the applicable Special Rule “Corporate Bonds.”
 - (2) Information prescribed by the Rules that identifies the name or trade name of the Special Rule Participant.
3. The provisions of the preceding two (2) Paragraphs shall apply mutatis mutandis to any Account Management Institution that receives a notice prescribed in the preceding Paragraph (including when it is applied mutatis mutandis to this Paragraph).
4. When recording digitally or recording in written entries the amount of increase prescribed in the preceding three (3) Paragraphs, if the account of the Special Rule Participant is a

Trust Account, the application prescribed in Article 5, Paragraph 1, of the Supplementary Provisions shall include details of the application relating to the trust's digital or written entry records pursuant to Article 8 of the Enforcement Order (including when it is applied *mutatis mutandis* in Articles 16, 17, 19, 21, 23 and 27 of the Enforcement Order); in such event, the Book-Entry Transfer Institution, etc., at which such Trust Account is opened shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act (including when it is applied *mutatis mutandis* in Articles 113, 115, 117, 118, 120 and 127 of the Act).

Article 9: Obliteration of Digital or Written Entry Record in the Transfer Acceptance Book Concerning Special Rule "Corporate Bonds"

1. If any digital or written entry record has been made in the Transfer Acceptance Book pursuant to an application submitted by a person that does not have the right to submit the application prescribed in Article 5, Paragraph 1, of the Supplementary Provisions concerning Special Rule "Corporate Bonds," and if an application for obliteration has been made pursuant to Article 58-24 of the Regulations with respect to such Special Rule "Corporate Bonds," the Special Rule Participant that owns such Special Rule "Corporate Bonds" shall have the right to make an application to JASDEC for the obliteration of the digital or written entry record in the Transfer Acceptance Book concerning such Special Rule "Corporate Bonds."
2. Upon its receipt of the application for obliteration prescribed in the preceding Paragraph, JASDEC shall obliterate the digital or written entry record in the Transfer Acceptance Book concerning the Special Rule "Corporate Bonds" relating to such application. In such event, JASDEC shall notify the Issuer of the Special Rule "Corporate Bonds" relating to such digital or written entry record that the digital or written entry record in the Transfer Acceptance Book has been obliterated.

Article 10: Provision of Information Concerning Details Concerning Special Rule "Corporate Bonds"

Upon its receipt of notice prescribed in Article 58-6 of the Regulations, which is applied

mutatis mutandis pursuant to Article 3 of the Supplementary Provisions, from the Issuer of Special Rule “Corporate Bonds,” JASDEC shall provide information concerning the details of such Special Rule “Corporate Bonds” using the method prescribed by the Rules under Article 87 of the Act that is applied pursuant to Article 17, Paragraph 2, of the Supplementary Provisions of the Act (including when it is applied *mutatis mutandis* in Article 27 (Paragraph 2), Article 28 (Paragraph 2), Article 29 (Paragraph 2), Article 30 (Paragraph 2), Article 31 (Paragraph 2) or Article 36 (Paragraph 2) of the Supplementary Provisions of the Act).

Article 11: Public Notice Concerning Consent of the Issuer of Special Rule “Corporate Bonds”

JASDEC shall treat the provision of information prescribed in the preceding Article as the issuance of public notice concerning the consent of the Issuer of Special Rule “Corporate Bonds” pursuant to Article 18 of the Supplementary Provisions of the Act (including when it is applied *mutatis mutandis* in Article 27 (Paragraph 2), Article 28 (Paragraph 2), Article 29 (Paragraph 2), Article 30 (Paragraph 2), Article 31 (Paragraph 2) and Article 36 (Paragraph 2) of the Supplementary Provisions of the Act).

Article 12: Application

1. When applying Item 2 of Paragraph 1, and Paragraph 2, of Article 5 of the Supplementary Provisions to Special Rule Municipal Bonds, (i) the reference to “corporate bond certificates” in Article 5, Paragraph 1, Item 2, of the Supplementary Provisions shall be replaced with “municipal bonds security certificates (i.e., the municipal bonds security certificates prescribed in Article 705, Paragraph 2, of the Companies Act, applied *mutatis mutandis* with modifications pursuant to Article 5-6 of the Local Government Finance Act; the same shall apply in Article 5, Paragraph 2, of the Supplementary Provisions)”; and (ii) the reference to “corporate bond certificates” in Article 5, Paragraph 2, of the Supplementary Provisions shall be replaced with “municipal bonds security certificates.”
2. When applying Item 2 of Paragraph 1, and Paragraph 2, of Article 5 of the Supplementary Provisions to Special Rule Investment Company Bonds, (i) the reference

