

**BUSINESS RULES REGARDING THE  
DEPOSITORY AND BOOK-ENTRY TRANSFERS  
OF FOREIGN STOCK CERTIFICATES, ETC.**

(November 24, 2020)

[TRANSLATION]

This translation is prepared solely for reference purpose and shall not have any binding force. This is an unofficial translation and the original Japanese text will be definitive in case of any divergence in the meaning.

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**JAPAN SECURITIES DEPOSITORY CENTER, INC.**

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## **CHAPTER I: General Provisions**

### **SECTION 1: Purpose, etc.**

#### **Article 1: Purpose**

These Business Rules shall, pursuant to the proviso to Paragraph 1 of Article 9 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc. (Act No. 75 of 2001; hereinafter referred to as the “Act”) and the provisions of Article 6, Paragraph 2, Item 3 of the Order on Supervision of General Book-Entry Transfer Institutions (Ordinance of the Cabinet Office and the Ministry of Justice No. 1 of 2002; hereinafter referred to as the “Order”), prescribe necessary matters for the conduct of the business concerning the depository and book-entry transfer of the Foreign Stock Certificates, etc. by Japan Securities Depository Center, Incorporated (hereinafter referred to as “JASDEC”) with the competent Minister’s approval (hereinafter referred to as the “Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc.”).

#### **Article 2: Defined Terms**

As used in these Business Rules, the terms set forth in the following items shall have the definitions prescribed in each of the items:

- (1) “Foreign Stock Certificates” shall refer to the securities and certificates issued by foreign corporations which have the characteristics of stock certificates.
- (2) “Certificates of Foreign Share Options” shall refer to the securities and certificates issued by foreign corporations which have the characteristics of certificates of share options.
- (3) “Foreign Investment Trust Beneficiary Certificates” shall refer to the beneficiary certificates of foreign investment trusts prescribed in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951).
- (4) “Foreign Investment Securities” shall refer to the foreign investment securities prescribed in the Act on Investment Trusts and Investment Corporations.
- (5) “Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates” shall refer to the securities and certificates issued outside of Japan, which have the characteristics of beneficiary certificates of a trust that issues beneficiary certificates.
- (6) “Foreign Covered Warrants” shall refer to the securities and certificates issued outside of Japan which represent options.
- (7) “Depository Receipts of Foreign Stocks” shall refer to the depository receipts representing rights relating to the Foreign Stock Certificates, etc.
- (8) “Foreign Stocks” shall mean, where, under the applicable laws concerning the

- issuance of the Foreign Stock Certificates, issuance of certificates representing the rights, which should be represented by such securities, is not required, the rights for which no certificate is issued and which should be represented by such securities.
- (9) “Certificates of Foreign Share Options, etc.” shall mean, where, under the applicable laws concerning the Certificates of Foreign Share Options and the issuance of the Certificates of Foreign Share Options, issuance of certificates representing the rights, which should be represented by such securities, is not required, the rights for which no certificate is issued and which should be represented by such securities.
- (10) “Foreign Investment Trust Beneficiary Certificates, etc.” shall mean, where, under the applicable laws concerning the Foreign Investment Trust Beneficiary Certificates and the issuance of the Foreign Investment Trust Beneficiary Certificates, issuance of certificates representing the rights, which should be represented by such securities, is not required, the rights for which no certificate is issued and which should be represented by such securities.
- (11) “Foreign Investment Securities, etc.” shall mean, where, under the applicable laws concerning the Foreign Investment Securities and the issuance of the Foreign Investment Securities, issuance of certificates representing the rights, which should be represented by such securities, is not required, the rights for which no certificate is issued and which should be represented by such securities.
- (12) “Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates” shall mean, where, under the applicable laws concerning the Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates and the issuance of the Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates, issuance of certificates representing the rights, which should be represented by such securities, is not required, the rights for which no certificate is issued and which should be represented by such securities.
- (13) “Foreign Stocks, etc.” shall mean, where, under the applicable laws concerning the issuance of the Foreign Stock Certificates, the Certificates of Foreign Share Options, the Foreign Investment Trust Beneficiary Certificates, the Foreign Investment Securities and the Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates, issuance of certificates representing the rights, which should be represented by such securities, is not required, the rights for which no certificate is issued and which should be represented by such securities.
- (14) “Foreign Stock Certificates, etc.” shall refer to the Foreign Stock Certificates, the Certificates of Foreign Share Options, the Foreign Investment Trust Beneficiary Certificates, the Foreign Investment Securities, the Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates, the Foreign Covered Warrants, the

- Depository Receipts of Foreign Stocks and the Foreign Stocks, etc.
- (15) “Depository and Book-Entry Transfer System for Foreign Stock Certificates, etc.” shall refer to the system for the depository and book-entry transfers of the Foreign Stock Certificates, etc.
  - (16) “Participant for Foreign Stock Certificates, etc.” shall refer to a Participant (meaning a “Participant” prescribed in Article 2, Item 16, of the Operational Rules Regarding Book-Entry Transfer of Shares, etc. (hereinafter referred to as the “Operational Rules Regarding Shares”)) for which an account relating to the Foreign Stock Certificates, etc. has been opened by JASDEC or an Account Management Institution for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 2 of Article 16 or Article 17.
  - (17) “JASDEC Participant for Foreign Stock Certificates, etc.” shall refer to a JASDEC Participant (meaning a “JASDEC Participant” prescribed in Article 2, Item 17, of the Operational Rules Regarding Shares; the same shall apply hereinafter) for which an account relating to the Foreign Stock Certificates, etc. has been opened by JASDEC pursuant to the provisions of Paragraph 2 of Article 16.
  - (18) “Account Management Institution for Foreign Stock Certificates, etc.” shall refer to a JASDEC Participant for Foreign Stock Certificates, etc. which has opened accounts relating to the Foreign Stock Certificates, etc. for third parties.
  - (19) “Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.” shall refer to the account register prepared by JASDEC and the Account Management Institutions for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 1 of Article 27.
  - (20) “Deposits, etc.” shall mean, with respect to an Account Management Institution for Foreign Stock Certificates, etc., deposits made by its Participant for Foreign Stock Certificates, etc. or book-entry transfers to accounts designated by the Account Management Institution for Foreign Stock Certificates, etc.; with respect to JASDEC, deposits made by the JASDEC Participants for Foreign Stock Certificates, etc. or book-entry transfers to JASDEC’s accounts at the Foreign Depositories.
  - (21) “Deliveries, etc.” shall mean, with respect to an Account Management Institution for Foreign Stock Certificates, etc., deliveries made to its Participant for Foreign Stock Certificates, etc. and book-entry transfers made to accounts designated by the Participant for Foreign Stock Certificates, etc.; with respect to JASDEC, deliveries made to the JASDEC Participants for Foreign Stock Certificates, etc. and book-entry transfers made to accounts designated by the JASDEC Participants for Foreign Stock Certificates, etc.
  - (22) “Handled Foreign Stock Certificates, etc.” shall refer to the Foreign Stock Certificates, etc. handled in connection with the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc.

- (23) "Deposited Foreign Stock Certificates, etc." shall refer to the Foreign Stock Certificates, etc. which are put in Deposits, etc. with JASDEC by the JASDEC Participants for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 1 or Paragraph 2 of Article 26.
- (24) "Foreign Depository" shall refer to an entity which, under the applicable foreign laws or regulations, conducts the business similar to the Book-Entry Transfer Services prescribed by Article 3, Paragraph 1 of the Act outside of Japan, and which is designated by JASDEC.
- (25) "Beneficial Holder of Foreign Stock Certificates, etc." shall refer to those who beneficially own the Foreign Stock Certificates, etc. under the Depository and Book-Entry Transfer System for Foreign Stock Certificates, etc.
- (26) "Proprietary Account" shall refer to an Account of JASDEC Participant for Foreign Stock Certificates, etc. in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. where rights relating to the Foreign Stock Certificates, etc. held by such JASDEC Participant for Foreign Stock Certificates, etc. are described or recorded.
- (27) "Customer Account" shall refer to an account of an Account Management Institution for Foreign Stock Certificates, etc. in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. where rights relating to the Foreign Stock Certificates, etc. held by the Participant for Foreign Stock Certificates, etc. of such Account Management Institution for Foreign Stock Certificates, etc., are described or recorded.
- (28) "Common Number" shall refer to an individual number prescribed in Article 2, Paragraph 5 of the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (Act No. 27 of 2013) or a corporate number prescribed in Paragraph 15 of the same article.

### **Article 3: Compliance Obligations**

1. The JASDEC Participants for Foreign Stock Certificates, etc. shall comply with the applicable laws, regulations, these Business Rules, the detailed rules prescribed pursuant to these Business Rules (hereinafter referred to as the "Detailed Rules") and other matters prescribed by JASDEC, and act in accordance with the measures deemed necessary, and implemented, by JASDEC.
2. The Account Management Institutions for Foreign Stock Certificates, etc. shall comply with the applicable laws, regulations, these Business Rules, the Detailed Rules and other matters prescribed by JASDEC, and perform their services for their respective Participant for Foreign Stock Certificates, etc. in good faith and in a fair manner.

**Article 4: Scope of the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc.**

JASDEC shall, pursuant to the provisions of these Business Rules, conduct the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. set forth below:

- (1) Business relating to the custody of the Foreign Stock Certificates, etc.
- (2) Business relating to book-entry transfers of the Foreign Stock Certificates, etc.
- (3) Business relating to processing of the rights, etc., relating to the Foreign Stock Certificates, etc.
- (4) Business activities incidental or related to the business activities described in the foregoing three (3) items.

**Article 5: Hours during Which Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. is Conducted**

- 1. Except as otherwise specifically prescribed in these Business Rules or the Detailed Rules, the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. shall be conducted between 9 a.m. and 5 p.m.
- 2. When JASDEC deems necessary, it may make temporary changes to the hours during which the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. is conducted. In this case, JASDEC shall notify to that effect to the JASDEC Participants for Foreign Stock Certificates, etc. in advance.

**Article 6: Holidays, etc.**

- 1. The Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. shall not be conducted on the days listed below:
  - (1) Sundays and Saturdays.
  - (2) Holidays designated by the Act on National Holidays (Act No. 178 of 1948).
  - (3) January 2 and 3, and December 31.
- 2. When JASDEC deems necessary, it may temporarily designate holidays, in addition to the holidays referred to in the preceding paragraph, as well as days relating to the holidays referred to in the preceding paragraph on which the business is conducted on a temporary basis. In this case, JASDEC shall notify to that effect to the JASDEC Participants for Foreign Stock Certificates, etc. in advance.

**Article 7: Temporary Suspension of Business Activities**

When JASDEC deems necessary, it may temporarily suspend the conduct of some or all of



the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. In this case, JASDEC shall promptly notify the JASDEC Participants for Foreign Stock Certificates, etc. to that effect.

## **SECTION 2: Notice Methods USED by JASDEC, etc.**

### **Article 8: Notice Methods Used by JASDEC, etc.**

1. Except as otherwise specifically prescribed in these Business Rules or the Detailed Rules, notices, requests, reports and information set forth below shall be submitted by electromagnetic means (meaning methods involving the use of digital information processing systems or other information/communication technologies; the same shall apply hereinafter) prescribed in the Detailed Rules or in writing:
  - (1) Notices which JASDEC issues to the JASDEC Participants for Foreign Stock Certificates, etc. pursuant to the provisions of these Business Rules or the Detailed Rules.
  - (2) Requests, reports and information which the JASDEC Participants for Foreign Stock Certificates, etc. submit to JASDEC pursuant to the provisions of these Business Rules or the Detailed Rules.
  - (3) Notices which JASDEC issues to the issuers of the Handled Foreign Stock Certificates, etc. (in the case of the Depository Receipts of Foreign Stocks, issuers of the Foreign Stock Certificates, etc. relating to the rights represented by the applicable Depository Receipts of Foreign Stocks; the same shall apply hereinafter), and vice versa, pursuant to the provisions of these Business Rules or the Detailed Rules.
  - (4) Notices which JASDEC issues to dividend-paying banks (in the case of the Foreign Investment Trust Beneficiary Certificates, etc., the Foreign Investment Securities, etc., and the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, banks that handle distribution payments; the same shall apply hereinafter) or to Share-Handling Service Agents (in the case of the Foreign Investment Trust Beneficiary Certificates, etc., and the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, institutions that handle administrative matters relating to beneficial interest; in the case of the Foreign Investment Securities, etc., institutions that handle administrative matters relating to investment equity or institutions that handle administrative matters relating to Investment Corporation Bonds; and in the case of the Foreign Covered Warrants, institutions that handle administrative matters relating to covered warrants; the same shall apply hereinafter) and vice versa, pursuant to the provisions of these Business Rules or the Detailed Rules.

