



## **Treatment of Business Rules**

**JASDEC DVP Clearing Corporation**

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## Treatment of Business Rules

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December 25, 2007

January 31, 2008

May 30, 2008

December 11, 2008

March 27, 2009

July 24, 2009

April 7, 2010

December 24, 2010

March 31, 2011

December 19, 2011

March 29, 2012

December 21, 2012

January 31, 2013

March 15, 2013

October 31, 2013

November 29, 2013

March 7, 2014

March 13, 2014

July 8, 2014

November 20, 2014

November 26, 2014

December 10, 2014

May 22, 2015

July 7, 2015  
August 12, 2015  
November 25, 2015  
December 10, 2015  
December 7, 2016  
December 6, 2017  
December 7, 2018  
April 26, 2019  
September 4, 2020  
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December 12, 2022  
December 14, 2023  
March 5, 2024  
December 17, 2024

(Article 1 Purpose)

The following rules shall set forth matters prescribed by JDCC pursuant to the Business Rules.

(Article 2 Deleted)

(Article 3 Application for Obtaining Clearing Qualification)

1 Application set forth in Article 9 of the Business Rules shall be made by a person which wishes to obtain the Clearing Qualification by filing with JDCC a DVP participation application setting forth the matters set forth in each of the following Items:

- (1) The corporate name;
- (2) The address of its headquarters or principal office; and
- (3) The name of the representative.

2 Documents deemed necessary by JDCC must be attached to the DVP participation application referred to in the preceding Paragraph.

(Article 4 Procedures for Obtaining Clearing Qualification)

- 1 The procedures for obtaining the Clearing Qualification set forth in Article 11, Paragraph 1 of the Business Rules shall consist of the payment of the DVP participation application fee and other procedures deemed necessary by JDCC (procedures deemed necessary by JDCC, if JDCC approves the Clearing Qualification to be obtained pursuant to Article 10, Paragraph 2 of the Business Rules).
- 2 The DVP participation application fee set forth in the preceding Paragraph shall be 300,000 yen, which must be paid to JDCC together with an amount equal to the applicable consumption tax and local consumption tax.

(Article 5 Matters to be Notified)

Notifications to JDCC set forth in Articles 14, 15 and 21 of the Business Rules shall be submitted in prescribed written notification forms, to which documents deemed necessary by JDCC shall be attached, at or prior to the time designated by JDCC.

(Article 6 Matters to be Reported)

- 1 The events prescribed by JDCC pursuant to Article 22 of the Business Rules shall be those set forth in the following Items, and a report shall be submitted in a prescribed report form to JDCC, to which documents deemed necessary by JDCC shall be attached:
  - (1) If a DVP Participant has established or changed the method of managing risk of loss, the method of allocating work or other scope or methods of business;
  - (1)-2 If a DVP Participant has learned that its Designated Parent Company (meaning herein Designated Parent Company as defined in Article 57-12, Paragraph 3 of the Financial Instruments and Exchange Law (Law No. 25 of 1948; hereinafter referred to as the “Law”)) has submitted notifications pursuant to the provisions of Article 57-14 of the Law in respect to the matters listed in Article 57-13, Paragraph 1, Item (6) of the same Law;
  - (2) If a DVP Participant has suspended or reopened the business;
  - (3) If a DVP Participant has submitted a petition for commencement of bankruptcy proceedings, commencement of civil rehabilitation proceedings, commencement of corporate reorganization proceedings, commencement of liquidation, or commencement of special liquidation, or if a DVP Participant has learned the fact

that such petition has been submitted or notice concerning any of the foregoing has been issued;

- (3)-2 If a DVP Participant has learned the fact that its Designated Parent Company has submitted a petition for commencement of bankruptcy proceedings, commencement of civil rehabilitation proceedings, commencement of corporate reorganization proceedings, commencement of liquidation or commencement of special liquidation;
- (4) If a DVP Participant becomes insolvent or falls into a state where the DVP Participant is likely to become insolvent;
- (4)-2 If a DVP Participant has learned that its Designated Parent Company becomes insolvent or falls into a state where the Designated Parent Company is likely to become insolvent;
- (5) If the amount of a DVP Participant's net assets (*jun zaisan*) (in the case of a DVP Participant which is not a Financial Instruments Business Operator, the amount of its net assets (*jun shisan*)) becomes less than 300 million yen;
- (6) If the amount of stated capital of a DVP Participant or the total amount of capital contributions to a DVP Participant becomes less than 300 million yen;
- (7) If a DVP participant falls under any of the categories prescribed in (a), (b), (c) and (d) in accordance with the classification set forth in (a), (b), (c) and (d).
  - (a) In the case of Financial Instruments Business Operators, the Capital-to-Risk Ratio or the consolidated Capital-to-Risk Ratio becomes less than 140 percent or 120 percent, respectively (in the case of securities finance companies, the foregoing shall apply *mutatis mutandis*).
  - (b) In the case of the Banks subject to the Uniform International Standard, if they fall under any of the categories prescribed in (i), (ii) and (iii) below (in the case of foreign banks, the foregoing shall apply *mutatis mutandis*).
    - (i) Either the non-consolidated or consolidated common equity tier 1 capital ratio becomes less than 4.5 percent or 2.25 percent, respectively;
    - (ii) Either the non-consolidated or consolidated tier 1 capital ratio becomes less than 6 percent or 3 percent, respectively; or
    - (iii) Either the non-consolidated or consolidated capital adequacy ratio becomes less than 8 percent or 4 percent, respectively.
  - (c) In the case of the Banks subject to the domestic standards, either the non-

consolidated or consolidated capital adequacy ratio based on the domestic standards becomes less than 4 percent or 2 percent, respectively.

(d) In the case of insurance companies, either the non-consolidated or consolidated solvency margin ratio becomes less than 200 percent or 100 percent.

- (8) If any change has occurred relating to the top ten major shareholders (meaning the top ten shareholders, in the order of the number of shares each such shareholder holds in its own name or others' names, with the largest shareholder first) of a DVP Participant;
- (8)-2 If a DVP Participant has learned that (i) the majority of the voting rights (excluding the voting rights relating to the shares whose voting rights cannot be exercised with respect to all of the agenda at shareholders' meetings, but including the voting rights relating to those shares which are deemed to have voting rights pursuant to Article 879, Paragraph 3 of the Company Law (Law No. 86 of 2005)) of all shareholders of the DVP Participant or (ii) the majority of the voting rights relating to capital contributions to the DVP Participant is held by one (1) individual or one (1) juridical person or other organization.
- (9) If a punitive or other measure has been imposed in accordance with the provisions of Laws and Regulations, or an opportunity for a hearing or plea pertinent to such measure is granted in accordance with the provisions of Laws and Regulations;
- (9)-2 If a DVP Participant has learned that a punitive or other measure has been imposed on its Designated Parent Company or Specified Main Shareholders (meaning herein the Specified Main Shareholders as defined in Article 32, Paragraph 4 of the Law) in accordance with the provisions of Laws and Regulations, or an opportunity for a hearing or plea pertinent to such measure is granted to its Designated Parent Company or Specified Main Shareholders in accordance with the provisions of Laws and Regulations;
- (9)-3 If a DVP Participant has reported remedial measures to the administrative agencies by a measure set forth in the preceding two (2) Items;
- (10) If a DVP Participant has participated in or withdrawn from (including if the DVP Participant has obtained or forfeited the qualification to trade in) in a financial instruments market, or (ii) if a DVP Participant has obtained or forfeited the qualification as a Clearing Participant of the Financial Instruments Trading

Clearing Corporation;