to “corporate bond certificates” in Article 5, Paragraph 1, Item 2, of the Supplementary Provisions shall be replaced with “investment company bond certificates (i.e., the investment company bond certificates prescribed in Article 2, Paragraph 18, of the Act on Investment Trust and Investment Corporations”); the same shall apply in Article 5, Paragraph 2, of the Supplementary Provisions); and (ii) the reference to “corporate bond certificates” in Article 5, Paragraph 2, of the Supplementary Provisions shall be replaced with “investment company bond certificates.”

3. When applying Item 2 of Paragraph 1 of Article 5 of the Supplementary Provisions to Special Rule Corporate Bonds of mutual companies, the reference to “corporate bond certificates” in such Item shall be replaced with “corporate bond certificates (i.e., the corporate bond certificates prescribed in Article 61, Item 6, of the Insurance Business Act”); the same shall apply in Article 5, Paragraph 2, of the Supplementary Provisions).”
4. When applying Item 2 of Paragraph 1, and Paragraph 2, of Article 5 of the Supplementary Provisions to Special Rule Specified Corporate Bonds, (i) the reference to “corporate bond certificates” in Article 5, Paragraph 1, Item 2, of the Supplementary Provisions shall be replaced with “specified corporate bond certificates (i.e., the specified corporate bond certificates prescribed in Article 2, Paragraph 9, of the Act on Securitization of Assets; the same shall apply in Article 5, Paragraph 2, of the Supplementary Provisions).”
5. When applying Item 2 of Paragraph 1, and Paragraph 2, of Article 5 of the Supplementary Provisions to Special Rule Special Corporation Bonds, the reference to “corporate bond certificates” in Item 2 of Paragraph 1, and Paragraph 2, of the Supplementary Provisions shall be replaced with “bond certificates”.
6. When applying Item 2 of Paragraph 1, and Paragraph 2, of Article 5 of the Supplementary Provisions to Special Rule Foreign Bonds, the reference to “corporate bond certificates” in Item 2 of Paragraph 1, and Paragraph 2, of Article 5 of the Supplementary Provisions shall be replaced with “bond certificates”.

Supplementary Rule

These revised Regulations shall become effective on the effective date of the Companies Act (Act No. 86 of 2005).

Supplementary Rule

These revised Regulations shall become effective on July 18, 2006.

Supplementary Rule

Article 1: Effective Date

These revised Regulations shall become effective on January 4, 2007.

Article 2: Special Rules Applicable to Investment Trust Beneficial Rights

Those Special Rule Investment Trust Beneficial Rights (i.e., beneficial rights of the investment trusts prescribed in Article 32, Paragraph 1, of the Supplementary Provisions to the Act (with respect to investment trusts which are to be split or consolidated under their respective agreements and which issue beneficial right certificates (i.e., the beneficial right certificates prescribed in Article 2, Paragraph 7, of the Act on Investment Trust and Investment Corporations; the same shall apply hereinafter), the phrase in Article 8-3, Paragraph 2, Item (5), “With respect to those investment trust agreements under which the Investment Trust Beneficial Rights are to be split or consolidated,” shall be replaced with the phrase, “Under the investment trust agreements, the calculation of the increase or decrease in the number of units resulting from a split or consolidation of beneficial rights of the issue of the Investment Trust Beneficial Rights shall be performed separately for the number of units relating to the beneficial right certificates of such issue and for the Investment Trust Beneficial Rights recorded digitally or recorded in written entries in the Transfer Account Book; with respect to those investment trust agreements under which the Investment Trust Beneficial Rights are to be split or consolidated”) which satisfy the conditions prescribed in Article 8-3, Paragraph 2, of the Business Regulations as amended by these amendments (hereinafter referred to as the “Regulations”); the same shall apply hereinafter), with respect

to which JASDEC has obtained the consent of the Issuer of the Special Rule Investment Trust Beneficial Rights pursuant to the provisions of Article 13, Paragraph 1, of the Act, and which are recorded digitally or recorded in written entries in the Transfer Acceptance Book, shall be deemed to constitute Investment Trust Beneficial Rights, and the provisions of these Regulations (excluding Articles 8 through 8-3, Article 11, Article 12 (Paragraph 1), Articles 13 through 15, Article 26 (Paragraphs 2 through 4), Chapter 6, Chapter 6-2, Article 58-36, Article 68-2 and Article 69) shall apply to them. In such event, the words set forth in the middle column of the table below, contained in the provisions of these Regulations prescribed in the left column in the table below, shall be replaced with the words set forth in the right column of the table below:

Provisions Revised	Words to be Replaced	Words to Replace
Article 10	the requirements under Article 8, Article 8-2 or Article 8-3	Special Rule Investment Trust Beneficial Rights
Article 24, Paragraph 1	such applicant (which must be a corporation when opening an account for Short Term Corporate Bonds, Etc.)	such applicant
Article 60, Paragraph 2	accrued, transferred or cancelled	accrued (including the accrual of effectiveness of digital or written entry records in the Transfer Acceptance Book), transferred or cancelled (including the cancellation of effectiveness of digital or written entry records in the Transfer Acceptance Book)
	such [record]	such [record] in such account
Article 62, Paragraph 2, Item 2	accrued, transferred or cancelled	accrued (including the accrual of effectiveness of digital or written entry

		records in the Transfer Acceptance Book), transferred or cancelled (including the cancellation of effectiveness of digital or written entry records in the Transfer Acceptance Book)
The item relating to Article 60, Paragraph 1, in the table set forth in Article 62-2	total issue amount (excluding the previously redeemed amount)	total issue amount (excluding the previously redeemed amount) of
	total number of units issued (excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)	total number of units recorded digitally or recorded in written entries in the Transfer Acceptance Book (excluding the number of units recorded digitally or recorded in written entries whose digital or written entry record did not become effective and excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)
	total number of units issued	total number of units
The item relating to Article 62, Paragraph 1, in the table set forth in Article 62-2	total issue amount (excluding the previously redeemed amount)	total issue amount (excluding the previously redeemed amount) of
	total number of units issued (excluding the number of units previously redeemed or cancelled, but including the	total number of units recorded digitally or recorded in written entries in the Transfer Acceptance Book

	number of units newly recorded as a result of additional entrustment)	(excluding the number of units recorded digitally or recorded in written entries whose digital or written entry record did not become effective and excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)
Article 68, Paragraph 5	total issue amount (excluding the previously redeemed amount)	total issue amount (excluding the previously redeemed amount) of
	total number of units issued (excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)	total number of units recorded digitally or recorded in written entries in the Transfer Acceptance Book (excluding the number of units recorded digitally or recorded in written entries whose digital or written entry record did not become effective and excluding the number of units previously redeemed or cancelled, but including the number of units newly recorded as a result of additional entrustment)
Article 68, Paragraph 6	total number of issued units (total number of units recorded digitally or recorded in written entries in the Transfer Acceptance Book

		([excluding] the number of units recorded digitally or recorded in written entries whose digital or written entry record did not become effective and
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Article 3: Issuer’s Notice Concerning the Information of the Issue of Special Rule Investment Trust

The provisions of Article 58-36 (excluding Paragraph 2) of the Regulations shall apply *mutatis mutandis* when the Issuer of Special Rule Investment Trust Beneficial Rights gives JASDEC the consent prescribed in Article 13, Paragraph 1, of the Act. In such event, the words set forth in the middle column of the table below, contained in the provisions of these Regulations prescribed in the left column in the table below, shall be replaced with the words set forth in the right column of the table below:

Provisions Revised	Words to be Replaced	Words to Replace
Article 58-36, Paragraph 1	Investment Trust Beneficial Rights	Special Rule Investment Trust Beneficial Rights
Article 58-36, Paragraph 3	New Record Procedures	application for digital or written entry records in the Transfer Acceptance Book or New Record Procedures

Article 4: Maintenance of the Transfer Acceptance Book

JASDEC shall maintain the Transfer Acceptance Book (i.e., the one relating to Special Rule Investment Trust Beneficial Rights; the same shall apply hereinafter).