- (5) Notices which JASDEC issues to the Foreign Depositories and vice versa, pursuant to the provisions of these Business Rules or the Detailed Rules.
2. Except as otherwise specifically prescribed in these Business Rules or the Detailed Rules, with respect to the notices set forth in Item 1 of the preceding paragraph, when issuing a notice by electromagnetic means prescribed in the Detailed Rules of the preceding paragraph, such notice shall be deemed to have reached the other party on the date on which such notice is given.

#### **Article 9: Preparation of Books and Records, etc. by Electromagnetic Records**

Except as otherwise specifically prescribed in these Business Rules or the Detailed Rules, the JASDEC Participants for Foreign Stock Certificates, etc. may prepare their books and records and other documents in the form of electromagnetic records (meaning records prepared by way of an electronic, magnetic or other method, which are not perceivable by human senses and which can retain the records relating to the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC in a reliable manner; the same shall apply hereinafter).

#### **Article 10: Matters to Be Prescribed in the Detailed Rules**

The Detailed Rules shall prescribe the necessary matters relating to the purpose, etc., and methods to be used by JASDEC to issue notice, etc., other than those set forth in this Chapter.

### **CHAPTER II: Handled Foreign Stock Certificates, etc.**

#### **Article 11: Handled Foreign Stock Certificates, etc.**

1. In connection with the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, JASDEC shall handle those Foreign Stock Certificates, etc. described in the following items, the issuers of which Foreign Stock Certificates, etc. have executed agreements for administrative services relating to payments of dividends and agreements for administrative services relating to stocks pursuant to the provisions of Article 71:
  - (1) Foreign Stock Certificates listed on a financial instruments exchange (meaning a financial instruments exchange prescribed in Article 2, Paragraph 16, of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same shall apply hereinafter) or Foreign Stock Certificates planned to be listed that satisfy the requirements prescribed in the Detailed Rules.

- (2) Certificates of Foreign Share Options listed on a financial instruments exchange or Certificates of Foreign Share Options planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
  - (3) Foreign Investment Trust Beneficiary Certificates listed on a financial instruments exchange or Foreign Investment Trust Beneficiary Certificates planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
  - (4) Foreign Investment Securities listed on a financial instruments exchange or Foreign Investment Securities planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
  - (5) Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates listed on a financial instruments exchange or Beneficiary Certificates of Trust Issuing Foreign Beneficiary Certificates planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
  - (6) Foreign Covered Warrants listed on a financial instruments exchange or Foreign Covered Warrants planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
  - (7) Depositary Receipts of Foreign Stocks listed on a financial instruments exchange or Depositary Receipts of Foreign Stocks planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
  - (8) Foreign Stocks, etc. listed on a financial instruments exchange or Foreign Stocks, etc. planned to be listed that satisfy the requirements prescribed in the Detailed Rules.
2. Notwithstanding the provisions of the preceding paragraph, JASDEC may handle securities which are not the Handled Foreign Stock Certificates, etc., if such securities are distributed pursuant to the provisions of Item 3 and Item 4 of Article 73.

**Article 12: Notice Concerning Material Matters, etc. relating to Handled Foreign Stock Certificates, etc.**

Upon receipt of notice from any issuer stating that a material decision has been made concerning the rights relating to, or the handling of, the Handled Foreign Stock Certificates, etc. or that a material event has occurred relating to the Handled Foreign Stock Certificates, etc., JASDEC shall notify the JASDEC Participants for Foreign Stock Certificates, etc. to that effect.

### **Article 13: Discontinuance of Handled Foreign Stock Certificates, etc.**

1. If any Handled Foreign Stock Certificate, etc. ceases to be any of the Foreign Stock Certificates, etc. described in the items of Paragraph 1 of Article 11, or if the agreement for administrative services relating to payments of dividends or the agreement for administrative services relating to stocks executed in connection therewith pursuant to the provisions of Article 71 is terminated, JASDEC shall cease to handle such Handled Foreign Stock Certificates, etc. in connection with the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC.
2. Notwithstanding the provisions of the preceding paragraph, when JASDEC deems it necessary to continue handling the applicable Handled Foreign Stock Certificates, etc. in light of the distribution conditions, the status, etc., of the processing of rights, etc., relating to such Handled Foreign Stock Certificates, etc., JASDEC shall continue handling such Handled Foreign Stock Certificates, etc. until the date separately determined by JASDEC.
3. When the preceding paragraph applies, JASDEC shall discontinue handling the Handled Foreign Stock Certificates, etc., if any of the following items applies to such Handled Foreign Stock Certificates, etc. In this case, the legal system, etc., of the country or region (hereinafter referred to as “Country, etc. of Residence”), where the issuer of such Handled Foreign Stock Certificates, etc. is located, shall be taken into consideration.
  - (1) The issuer, while it is insolvent, reduces the amount of its capital with respect to all of its stocks to zero (0).
  - (2) JASDEC confirms the loss of value as securities due to the commencement of bankruptcy procedures.
  - (3) The company registers the completion of its liquidation.
4. The JASDEC Participants for Foreign Stock Certificates, etc. and the Participant for Foreign Stock Certificates, etc. of the Account Management Institutions for Foreign Stock Certificates, etc. shall be deemed to have consented to the disposition, in the manner deemed appropriate by JASDEC, of those Foreign Stock Certificates, etc. which are no longer handled pursuant to the provisions of the preceding paragraph (hereinafter referred to as the “No Longer Handled Foreign Stock Certificates, etc.”) and in connection with which no request for Deliveries, etc. was made by the JASDEC Participants for Foreign Stock Certificates, etc. or by the Participant for Foreign Stock Certificates, etc. of the Account Management Institutions for Foreign Stock Certificates, etc. through such Account Management Institutions for Foreign Stock Certificates, etc. on or before the date previously designated by JASDEC.
5. JASDEC may dispose of the No Longer Handled Foreign Stocks Certificates, etc. for which no request for Deliveries, etc. was made pursuant to the provisions of the preceding paragraph. In this case, necessary matters concerning such disposition shall be

prescribed in the Detailed Rules.

#### **Article 14: Notice to JASDEC Participants for Foreign Stock Certificates, etc.**

Whenever the Foreign Stock Certificates, etc. are handled pursuant to the provisions of Article 11, or cease to be handled pursuant to the provisions of Paragraph 1 or Paragraph 3 of the preceding article, in connection with the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, JASDEC shall notify the JASDEC Participants for Foreign Stock Certificates, etc. to that effect.

#### **Article 15: Matters to Be Prescribed in the Detailed Rules**

The Detailed Rules shall set forth the necessary matters relating to the Handled Foreign Stock Certificates, etc. other than those set forth in this Chapter.

### **CHAPTER III: JASDEC Participants for Foreign Stock Certificates, etc.**

#### **SECTION 1: Procedures for Opening Accounts**

#### **Article 16: Range of JASDEC Participants for Foreign Stock Certificates, etc.**

1. A JASDEC Participant may submit an application to JASDEC pursuant to the provisions of the Detailed Rules to open an account relating to the Foreign Stock Certificates, etc.
2. When an application to open an account relating to the Foreign Stock Certificates, etc. is submitted by a JASDEC Participant pursuant to the preceding paragraph, JASDEC shall open such account on the date designated by JASDEC, after providing prior notice thereof to such applicant and other JASDEC Participants for Foreign Stock Certificates, etc.
3. Whenever a person newly becomes a JASDEC Participant for Foreign Stock Certificates, etc., JASDEC shall issue a public announcement thereof.

#### **Article 17: Opening of Accounts by Account Management Institutions for Foreign Stock Certificates, etc.**

The Account Management Institutions for Foreign Stock Certificates, etc. may open accounts relating to the Foreign Stock Certificates, etc. for third parties pursuant to their request.

## **Article 18: Account Types**

1. Each Account of JASDEC Participant for Foreign Stock Certificates, etc. shall be classified as one of the following types:
  - (1) Proprietary Account
  - (2) Customer Account
2. A JASDEC Participant for Foreign Stock Certificates, etc. or a JASDEC Participant which submits an application to JASDEC to open an account relating to the Foreign Stock Certificates, etc. may, pursuant to the provisions of the Detailed Rules, request that JASDEC establish within such account multiple Classified Accounts relating to the Foreign Stock Certificates, etc.
3. Any person who submits an application referenced in the preceding paragraph shall submit to JASDEC, in connection with such application, documents prescribed in the Detailed Rules.
4. Each Classified Account shall be treated as an independent account in connection with the business processing implemented between JASDEC and the JASDEC Participants for Foreign Stock Certificates, etc.

## **SECTION 2: Notifications, etc. Submitted by JASDEC Participants for Foreign Stock Certificates, etc.**

### **Article 19: Occurrence of Changes, etc. Affecting Previously Notified Matters**

1. Immediately upon the occurrence of any change affecting any matter previously notified to JASDEC in connection with the application referenced in Paragraph 1 of Article 16, the applicable JASDEC Participant for Foreign Stock Certificates, etc. shall provide JASDEC with notification thereof; provided, however, that JASDEC may treat those matters subject to the foregoing notification requirement, with respect to which notification has previously been submitted to JASDEC pursuant to the provisions of Article 20, Paragraph 1 of the Operational Rules Regarding Shares, as having been notified pursuant to the provisions of this article.
2. When JASDEC is notified any change of the trade name or name of a JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of the preceding paragraph, JASDEC shall notify other JASDEC Participant for Foreign Stock Certificates, etc. to that effect.
3. When JASDEC is notified any change of the trade name or name of a JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 1, JASDEC shall issue a public announcement thereof.

## **Article 20: Incident Reports**

Any Account Management Institution for Foreign Stock Certificates, etc., with which the Handled Foreign Stock Certificates, etc. are put in Deposits, etc. by the Participants for Foreign Stock Certificates, etc., and which in turn puts in Deposits, etc. such Handled Foreign Stock Certificates, etc. with JASDEC, shall, upon the occurrence of any of the events described in the following items, submit to JASDEC a report thereof without delay:

- (1) It has lost any of the deposited Handled Foreign Stock Certificates, etc.
- (2) It has violated any of the applicable laws, regulations, dispositions made by administrative agencies pursuant to the applicable laws or regulations, these Business Rules, the Detailed Rules or other requirements prescribed by JASDEC.

## **Article 21: Reports and Investigations**

When deemed necessary and appropriate for the purpose of ensuring the proper operation of the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, JASDEC may require, after providing the reasons therefor, any JASDEC Participant for Foreign Stock Certificates, etc. to submit reports or information relating to the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, to review the books and records prescribed in the Detailed Rules (if such books and records are prepared in the form of electromagnetic records, written documents setting forth the information recorded in such electromagnetic records), which relate to the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, with the consent of the JASDEC Participant for Foreign Stock Certificates, etc., or to investigate the condition under which the Foreign Stock Certificates, etc. that are put in Deposits, etc. by the Participant for Foreign Stock Certificates, etc. are kept in custody.

## **SECTION 3: Closure of Accounts of JASDEC Participants for Foreign Stock Certificates, etc.**

### **Article 22: Closure of Accounts**

1. A JASDEC Participant for Foreign Stock Certificates, etc. may submit an application, pursuant to the provisions of the Detailed Rules, to JASDEC to close its Account of JASDEC Participant for Foreign Stock Certificates, etc.
2. If any of the following applies to a JASDEC Participant for Foreign Stock Certificates, etc., JASDEC shall close the Account of such JASDEC Participant for Foreign Stock Certificates, etc.:

- (1) The application referenced in the preceding paragraph is submitted.
- (2) The applicable JASDEC Participant for Foreign Stock Certificates, etc. ceases to be a JASDEC Participant.
3. If a JASDEC Participant for Foreign Stock Certificates, etc. violates these Business Rules, the Detailed Rules or requirements prescribed by JASDEC, or takes any action that adversely affects the reputation of JASDEC or other JASDEC Participants for Foreign Stock Certificates, etc., and if it is deemed necessary to do so in order to ensure the proper and efficient operation of the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, JASDEC may close such Account of JASDEC Participant for Foreign Stock Certificates, etc., after providing the JASDEC Participant for Foreign Stock Certificates, etc. with an opportunity to present its defense.
4. When closing an Account of JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of the preceding two (2) paragraphs, JASDEC shall notify in advance to that effect to the applicable JASDEC Participant for Foreign Stock Certificates, etc. and the other JASDEC Participants for Foreign Stock Certificates, etc.
5. A JASDEC Participant for Foreign Stock Certificates, etc. may submit an application to JASDEC to close any or all of its Classified Accounts; in this case, the procedures described in Paragraph 1 and Paragraph 2 shall apply.
6. The necessary matters which are applicable when JASDEC closes an Account of JASDEC Participant for Foreign Stock Certificates, etc. such as the Deliveries, etc. of the Foreign Stock Certificates, by the JASDEC Participant for Foreign Stock Certificates, etc. shall be prescribed in the Detailed Rules.
7. Whenever a JASDEC Participant for Foreign Stock Certificates, etc. ceases to be a JASDEC Participant for Foreign Stock Certificates, etc., JASDEC shall issue a public announcement thereof.