- (11) In the case of a Financial Instruments Business Operator, if a DVP Participant has learned the fact that a senior management executive has fallen under any of the categories of persons prescribed in Article 29-4, Paragraph 1, Item (2) a) through i) of the Law; and (ii) in the case of a person which is not a Financial Instruments Business Operator, if a DVP Participant has learned the fact that a senior management executive has received an order to commence bankruptcy proceedings, a sentence of imprisonment or higher penalty, or the imposition of a fine, in accordance with the provisions of the Law;
- (11)-2 If a DVP Participant has learned the fact that a senior management executive of its Designated Parent Company has fallen under any of the categories of persons prescribed in Article 29-4, Paragraph 1, Item (2), a) through i) of the Law;
- (12) If a DVP Participant has learned the fact that a main shareholder of Financial Instruments Business Operator (meaning herein the main shareholder as defined in Article 29-4, Paragraph 2 of the Law) has fallen under any of the categories of persons prescribed in Paragraph 1., Item (5) d) or e) of the same Article (in the case of a foreign corporation, if a DVP Participant has learned the fact that a main shareholder has fallen under the category of persons prescribed in Article 29-4, Paragraph 1, Item (5) f));
- (12)-2 If a DVP Participant has learned the fact that the main shareholder of its Designated Parent Company has fallen under any of the categories of persons prescribed in Article 29-4, Paragraph 1, Item (5) d) or e);
- (13) If a civil lawsuit (excluding herein a civil lawsuit the amount for which is less than 300 million yen) is filed or a judgment, etc., concerning such suit is entered (including if such judgment, etc. has been appealed), or (ii) if a request for mediation under the Civil Mediation Law (excluding herein a mediation in which the value of the item for which mediation is sought is less than 300 million yen) is filed or such mediation case is concluded;
- (13)-2 If a DVP Participant has learned that (i) a civil lawsuit against its Designated Parent Company has been filed or a judgment, etc., concerning such suit has been entered (including if such judgment, etc. has been appealed), or (ii) a request for mediation against its Designated Parent Company under the Civil Mediation Law

- has been filed or such mediation case has been concluded;
- (14) In the case of Financial Instruments Business Operators, if a DVP Participant has prepared a report concerning its affiliated companies pursuant to Article 46-3, Paragraph 2 of the Law; (ii) in the case of the Banks or insurance companies, if a DVP Participant has prepared a report concerning its affiliated companies pursuant to Article 48-2, Paragraph 2 of the Law; and (iii) in the case of Financial Instruments Business Operators which are foreign corporations, if a DVP Participant has prepared a report concerning its affiliated companies pursuant to Article 49-3, Paragraph 2 of the Law;
  - (15) If a DVP Participant has prepared a monitoring survey table pursuant to Article 56-2 of the Law (in the case of securities finance companies, the foregoing shall apply *mutatis mutandis*);
  - (15)-2 If a DVP Participant has prepared the document stating the soundness of its management status to be made available for public inspection pursuant to the provisions of Article 57-5, Paragraph 3 of the Law;
  - (15)-3 If a DVP Participant's Ultimate Designated Parent Company (meaning herein Ultimate Designated Parent Company as defined in Article 57-12, Paragraph 3 of the Law) has prepared the document stating the soundness of the management status to be made available for public inspection pursuant to the provisions of Article 57-17, Paragraph 3 of the Law;
  - (16) If, (i) in the case of Financial Instruments Business Operators, if a DVP Participant has prepared an annual business report, (ii) in the case of the Banks or insurance companies, if a DVP Participant has prepared a non-consolidated or consolidated annual business report or an interim business report, and (iii) in the case of securities finance companies, if a DVP Participant has prepared an annual business report or an interim account status table;
  - (16)-2 If a DVP Participant has prepared an annual business report pursuant to Article 57-3, Paragraph 1 of the Law;
  - (16)-3 If a DVP Participant's Ultimate Designated Parent Company has prepared an annual business report;
  - (17) If a DVP Participant has prepared an account summary table or an interim account summary table prescribed by JDCC;



- (18) In the case of Financial Instruments Business Operators which are foreign corporations, if a DVP Participant has prepared a balance sheet, profit and loss statement or other document relating to financial calculations prescribed in Article 49-3, Paragraph 1 of the Law;
  - (19) If a DVP Participant has learned that its Designated Parent Company has changed the address of its headquarters or principal office;
  - (20) If a DVP Participant has submitted a notifications pursuant to Article 57-2, Paragraph 1 or Article 57-2, Paragraph 6 (limited to the case of Item (2) of the same Paragraph);
  - (21) If a DVP Participant has learned that (i) its parent company has been designated as its Designated Parent Company, (ii) such designation has been cancelled, or (iii) such designation has become ineffective;
  - (22) If a DVP Participant has learned that its Designated Parent Company has merged with other juridical person (excluding the case where the Designated Parent Company ceases to exist as a result of the merger);
  - (23) If a DVP Participant has learned that a change has occurred with respect to a senior management executive of its Designated Parent Company; or
  - (24) If a DVP Participant has learned that someone has newly become, or ceased to be, its Specified Main Shareholder.
  - (25) If a DVP Participant has changed its fiscal year end date.
- 2 In the case of the report set forth in Item (16) of the preceding Paragraph, in addition to the documents set forth in the main clause of the preceding Paragraph, accounting auditors' audit reports (including those which are deemed appropriately comparable thereto by JDCC) relating to financial statements attached to the annual business report or non-consolidated annual business report shall be attached.

(Article 7 Application for Surrender of Clearing Qualification)

- 1 The application for the surrender of the Clearing Qualification set forth in Article 25 of the Business Rules shall be made by the relevant applicant for the surrender of the Clearing Qualification by submitting to JDCC a prescribed application for the surrender of the Clearing Qualification that sets forth the matters set forth in each of the following Items:

- (1) The corporate name;
  - (2) The address of its headquarters or principal office;
  - (3) The name of the representative; and
  - (4) The reason for application for the surrender of the Clearing Qualification.
- 2 The documents set forth in each of the following Items must be attached to the application for the surrender of the Clearing Qualification set forth in the preceding Paragraph:
- (1) Timetable pertinent to the surrender of the Clearing Qualification; and
  - (2) Other documents deemed necessary by JDCC.

(Article 7-2 Settlement Amount of the Pledged Securities)

The market value prescribed by JDCC pursuant to Article 39, Paragraph 4, Item (4) of the Business Rules shall be set forth in the Schedule attached hereto.

(Article 7-3 Cutoff Time for Acceptance)

- 1 The cutoff time for JDCC's acceptance of the DVP Instruction set forth in Article 39, Paragraph 5 of the Business Rules shall be as follows, depending upon the types of the DVP Instructions.

Types	Cutoff Time for Acceptance
Trade DVP Instruction	1:50 p.m. on the Settlement Date
Lending DVP Instruction	1:20 p.m. on the Settlement Date
Pledged Securities DVP Instruction	1:30 p.m. on the Settlement Date

- 2 The Time to Accept Amount Adjustment Instruction set forth in Article 39-2, Paragraph 2 of the Business Rules shall be 1:45 p.m. on the Settlement Date.

(Article 7-4 Cutoff Time for DVP Book-Entry)

- 1 The DVP Book-Entry Cutoff Time set forth in Article 40, Paragraph 3 of the Business Rules shall be as follows, depending upon the types of the DVP Instructions.

Types	DVP Book-Entry Cutoff Time
Trade DVP Instruction	2:00 p.m. on the Settlement Date
Lending DVP Instruction	1:30 p.m. on the Settlement Date
Pledged Securities DVP Instruction	

- 2 Notwithstanding the provisions of the preceding Paragraph, if JASDEC decides to permit

the DVP Participants to place book-entry transfer orders with respect to the Subject Securities relating to the Transactions Subject to Clearing only until another specified time before the DVP Book-Entry Cutoff Time, such specified time shall be the DVP Book-Entry Cutoff Time.

- 3 The Amount Adjustment Cutoff Time set forth in Article 40, Paragraph 3 of the Business Rules shall be 2:00 p.m. on the Settlement Date.

(Article 7-5 Cutoff Time for Cancellation)

The cutoff time for JDCC's receipt of the cancellation of the DVP Instruction set forth in Article 41, Paragraph 3 of the Business Rules shall be the same as that set forth in Article 7-3, Paragraph 1 hereof, depending upon the types of the DVP Instructions.

(Article 8 DVP Order)

- 1 A DVP Order set forth in Article 44, Paragraph 1 of the Business Rules, which JDCC places with JASDEC, shall be placed in accordance with the following Items, depending upon the classifications of the DVP Instructions described in such Items:

- (1) A Trade DVP Instruction: a Prior-Day DVP Order or a Present-Day DVP Order;
- (2) A Lending DVP Instruction: a Prior-Day Lending DVP Order or a Present-Day Lending DVP Order;
- (3) A Pledged Securities DVP Instruction with respect to which the JASDEC Eligible Securities are the Subject Securities: a Pledged Securities Order (Counterparty Designated, Stocks, etc.); and
- (4) A Pledged Securities DVP Instruction with respect to which Japanese government bonds are the Subject Securities: a Pledged Securities Order (Counterparty Designated, Japanese government bonds).