Article 5: Application for Digital or Written Entry Records Concerning Special Rule Investment Trust Beneficial Rights in the Transfer Acceptance Book

1. A Participant (hereinafter referred to as the “Special Rule Participant”) that has rights concerning Special Rule Investment Trust Beneficial Rights (limited to those with respect to which JASDEC has obtained the consent of the Issuer of the Special Rule Investment Trust Beneficial Rights pursuant to the provisions of Article 13, Paragraph 1, of the Act; the same shall apply hereinafter) shall have the right to submit an application to JASDEC to make a digital or written entry record in the Transfer Acceptance Book concerning the Special Rule Investment Trust Beneficial Rights owned by it. The following matters shall be set forth in such application:
 - (1) Issue and number of units of the Special Rule Investment Trust Beneficial Rights.
 - (2) Number assigned to the beneficial right certificates of the Special Rule Investment Trust Beneficial Rights.
 - (3) Name/trade name and address of the Special Rule Participant.
 - (4) Special Rule Participant’s account.
 - (5) Other matters prescribed by the Rules.
2. The Special Rule Participant that submits an application prescribed in the preceding Paragraph shall submit to JASDEC the beneficial right certificates of the Special Rule Investment Trust Beneficial Rights relating to such application.
3. In addition to the provisions of the preceding two (2) Paragraphs, matters required in connection with applications for a digital or written entry record concerning Special Rule Investment Trust Beneficial Rights in the Transfer Acceptance Book shall be prescribed by the Rules.

Article 6: JASDEC’s Digital or Written Entry Record in the Transfer Acceptance Book, and Issuance of Notices, Concerning Special Rule Investment Trust Beneficial Rights

Upon its receipt of an application prescribed in Paragraph 1 of the preceding Article, JASDEC shall record digitally or record in written entries in the Transfer Acceptance Book the matters set forth in Items 1 through 4 of Paragraph 1 of the preceding Article, and the date on which a digital or written entry record in the Transfer Account Book is made in connection with such application. In such event, JASDEC shall notify the Issuer of the Special Rule Investment Trust Beneficial Rights that a digital or written entry record has been made in the Transfer Acceptance Book.

Article 7: Period During Which Digital or Written Entry Record in the Transfer Acceptance Book Concerning Special Rule Investment Trust Beneficial Rights is Suspended

When deemed necessary, JASDEC shall have the right to designate a period during which no digital or written entry records in the Transfer Acceptance Book concerning Special Rule Investment Trust Beneficial Rights can be made.

Article 8: Digital or Written Entry Record in the Transfer Account Book, and Issuance of Notices, Concerning Special Rule Investment Trust Beneficial Rights

1. When a digital or written entry record in the Transfer Acceptance Book has been made pursuant to the provisions of Article 6 of the Supplementary Provisions, if the account prescribed in the application pursuant to Article 5, Paragraph 1, of the Supplementary Provisions had been opened by JASDEC, JASDEC shall record the increase based on such application in the Self Account of the Special Rule Participant that made the application in the Transfer Account Book maintained by JASDEC concerning the issue of the Special Rule Investment Trust Beneficial Rights relating to such application.
2. When a digital or written entry record in the Transfer Acceptance Book has been made pursuant to the provisions of Article 6 of the Supplementary Provisions, if the account prescribed in the application pursuant to Article 5, Paragraph 1, of the Supplementary Provisions had not been opened by JASDEC, JASDEC shall record the increase based on such application in the Customer Account of the JASDEC Participant that is the Upper Positioned Institution of the Special Rule Participant that made the application in the

Transfer Account Book maintained by JASDEC concerning the issue of the Special Rule Investment Trust Beneficial Rights relating to such application. In such event, JASDEC shall notify the applicable JASDEC Participant of the following matters:

- (1) Issue and number of units of the applicable Special Rule Investment Trust Beneficial Rights.
 - (2) Information prescribed by the Rules that identifies the name or trade name of the Special Rule Participant.
3. The provisions of the preceding two (2) Paragraphs shall apply *mutatis mutandis* to any Account Management Institution that receives a notice prescribed in the preceding Paragraph (including when it is applied *mutatis mutandis* in this Paragraph).
 4. When recording digitally or recording in written entries the increase prescribed in the preceding three (3) Paragraphs, if the account of the Special Rule Participant is a Trust Account, the application prescribed in Article 5, Paragraph 1, of the Supplementary Provisions shall include details of the application relating to the trust's digital or written entry records pursuant to Article 8 of the Enforcement Order, which shall apply *mutatis mutandis* with modifications pursuant to Article 24 of the Enforcement Order; in such event, the Book-Entry Transfer Institution, etc., at which such Trust Account is opened shall record digitally or record in written entries in the Transfer Account Book the matters prescribed in Article 68, Paragraph 3, Item 5, of the Act which shall apply *mutatis mutandis* with modifications in Article 121 of the Act.