#### **SECTION 4: Measures to be Taken When a JASDEC Participant for Foreign Stock Certificates, etc. Violates Acts or Regulations**

##### **Article 23: Disciplinary Actions**

1. If any JASDEC Participant for Foreign Stock Certificates, etc. that puts in Deposits, etc. the Handled Foreign Stock Certificates, etc. with JASDEC, violates any of the applicable acts or regulations, dispositions made by administrative agencies pursuant to the applicable acts or regulations, these Business Rules, the Detailed Rules or other requirements prescribed by JASDEC, JASDEC may, after providing such JASDEC Participant for Foreign Stock Certificates, etc. with an opportunity to present its defense and pursuant to resolutions adopted by the Board of Directors, close the Account of



JASDEC Participant for Foreign Stock Certificates, etc. or issue a warning to such JASDEC Participant for Foreign Stock Certificates, etc.

2. Whenever measures referenced in the preceding paragraph have been taken, JASDEC shall issue a public announcement thereof without delay.
3. The provisions of Paragraph 4 and Paragraph 6 of the preceding article shall be applied *mutatis mutandis* when an Account of JASDEC Participant for Foreign Stock Certificates, etc. is closed pursuant to the measures prescribed in Paragraph 1.

#### **Article 24: Recommendations**

If any JASDEC Participant for Foreign Stock Certificates, etc. violates any of the applicable acts or regulations, dispositions made by administrative agencies pursuant to the applicable acts or regulations, these Business Rules, the Detailed Rules or other requirements prescribed by JASDEC, and if it is deemed that the business operations of such JASDEC Participant for Foreign Stock Certificates, etc. need to be improved, JASDEC shall issue recommendations to such JASDEC Participant for Foreign Stock Certificates, etc. to improve its business operations. In this case, the JASDEC Participant for Foreign Stock Certificates, etc. which receives such recommendations, shall submit to JASDEC promptly a written report concerning improvements to its business operations.

#### **Article 25: Matters to Be Prescribed in the Detailed Rules**

The Detailed Rules shall set forth the necessary matters relating to the JASDEC Participants for Foreign Stock Certificates, etc. other than those set forth in this Chapter.

### **CHAPTER IV: Handling of Custody and Book-Entry Transfers of Foreign Stock Certificates, etc.**

#### **SECTION 1: Deposit, etc. of Foreign Stock Certificates, etc.**

##### **PART 1: Deposits, etc. of Foreign Stock Certificates, etc. with JASDEC**

#### **Article 26: Deposits, etc. of Foreign Stock Certificates, etc. with JASDEC**

1. A JASDEC Participant for Foreign Stock Certificates, etc. may put in Deposits, etc. with JASDEC the Foreign Stock Certificates, etc. that it owns.
2. An Account Management Institution for Foreign Stock Certificates, etc. may put in Deposits, etc. with JASDEC the Foreign Stock Certificates, etc. that it owns as well as the Foreign Stock Certificates, etc. that it has received as Deposits, etc. from its

Participant for Foreign Stock Certificates, etc.; provided, however, that the Account Management Institution for Foreign Stock Certificates, etc. shall obtain the consent of its Participant for Foreign Stock Certificates, etc., when putting in Deposits, etc. with JASDEC the Foreign Stock Certificates, etc. that it has received as Deposits, etc. from such participant.

3. A Participant for Foreign Stock Certificates, etc., that has put in Deposits, etc. the Foreign Stock Certificates, etc. with an Account Management Institution for Foreign Stock Certificates, etc. may require such Account Management Institution for Foreign Stock Certificates, etc. to put in Deposits, etc. with JASDEC such Foreign Stock Certificates, etc.

## **PART 2: Handling of Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.**

### **Article 27: Matters to Be Described or Recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates etc.**

1. JASDEC and the Account Management Institutions for Foreign Stock Certificates, etc. shall prepare and maintain the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.
2. The Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. prescribed in the preceding paragraph shall have a separate section for each Account of Participant for Foreign Stock Certificates, etc.
3. The matters set forth below shall be described or recorded in the Proprietary Account in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.:
  - (1) Name and address of the Participant for Foreign Stock Certificates, etc.
  - (2) The trade name of the issuer, type of stock and other issue-identifying information of the Foreign Stock Certificates, etc.
  - (3) The number of securities of each issue.
  - (4) When increase or decrease in the number referenced in the preceding item is described or recorded, whether it was increase or decrease, the number of such increase or decrease, and the date on which it was described or recorded.
  - (5) When restrictions on dispositions are imposed by an attachment order, etc., notations thereof and the delivery date of such attachment order, etc.
  - (6) Other matters prescribed in the Detailed Rules.
4. If a Participant for Foreign Stock Certificates, etc. is a trustee of a trust, such fact, the matters referenced in Item 1 and Item 2 of the preceding paragraph, and the number of securities (included in the number referenced in Item 3 of the preceding paragraph) constituting the trust assets, may be described or recorded.

5. The matters set forth below shall be described or recorded in each Customer Account in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.:
  - (1) Matters referenced in Item 1 and Item 2 of Paragraph 3.
  - (2) The number of securities of each issue.
  - (3) Other matters prescribed in the Detailed Rules.

**Article 28: Amendments and Corrections of the Matters Described or Recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.**

1. JASDEC and each Account Management Institution for Foreign Stock Certificates, etc. shall, whenever it becomes aware of any change affecting the matters described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by it, describe or record such change in such Book-Entry Transfer Account Register for Foreign Stock Certificates, etc., immediately.
2. JASDEC and each Account Management Institution for Foreign Stock Certificates, etc. shall, whenever any error is discovered with respect to the matters described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by it, correct the matter described or recorded immediately.

**Article 29: Retention of Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.**

JASDEC and each Account Management Institution for Foreign Stock Certificates, etc. shall retain its Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by it in a proper and reliable manner; provided, however, that any matter described or recorded may be deleted if more than ten (10) years have passed since the date of preparing such matter described or recorded, or any portion relating to such matter described or recorded may be discarded.

**Article 30: Request for Deliveries of Copies of Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.**

1. A Participant for Foreign Stock Certificates, etc. may request that JASDEC deliver a written certificate of the matters described or recorded in its account in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by JASDEC or provide information relating to such matters by electromagnetic means.
2. A Participant for Foreign Stock Certificates, etc. which has put in Deposits, etc. the Foreign Stock Certificates, etc. with an Account Management Institution for Foreign Stock Certificates, etc., may request that the Account Management Institution for

Foreign Stock Certificates, etc. deliver a written certificate of the matters described or recorded in its account in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by the Account Management Institution for Foreign Stock Certificates, etc. or provide information relating to the matters by electromagnetic means.

**Article 31: Agreement Executed by and between an Account Management Institution for Foreign Stock Certificates, etc. and a Participant for Foreign Stock Certificates, etc. when the Account of Participant for Foreign Stock Certificates, etc. is Opened by the Account Management Institution for Foreign Stock Certificates, etc.**

1. An Account Management Institution for Foreign Stock Certificates, etc. shall, when it intends to open for its Participant for Foreign Stock Certificates, etc. an Account of Participant for Foreign Stock Certificates, etc. relating to the Foreign Stock Certificates, etc. execute an agreement with such Participant for Foreign Stock Certificates, etc. concerning the handling of the Deposited Foreign Stock Certificates, etc.
2. The agreement prescribed in the preceding paragraph shall provide that the Deposited Foreign Stock Certificates, etc. shall be handled in accordance with the provisions of these Business Rules, the Detailed Rules and other requirements prescribed by JASDEC, and that the applicable Participant for Foreign Stock Certificates, etc. consents to the possible provision of the personal data of such Participant for Foreign Stock Certificates, etc. (meaning the personal data prescribed in Article 2, Paragraph 4 of the Act on the Protection of Personal Information (Act No. 57 of 2003), including the address and name of such Participant for Foreign Stock Certificates, etc., the number of Foreign Stock Certificates, etc. that it owns, and other information to the extent necessary under the circumstances described in the following items), under the circumstances described in the following items to the persons set forth in the items:
  - (1) When taking the procedures for applying reduced tax rates, refunds, etc., in connection with the withholding taxes imposed in the Foreign Stock Certificates' issuer's Country or Area of Residence on distributions relating to such Deposited Foreign Stock Certificates, etc. (including revenue distributions relating to the Foreign Investment Trust Beneficiary Certificates, etc., distribution of profits relating to the Foreign Investment Securities, etc., and payments relating to trust assets of the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates; the same shall apply hereinafter):

The tax authority of the Country or Area of Residence of the issuer of the applicable Deposited Foreign Stock Certificates, etc. or the Foreign Depository relating to such Deposited Foreign Stock Certificates, etc.
  - (2) When taking the procedures for applying reduced tax rates, refunds, etc., in

connection with the withholding taxes imposed in the Foreign Stock Certificates' issuer's Country or Area of Residence on distributions relating to such Foreign Stock Certificates, etc. relating to the rights represented by the Depositary Receipts of Foreign Stocks:

The tax authority of the Country or Area of Residence of the issuer of the applicable Foreign Stock Certificates, etc., the Foreign Depositary relating to such Foreign Stock Certificates, etc., the issuer of the applicable Depositary Receipts of Foreign Stocks, or the Foreign Depositary relating to such Depositary Receipts of Foreign Stocks.

- (3) When the issuer of the Deposited Foreign Stock Certificates, etc., or the Foreign Stock Certificates, etc., relating to the rights represented by, the Depositary Receipts of Foreign Stocks prepares annual securities reports and other documents required under the applicable laws or regulations of Japan or other countries, etc., rules prescribed by financial instruments exchanges, etc. (hereinafter in this item collectively referred to as the "Laws, etc."), exercises rights or performs obligations pursuant to the Laws, etc., provides information to the Beneficial Holders of Foreign Stock Certificates, etc. or prepares statistical data necessary for public relations activities, etc.:

The issuer of the applicable Deposited Foreign Stock Certificates, etc. or the issuer of the applicable Foreign Stock Certificates, etc.

### **PART 3: Handling of Deposits, etc.**

#### **Article 32: Handling of Foreign Stock Certificates, etc. at the Time of Deposits, etc.**

1. When a Participant for Foreign Stock Certificates, etc. deposits with an Account Management Institution for Foreign Stock Certificates, etc., the Foreign Stock Certificates, etc. (excluding the Foreign Stocks, etc.; the same shall apply hereinafter in this article, Article 33, and Paragraph 1 of Article 34), which are to be deposited with JASDEC, such Account Management Institution for Foreign Stock Certificates, etc. shall examine and confirm such Foreign Stock Certificates, etc. and then describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.
2. A JASDEC Participant for Foreign Stock Certificates, etc. shall, whenever any of its Foreign Stock Certificates, etc. is suspected to have been forged or falsified, provide JASDEC with notice setting forth the details thereof immediately.
3. An Account Management Institution for Foreign Stock Certificates, etc. shall, whenever any of the Foreign Stock Certificates, etc. deposited with it by a Participant for Foreign Stock Certificates, etc. is suspected to have been forged or falsified, provide JASDEC with notice setting forth the details thereof immediately.

**Article 33: Custody of Foreign Stock Certificates, etc. Deposited by Participant for Foreign Stock Certificates, etc. with Account Management Institutions for Foreign Stock Certificates, etc.**

An Account Management Institution for Foreign Stock Certificates, etc. shall keep custody of those Foreign Stock Certificates, etc. which were described or recorded pursuant to Paragraph 1 of the preceding article separately from other Foreign Stock Certificates, etc. until they are submitted to a Foreign Depository pursuant to the main text of Paragraph 1 of Article 34 or delivered pursuant to the proviso to Paragraph 1 of Article 34.