- 2 The sequence and the amount prescribed by JDCC pursuant to Article 44, Paragraph 2 of the Business Rules shall be in accordance with the sequence described in each of the following Items and the amount set forth in each of such Items:

- (1) Securities-to-be-Received Completion Order: If the balance of the Transferring Participant Account falls short of the account balance which JASDEC should transfer pursuant to the DVP Order set forth in the same Paragraph, the smaller of either such shortage or the Securities-to-be-Received Balance in such

Transferring Participant Account (excluding the balance relating to securities-to-be-received managed by JDCC as collateral for stock lending); and

- (2) Pledged Securities Release Order: The amount (zero, if the number is a negative number) obtained by subtracting the Securities-to-be-Received Balance referred to in the preceding Item from the shortage referred to in the preceding Item.

(Article 9 Appraisal Value of Securities-to-be-Received Balance)

The market value and the rate prescribed by JDCC pursuant to Article 45, Paragraph 3, Item (1) of the Business Rules shall be set forth in the Schedule attached hereto.

(Article 10 Appropriation Order)

The sequence and the amount prescribed by JDCC pursuant to Article 50, Paragraph 2 of the Business Rules shall be in accordance with the sequence described in each of the following Items and the amount set forth in each of such Items:

- (1) Securities-to-be-Received Completion Order: If the balance of the account of the relevant DVP Participant falls short of the account balance which JASDEC should transfer or deliver pursuant to the Transfer/Delivery Order set forth in the same Paragraph, the smaller of either such shortage or the Securities-to-be-Received Balance in the account of such DVP Participant (excluding the balance relating to securities-to-be-received managed by JDCC as collateral for stock lending); and
- (2) Pledged Securities Release Order: The amount (zero, if the number is a negative number) which is obtained by subtracting the Securities-to-be-Received Balance referred to in the preceding Item from the shortage referred to in the preceding Item.

(Article 11 Procedures for Depositing and Refunding Participants Fund)

1 A deposit of the Participants Fund or a refund of the Participants Fund Deposited Balance shall be carried out by a book-entry transfer between the Current Account of the DVP Participant and the Current Account of JDCC. In such event, the book-entry transfer shall be carried out pursuant to a request to the Bank of Japan for a book-entry transfer, for which the Bank of Japan Financial Network System shall be used and in which request it is clearly stated, as prescribed by JDCC, that the transfer is for a deposit of the

Participants Fund or a refund of the Participants Fund Deposited Balance; provided, however, that the foregoing shall not apply if JDCC permits otherwise.

- 2 Notwithstanding the provisions of the preceding Paragraph, a deposit of the Participants Fund and a refund of the Participants Fund Deposited Balance relating to the Settling Bank Appointor shall be carried out by a book-entry transfer between the Current Account of the Settling Bank and the Current Account of JDCC. In such event, the book-entry transfer shall be carried out pursuant to a request to the Bank of Japan for a book-entry transfer, for which the Bank of Japan Financial Network System shall be used and in which request it is clearly stated, as prescribed by JDCC, (i) that the transfer is for a deposit of the Participants Fund or a refund of the Participants Fund Deposited Balance and (ii) the identity of the Settling Bank Appointor which entrusted the Settling Bank with such deposit or return; provided, however, that the foregoing shall not apply if JDCC permits otherwise.

(Article 12 Appraisal Value, etc. of the Pledged Securities Balance)

The market value and the rate prescribed by JDCC pursuant to Article 58, Paragraph 3 of the Business Rules and the matters relating to the Pledged Securities set forth in Article 60 of the Business Rules shall be set forth in the Schedule attached hereto.

(Article 13 Profits from Pledged Securities)

- 1 If the payment day (if the day on which holders of rights relating to the Pledged Securities to receive the Profits are determined has been prescribed, that day) of interest, dividend or any other distribution money (hereinafter referred to as the “Profits” in this Article) with respect to the Pledged Securities comes before JDCC returns securities which are of the same type and the same amount as the Pledged Securities Balance to a DVP Participant, JDCC shall cause the DVP Participant having the right to demand the return of the Pledged Securities Balance with respect to such Pledged Securities to receive the Profits from such Pledged Securities.
- 2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the rights, other than those relating to the Profits, given to holders of the Pledged Securities.

(Article 14 Treatment of JASDEC Eligible Securities Relating to Pledged Securities)

If JDCC returns the Pledged Securities Balance with respect to the JASDEC Eligible Securities which constitute the Pledged Securities, the following provisions shall apply in addition to the provisions of Article 58, Paragraph 5 and Article 59-2, Paragraphs 2 of the Business Rules:

- (1) If (i) the number of remaining days before the Redemption Due Date (including the Redemption Due Date in the Pre-maturity Redemption) of corporate bonds with stock acquisition rights becomes less than three (3), and (ii) a DVP Participant having the right to demand the return of such issue does not place the Pledged Securities Release Order at least three (3) days prior to the Redemption Due Date, the DVP Participant shall be deemed to have placed the Pledged Securities Release Order and JDCC shall return the entire balance of such issue to such DVP Participant two (2) days prior to the Redemption Due Date;
- (2) If a DVP Participant having the right to demand the return of the applicable issue does not place the Pledged Securities Release Order at least two (2) days prior to (i) the date on which all corporate bonds with stock acquisition rights, stock acquisition rights or rights offering for investment corporations are acquired, or (ii) the effective date of a merger, etc., on which corporate bonds with stock acquisition rights or stock acquisition rights are assumed through the merger, etc. (hereinafter in this Item collectively referred to as the "Entirety Acquisition Date, Etc."), the DVP Participant shall be deemed to have placed the Pledged Securities Release Order and JDCC shall return the entire balance of such issue to such DVP Participant on the date preceding the Entirety Acquisition Date, Etc.
- (3) If no Pledged Securities Release Order is placed on or before the date preceding the expiration of the period during which stock acquisition rights or rights offering for investment corporations can be exercised, the DVP Participant shall be deemed to have placed the Pledged Securities Release Order and JDCC shall return the entire balance of such issue to such DVP Participant on the expiration date of such exercise period.
- (4) If (i) JASDEC decides to no longer handle a certain issue in the Stocks, Etc., Book-Entry Transfer Business, or the Depository and Book-entry Transfer of the Foreign Stock Certificates, Etc., and (ii) a DVP Participant having the right to demand the return of such issue does not place the Pledged Securities Release Order at least

two (2) days prior to the day on which JASDEC will cease handling such issue, the DVP Participant shall be deemed to have placed the Pledged Securities Release Order and JDCC shall return the entire balance of such issue to such DVP Participant on the day prior to the day on which JASDEC will cease handling such issue.

(Article 15 Treatment of Japanese Government Bonds Relating to Pledged Securities)

- 1 A Deposit and Return of Pledged Securities with respect to Japanese government bonds set forth in Article 59, Paragraph 2 of the Business Rules shall be carried out by a book-entry transfer between the account of a DVP Participant and the account held in the name of JDCC, which are opened at the Bank of Japan, pursuant to the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. (Law No. 75 of 2001). In such event, such book-entry transfer shall be carried out using the Bank of Japan Financial Network System.
- 2 A DVP Participant may not place any order for the Deposit and Return of Pledged Securities with respect to coupon-bearing Japanese government bonds on the date preceding the interest payment due date of such coupon-bearing Japanese government bonds.
- 3 If JDCC returns the Pledged Securities Balance with respect to Japanese government bonds, it shall do so pursuant to the provisions of Article 58, Paragraph 5 and Article 59-2, Paragraphs 2 of the Business Rules. In case where a DVP Participant having the right to demand the return of such Japanese government bonds does not place the Pledged Securities Release Order at least two (2) days prior to the Redemption Due Date, the DVP Participant shall be deemed to have placed the Pledged Securities Release Order and JDCC shall return the relevant balance to such DVP Participant the date preceding the Redemption Due Date.

(Article 15-2 Request for Delivery of Balance Certificate)

- 1 A DVP Participant shall have the right to submit a request to JDCC for the delivery of certificates of the Pledged Securities Balance and the Participants Fund Deposited Balance.
- 2 The request for delivery pursuant to the preceding Paragraph shall be made through the

Target Hofuri website operated by Tokyo Stock Exchange, Inc.

(Article 16 Procedures for Depositing and Returning Settlement Facilitation Payment)

- 1 The book-entry transfer set forth in Article 65, Paragraph 1 of the Business Rules shall be carried out pursuant to a request to the Bank of Japan for a book-entry transfer, for which the Bank of Japan Financial Network System shall be used and in which request it is clearly stated, as prescribed by JDCC, that the transfer is for a deposit of the Settlement Facilitation Payment or a return of the Settlement Facilitation Payment Deposited Balance; provided, however, that the foregoing shall not apply if JDCC permits otherwise.
- 2 The book-entry transfer set forth in Article 65, Paragraph 2 of the Business Rules shall be carried out pursuant to a request to the Bank of Japan for a book-entry transfer, for which the Bank of Japan Financial Network System shall be used and in which request it is clearly stated, as prescribed by JDCC, (i) that the transfer is for a deposit of the Settlement Facilitation Payment or a return of the Settlement Facilitation Payment Deposited Balance, and (ii) the identity of the Settling Bank Appointor which entrusted the Settling Bank with such deposit or return; provided, however, that the foregoing shall not apply if JDCC permits otherwise.