Article 9: Obliteration of Digital or Written Entry Record in the Transfer Acceptance Book Concerning Special Rule Investment Trust Beneficial Rights

1. If any digital or written entry record has been made in the Transfer Acceptance Book pursuant to an application submitted by a person that does not have the right to submit the application prescribed in Article 5, Paragraph 1, of the Supplementary Provisions concerning Special Rule Investment Trust Beneficial Rights, and if an application for obliteration has been made pursuant to Article 58-47 of these Regulations with respect to

such Special Rule Investment Trust Beneficial Rights, the Special Rule Participant that owns such Special Rule Investment Trust Beneficial Rights shall have the right to make an application to JASDEC for the obliteration of the digital or written entry record in the Transfer Acceptance Book concerning such Special Rule Investment Trust Beneficial Rights.

2. Upon its receipt of the application for obliteration prescribed in the preceding Paragraph, JASDEC shall obliterate the digital or written entry record in the Transfer Acceptance Book concerning the Special Rule Investment Trust Beneficial Rights relating to such application. In such event, JASDEC shall notify the Issuer of the Special Rule Investment Trust Beneficial Rights relating to such digital or written entry record that the digital or written entry record in the Transfer Acceptance Book has been obliterated.

Article 10: Provision of Information Concerning the Terms of Special Rule Investment Trust Beneficial Rights

Upon its receipt from the Issuer of Special Rule Investment Trust Beneficial Rights of notice prescribed in Article 58-36 of the Regulations applied *mutatis mutandis* in Article 3 of the Supplementary Provisions, JASDEC shall, pursuant to Article 87 of the Act, which shall apply *mutatis mutandis* in Article 17, Paragraph 2, of the Supplementary Provisions of the Act, which in turn shall apply *mutatis mutandis* in Article 32, Paragraph 2, of the Supplementary Provisions of the Act, provide information concerning the terms of the Special Rule Investment Trust Beneficial Rights using the method prescribed by the Rules.

Article 11: Publication Concerning the Consent of the Issuer Relating to Special Rule Investment Trust Beneficial Rights

If JASDEC receives the Issuer's consent relating to Special Rule Investment Trust Beneficial Rights pursuant to Article 13, Paragraph 1, of the Act, JASDEC shall publish such fact pursuant to Article 18 of the Supplementary Provisions of the Act, which shall apply *mutatis mutandis* in Article 32, Paragraph 2, of the Supplementary Provisions of the Act, using the method prescribed by the Rules.

Supplementary Rule

These amendments shall become effective on the effective date (September 30, 2007) of the Trust Act (Act No. 108 of 2006).

Supplementary Rule

These amendments shall become effective on the effective date (September 30, 2007) of the Act for Partial Revision of the Securities and Exchange Act, etc. (Act No. 65 of 2006).

Supplementary Rule

These amendments shall become effective on October 1, 2007.

Supplementary Rule

These amendments shall become effective on November 1, 2007, and shall apply to the interest on municipal bonds payable on or after January 4, 2008.

Supplementary Rule

These revised Regulations shall become effective as of December 4, 2007.

Supplementary Rule

These revised Regulations shall become effective as of January 4, 2008.

Supplementary Rule

These amendments shall become effective on the date (March 1, 2008) prescribed by Article 1, Item 1, of the Supplementary Provisions of the Act on Prevention of Transfer of Criminal Proceeds.

Supplementary Rule

Article 1: Effective Date

These revised Regulations shall become effective on the effective date (October 1, 2008) of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007) prescribed in the main text of Article 1 of the Supplementary Provisions of such Act.

Article 2: Transitional Measures

Notwithstanding the provisions of Article 8-2, when applying the provisions of these Regulations to the Short-Term Commercial/Industrial Bonds, which are deemed to be Special Corporate Bonds, as such term is defined in Article 120 of the Act, under the provisions of Article 83 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act, such Short-term Commercial/Industrial Bonds shall be treated as Short Term Corporate Bonds, etc., prescribed in Article 8.

Supplementary Rule

These revised Regulations shall become effective on the effective date (January 5, 2009) of the Act for Partial Revision of the Act on Transfer of Bonds, etc. for Achieving Rationalization of Settlements for Transactions of Shares, etc. and Other Acts. (Act No. 88 of 2004) prescribed in the main text of Article 1 of the Supplementary Provisions of such Act.