In this case, an Account Management Institution for Foreign Stock Certificates, etc. may keep custody of the Foreign Stock Certificates, etc. which are described or recorded pursuant to Paragraph 1 of the preceding article without separating them for each Participant for Foreign Stock Certificates, etc.

**Article 34: Submission, etc. of Foreign Stock Certificates, etc. Put in Deposits, etc. by Participant for Foreign Stock Certificates, etc. with Account Management Institutions for Foreign Stock Certificates, etc.**

1. Without delay after describing or recording the applicable matters pursuant to Paragraph 1 of Article 32, an Account Management Institution for Foreign Stock Certificates, etc. shall submit to a Foreign Depository those Foreign Stock Certificates, etc. to which such matters described or recorded relate; provided, however, that the foregoing shall not apply if the Account Management Institution for Foreign Stock Certificates, etc. needs to retain such Foreign Stock Certificates, etc. in order to deliver the Foreign Stock Certificates, etc. pursuant to the request of another Participant for Foreign Stock Certificates, etc.
2. An Account Management Institution for Foreign Stock Certificates, etc. shall, before submitting the Foreign Stock Certificates, etc. to a Foreign Depository pursuant to the provisions of the preceding paragraph or transferring them to JASDEC's account at such Foreign Depository by way of a book-entry transfer, provide JASDEC with the instructions of Deposits, etc. in advance and complete the necessary procedures with respect to the Foreign Depository without delay for the increase in the number described or recorded in the account relating to the Foreign Stock Certificates, etc. in connection with which the instructions of such Deposits, etc. are issued.
3. When JASDEC receives the instructions of the Deposits, etc. referred to in the preceding paragraph, it shall complete necessary procedures for the Deposits, etc. of the applicable Foreign Stock Certificates, etc. with the Foreign Depository without delay.
4. When JASDEC receives the notice from the Foreign Depository that the increase

relating to the Deposits, etc. of the applicable Foreign Stock Certificates, etc. has been recorded, JASDEC shall describe or record the number of increase relating to such Deposits, etc. in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. and notify the applicable Account Management Institution for Foreign Stock Certificates, etc. to that effect.

**Article 35: Acquisition of Rights relating to Foreign Stock Certificates, etc. Subject to the Deposits, etc.**

The JASDEC Participants for Foreign Stock Certificates, etc. which have put in Deposits, etc. the Foreign Stock Certificates, etc. with JASDEC and the Participant for Foreign Stock Certificates, etc. which have put in Deposits, etc. the Foreign Stock Certificates, etc. with the Account Management Institutions for Foreign Stock Certificates, etc., shall acquire rights, under the applicable laws, etc., in proportion to the number of such Foreign Stock Certificates, etc. described or recorded in JASDEC's account at the Foreign Depository.

**PART 4: Special Handling of the Deposits, etc. of New Shares and Share Options, etc.**

**Article 36: Handling of JASDEC's Receipt of New Shares and Share Options, etc.**

1. With respect to the Deposited Foreign Stock Certificates, etc., JASDEC may, on behalf of the JASDEC Participants for Foreign Stock Certificates, etc. and the Participants for Foreign Stock Certificates, etc. which have put in Deposits, etc. the Foreign Stock Certificates, etc. with the Account Management Institutions for Foreign Stock Certificates, etc., receive the New Shares (meaning newly allotted securities (excluding the Certificates of Foreign Share Options, etc. and Foreign Investment Securities, etc. that are equivalent to certificates of new investment equity subscription rights); the same shall apply hereinafter) and the Share Options, etc. (meaning rights to receive new allotments of the Foreign Stock Certificates, etc.; the same shall apply hereinafter), allotted through stock dividends, stock splits, bonus issues, etc. (including those which have the same characteristics as the foregoing and which relate to the Foreign Investment Trust Beneficiary Certificates, etc., the Foreign Investment Securities, etc., the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, the Foreign Covered Warrants and the Depositary Receipts of Foreign Stocks).
2. When JASDEC receives the New Shares or the Share Options, etc. pursuant to the provisions of the preceding paragraph, JASDEC shall notify the applicable JASDEC Participant for Foreign Stock Certificates, etc. of the receipt of the New Shares or the Share Options, etc. and describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. In this case, if the

applicable Foreign Stock Certificates, etc. are traded with due bills or due bill certificates at a financial instruments exchange, JASDEC shall describe or record with due bills or attach the due bill certificates together therewith, during the period between the settlement date of the trade made on such trade's commencement date (hereinafter referred to as the "Settlement Commencement Date") and the settlement date of the trade made on such trade's final day (hereinafter referred to as the "Final Settlement Date").

3. The matters referenced in the preceding paragraph shall be described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. after receipt of notice from the Foreign Depository of its receipt of the applicable New Shares or the Share Options, etc. from the issuer.
4. When an Account Management Institution for Foreign Stock Certificates, etc. receives the notice from JASDEC referred to in Paragraph 2, it shall describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to its Participant for Foreign Stock Certificates, etc. pursuant to the notice.

## **PART 5: Handling of Special Deposits, etc. Prior to Listing**

### **Article 37: Special Deposits, etc. Prior to Listing**

Notwithstanding the provisions of Paragraph 1 of Article 11, JASDEC may handle those Foreign Stock Certificates, etc. which are scheduled to be listed on a financial instruments exchange, and with respect to which Foreign Stock Certificates, etc., agreements for administrative services relating to payments of dividends and agreements for administrative services relating to stocks prescribed by Article 71 are executed, during the period commencing on the date designated by JASDEC and ending on the date immediately preceding the date of listing on the financial instruments exchange, to the limited extent of book-entry transfers implemented to enable the JASDEC Participants for Foreign Stock Certificates, etc. to put in Deposits, etc. or distribute such Foreign Stock Certificates, etc. prior to the listing date.

## **PART 6: Handling of Restrictions on Deposits, etc.**

### **Article 38: Days, etc. on Which Restrictions Are Imposed on Deposits, etc.**

1. No JASDEC Participant for Foreign Stock Certificates, etc. shall be permitted to make newly Deposits, etc. those Foreign Stock Certificates, etc. which are of the same issue as the Deposited Foreign Stock Certificates, etc. on the dates listed below, except as otherwise approved by JASDEC:



- (1) The record date for determining those who are entitled to exercise their voting rights at a stockholders' meeting (in the case of the Foreign Investment Trust Beneficiary Certificates, etc. and the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, a meeting of beneficiaries; in the case of the Foreign Investment Securities, etc., a meeting of investors or a meeting of Investment Corporation Bonds creditors; and in the case of the Foreign Covered Warrants, a meeting of owners; the same shall apply hereinafter) relating to the Foreign Stock Certificates, etc. (excluding the Certificates of Foreign Share Options, etc. and the Depositary Receipts of Foreign Stocks).
  - (2) The record date for determining those who are entitled to receive dividends relating to the Foreign Stock Certificates, etc.
  - (3) The record date for determining those who are entitled to receive the Share Options, etc. relating to the Foreign Stock Certificates, etc.
  - (4) The record date for determining those who are entitled to receive rights, other than those prescribed in the preceding three (3) items, relating to the Foreign Stock Certificates, etc.
  - (5) The day (excluding any day that is a holiday for the applicable Foreign Depository) immediately preceding the first day of the period during which the stockholder register (including the beneficiary register in the case of the Foreign Investment Trust Beneficiary Certificates, etc., and the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, the investor register or the Investment Corporation Bonds creditor register in the case of the Foreign Investment Securities, etc., and the owner register in the case of the Foreign Covered Warrants and the Depositary Receipts of Foreign Stocks) is closed (The day immediately preceding the day on which dividends are paid, in the case of bearer Foreign Stock Certificate, etc.).
  - (6) The day immediately following the Final Settlement Date, in the event that the Foreign Stock Certificates, etc. which are of the same issue as the applicable Foreign Stock Certificates, etc. are traded with due bills or due bill certificates (excluding any day that is a holiday for the applicable Foreign Depository).
  - (7) Any other day deemed necessary by JASDEC.
2. JASDEC shall notify the JASDEC Participants for Foreign Stock Certificates, etc. in advance of the dates on which no Deposits, etc. can be made pursuant to the provisions of the main text of the preceding paragraph.
  3. JASDEC may refuse to accept the Deposits, etc. of the Foreign Stock Certificates, etc., if JASDEC is actually or potentially unable to acquire the rights relating to such Foreign Stock Certificates, etc. due to stock acquisition restrictions under the laws, regulations, etc., of the issuer's Country, etc. of Residence or for any other reason.

### **Article 39: Restrictions on Acquisition of Rights**

No JASDEC Participant for Foreign Stock Certificates, etc. shall be able to acquire rights relating to the Deposited Foreign Stock Certificates, etc. through JASDEC, if such Foreign Stock Certificates, etc. are put in Deposits, etc. on or after the dates described in the items of Paragraph 1 of Article 38.

## **SECTION 2: Handling of Custody of Foreign Stock Certificates, etc.**

### **Article 40: Delegation of Custody to Foreign Depositories**

JASDEC shall delegate to the Foreign Depositories the duties relating to the custody of the Foreign Stock Certificates, etc. Deposited, etc. with JASDEC by the JASDEC Participants for Foreign Stock Certificates, etc.

### **Article 41: Acquisition of Rights relating to Foreign Stock Certificates, etc. in Custody**

When a Foreign Depository keeps the custody of the Foreign Stock Certificates, etc. owned by a Participant for Foreign Stock Certificates, etc., such Participant for Foreign Stock Certificates, etc. shall acquire the rights in proportion to the number of such Foreign Stock Certificates, etc. described or recorded in JASDEC's account at such Foreign Depository under the applicable laws, regulations, etc.

### **Article 42: Change of Record Owner, etc. of Deposited Foreign Stock Certificates, etc.**

If the Foreign Stock Certificates, etc. deposited with JASDEC are registered stocks, JASDEC shall cause the applicable Foreign Depository, in accordance with the provisions of the participant agreement or custody agreement between JASDEC and such Foreign Depository, to complete the procedures necessary to change the registered stockholder's name and to otherwise acquire the rights of the Beneficial Holders of Foreign Stock Certificates, etc. at appropriate times after the Foreign Stock Certificates, etc. are put in Deposits, etc. with the Foreign Depository.

### **Article 43: Notice of the Number Described or Recorded in the Account**

JASDEC shall notify each JASDEC Participant for Foreign Stock Certificates, etc. of the number described or recorded in the Account of JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of the Detailed Rules.

**SECTION 3: Compensation for Shortage of Deposited Foreign Stock Certificates, etc.**

**Article 44: Compensation by Account Management Institutions for Foreign Stock Certificates, etc. for Shortages of Deposited Foreign Stock Certificates, etc.**

An Account Management Institution for Foreign Stock Certificates, etc. shall, when it becomes clear that a shortage has developed in the number of the Deposited Foreign Stock Certificates, etc. for any of the reasons set forth below, compensate the number of the Foreign Stock Certificates, etc. equal to the shortage, with respect to each type of the applicable Foreign Stock Certificates, etc.:

- (1) In the event of any error described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by the Account Management Institution for Foreign Stock Certificates, etc., such error described or recorded in such Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. cannot be corrected due to book-entry transfers to another account or any other reason.
- (2) In the event that any of the Foreign Stock Certificates, etc. described or recorded pursuant to Paragraph 1 of Article 32, which is in the Account Management Institution for Foreign Stock Certificates, etc.’s custody, is stolen, lost or destroyed.
- (3) In the event that the Account Management Institution for Foreign Stock Certificates, etc. otherwise fails to properly handle the administrative matters relating to the Deposited Foreign Stock Certificates, etc.

**Article 45: Replacement of Foreign Stock Certificates, etc. by JASDEC Participants for Foreign Stock Certificates, etc.**

- 1. When the Foreign Stock Certificates, etc. owned by a JASDEC Participant for Foreign Stock Certificates, etc. are deposited with JASDEC, or the Foreign Stock Certificates, etc. are deposited with JASDEC by an Account Management Institution for Foreign Stock Certificates, etc. with which such Foreign Stock Certificates, etc. are deposited by its Participant for Foreign Stock Certificates, etc. or when a Foreign Depository makes a request to have the registered stockholder’s name changed pursuant to Article 42, if any of such deposited Foreign Stock Certificates, etc. is found to be ineligible Foreign Stock Certificates, etc. prescribed in the Detailed Rules, JASDEC shall demand that the JASDEC Participant for Foreign Stock Certificates, etc. which has deposited such ineligible Foreign Stock Certificates, etc. replace them with eligible Foreign Stock Certificates, etc. except when corrections are made in matters described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 2 of Article 28.