(Article 17 Payment of Funds by JDCC)

Payments by JDCC set forth in Article 67, Paragraphs 1 and 2 of the Business Rules shall be made without delay, after JDCC confirms that the payments by all of the Participant Payers (excluding the Settling Bank Appointors) and the payments by all the Settling Banks, for which the Settling Bank Settlement Amount is a Net Debit, have been made to JDCC.

(Article 18 Procedures for Performing Payment Obligations Relating to Participant Settlement Amount)

The book-entry transfer set forth in Article 68, Paragraph 1 or 2 of the Business Rules shall be carried out pursuant to a request to the Bank of Japan for a book-entry transfer, for which the Bank of Japan Financial Network System shall be used and in which request it is clearly stated, as prescribed by JDCC, that the transfer is for the payment or receipt of (i) the Participant Settlement Amount, or (ii) the Settling Bank Settlement Amount; provided,



however, that the foregoing shall not apply if JDCC permits otherwise.

(Article 19 Procurement of Funds, etc., in the Case of Fund Settlement Default by DVP Participants)

1 JDCC shall procure the funds set forth in Article 69, Paragraph 1 of the Business Rules in accordance with the sequence described in the following Items; provided, however, that the foregoing shall not apply if JDCC deems it necessary for an efficient procurement of funds, etc.:

- (1) Using the method set forth in Article 69, Paragraph 1, Item (1) of the Business Rules; provided, however, that the amount of money procured using such method shall be limited to the total sum of the Required Participants Fund Amounts of all DVP Participants; and
- (2) Using the method set forth in Article 69, Paragraph 1, Item (2) of the Business Rules, upon the request to the Commitment Line Bank for the provision of funds pursuant to the Commitment Line Agreement set forth in Article 70, Paragraph 1 of the Business Rules.

2 If JDCC procures funds using the method set forth in Items (1) and (2) of the preceding Paragraph, JDCC shall, in accordance with the sequence described in the following Items, take the actions set forth in such Items with the funds obtained pursuant to Article 70, Paragraph 3 of the Business Rules:

- (1) The repayment of the loans under the Commitment Line Agreement to the Commitment Line Bank; and
- (2) The restoration of the balance relating to the management of the Participants Fund pursuant to Article 56, Paragraph 2 of the Business Rules.

(Article 20 Commitment Line Bank's Fund Provision Method)

JDCC shall prescribe, under the Commitment Line Agreement set forth in Article 70, Paragraph 1 of the Business Rules, that the provision of funds by the Commitment Line Bank pursuant to JDCC's request therefor shall be carried out by a book-entry transfer from the current account of such Commitment Line Bank opened at the Bank of Japan with respect to the Bank of Japan Current Account Transaction to the fund settlement account of JDCC.

(Article 21 Settling Bank Agreement)

The Settling Bank Agreement set forth in Article 73, Paragraph 1 of the Business Rules shall be in the form set forth in the Schedule attached hereto.

(Article 22 Matters Concerning Application)

The application set forth in Article 78, Paragraph 1 of the Business Rules shall be submitted to JDCC in the prescribed written application form, to which documents deemed necessary by JDCC must be attached, at or prior to the time designated by JDCC.

(Article 23 Time of Approval Notice, etc., from Settling Banks)

The time prescribed by JDCC pursuant to Article 79, Paragraph 2 of the Business Rules shall be 2:40 p.m.

(Article 24 Notice to Settling Banks)

- 1 If JDCC issues notice as set forth in Article 5, Paragraph 2 (Business Hours), Article 6, Paragraph 2 (Holidays), Article 7, Paragraph 2 (Temporary Suspension of Business, etc.), Article 95 (Temporary Change of Settlement Cutoff Time) and Article 96, Paragraph 1 (Postponement of Settlement Date in the Event of Computer System Problems, etc.) of the Business Rules, JDCC shall issue notice to the Settling Bank.
- 2 JDCC shall provide the Settling Bank of the Settling Bank Appointor (i) which is the applicant for the surrender of the Clearing Qualification with notice set forth in Article 28, Paragraph 2 (Approval of Surrender of Clearing Qualification) of the Business Rules, (ii) which is the DVP Participant with respect to which JDCC has taken measures with notice set forth in Article 33 (Notice of Measures Taken) of the Business Rules, and (iii) which is the DVP Participant with respect to which JDCC has taken the Measures such as Suspension of Assumption of Obligations with notice set forth in Article 82, Paragraph 2 (Measures to be Taken in the Event of Settlement Default) of the Business Rules.

(Article 25 Application Relating to Sub-Account Groups)

- 1 The user application set forth in Article 92, Paragraph 2 of the Business Rules and the change application set forth in Article 93, Paragraph 1 of the Business Rules shall be

submitted to JDCC in the prescribed written application form, to which documents deemed necessary by JDCC must be attached, at or prior to the time designated by JDCC.

2 The designation set forth in Article 92, Paragraph 3 of the Business Rules shall be made in accordance with the following Items:

- (1) The allocation rate set forth in Items (2) and (3) of such Paragraph shall be expressed in percentage; and
- (2) The method of calculating the Participant Settlement Amount for each Sub-Account Group set forth in Item (4) of such Paragraph may not be elected, if (i) the Sub-Account Group User is a Settling Bank, and (ii) the Settling Bank has designated the method of calculating the Settling Bank Settlement Amount set forth in Article 74, Item (1) of the Business Rules.

(Article 26 Operations Delegated by JDCC)

JDCC shall delegate, to the party listed under each of the following Items, the operations set forth in each such Item pursuant to Article 98, Paragraph 1 of the Business Rules:

(1) JASDEC:

Operations set forth in a) through i) below;

- a) Operations involving exchanges of notices, requests or other information (excluding those received in the operations set forth in the following Item) (i) between JDCC and the DVP Participants, and (ii) between JDCC and the Settling Banks;
- b) Operations concerning the DVP Orders and other book-entry transfer orders submitted to JASDEC;
- c) Operations concerning management of the DVP Account;
- d) Operations concerning calculations of the Settlement Amount Payment Obligations and the Participant Settlement Amount, and the management of the Participants Fund ledger;
- e) Operations concerning calculations of the Net Fund Balance, the Total Assurance Assets Value, the Margin Value and the Transfer Conditions;
- f) Operations concerning the management of the balances of the Pledged Securities (excluding the JASDEC Eligible Securities), the Participants Fund and the Settlement Facilitation Payment;

- g) Operations concerning calculations of the Required Participants Fund Amount and the Net Debit Cap;
  - h) Operations involving exchanges of requests for book-entry transfers and other information between JDCC and the Bank of Japan; and
  - i) Operations concerning receipts and disbursements of fees between JDCC and the DVP Participants.
- (2) Japan Securities Clearing Corporation:
- Receipt of the notifications relating to the matters set forth in Article 21, Paragraph 1, Items (3) through (10) and Item (12) of the Business Rules and the reports set forth in Article 6 hereof, from the DVP Participants, and operations incidental thereto.

Supplementary Provision

This Treatment of Business Rules shall come into effect on and from May 6, 2004.

Supplementary Provisions (Notified on December 10, 2004)

1. These amended provisions shall come into effect on and from the date on which the over-the-counter securities market prescribed in Article 67, Paragraph 2 of the Securities and Exchange Law (Law No. 25 of 1948) is closed by the Japan Securities Dealers Association.
2. Notwithstanding the provisions of Paragraph 1 of the amended Schedule, the market value of the Securities-to-be-Received Balance and the Pledged Securities Balance relating to the JASDEC Eligible Securities registered with the Japan Securities Dealers Association on the day preceding the effective date of these amended provisions (hereinafter referred to as the “Effective Date”), if the appraisal value thereof is calculated as of the Effective Date, shall be the trading price published by the Japan Securities Dealers Association closest to 3 p.m. (if no such trading price is available, the base price prescribed by the Japan Securities Dealers Association on the day preceding the Effective Date).
3. When applying Paragraph 2 of the Schedule to an issue which was registered with the Japan Securities Dealers Association on the day preceding the Effective Date, and which is listed on the JASDAQ Securities Exchange, Inc. (hereinafter referred to as the “JASDAQ Securities Exchange”) on the Effective Date, the number of traded shares of the

issue (the number of traded units in the case of certificates of corporate bonds with stock acquisition rights) published by the Japan Securities Dealers Association shall be deemed to be the volume of trading executed at the JASDAQ Securities Exchange.

Supplementary Provisions (Notified on December 27, 2004)

1. These amended provisions shall come into effect on and from January 1, 2005.
2. A declaration of bankruptcy made on or after January 1, 2005, based upon a petition filed on or before December 31, 2004, shall be deemed to constitute an order to commence bankruptcy proceedings.

Supplementary Provision (Notified on December 26, 2005)

These amended provisions shall come into effect on and from January 4, 2006, and shall apply to the issues, in connection with which the Consolidation of Shares, etc., where the right allotment date comes on or after the effective date, is implemented.

Supplementary Provision (Notified on April 24, 2006)

These amended provisions shall come into effect on and from the effective date (May 1, 2006) of the Company Law (Law No. 86 of 2005).

Supplementary Provision (Notified on December 25, 2006)

These amended provisions shall come into effect on and from January 1, 2007.

Supplementary Provision (Notified on September 27, 2007)

These amended provisions shall come into effect on and from the effective date (September 30, 2007) of the Law for the Partial Amendments to Securities and Exchange Law, etc. (Law No. 65 of 2006).

Supplementary Provision (Notified on December 25, 2007)

These amended provisions shall come into effect on and from January 4, 2008.

Supplementary Provision (Notified on January 31, 2008)

These amended provisions shall come into effect on and from February 1, 2008.

Supplementary Provision (Notified on May 30, 2008)

These amended provisions shall come into effect on and from June 16, 2008.

Supplementary Provision (Notified on December 11, 2008)

These amended provisions shall come into effect on and from the effective date of the Law for Partial Amendments to the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities, etc. (Law No. 88 of 2004) prescribed in the main clause of Article 1 of the Supplementary Provisions thereof.

Supplementary Provision (Notified on March 27, 2009)

These amended provisions shall come into effect on and from April 1, 2009.

Supplementary Provision (Notified on July 24, 2009)

These amended provisions shall come into effect on and from September 28, 2009.

Supplementary Provision (Notified on April 7, 2010)

The amended provisions shall come into effect on and from the effective date of the provision listed in the Item(3) of the Supplementary Provisions of the Law Concerning Adjustment and Coordination of Relevant Laws in Association with the Enforcement of the Trust Law (Law No. 109 of 2006).

Supplementary Provision (Notified on December 24, 2010)

These amended provisions shall come into effect on and from January 31, 2011.

Supplementary Provision (Notified on March 31, 2011)

These amended provisions shall come into effect on and from April 1, 2011.

Supplementary Provision (Notified on December 19, 2011)

These amended provisions shall come into effect on and from January 30, 2012.

Supplementary Provision (Notified on March 29, 2012)

These amended provisions shall come into effect on and from March 31, 2012.

Supplementary Provision (Notified on December 12, 2012)

These amended provisions shall come into effect on and from February 12, 2013.

Supplementary Provision (Notified on January 31, 2013)

These amended provisions shall come into effect on and from February 1, 2013.

Supplementary Provision (Notified on February 15, 2013)

1. These amended provisions shall come into effect on and from March 31, 2013.
2. Between March 31, 2013 and March 30, 2014, the term “4.5 percent” in Article 6, Paragraph 1, Item 7 (b) (i) shall be deemed to be replaced with “3.5 percent”, the term “2.25 percent” shall be deemed to be replaced with “1.75 percent”, the term “6 percent” in (b) (ii) under the same item shall be deemed to be replaced with “4.5 percent”, and the term “3 percent” shall be deemed to be replaced with “2.25 percent”.
3. Between March 31, 2014 and March 30, 2015, the term “4.5 percent” in Article 6, Paragraph 1, Item 7 (b) (i) shall be deemed to be replaced with “4 percent”, the term “2.25 percent” shall be deemed to be replaced with “2 percent”, the term “6 percent” in (b) (ii) under the same item shall be deemed to be replaced with “5.5 percent”, and the term “3 percent” shall be deemed to be replaced with “2.75 percent”.

Supplementary Provision (Notified on October 31, 2013)

1. These amended provisions shall come into effect on and from January 6, 2014.
2. Notwithstanding the provisions of the preceding Paragraph, if JDCC determines that JDCC is not able to assume, or is not likely to be able to assume, obligations in accordance with the amended Business Rules, due to operational problems of the computer systems operated by JASDEC, these amended provisions shall come into effect on and from the date as JDCC designates falling on or after January 7, 2014.

Supplementary Provision (Notified on November 29, 2013)

These amended provisions shall come into effect on and from January 10, 2014.

Supplementary Provision (Notified on March 7, 2014)

These amended provisions shall come into effect on and from the date designated by JDCC, which shall be on or after effective date of the provision listed in Article 1, Item (2) of the Supplementary Provisions of the Law(Law No. 45 of 2013) for the Partial Amendments to the Financial Instruments and Exchange Law.

Note: The date designated by JDCC is March 7, 2014.

Supplementary Provision (Notified on March 13, 2014)

These amended provisions shall come into effect on and from March 31, 2014.

Supplementary Provision (Notified on July 8, 2014)

These amended provisions shall come into effect on and from July 22, 2014.

Supplementary Provision (Notified on November 20, 2014)

These amended provisions shall come into effect on and from the effective date of the provision listed in Article 1, Item (2) of the Supplementary Provisions of the Law (Law No. 46 of 2014) for the Partial Amendments to the Financial Instruments and Exchange Law.

Note: The effective date of the provision listed in Article 1, Item (2) of the Supplementary Provisions of the Law(Law No. 46 of 2014) for the Partial Amendments to the Financial Instruments and Exchange Law is November 29, 2014.

Supplementary Provision (Notified on November 26, 2014)

These amended provisions shall come into effect on and from December 1, 2014.

Supplementary Provision (Notified on December 10, 2014)

These amended provisions shall come into effect on and from January 19, 2015.

Supplementary Provision (Notified on May 22, 2015)

These amended provisions shall come into effect on and from May 29, 2015.

Supplementary Provision (Notified on July 7, 2015)



1. These amended provisions shall come into effect on and from October 13, 2015.
2. Notwithstanding the provisions of the preceding Paragraph, if JDCC determines that it is not appropriate to apply the amended provisions, due to operational problems of the computer systems operated by JASDEC or any other compelling reasons, these amended provisions shall come into effect on and from the date as JDCC designates falling on or after October 14, 2015.
3. If the market value prescribed by JDCC pursuant to Article 39, Paragraph 4, Item (4), Article 45, Paragraph 3, Item (1) and Article 58, Paragraph 3 of the Business Rules before the Effective Date (the date set forth in Paragraph 1 of this Schedule (When the preceding Paragraph applies, the date JDCC designates); the same shall apply hereinafter) is applied on and from the Effective Date, the pre-amendment provisions are deemed to apply to such market value.

Supplementary Provision (Notified on August 12, 2015)

1. These amended provisions shall come into effect on and from October 13, 2015.
2. Notwithstanding the provisions of the preceding Paragraph, if JDCC determines that it is not appropriate to apply the amended provisions, due to operational problems of the computer systems operated by JASDEC or any other compelling reasons, these amended provisions shall come into effect on and from the date as JDCC designates falling on or after October 14, 2015.
3. Notwithstanding the amended provisions of Article 15, Paragraph 3, the pre-amendment provision is deemed to apply to the Pledged Securities Release Order in regard to Japanese government bonds (except for the Japanese government bonds which Redemption Due Date arrives three (3) days after the Effective Date (the date set forth in Paragraph 1 of this Schedule (When the preceding Paragraph applies, the date JDCC designates); the same shall apply hereinafter) and are deposited as the Pledged Securities after the Effective Date) which Redemption Due Date arrives by the day three (3) days after the Effective Date.

Supplementary Provision (Notified on November 25, 2015)

These amended provisions shall come into effect on and from the date designated by JDCC, which shall be on or after March 31, 2017.

Note: The date designated by JDCC is March 31, 2017.

Supplementary Provision (Notified on December 10, 2015)

These amended provisions shall come into effect on and from January 18, 2016.

Supplementary Provision (Notified on December 7, 2016)

These amended provisions shall come into effect on and from January 10, 2017.

Supplementary Provision (Notified on December 6, 2017)

These amended provisions shall come into effect on and from January 9, 2018

Supplementary Provision (Notified on December 7, 2018)

These amended provisions shall come into effect on and from January 15, 2019.