2. Any JASDEC Participant for Foreign Stock Certificates, etc. which has received the demand prescribed in the preceding paragraph, shall replace such ineligible Foreign Stock Certificates, etc. with eligible Foreign Stock Certificates, etc. without delay.

**Article 46: Compensation by JASDEC for Shortages of Deposited Foreign Stock Certificates, etc.**

1. Except under the circumstances prescribed in the preceding two (2) articles, when it becomes known that a shortage has developed in the number of the Deposited Foreign Stock Certificates, etc., JASDEC shall, with respect to each type of the applicable Foreign Stock Certificates, etc., compensate such shortage without delay. The same shall apply when, under the circumstances prescribed in the preceding two (2) articles, it becomes known that the applicable JASDEC Participant for Foreign Stock Certificates, etc. will not compensate or replace the applicable Foreign Stock Certificates, etc.
2. In order to compensate the shortage of the Foreign Stock Certificates, etc. pursuant to the preceding paragraph, JASDEC shall enter into a damage insurance contract with an insurance company in advance, and shall compensate the shortage with the insurance proceeds paid under such damage insurance contract.
3. If the insurance proceeds referred to in the preceding paragraph are insufficient for JASDEC to compensate all of the shortage in the number of Deposited Foreign Stock Certificates, etc., JASDEC shall additionally compensate such shortage up to the limit determined by the Board of Directors and prescribed in the Detailed Rules.

**Article 47: Joint Compensation by Account Management Institutions for Foreign Stock Certificates, etc. for Shortages of Deposited Foreign Stock Certificates, etc.**

1. If all of the shortage in the number of the Deposited Foreign Stock Certificates, etc. cannot be compensated under the provisions of the preceding article, the Account Management Institutions for Foreign Stock Certificates, etc. (excluding any Account Management Institution for Foreign Stock Certificates, etc. where it becomes known that, under the circumstances described in Article 44 or 45, such Account Management Institution for Foreign Stock Certificates, etc. will not compensate or replace the applicable Foreign Stock Certificates, etc.), shall jointly compensate such shortage with respect to each type of Foreign Stock Certificates, etc.
2. The Account Management Institutions for Foreign Stock Certificates, etc. which are jointly obligated to compensate shortages pursuant to the provisions of the preceding paragraph shall be those which were the Account Management Institutions for Foreign Stock Certificates, etc. on the day on which the shortage of the Deposited Foreign Stock Certificates, etc. occurred (in the event that the date on which the shortage of the

Deposited Foreign Stock Certificates, etc. occurred is unknown, the earliest day on which JASDEC or any other party became aware of the occurrence of such shortage; hereinafter referred to as the “Incident Occurrence Date”) (hereinafter simply referred to as the “Account Management Institutions for Foreign Stock Certificates, etc.” in this article and Article 48).

3. The Account Management Institutions for Foreign Stock Certificates, etc. shall compensate the shortage by making uniform monetary payments (hereinafter referred to as the “Primary Compensation”); if the Primary Compensation is insufficient for compensating the shortage of the Foreign Stock Certificates, etc., they shall compensate the shortage by making payments based on the number of the Deposited Foreign Stock Certificates, etc. (hereinafter referred to as the “Secondary Compensation”); the computation methods for the monetary amounts, payment methods and other matters relating to the compensation methods shall be prescribed in the Detailed Rules.
4. JASDEC shall apply the money paid by the Account Management Institutions for Foreign Stock Certificates, etc. pursuant to the provisions of the preceding paragraph to compensate the shortage of the Deposited Foreign Stock Certificates, etc.
5. Each Account Management Institution for Foreign Stock Certificates, etc. shall, even after it ceases to be an Account Management Institution for Foreign Stock Certificates, etc., remain obligated to compensate the shortage pursuant to the provisions of the preceding paragraphs for five (5) years after the date on which it ceases to be an Account Management Institution for Foreign Stock Certificates, etc.

#### **Article 48: Handling of Special Losses That Has Occurred Overseas**

1. Notwithstanding the provisions of Article 44 to Article 47, upon the occurrence of a special loss at a Foreign Depository, which does not result from any of the matters prescribed in the items under Article 44 or from the fact that the applicable Foreign Stock Certificates, etc. were ineligible Foreign Stock Certificates, etc. prescribed in Article 45, such special loss shall be handled by JASDEC pursuant to the provisions of the participant agreement or the custody agreement by and between JASDEC and the Foreign Depository.
2. Except when the applicable loss is handled pursuant to the provisions of the preceding paragraph, upon the occurrence of any shortage in the number of the Deposited Foreign Stock Certificates, etc. due to damages resulting from a fire or other damage to the Foreign Stock Certificates in a Foreign Depository’s custody or from the inability to recover the data relating to such custody, etc. caused by riots, acts of terrorism, etc., JASDEC shall compensate the shortage with respect to each issue (hereinafter referred to as an “Individual Issue”) of each type of such Foreign Stock Certificates, etc. and in this case, the provisions of Paragraph 2 and Paragraph 3 of Article 46 shall be applied

*mutatis mutandis*.

3. The Account Management Institutions for Foreign Stock Certificates, etc. shall, if not all of the shortage with respect to any Individual Issue can be compensated pursuant to the provisions of the preceding paragraph, compensate such shortage based on the numbers of shares of the Individual Issue that are put in Deposits, etc. with them on the Incident Occurrence Date.
4. The provisions of Paragraph 5 of the preceding article shall be applied *mutatis mutandis* to those Account Management Institutions for Foreign Stock Certificates, etc. to which the provisions of Paragraph 3 apply.

#### **Article 49: Right to Indemnity**

If JASDEC and the Account Management Institutions for Foreign Stock Certificates, etc. compensate or replace any Foreign Stock Certificates, etc. pursuant to the provisions of Article 44 through Paragraph 2 of Article 48, they shall be indemnified by those who should be held responsible for the applicable shortage.

#### **SECTION 4: Book-Entry Transfers**

##### **PART 1: Handling, etc. of Book-Entry Transfers in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc., relating to Participant for Foreign Stock Certificates, etc. of Account Management Institution for Foreign Stock Certificates, etc.**

#### **Article 50: Request for Book-Entry Transfers**

A Participant for Foreign Stock Certificates, etc. may request a book-entry transfer of the Foreign Stock Certificates, etc. in its account to another account; in this case, any Participant for Foreign Stock Certificates, etc. whose account is opened at an Account Management Institution for Foreign Stock Certificates, etc. shall submit such request to the Account Management Institution for Foreign Stock Certificates, etc.

**Article 51: Matters, etc. Described or Recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. Based on Book-Entry Transfer Requests by Participant for Foreign Stock Certificates, etc.**

1. Whenever an Account Management Institution for Foreign Stock Certificates, etc. receives a request from its Participant for Foreign Stock Certificates, etc. to have a specific number of the Foreign Stock Certificates, etc. in its account to be transferred to another account by way of a book-entry transfer, such Account Management Institution for Foreign Stock Certificates, etc. shall describe or record in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. on the date which is designated by the Participant for Foreign Stock Certificates, etc., and on which the book-entry transfer is implemented, the necessary matter relating to the account of the Participant for Foreign Stock Certificates, etc.
2. An Account Management Institution for Foreign Stock Certificates, etc. shall, in the event that the request referenced in the preceding paragraph involves a book-entry transfer to another account in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by itself, describe or record the necessary matters relating to such other account, in addition to describing or recording the applicable matters pursuant to the provisions of the preceding paragraph.
3. An Account Management Institution for Foreign Stock Certificates, etc. shall, in the event that the request referred to in Paragraph 1 involves a book-entry transfer to another account of JASDEC Participant for Foreign Stock Certificates, etc. or to an account of Participant for Foreign Stock Certificates, etc. in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by another Account Management Institution for Foreign Stock Certificates, etc. submit a request for a book-entry transfer to JASDEC.
4. An Account Management Institution for Foreign Stock Certificates, etc. shall, when implementing a book-entry transfer between its Proprietary Account and an account of Participant for Foreign Stock Certificates, etc. in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. maintained by such Account Management Institution for Foreign Stock Certificates, etc., describe or record the necessary matters relating to the Account of Participant for Foreign Stock Certificates, etc., and submit a request for a book-entry transfer to JASDEC.

**Article 52: Timing of the Transfer of Rights of a Participant for Foreign Stock Certificates, etc. of an Account Management Institution for Foreign Stock Certificates, etc. in Connection with a Book-Entry Transfer**

The rights relating to the Foreign Stock Certificates, etc. owned by a Participant for Foreign

Stock Certificates, etc. of an Account Management Institution for Foreign Stock Certificates, etc. shall be deemed transferred, on the basis of the number relating to the book-entry transfer when such number is described or recorded by the Account Management Institution for Foreign Stock Certificates, etc., in the Account of Participant for Foreign Stock Certificates, etc., in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc.

**PART 2: Handling of Book-Entry Transfers, etc. in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc., relating to JASDEC Participants for Foreign Stock Certificates, etc.**

**Article 53: Matters, etc. Described or Recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. Based on Book-Entry Transfer Requests by JASDEC Participants for Foreign Stock Certificates, etc.**

1. A JASDEC Participant for Foreign Stock Certificates, etc. shall submit its book-entry transfer requests to JASDEC pursuant to the provisions of the Detailed Rules.
2. JASDEC shall, upon its receipt from a JASDEC Participant for Foreign Stock Certificates, etc. of a request to have a certain number of the Foreign Stock Certificates, etc. in its account to be transferred to another account by way of a book-entry transfer, on the date which is designated by such JASDEC Participant for Foreign Stock Certificates, etc. and on which the book-entry transfer is implemented, describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to such JASDEC Participant for Foreign Stock Certificates, etc. and also describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to the JASDEC Participant for Foreign Stock Certificates, etc. to which such book-entry transfer is made.
3. After describing or recording the applicable matters pursuant to the provisions of the preceding paragraph, in compliance with the provisions of the Detailed Rules, JASDEC shall make Book-Entry Transfer Completion Notice to the JASDEC Participant for Foreign Stock Certificates, etc. which submitted the request for the book-entry transfer and the JASDEC Participant for Foreign Stock Certificates, etc. to which the book-entry transfer was made.



**Article 54: Notice of Temporary Suspension or Cancellation of Temporary Suspension of Book-Entry Transfers**

With respect to the book-entry transfer requests prescribed in Paragraph 1 of the preceding article (limited to those prescribed in the Detailed Rules; the same shall apply hereinafter in this article), a JASDEC Participant for Foreign Stock Certificates, etc. may issue notice of a temporary suspension of the processing of book-entry transfers based on such book-entry transfer requests, and notice of cancellation of such suspension, in compliance with the provisions of the Detailed Rules.

**Article 55: Book-Entry Transfer Requests, etc. by Designated Financial Instruments Clearing Organizations**

When a Designated Financial Instruments Clearing Organization (meaning a Financial Instruments Clearing Organization (meaning a Financial Instruments Clearing Organization prescribed in Article 2, Paragraph 29, of the Financial Instruments and Exchange Act) which is designated by the Detailed Rules; the same shall apply hereinafter), among JASDEC Participants for Foreign Stock Certificates, etc., submits a book-entry transfer request on behalf of the Transferor JASDEC Participant for Foreign Stock Certificates, etc. which is a clearing participant (meaning an entity which is qualified to be the counter party to the Financial Instruments Obligations Assumption Business conducted by the Designated Financial Instruments Clearing Organization under the provisions of the Business Manual of the Designated Financial Instruments Clearing Organization) with respect to the settlement of a Subject Transaction (meaning the transaction from which the obligations covered by the Financial Instruments Obligations Assumption Business (which means the Financial Instruments Obligations Assumption Business prescribed in Article 2, Paragraph 28, of the Financial Instruments and Exchange Act; when such Designated Financial Instruments Clearing Organization conducts the business prescribed in Article 156-6, Paragraph 1, of the Financial Instruments and Exchange Act, the Financial Instruments Obligations Assumption Business, etc. prescribed in Article 156-3, Paragraph 1, Item 6; the same shall apply hereinafter) arose, and which is prescribed in the Business Manual of such Designated Financial Instruments Clearing Organization), JASDEC shall, on the book-entry transfer date designated by the Designated Financial Instruments Clearing Organization, record the increase and record the decrease in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc., and notify the applicable JASDEC Participant for Foreign Stock Certificates, etc. and the applicable Designated Financial Instruments Clearing Organization and complete other procedures.