Supplementary Provision (Notified on April 26, 2019)

These amended provisions shall come into effect on and from May 1, 2019.

Supplementary Provision (Notified on September 4, 2020)

The amended Treatment of Business Rules shall come into effect on and from November 24, 2020.

If JDCC determines that JDCC is not able to apply the amended provisions of the Treatment of Business Rules, due to operational problems of the computer systems operated by JASDEC, it shall come into effect on and from the date as JDCC designates falling on or after November 25, 2020.

Supplementary Provision (Notified on December 10, 2021)

These amended provisions shall come into effect on and from January 11, 2022.

Supplementary Provision (Notified on December 12, 2022)

These amended provisions shall come into effect on and from January 10, 2023.

Supplementary Provision (Notified on December 14, 2023)

These amended provisions shall come into effect on and from January 12, 2024.

Supplementary Provision (Notified on March 5, 2024)

These amended provisions shall come into effect on and from April 1, 2024.

Supplementary Provision (Notified on December 17, 2024)

These amended provisions shall come into effect on and from January 17, 2025.

Schedule

Table Concerning the Appraisal Value, etc., of  
the Securities-to-be-Received Balance and the Pledged Securities Balance  
(relating to Article 7-2, Article 9 and Article 12)

1. The market value prescribed by JDCC pursuant to Article 39, Paragraph 4, Item (4) of the Business Rules with respect to the JASDEC Eligible Securities shall be the final price (Note 2) (Note 3) on domestic financial instruments exchanges (meaning the financial instruments exchanges defined in Article 2, Paragraph 16 of the Law; the same shall apply hereinafter) (Note 1), and such market value with respect to Japanese government bonds shall be the average of the reference prices for OTC bond transactions published by the Japan Securities Dealers Association (Note 4).  
(Note 1) In the case of an issue which is listed on more than one (1) financial instruments exchange, a financial instruments exchange shall be selected in accordance with the order prescribed by JDCC from among the financial instruments exchanges with contracted prices (including the special quote decided by each financial instruments exchange; the same shall apply hereinafter). The same shall apply hereinafter.  
(Note 2) If a special quote is shown at such financial instruments exchange, the final price shall include the final special quote. The same shall apply hereinafter.  
(Note 3) If no contracted price is available at any of the financial instruments exchanges on which an issue is listed, the base price (for stocks, any fractional amount less than one (1) yen shall be rounded down; the same shall apply hereinafter) two (2) days prior to the Settlement Date at the financial instruments exchange selected in accordance with the order prescribed by JDCC shall be applicable.  
(Note 4) If the reference prices for OTC bond transactions were not published two (2) days prior to the Settlement Date, the reference prices for OTC bond transactions announced three (3) days before such Settlement Date (if the reference prices for OTC bond transactions were not published three (3) days earlier, such prices published four (4) days earlier and so on) shall be applicable.
2. With respect to the prescribed order referred to in the preceding Paragraph, the first financial instruments exchange in such order shall be the financial instruments exchange

where the volume of executed trading in the relevant issue (limited to the volume of trading relating to regular transactions executed in the trading sessions (meaning herein the regular transactions prescribed by each financial instruments exchange)) is greater than that of any other financial instruments exchanges (i) for the period from July to December of the previous year, if the day prior to the relevant Settlement Date comes during the period from February to July of every year, or (ii) for the period from January to June of every year, if such preceding day comes during the period from August to January of the following year. After that, the order shall be in accordance with the codes of the exchanges, industrial associations, etc. (meaning herein those prescribed by the Securities Identification Code Committee).

3. The market value and the rate prescribed by JDCC pursuant to Article 45, Paragraph 3, Item (1) of the Business Rules, and the market value and the rate prescribed by JDCC pursuant to Article 58, Paragraph 3 of the Business Rules with respect to the JASDEC Eligible Securities listed in the "Type of Securities" column of the following table shall be as follows. The rate to be multiplied by the market value pursuant to the aforementioned provisions of the Business Rules with respect to the other JASDEC Eligible Securities shall be zero.

Types of Securities		Market Value	Rate to be Multiplied by Market Value
Stocks, Investment Units, Preferred Equity Investments, Investment Trust Beneficiary Rights, Beneficial Rights of Trust Issuing Certificates of Beneficial Rights, Foreign Stock Certificates, etc. (Note 1)	Those listed on domestic financial instruments exchanges	Final price (Note 2) on the financial instruments exchange	70/100
Corporate Bonds with Stock Acquisition Rights	Those listed on domestic financial	Final price (Note 2) on the financial	80/100

	instruments exchanges	instruments exchange	
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(Note 1) Excluding foreign covered warrants.

(Note 2) If no contracted price is available at any of the financial instruments exchanges on which the relevant issue is listed, the base price on the day prior to the day on which the calculation is made at the financial instruments exchange selected in accordance with the order prescribed by JDCC shall be applicable.

4. With respect to the prescribed order referred to in the preceding Paragraph, the first financial instruments exchange in such order shall be the financial instruments exchange where the volume of executed trading in the relevant issue (limited to the volume of trading relating to regular transactions executed in the trading sessions) is greater than that of any other financial instruments exchanges (i) for the period from July to December of the previous year, if the day prior to the day of the relevant calculation comes during the period from February to July of every year, or (ii) for the period from January to June of every year, if such preceding day comes during the period from August to January of the following year. After that, the order shall be in accordance with the codes of the exchanges, industrial associations, etc..
5. The market value and the rate prescribed by JDCC pursuant to Article 45, Paragraph 3, Item (1) of the Business Rules, and the market value and the rate prescribed by JDCC pursuant to Article 58, Paragraph 3 of the Business Rules with respect to Japanese government bonds shall be as follows:

Types of Securities		Market Value	Rate to be Multiplied by Market Value
Japanese government bonds	Those whose reference prices for OTC bond transactions are published by the Japan Securities	Average price of such reference prices for OTC bond transactions (Note)	(1) Japanese government bonds (excluding STRIPs) a. Less than 1 year remaining to maturity: 99/100 b. Over 1 year and less than 5 years remaining to maturity: 99/100 c. Over 5 years and less than 10 years remaining to maturity: 98/100

	Dealers Association		<p>d. Over 10 years and less than 20 years remaining to maturity: 97/100</p> <p>e. Over 20 years and less than 30 years remaining to maturity: 95/100</p> <p>f. Over 30 years remaining to maturity: 94/100</p> <p>(2) STRIPs</p> <p>a. Less than 1 year remaining to maturity: 98/100</p> <p>b. Over 1 year and less than 5 years remaining to maturity: 98/100</p> <p>c. Over 5 years and less than 10 years remaining to maturity: 97/100</p> <p>d. Over 10 years and less than 20 years remaining to maturity: 96/100</p> <p>e. Over 20 years and less than 30 years remaining to maturity: 94/100</p> <p>f. Over 30 years remaining to maturity: 92/100</p>
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(Note) If the reference prices for OTC bond transactions were not published on the day prior to the day on which the calculation is made, the reference prices for OTC bond transactions announced two (2) days before the day of relevant calculation (if the reference prices for OTC bond transactions were not published two (2) days earlier, such prices published three (3) days earlier and so on) shall be applicable.

6. The market value, the rate to be multiplied by the market value and other necessary treatments of an issue whose market values set forth in Paragraphs 1 and 3 and the preceding Paragraph of this Schedule are not available or an issue deemed necessary by JDCC due to the Consolidation of Shares, etc. shall be designated by JDCC.
7. Fractional amounts of appraisal values of the Securities-to-be-Received Balance and the Pledged Securities Balance shall be adjusted as follows:

- (1) Any fractional amount less than one (1) yen, with respect to stocks, investment units, preferred equity investments, investment trust beneficiary rights, beneficial rights of trust issuing certificates of beneficial rights, foreign stock certificates, etc., shall be rounded down.
  - (2) Any fractional amount less than one (1) *sen*, with respect to securities other than the securities set forth in the preceding Item, shall be rounded down.
8. The JASDEC Eligible Securities issued by the DVP Participant's Associated Company Group (the group which consists of (i) the relevant DVP Participant and its subsidiary company (meaning, in this Paragraph, the company which is treated as the relevant DVP Participant's subsidiary company under Article 8, Paragraph 3 of the Regulations Concerning Terminology, Forms and Methods of Preparation of Financial Statements, Etc. (Ministry of Finance Ordinance No. 59 of 1963; hereinafter referred to as the "Financial Statements, Etc., Regulations")), (ii) the relevant DVP Participant's affiliated company (meaning, in this Paragraph, the company which is treated as the relevant DVP Participant's affiliated company under Article 8, Paragraph 5 of the Financial Statements, Etc., Regulations), and (iii) the relevant DVP Participants' parent company (meaning, in this Paragraph, the company which is treated as the relevant DVP Participant's parent company under Article 8, Paragraph 3 of the Financial Statements, Etc., Regulations), as well as subsidiary company and affiliated company of such parent company) can be excluded from the JASDEC Eligible Securities that can be deposited as the Pledged Securities by the relevant DVP Participant.
9. In the case of the JASDEC Eligible Securities that can be deposited as the Pledged Securities, if (i) a DVP Participant deposits stocks, investment units, preferred equity investments, investment trust beneficiary rights or beneficial rights of trust issuing certificates of beneficial rights, as the Pledged Securities, and (ii) the quantity of any issue to be deposited exceeds an amount equal to 5% of the total number of listed shares of such issue (meaning the number of listed investment units in the case of investment units, the number of listed preferred equity investments units in the case of preferred equity investments, the number of listed beneficiary rights units in the case of investment trust beneficiary rights, and the number of listed units in the case of beneficial rights of trust issuing certificates of beneficial rights,), such volume which exceeds an amount equal to 5% of the volume of the issue with respect to the relevant DVP Participant can be excluded.



10. If any of the stocks (including, in this Paragraph, preferred equity investments, investment units, investment trust beneficiary rights, beneficial rights of trust issuing certificates of beneficial rights, and foreign stock certificates, etc.) listed on domestic financial instruments exchanges meets the delisting standards of the applicable financial instruments exchanges (except in the events set forth in the Items below), with respect to all of the domestic financial instruments exchanges on which it is listed, in principle, on and from the day following the day on which such standards are met, the rate to be multiplied by the market value of the Pledged Securities Balance and the Securities-to-be-Received Balance with respect to such stock and corporate bonds with stock acquisition rights issued by the issuer of such stock (excluding any applicable investment trust beneficiary rights and any applicable beneficial rights of trust issuing certificates of beneficial rights) shall be zero.
- (1) If the issuer of the applicable stock becomes a wholly-owned subsidiary of a corporation whose stock is listed on domestic financial instruments exchanges (hereinafter referred to as a “Listed Company”) through a share exchange or share transfer.
  - (2) If the issuer of the applicable stock merges into a Listed Company.
  - (3) If (i) the applicable stock will become delisted under a circumstance not described in the Items above, and (ii) the stock to be received in exchange for such stock is anticipated to be listed on domestic financial instruments exchanges without delay.
11. The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the corporate bonds with stock acquisition rights if the obligations owed by the issuer of such corporate bonds with stock acquisition rights have become immediately due and payable.
12. Notwithstanding the provisions of the preceding Paragraphs (excluding Paragraphs 2, 4, 6 and 7) of this Schedule, if deemed necessary by JDCC, the JASDEC Eligible Securities and Japanese government bonds that can be deposited as the Pledged Securities may be limited. In such event, JDCC shall notify the DVP Participants to that effect in advance.

Schedule

Settling Bank Agreement

----- (hereinafter referred to as “X”) and ----- (hereinafter referred to as “Y”) enter into this Settling Bank Agreement concerning the handling of the business of the Settling Bank with respect to payments and receipts of funds to be carried out between X, as a DVP Participant of JASDEC DVP Clearing Corporation (hereinafter referred to as “JDCC”), and JDCC, as follows. The terms used in this Agreement that are the same as those used in the Business Rules or other rules prescribed by JDCC (hereinafter simply referred to as the “Business Rules”) shall have the same meanings.

(Article 1 Application)

1 Y shall handle the business (meaning the business set forth in the following Article) of the Settling Bank with respect to payments and receipts of funds to be carried out between X, as a DVP Participant, and JDCC, in accordance with JDCC’s Business Rules, this Agreement and its ancillary agreement. If any provision of this Agreement conflicts with a provision of the ancillary agreement, the provision of this Agreement shall prevail over the provision of the ancillary agreement.

2 This Agreement shall come into effect if and only if X and Y submit to JDCC an application for the appointment of the Settling Bank in accordance with the Business Rules, and JDCC approves such application.

3 Notwithstanding the provisions of the preceding Paragraph, this Agreement shall be null and void if Y and JDCC fail to enter into a Fund Settlement Handling Agency Agreement in accordance with the Business Rules.

(Article 2 Business of Settling Bank)

X shall appoint Y as its Settling Bank and shall entrust Y to act as X’s agent to carry out the business with respect to payments and receipts of funds between X and JDCC, which are set forth in the following Items, and Y shall accept such entrustment in accordance with the Business Rules, this Agreement and its ancillary agreement:

- (1) Payment to and receipt from JDCC of the Participant Settlement Amount;

- (2) Deposit of the Settlement Facilitation Payment with JDCC and return of the Settlement Facilitation Payment Deposited Balance from JDCC; and
- (3) Deposit of the Participants Fund with JDCC and refund of the Participants Fund Deposited Balance from JDCC.

(Article 3 Procedures for Payment and Receipt of Funds)

- 1 The deposit and savings accounts opened at the headquarters or branch offices of Y, through which payments and receipts of funds between X and Y with respect to the business of the Settling Bank are carried out, and other means for fund settlement, shall be prescribed in the ancillary agreement.
- 2 Payments and receipts of funds between Y and JDCC shall be carried out by book-entry transfers between the current account of Y and the current account of JDCC in the Bank of Japan Current Account Transactions (hereinafter simply referred to as “book-entry transfers”) in accordance with the Business Rules.

(Article 4 Settling Bank Settlement Amount)

- 1 X and Y agree that Y shall carry out with JDCC the payment and receipt of the Settling Bank Settlement Amount calculated in accordance with the method which is designated in advance in the ancillary agreement by Y as the Settling Bank from one of the methods set forth in the following Items as the method of performing the entrusted business with respect to payments and receipts of funds set forth in Article 2, Item (1) hereof. In such event, X and Y agree to apply this Agreement based upon the assumption that the payment and receipt of the Settling Bank Settlement Amount have been carried out when (i) the Settling Bank Settlement Amount becomes zero, and (ii) the payment obligation relating to the Participant Settlement Amount between X and JDCC is performed and extinguished in accordance with the Business Rules.
  - (1) The net balance of the Participant Settlement Amounts of X and all other Settling Bank Appointors that have appointed Y as the Settling Bank and the Participant Settlement Amount of Y;
  - (2) The net balance of the Participant Settlement Amounts of X and all other Settling Bank Appointors that have appointed Y as the Settling Bank; or
  - (3) The Participant Settlement Amount of X.

2 If Y intends to change the method of calculating the Settling Bank Settlement Amount designated by Y pursuant to the preceding Paragraph, Y shall, after obtaining X's consent, file an application with JDCC to that effect at least three (3) days (excluding holidays; the same shall apply hereinafter) prior to the day on which Y intends to effect such change. In such event, the agreement concerning such change shall come into effect subject to the approval of JDCC.

(Article 5 Request for Payment and Receipt of Settling Bank Settlement Amount)

X and Y agree that a request from X to Y shall be deemed to be made for the payment to or receipt from JDCC of the Settling Bank Settlement Amount on each Settlement Date when Y receives from JDCC notice of the Participant Settlement Amount of X and the Settling Bank Settlement Amount of Y in a manner designated by JDCC after the DVP Book-Entry Cutoff Time on the relevant Settlement Date.

(Article 6 Participant Payer)

- 1 If (i) the Participant Settlement Amount of X, of which Y has been notified by JDCC pursuant to the preceding Article, is a Net Debit to JDCC, and (ii) Y has received funds in an amount equal to the Participant Settlement Amount from X in accordance with the ancillary agreement, Y shall approve a request for the payment or receipt of the Settling Bank Settlement Amount on the Settlement Date and simultaneously issue notice (hereinafter referred to as the "approval notice") to JDCC to that effect at or prior to the time prescribed in the Business Rules.
- 2 If the Settling Bank Settlement Amount is a Net Debit to JDCC, Y shall carry out the payment of the Settling Bank Settlement Amount at or prior to the time prescribed in the Business Rules after issuing the approval notice referenced in the preceding Paragraph to JDCC; provided, however, that, if (i) Y has received funds in an amount equal to the Participant Settlement Amount from X in accordance with the ancillary agreement, and (ii) deemed appropriate by Y, Y may carry out the payment of the Settling Bank Settlement Amount to JDCC without giving the approval notice referenced in the preceding Paragraph.
- 3 When Paragraph 1 above applies, if any of the following Items applies, Y shall not approve a request for the payment or receipt of the Settling Bank Settlement Amount on the

relevant Settlement Date and issue notice (hereinafter referred to as the “disapproval notice”) to JDCC to that effect at or prior to the time prescribed in the Business Rules:

- (1) If Y has not received funds in an amount equal to the Participant Settlement Amount from X in accordance with the ancillary agreement;
- (2) If this Agreement has terminated; or
- (3) If Y has become prohibited from carrying out the business of the Settling Bank as an agent of X, pursuant to the provisions of the Laws and Regulations as a result of an event having occurred to X.