**Article 56: Description or Record in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. Pursuant to the Book-Entry Transfer Completion Notice Issued by JASDEC**

An Account Management Institution for Foreign Stock Certificates, etc. shall, upon its receipt of Book-Entry Transfer Completion Notice from JASDEC, if such book-entry transfer relates to a Customer Account, describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to the applicable Participant for Foreign Stock Certificates, etc. on the day on which such notice is received.

**Article 57: Timing of the Transfer of Rights relating to Book-Entry Transfers**

The rights relating to the same number of Foreign Stock Certificates, etc. owned by a JASDEC Participant for Foreign Stock Certificates, etc. as the number relating to the applicable book-entry transfer shall be deemed transferred, when the number relating to the book-entry transfer is described or recorded by JASDEC in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to the JASDEC Participant for Foreign Stock Certificates, etc.

**PART 3: Handling of Restrictions on Book-Entry Transfers**

**Article 58: Days on Which Restrictions Are Imposed on Book-Entry Transfers**

JASDEC may designate days on which no book-entry transfer will be implemented with respect to specified issues of the Foreign Stock Certificates, etc.; in this case, JASDEC shall notify the JASDEC Participants for Foreign Stock Certificates, etc. to that effect in advance.

**SECTION 5: Deliveries, etc. of Foreign Stock Certificates, etc.**

**PART 1: Handling of Requests for Deliveries, etc. Submitted to JASDEC Participants for Foreign Stock Certificates, etc.**

**Article 59: Request for Deliveries, etc. of Foreign Stock Certificates, etc.**

A Participant for Foreign Stock Certificates, etc. may request the Deliveries, etc. of the Foreign Stock Certificates, etc. representing the number of the Foreign Stock Certificates, etc. in its account. In this case, any Participant for Foreign Stock Certificates, etc. which has put in Deposits, etc., the Foreign Stock Certificates, etc., with an Account Management Institution for Foreign Stock Certificates, etc., shall submit such request to the Account Management

Institution for Foreign Stock Certificates, etc.

**Article 60: Request, etc. for Deliveries, etc. of Foreign Stock Certificates, etc. by Participants for Foreign Stock Certificates, etc. of Account Management Institutions for Foreign Stock Certificates, etc.**

1. An Account Management Institution for Foreign Stock Certificates, etc. shall, upon its receipt from its Participant for Foreign Stock Certificates, etc., of a request for Deliveries, etc. of the Foreign Stock Certificates, etc. representing the number of the Foreign Stock Certificates, etc. in the account of Participant for Foreign Stock Certificates, etc. submit to JASDEC a request for Deliveries, etc. of the Foreign Stock Certificates, etc. without delay; provided, however, that the foregoing shall not apply when those Foreign Stock Certificates, etc. which are described or recorded pursuant to Paragraph 1 of Article 32 and which are in such Account Management Institution for Foreign Stock Certificates, etc.'s custody, are to be delivered.
2. An Account Management Institution for Foreign Stock Certificates, etc. shall, immediately upon its receipt from JASDEC of Deliveries, etc. of the Foreign Stock Certificates, etc. pursuant to the request prescribed in the preceding paragraph, or upon the identification of the applicable Foreign Stock Certificates, etc., when the Foreign Stock Certificates, etc. prescribed in the proviso to the preceding paragraph are to be delivered, describe or record the necessary matters in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to the applicable Participant for Foreign Stock Certificates, etc.

**Article 61: Deliveries of Deposited Foreign Stock Certificates, etc. Pursuant to the Instructions Issued by Participants for Foreign Stock Certificates, etc. of Account Management Institutions for Foreign Stock Certificates, etc.**

An Account Management Institution for Foreign Stock Certificates, etc. shall, upon its receipt from its Participant for Foreign Stock Certificates, etc., of a request for the deliveries of the Foreign Stock Certificates, etc. (excluding the Foreign Stocks, etc.; the same shall apply hereinafter in this article), deposited in the Account of Participant for Foreign Stock Certificates, etc., deliver the Foreign Stock Certificates, etc. which are of the same issue as the Foreign Stock Certificates, etc. deposited by such Participant for Foreign Stock Certificates, etc. In this case, others who have rights relating to such Foreign Stock Certificates, etc. do not need to be consulted.

## **PART 2: Handling of Requests for Deliveries, etc. Submitted to JASDEC**

### **Article 62: Request, etc. for Deliveries, etc. of Foreign Stock Certificates, etc. Submitted by JASDEC Participants for Foreign Stock Certificates, etc.**

1. When JASDEC receives the request from a JASDEC Participant for Foreign Stock Certificates, etc. for Deliveries, etc. of the Foreign Stock Certificates, etc. representing the number of the Foreign Stock Certificates, etc. in its account, JASDEC shall, by way of a book-entry transfer on the day of such request, transfer the number subject to such request for Deliveries, etc. from the number described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to such JASDEC Participant for Foreign Stock Certificates, etc. to the Delivery Request Account (the purpose of which account is to prepare for the Deliveries, etc. of the Foreign Stock Certificates, etc., and which account cannot be used for book-entry transfers; the same shall apply hereinafter) and then make Deliveries, etc. of such Foreign Stock Certificates, etc. through the applicable Foreign Depository on the date of Deliveries, etc. designated by the JASDEC Participant for Foreign Stock Certificates, etc.
2. When JASDEC receives the notice from a Foreign Depository of notice concerning the decrease in the number described or recorded in the account relating to the Deliveries, etc., JASDEC shall obliterate the number transferred to the Delivery Request Account pursuant to the provisions of the preceding paragraph, and notify to that effect to the applicable JASDEC Participant for Foreign Stock Certificates, etc.
3. JASDEC shall, when delivering the Deposited Foreign Stock Certificates, etc. (excluding the Foreign Stocks, etc.; the same shall apply hereinafter in this paragraph), to a JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 1, deliver the Foreign Stock Certificates, etc. which are of the same issue as the Foreign Stock Certificates, etc. deposited by the applicable JASDEC Participant for Foreign Stock Certificates, etc. In this case, others who have rights relating to such Foreign Stock Certificates, etc. do not need to be consulted.
4. When the provisions of Paragraph 1 apply, if the applicable Foreign Stock Certificates, etc. are traded with due bills or due-bill certificates at the applicable financial instruments exchange, JASDEC shall transfer the Foreign Stock Certificates, etc. with the due bills, during the period between the Settlement Commencement Date and the Final Settlement Date. In this case, any due bill certificates which have been issued shall be attached.
5. JASDEC shall not make any Deliveries, etc., if the number of the Foreign Stock Certificates, etc. described or recorded in the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. relating to a JASDEC Participant for Foreign Stock Certificates, etc. which submitted for Deliveries, etc., is less than the number subject to the request.

### **PART 3: Handling of Delays and Restrictions relating to Deliveries, etc.**

#### **Article 63: Delays in the Deliveries, etc. of Foreign Stock Certificates, etc.**

1. If it becomes known that, due to an unavoidable event, the Foreign Stock Certificates, etc. prescribed in Paragraph 1 of the preceding article cannot be put in Deliveries, etc. on the date of Deliveries, etc. designated by the JASDEC Participant for Foreign Stock Certificates, etc. referred to in Paragraph 1 of the preceding article, JASDEC shall promptly notify such JASDEC Participant for Foreign Stock Certificates, etc. that the Deliveries, etc. shall be delayed.
2. Even when the Deliveries, etc. of the Foreign Stock Certificates, etc. is delayed under the preceding paragraph, JASDEC shall not pay to the applicable JASDEC Participant for Foreign Stock Certificates, etc. any fee for such delay.

#### **Article 64: Days on Which Restrictions Are Imposed on Deliveries, etc.**

On the dates on which no Deposits, etc. of certain Foreign Stock Certificates, etc. can be made pursuant to the provisions of Paragraph 1 of Article 38, JASDEC shall make no Deliveries, etc. of the Foreign Stock Certificates, etc. of the same issue. In this case, JASDEC shall notify the JASDEC Participants for Foreign Stock Certificates, etc. to that effect in advance.

### **PART 4: Handling of Ineligible Foreign Stock Certificates, etc. relating to Deliveries**

#### **Article 65: Handling of Ineligible Foreign Stock Certificates, etc. relating to Deliveries**

A JASDEC Participant for Foreign Stock Certificates, etc. shall, if it discovers that the Foreign Stock Certificates, etc. (excluding the Foreign Stocks, etc.; the same shall apply hereinafter in this article), delivered through a Foreign Depository are ineligible Foreign Stock Certificates, etc. prescribed in the Detailed Rules, return such ineligible Foreign Stock Certificates, etc. to the Foreign Depository.

#### **Article 66: Matters to Be Prescribed in the Detailed Rules**

The Detailed Rules shall set forth the necessary matters relating to the handling of custody and book-entry transfers of the Foreign Stock Certificates, etc. other than those set forth in this Chapter.

**CHAPTER V: Processing of Rights, etc. relating to Deposited Foreign Stock Certificates, etc.**

**SECTION 1: PROCESSING OF RIGHTS, ETC. THROUGH JASDEC**

**Article 67: Processing of Rights, etc. through JASDEC**

Processing of rights, etc., relating to the Deposited Foreign Stock Certificates, etc. shall be performed through JASDEC.

**Article 68: Delegation of Administrative Work relating to Payment of Dividends**

1. With respect to the processing of rights, etc., prescribed in the preceding article, the JASDEC Participants for Foreign Stock Certificates, etc., shall delegate to JASDEC the administrative work relating to the payment of dividends by the JASDEC Participants for Foreign Stock Certificates, etc. to the Beneficial Holders of Foreign Stock Certificates, etc. and any work incidental or related thereto (hereinafter referred to as the “Dividend Payment Work”).
2. JASDEC shall delegate to a dividend-paying bank the Dividend Payment Work which is delegated to JASDEC by the JASDEC Participants for Foreign Stock Certificates, etc. pursuant to the provisions of the preceding paragraph.

**Article 69: Delegation of Administrative Work relating to Stocks**

1. The JASDEC Participants for Foreign Stock Certificates, etc. shall delegate to JASDEC the administrative work relating to the Foreign Stock Certificates, etc., the administrative work relating to distribution of sales proceeds in connection with stock dividends and other processing of rights, etc., the administrative work relating to the payment of money other than dividends, and other work incidental or related to the foregoing (hereinafter collectively referred to as the “Stock-Related Work”) which the JASDEC Participants for Foreign Stock Certificates, etc. perform for the Beneficial Holders of Foreign Stock Certificates, etc. and which constitute a part of the administrative work relating to the processing of rights, etc., prescribed in Article 67 and the work incidental or related thereto (excluding the work prescribed in Paragraph 1 of the preceding article).
2. JASDEC shall delegate to a Share-Handling Service Agent the Stock-Related Work which is delegated to JASDEC under the provisions of the preceding paragraph.

## **Article 70: Delegation of Work relating to Withholding of Taxes**

1. JASDEC shall perform those aspects of the Dividend Payment Work and the Stock-Related Work, which constitute the administrative work of collecting amounts equal to the withholding taxes relating to the income tax, special reconstruction income tax, and the local tax (hereinafter referred to as the “Tax Withholding Work”) only in the case that JASDEC is obliged to pay the income tax, special reconstruction income tax, and the local tax pursuant to the provisions of the applicable laws and regulations.
2. JASDEC shall, pursuant to the provisions of the Detailed Rules, delegate the Tax Withholding Work which JASDEC shall perform pursuant to the provisions of the preceding paragraph, to dividend-paying banks and Share-Handling Service Agents.

## **Article 71: Execution of Three-Party Agreements**

In connection with the Dividend Paying Work, JASDEC shall execute a Dividend Payment Work Service Agreement prescribed by JASDEC with the issuer and the dividend-paying bank; and, in connection with the Stock-Related Work, JASDEC shall execute a Stock-Related Work Service Agreement prescribed by JASDEC with the issuer and the Share-Handling Service Agent.

## **SECTION 2: Processing of Dividends, etc.**

### **Article 72: Processing of Dividends, etc.**

1. Dividends, redemption amounts and other funds, etc., distributed in connection with the Deposited Foreign Stock Certificates, etc. without regard to any action of the beneficial or nominal owner of the Deposited Foreign Stock Certificates, etc. (including funds which are distributed based on an action which is deemed to have been taken by the beneficial or nominal owner of the Deposited Foreign Stock Certificates, etc., under the issuer’s internal rules such as Articles of Incorporation or its decisions by the Board of Directors or other organization, Rules of JASDEC, Bylaws of the Account Management Institutions for Foreign Stock Certificates, etc. and others), shall be processed pursuant to the provisions of the following items:
  - (1) In the event of cash dividends, JASDEC shall receive them and pay them to the Beneficial Holders of Foreign Stock Certificates, etc. through the dividend-paying bank.
  - (2) Stock dividends (including stock splits, stock bonuses, etc., on which withholding taxes (including those which are imposed in the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc. (which means the issuer of

the applicable Depositary Receipts of Foreign Stocks in the case of the Depositary Receipts of Foreign Stocks; the same shall apply hereinafter in this Section); the same shall apply hereinafter) are imposed, and including those which have the same characteristics as the foregoing and which relate to the Foreign Investment Trust Beneficiary Certificates, etc., the Foreign Investment Securities, etc., the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, the Foreign Covered Warrants and the Depositary Receipts of Foreign Stocks; the same shall apply hereinafter) shall be handled in accordance with the provisions of (a) or (b) below, depending upon the classifications prescribed by (a) and (b) below:

- (a) The Deposited Foreign Stock Certificates, etc. other than those whose primary market is deemed by JASDEC to be a Japanese financial instruments exchange:

With respect to the Deposited Foreign Stock Certificates, etc., (i) when JASDEC designates that matters concerning the Foreign Stock Certificates, etc. relating to the stock dividends to be recorded and the Beneficial Holder of Foreign Stock Certificates, etc. pays an amount equal to the amount of the withholding taxes, JASDEC shall receive the Foreign Stock Certificates, etc. related to such stock dividends, which shall be transferred through JASDEC to the Account of JASDEC Participant for Foreign Stock Certificates, etc. relating to such Beneficial Holder of Foreign Stock Certificates, etc.; and (ii) when a Foreign Stock Certificate, etc. representing a fractional (less than one (1) ) share (one (1) unit, in the case of the Foreign Investment Trust Beneficiary Certificates, etc., the Foreign Investment Securities, etc., and the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates; (one (1) certificate, in the case of the Foreign Investment Securities, etc. similar to Investment Corporation Bond Certificates) one (1) covered warrant in the case of the Foreign Covered Warrants; and one (1) certificate, in the case of the Depositary Receipts of Foreign Stocks; the same shall apply hereinafter in this Section) is involved, when JASDEC does not designate that applicable matters to be recorded, or when JASDEC designates that applicable matters to be recorded but the Beneficial Holder of Foreign Stock Certificates, etc. does not pay an amount equal to the amount of the withholding taxes imposed in Japan, JASDEC shall sell the Foreign Stock Certificates, etc. related to such stock dividends and pay the sale proceeds to the Beneficial Holder of Foreign Stock Certificates, etc. through the Share-Handling Service Agent; provided, however, that, in principle, no Beneficial Holder of Foreign Stock Certificates, etc. which fails to pay an amount equal to the amount of the withholding taxes imposed by the Country,



etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc. by a designated due date, shall be entitled to receive the Foreign Stock Certificates, etc. or sale proceeds of the Foreign Stock Certificates, etc. relating to such stock dividends.

- (b) The Deposited Foreign Stock Certificates, etc. whose primary market is deemed by JASDEC to be a Japanese financial instruments exchange:

The Beneficial Holder of Foreign Stock Certificates, etc. shall pay an amount equal to the amount of the withholding taxes, and JASDEC shall receive the Foreign Stock Certificates, etc. related to such stock dividends, which shall be recorded through JASDEC in the Account of JASDEC Participant for Foreign Stock Certificates, etc. relating to such Beneficial Holder of Foreign Stock Certificates, etc.; provided, however, that any Foreign Stock Certificate, etc. representing a fractional (less than one (1) ) share shall be sold by JASDEC, and the sale proceeds shall be paid to the Beneficial Holder of Foreign Stock Certificates, etc. through the Share-Handling Service Agent.

- (3) Any and all non-dividend cash distributions shall be received by JASDEC and then paid to the Beneficial Holder of Foreign Stock Certificates, etc. through the Share-Handling Service Agent.
- (4) The payment of the amount equal to the amount of withholding taxes imposed in the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc. referenced in Item 2 shall be made (i) in Japanese Yen, when such payment is made by a JASDEC Participant for Foreign Stock Certificates, etc. to JASDEC, converted based on the exchange rate prescribed by JASDEC; and (ii) in Japanese Yen, when such payment is made by a Beneficial Holder of Foreign Stock Certificates, etc. to a JASDEC Participant for Foreign Stock Certificates, etc. converted based on the exchange rate prescribed by JASDEC or the JASDEC Participant for Foreign Stock Certificates, etc.; provided, however, that a JASDEC Participant for Foreign Stock Certificates, etc. may make payments to JASDEC in a foreign currency and to receive payments from any Beneficial Holder of Foreign Stock Certificates, etc. in a foreign currency.
2. A JASDEC Participant for Foreign Stock Certificates, etc. shall receive written instructions in the form prescribed by the JASDEC Participant for Foreign Stock Certificates, etc. from the Beneficial Holders of Foreign Stock Certificates, etc. concerning the payment method for the dividends prescribed in Item 1 of the preceding paragraph, the sale proceeds prescribed in (a) and (b) of Item 2 of the preceding paragraph and the funds prescribed in Item 3 of the preceding paragraph (hereinafter in this article referred to as the “Dividends, etc.”).
3. The Dividends, etc. shall be paid in Japanese Yen (any amount less than one (1) Yen shall be rounded down).

4. The conversion between a foreign currency and the Japanese Yen relating to the payments prescribed in the preceding paragraph shall be made based on the Customer Telegraphic Transfer Spot Buying Rate determined by the dividend-paying bank (the Share-Handling Service Agent, in the case of conversion of funds other than dividends prescribed in Item 1 of Paragraph 1; the same shall apply hereinafter in this paragraph) on the date on which the receipt of the Dividends, etc. is confirmed (if such dividend-paying bank determines that it is difficult to comply with the foregoing, the first Customer Telegraphic Transfer Spot Buying Rate that is determined after the confirmation of receipt); provided, however, that a rate prescribed by JASDEC shall be used if it is impossible or difficult to remit a foreign currency to Japan due to the applicable laws, regulations, business practice, etc., of the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc.
5. With respect to the Dividends, etc. payment procedures prescribed in the items of Paragraph 1, the applicable Beneficial Holder of Foreign Stock Certificates, etc. shall be responsible for any and all expenses paid by JASDEC under the applicable laws, regulations, business practice, etc., of the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc. which shall be collected from the Beneficial Holder of Foreign Stock Certificates, etc. by way of deducting them from the dividends, etc.
6. Reports concerning the Dividends, etc. shall be prepared, submitted, etc., pursuant to the provisions of the applicable laws and regulations by the Share-Handling Service Agent and JASDEC or other person who is obliged to prepare and submit, etc., the reports concerning the Dividends, etc. pursuant to the provisions of applicable laws and regulations.
7. Notwithstanding the provisions of paragraph 1 and paragraph 3, if the Dividends, etc. cannot be paid in Japanese Yen due to a sudden change in foreign currency conditions, closure of foreign exchange markets, etc., JASDEC may delay the payment of the Dividends, etc. until the applicable condition is eliminated or to make such payment in a foreign currency; in this case, no interest or other consideration shall accrue on the Dividends, etc. whose payment is delayed.

### **Article 73: Processing of Share Options, etc. and Other Rights**

1. Share Options, etc. and other rights relating to the Deposited Foreign Stock Certificates, etc. shall be processed as set forth in the following items:
  - (1) Any Share Options, etc. which are granted, shall be handled in accordance with the provisions of (a) or (b) below, depending upon the classifications prescribed by (a) and (b) below:
    - (a) The Deposited Foreign Stock Certificates, etc. other than those whose

primary market is deemed by JASDEC to be a Japanese financial instruments exchange:

(i) If JASDEC receives notice from the applicable JASDEC Participant for Foreign Stock Certificates, etc. by the prescribed due date, stating that the Beneficial Holder of Foreign Stock Certificates, etc. intends to subscribe to them, and receives payments therefor from the Beneficial Holder of Foreign Stock Certificates, etc. through the JASDEC Participant for Foreign Stock Certificates, etc., JASDEC shall exercise the Share Options, etc. on behalf of the Beneficial Holder of Foreign Stock Certificates, etc. subscribe to the New Shares, and record them in the Account of JASDEC Participant for Foreign Stock Certificates, etc. relating to such Beneficial Holder of Foreign Stock Certificates, etc.; and (ii) if JASDEC does not receive notice from the applicable JASDEC Participant for Foreign Stock Certificates, etc. by the prescribed due date, stating that the Beneficial Holder of Foreign Stock Certificates, etc. intends to subscribe to the New Shares, or if JASDEC determines that the applicable Share Options, etc. cannot be exercised, JASDEC shall sell such Share Options, etc.; provided, however, that, if JASDEC is unable to sell some or all of the Share Options, etc. due to the applicable laws, regulations, business practice, etc., of the Country, etc. of Residence of the issuer of the applicable Deposited Foreign Stock Certificates, etc. or due to market conditions, such portion of the Share Options, etc. shall become invalid.

(b) The Deposited Foreign Stock Certificates, etc. whose primary market is deemed by JASDEC to be a Japanese financial instruments exchange:

JASDEC shall receive the Share Options, etc. which shall be recorded through JASDEC in the Account of JASDEC Participant for Foreign Stock Certificates, etc. relating to the Beneficial Holder of Foreign Stock Certificates, etc. In this case, (i) if JASDEC receives notice from the applicable JASDEC Participant for Foreign Stock Certificates, etc. by the prescribed due date, stating that the Beneficial Holder of Foreign Stock Certificates, etc. intends to subscribe to the New Shares, and receives payments therefor from the Beneficial Holder of Foreign Stock Certificates, etc. through the JASDEC Participant for Foreign Stock Certificates, etc., JASDEC shall exercise the Share Options, etc. on behalf of the Beneficial Holder of Foreign Stock Certificates, etc., subscribe to the New Shares, and record them in the Account of JASDEC Participant for Foreign Stock Certificates, etc. relating to such Beneficial Holder of Foreign Stock Certificates, etc.; and (ii) if JASDEC does not receive notice from the JASDEC Participant for Foreign Stock Certificates, etc. by the prescribed

due date, stating that the Beneficial Holder of Foreign Stock Certificates, etc. intends to subscribe to them, such Share Options, etc. shall not be exercised.

- (2) JASDEC shall receive the New Shares which are allotted in connection with a stock split, stock bonus, stock combination through a capital reduction or merger, etc. (excluding those on which withholding taxes are imposed; and including those which have the same characteristics as the foregoing and which relate to the Foreign Investment Trust Beneficiary Certificates, etc., the Foreign Investment Securities, etc., the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates, the Foreign Covered Warrants and the Depositary Receipts of Foreign Stocks), which shall be recorded through JASDEC in the Account of JASDEC Participant for Foreign Stock Certificates, etc. relating to the Beneficial Holder of Foreign Stock Certificates, etc.; provided, however, that any fractional (less than one (1)) share constituting the New Shares shall be sold by JASDEC.
- (3) In case any Foreign Stock Certificates, etc. other than the Deposited Foreign Stock Certificates, etc. issued by the issuer of the Deposited Foreign Stock Certificates, etc. are distributed, (i) if JASDEC designates a credit of the Foreign Stock Certificates, etc. and if the Beneficial Holder of Foreign Stock Certificates, etc. pays an amount equal to the amount of the withholding taxes, JASDEC shall receive the distributed Foreign Stock Certificates, etc. which shall be recorded through JASDEC in the applicable Account of JASDEC Participant for Foreign Stock Certificates, etc.; (ii) if such Foreign Stock Certificates, etc. represents a fractional (less than one (1)) share, if JASDEC does not designate a credit thereof, or if JASDEC designates a credit thereof but the Beneficial Holder of Foreign Stock Certificates, etc. fails to pay an amount corresponding to the withholding taxes imposed in Japan, JASDEC shall sell the distributed Foreign Stock Certificates, etc. and the sale proceeds shall be paid to the Beneficial Holder of Foreign Stock Certificates, etc. through the Share-Handling Service Agent. Notwithstanding the foregoing, in principle, no Beneficial Holder of Foreign Stock Certificates, etc. that fails to pay an amount corresponding to the withholding taxes imposed by the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc. by a designated due date, shall be entitled to receive the distributed Foreign Stock Certificates, etc. or the sale proceeds of the Foreign Stock Certificates, etc.
- (4) Provisions prescribed by JASDEC shall apply in the event that any rights other than those prescribed in the preceding three (3) items are granted.
- (5) The sale proceeds received under Item 1(a), Item 2 and Item 3 shall be processed in accordance with the provisions of Paragraph 1, Item 2(a), of the preceding article, and Paragraph 2 to Paragraph 5 and Paragraph 7 of the preceding article.