4 When Paragraph 1 above applies, if either Item (2) or Item (3) of the preceding Paragraph becomes applicable before the payment or receipt of the Settling Bank Settlement Amount is carried out between Y and JDCC, Y shall issue an Additional Disapproval Notice to JDCC to that effect in accordance with the Business Rules.

(Article 7 Participant Payee)

1 If the Participant Settlement Amount of X, of which Y has been notified by JDCC pursuant to Article 5 hereof, is a Net Credit from JDCC, Y shall approve a request for the payment or receipt of the Settling Bank Settlement Amount on the relevant Settlement Date, and issue the approval notice at or prior to the time prescribed in the Business Rules.

2 If the Settling Bank Settlement Amount is a Net Debit to JDCC, Y shall carry out the payment of the Settling Bank Settlement Amount at or prior to the time prescribed in the Business Rules after issuing the approval notice referenced in the preceding Paragraph to JDCC; provided, however, that Y may carry out the payment of the Settling Bank Settlement Amount to JDCC without giving the approval notice referenced in the preceding Paragraph if deemed appropriate by Y.

3 When the preceding two (2) Paragraphs apply, Y shall carry out the payment to X of funds in an amount equal to the Participant Settlement Amount of X, in accordance with the ancillary agreement, after the payment or receipt of the Settling Bank Settlement Amount is carried out between Y and JDCC.

4 When Paragraph 1 above applies, if Paragraph 3, Item (2) of the preceding Article applies to X, Y shall not approve a request for the payment or receipt of the Settling Bank Settlement Amount on the relevant Settlement Date and issue a disapproval notice at or prior to the time prescribed in the Business Rules.

5 When Paragraph 1 above applies, if this Agreement terminates before the payment or receipt of the Settling Bank Settlement Amount is carried out between Y and JDCC, Y shall issue the Additional Disapproval Notice to JDCC to that effect in accordance with the Business Rules.

(Article 8 Settlement Facilitation Payment or Participants Fund)

1 If a request is made by X to Y for a deposit of the Settlement Facilitation Payment or the Participants Fund with JDCC at or prior to the time prescribed in the Business Rules and the ancillary agreement, Y shall, upon receipt from X of funds in an amount equal to the deposit amounts of the Settlement Facilitation Payment or the Participants Fund in accordance with the ancillary agreement, approve the payment of an amount equal to such deposit amounts, and shall carry out a book-entry transfer with respect thereto.

2 If Y receives a book-entry transfer from JDCC clearly stating that the transfer is for a return of the Settlement Facilitation Payment Deposited Balance of X or for a refund of the Participants Fund Deposited Balance of X, Y shall carry out the payment to X of funds in an amount equal to the returned amount of the Settlement Facilitation Payment Deposited Balance or the Participants Fund Deposited Balance of X, in accordance with the ancillary agreement.

(Article 9 Sub-Account Groups)

When X files an application for the use of Sub-Account Groups with JDCC in accordance with the Business Rules, X must provide Y with prior notice with respect to the number and the names of the Sub-Account Groups and the method of calculating the Participant Settlement Amount concerning the Sub-Account Groups.

(Article 10 Report)

Upon Y's request, X shall report to Y, without delay, the expected amount of the Participant Settlement Amount of X and other matters necessary for Y to carry out the business of the Settling Bank.

(Article 11 Procedures for Providing Notices and Reports)

1 Necessary matters concerning notices or reports to be provided by X or Y to the other party

pursuant to this Agreement, such as procedures, addresses and other similar matters, shall be prescribed in the ancillary agreement.

2 If the notices or reports referenced in the preceding Paragraph are delivered late or are not delivered to the receiving party due to causes for which the receiving party should be held responsible, they shall be deemed to have been delivered to the receiving party when they ordinarily should have.

(Article 12 Cancellation)

1 (i) If JDCC has taken a measure to suspend Y from conducting the business of the Settling Bank, or (ii) if any other material event similar thereto that would make it difficult to continue this Agreement has occurred, X may cancel this Agreement by notifying Y.

2 (i) If due dates of X's obligations owed to JDCC are accelerated pursuant to the Business Rules, (ii) if X has received disciplinary measures imposed by JDCC in accordance with the Business Rules, such as suspension of the assumption of the obligations arising from the Transactions Subject to Clearing, revocation of the Clearing Qualification, etc., or (iii) if any other material event similar thereto that would make it difficult to continue this Agreement has occurred, Y may cancel this Agreement by notifying X.

3 X or Y may cancel this Agreement by notifying the other party if (i) the other party has violated this Agreement, and (ii) the other party's non-performance of its obligations is not rectified after a demand therefor, in which a reasonable period for the rectification has been given, is made.

4 In addition to the provisions of the preceding three (3) Paragraphs, this Agreement may be cancelled upon agreement through consultation between X and Y.

5, In addition to the provisions of the preceding four (4) Paragraphs, X or Y may cancel this Agreement by notifying the other party not less than \_\_\_\_\_ ( ) days prior to the desired cancellation date.

6 If X or Y intends to cancel this Agreement pursuant to any of the preceding five (5) Paragraphs, X or Y must file an application with JDCC in advance. In such event, X or Y shall file such application (i) without delay after notifying the other party if such cancellation is pursuant to Paragraph 1, 2, 3 or 5 above, or (ii) at least three (3) days prior to the desired cancellation date if such cancellation is pursuant to Paragraph 4 above.

7 Cancellation pursuant to Paragraphs 1 through 5 above shall not become effective unless

and until JDCC approves such cancellation pursuant to the application set forth in the preceding Paragraph.

(Article 13 Confidentiality)

X and Y shall preserve the confidentiality of the other party's non-public information which is obtained through business transactions in connection with this Agreement, and shall not use such information for any other purpose. In addition, except when a justifiable reason exists, X and Y shall not disclose or divulge such information to any third party.

(Article 14 Fees)

Amounts of fees and allocation of various expenses concerning the business of the Settling Bank which Y carried out for and on behalf of X shall be in accordance with the ancillary agreement or otherwise as determined by and between the parties.

(Article 15 Immunity)

Even if a book-entry transfer to JDCC or payment of funds to X pursuant to this Agreement becomes impossible or delayed due to any of the events set forth in the following Items, Y shall not be liable for damages suffered by X because of such impossibility or delay:

- (1) Natural disaster, measure taken by a court or public authority, or other unavoidable event has occurred; or
- (2) Terminal equipment, telecommunication circuits, computers, etc., have developed problems despite reasonable security measures having been taken by Y.

(Article 16 Prohibition of Transfer of Rights and Obligations)

Neither X nor Y shall transfer to any third party, cause any third party to assume, or pledge as collateral to any third party, any or all of the rights or obligations arising from this Agreement without the prior written consent of the other party and JDCC.

(Article 17 Governing Law and Court Having Jurisdiction)

- 1 This Agreement shall be governed by and construed in accordance with the laws of Japan.
- 2 The \_\_\_\_\_ District Court shall have jurisdiction over any lawsuit concerning this Agreement.



(Article 18 Consultation)

Matters that are not prescribed in this Agreement shall be handled in accordance with the Laws and Regulations, agreements between X and Y other than this Agreement and various practices to the extent not contrary to the provisions of the Business Rules, and matters that are not prescribed therein shall be determined upon consultation between X and Y on a case-by-case basis.

(Article 19 Survival)

Provisions of this Agreement which are required or expected to be performed by X or Y after the termination of this Agreement thereunder shall remain effective after the termination of this Agreement.

IN WITNESS WHEREOF, two (2) original copies of this Agreement shall be prepared, and, after X and Y respectively affix their names and seals thereon, each party shall retain one (1) original copy.

Date:

	Address	
X (Settling Bank Appointor)	Corporate Name	
	Name of Representative	[Seal]

	Address	
Y (Settling Bank)	Corporate Name	
	Name of Representative	[Seal]