- (6) The payment of the amount referenced in Item 1 and the amount equal to the amount of withholding taxes imposed in the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc. referenced in Item 3 shall be made (i) in Japanese Yen, when such payment is made by a JASDEC Participant for Foreign Stock Certificates, etc. to JASDEC, converted based on the exchange rate prescribed by JASDEC; and (ii) in Japanese Yen, when such payment is made by a Beneficial Holder of Foreign Stock Certificates, etc. to a JASDEC Participant for Foreign Stock Certificates, etc. converted based on the exchange rate prescribed by JASDEC or the JASDEC Participant for Foreign Stock Certificates, etc.; provided, however, that a JASDEC Participant for Foreign Stock Certificates, etc. may make payments to JASDEC in a foreign currency and to receive payments from any Beneficial Holder of Foreign Stock Certificates, etc. in a foreign currency.

### **SECTION 3: Exercise of Voting Rights, etc.**

#### **Article 74: Administrative Work relating to the Exercise of Voting Rights Associated with Foreign Stock Certificates, etc.**

1. The provisions of the following items shall apply to the administrative work which is a part of the Stock-Related Work and which relates to the exercise of voting rights associated with the Deposited Foreign Stock Certificates, etc. (excluding the Depositary Receipts of Foreign Stocks; the same shall apply hereinafter in this article), at stockholders' meetings:
  - (1) JASDEC shall exercise the voting rights associated with the Deposited Foreign Stock Certificates, etc. at stockholders' meetings pursuant to the instructions issued by the Beneficial Holders of Foreign Stock Certificates, etc.; provided, however, that JASDEC shall not exercise such voting rights if no instruction is issued by the Beneficial Holders of Foreign Stock Certificates, etc.
  - (2) The instructions of the Beneficial Holders of Foreign Stock Certificates, etc., referenced in the preceding item shall be issued to the Share-Handling Service Agent in the form of a prescribed document on or before the date designated by JASDEC.
  - (3) Notwithstanding the provisions of Item 1, if JASDEC is unable to exercise the voting rights associated with the Deposited Foreign Stock Certificates, etc. at stockholders' meetings under the laws and regulations of the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc., such voting rights shall be exercised by the Beneficial Holders of Foreign Stock Certificates, etc. by way of JASDEC's deliveries to the issuer of the prescribed

document submitted by the Beneficial Holders of Foreign Stock Certificates, etc., to the Share- Handling Service Agent.

- (4) Notwithstanding the provisions of Item 1 and Item 3 above, if, under the laws and regulations of the Country, etc. of Residence of the issuer of the Deposited Foreign Stock Certificates, etc., (i) JASDEC is unable to exercise its voting rights associated with the Deposited Foreign Stock Certificates, etc. at stockholders' meetings in a non-uniform manner, or (ii) the Beneficial Holders of Foreign Stock Certificates, etc. are permitted to attend the stockholders' meetings to exercise the voting rights associated with the Deposited Foreign Stock Certificates, etc., JASDEC may separately prescribe provisions concerning the handling of the exercise of voting rights.

**Article 75: Administrative Work relating to the Exercise of Voting Rights Associated with Depositary Receipts of Foreign Stocks**

1. The voting rights associated with the Foreign Stock Certificates, etc. relating to the rights represented by the Depositary Receipts of Foreign Stocks shall be exercised at stockholders' meetings by the depository institution of such Depositary Receipts of Foreign Stocks pursuant to the instructions issued by the Beneficial Holders of Foreign Stock Certificates, etc.; provided, however, that the depository institution shall not exercise such voting rights if no instruction is issued by the Beneficial Holders of Foreign Stock Certificates, etc.
2. The provisions of Item 2 of the preceding article shall be applied *mutatis mutandis* to the instructions referenced in the preceding paragraph.
3. Notwithstanding the provisions of Paragraph 1, if, under the laws and regulations of the Country, etc. of Residence of the depository institution of the Foreign Stock Certificates, etc. relating to the rights represented by the Depositary Receipts of Foreign Stocks, the depository institution of such Depositary Receipts of Foreign Stocks is unable to exercise the voting rights associated with such Foreign Stock Certificates, etc. at stockholders' meetings, such voting rights shall be exercised by the Beneficial Holders of Foreign Stock Certificates, etc. by way of JASDEC's deliveries, through the depository institution of such Depositary Receipts of Foreign Stocks, to the issuer of such Foreign Stock Certificates, etc. of the prescribed document submitted by the Beneficial Holders of Foreign Stock Certificates, etc. to the Share-Handling Service Agent.
4. Notwithstanding the provisions of Paragraph 1 and Paragraph 3 above, if, under the laws and regulations of the Country, etc. of Residence of the depository institution of the Foreign Stock Certificates, etc. relating to the rights represented by the Depositary Receipts of Foreign Stocks, (i) the depository institution of such Depositary Receipts of Foreign Stocks is unable to exercise its voting rights associated with such Foreign Stock

Certificates, etc. through JASDEC at stockholders' meetings in a non-uniform manner, or (ii) the Beneficial Holders of Foreign Stock Certificates, etc. are permitted to attend the stockholders' meetings to exercise the voting rights associated with such Foreign Stock Certificates, etc., JASDEC may separately prescribe provisions concerning the handling of the exercise of voting rights.

#### **SECTION 4: Provisions of Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc.**

##### **Article 76: Reports of Beneficial Holders of Foreign Stock Certificates, etc.**

1. When voting rights, dividends, the Share Options, etc. and other rights granted to stockholders (holders of share options in the case of Certificates of Foreign Share Options, etc., beneficiaries in the case of the Foreign Investment Trust Beneficiary Certificates, etc., and the Beneficiary Certificates, etc. of Trusts That Issue Foreign Beneficiary Certificates; investors or Investment Corporation Bond creditors in the case of the Foreign Investment Securities, etc.; and owners in the case of the Foreign Covered Warrants and the Depositary Receipts of Foreign Stocks; the same shall apply hereinafter) are granted with respect to the Deposited Foreign Stock Certificates, etc. or when the status of Beneficial Holders of Foreign Stock Certificates, etc. as of a particular date needs to be confirmed under the laws and regulations of the issuer's Country, etc. of Residence or any other justifiable reason, JASDEC shall notify the JASDEC Participant for Foreign Stock Certificates, etc. and the Share-Handling Service Agent, of the disposition schedule and reasons etc. relating to reports of Beneficial Holders of Foreign Stock Certificates, etc.
2. Upon receipt of the notice referenced in the preceding paragraph, a JASDEC Participant for Foreign Stock Certificates, etc. shall, by the due date prescribed by JASDEC, submit the information concerning the Beneficial Holder of Foreign Stock Certificates, etc. as of the date on which the shareholders who will be granted the rights referenced in the same Paragraph are determined or any specific date prescribed under laws and regulations of the issuer's Country, etc. of Residence or any other justifiable reason (hereinafter referred to as the "Rights Record Date, etc."), or the information prescribed by JASDEC as the information necessary to perform the administrative work, etc. relating to the payment of dividends (hereinafter collectively referred to as the "Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc.") to JASDEC, and in this case, if such Participant for Foreign Stock Certificate, etc. has received the notification of the Common Number from Beneficial Holders of Foreign Stock Certificates, etc., such Participant for Foreign Stock Certificates, etc. shall include such Common Number in such Information, etc. Concerning Beneficial Holders of Foreign

Stock Certificates, etc.; provided, however, that if otherwise specifically prescribed by JASDEC, it may not include such Common Number in such Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc.

3. Notwithstanding the provisions of the preceding paragraph, upon receipt of the notice referenced in Paragraph 1, and if the JASDEC Participant for Foreign Stock Certificates, etc. has Financial Instruments Business Operators (limited to those which engage in the Type 1 Financial Instruments Business prescribed in Article 28, Paragraph 1, of the Financial Instruments and Exchange Act) or others approved by JASDEC as an institution equivalent to the foregoing (hereinafter collectively referred to as the “Financial Instruments Business Operators, etc.”) as its clients, and if so requested by the Financial Instruments Business Operators, etc., the JASDEC Participant for Foreign Stock Certificates, etc. may, by the date prescribed by JASDEC, treat the clients of the Financial Instruments Business Operators, etc. as the Beneficial Holders of Foreign Stock Certificates, etc. as of the Rights Record Date, etc. and submit to JASDEC the Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc. relating to such clients.
4. If the Financial Instruments Business Operator, etc. referenced in the preceding paragraph is the Account Management Institution prescribed in Article 2, Item 12 of Operational Rules Regarding Shares and if the Financial Instruments Business Operator, etc. has received the notification of the Common Number from its client, the Participant for Foreign Stock Certificates, etc. referenced in the same Paragraph shall receive from the Financial Instruments Business Operators, etc. the Common Number relating to such client and shall include such Common Number in the Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc. referenced in the same paragraph; provided, however, that if specifically prescribed otherwise by JASDEC, it can choose not to include such Common Number in such Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc.
5. JASDEC shall, when it receives the Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc. submitted by the JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 2 or paragraph 3, deliver such information contained in the Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc. which is deemed necessary to be delivered to the Share-Handling Service Agent, to the Share-Handling Service Agent in connection with the applicable Foreign Stock Certificates, etc. without delay.
6. In addition to submitting the Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 2 or Paragraph 3, the JASDEC Participants for Foreign Stock Certificates, etc. shall perform the administrative work which is deemed to be necessary for the performance of the Stock-Related Work and designated by JASDEC.



7. It is permissible not to submit to JASDEC the Information, etc. Concerning Beneficial Holders of Foreign Stock Certificates, etc. prescribed in the main text of Paragraph 2, if prior written notice is submitted to JASDEC.
8. JASDEC shall notify the Share-Handling Service Agent that the below-described person is the Beneficial Holder of Foreign Stock Certificates, etc.: (i) with respect to the Beneficial Holder of Foreign Stock Certificates, etc. relating to the Foreign Stock Certificates, etc. described or recorded in the Proprietary Account of the Book-Entry Transfer Account Register for Foreign Stock Certificates, etc. by a JASDEC Participant for Foreign Stock Certificates, etc., such JASDEC Participant for Foreign Stock Certificates, etc. (in the event that a JASDEC Participant for Foreign Stock Certificates, etc. actually receives, or should receive, a transfer of the Foreign Stock Certificates, etc. as collateral, if such JASDEC Participant for Foreign Stock Certificates, etc. submits notice stating that a third party is the Beneficial Holder of Foreign Stock Certificates, etc., such third party); and (ii) with respect to the Beneficial Holder of Foreign Stock Certificates, etc. relating to the Foreign Stock Certificates, etc. put in Deposits, etc. by a JASDEC Participant for Foreign Stock Certificates, etc., as those deposited by a Participant for Foreign Stock Certificates, etc., the person who is reported as the Beneficial Holder of Foreign Stock Certificates, etc. by the JASDEC Participant for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 2 or paragraph 3.

**Article 77: Appointment of the Standing Proxy, etc.**

An Account Management Institution for Foreign Stock Certificates, etc. shall cause any Beneficial Holder of Foreign Stock Certificates, etc. whose address is outside of Japan to appoint a standing proxy in Japan or to designate notice address, etc., in Japan.

**SECTION 5: Handling of Documents, etc. relating to Stockholders' Meetings**

**Article 78: Forwarding, etc. of Documents, etc. relating to Stockholders' Meetings**

1. Documents provided by an issuer of the Deposited Foreign Stock Certificates, etc. relating to the meetings of its stockholders, business reports, etc., and notices relating to dividends, granting of the Share Options, etc. and other rights or interests of stockholders shall be forwarded by the Share-Handling Service Agent to the addresses previously provided by the Beneficial Holders of Foreign Stock Certificates, etc.
2. If approved by the financial instruments exchange where the Handled Foreign Stock Certificates, etc. are listed, the forwarding of the notices referenced in the preceding paragraph shall be replaced by the method of publication in the daily newspaper that reports daily events or making the information available at the Share-Handling Service Agent.

## **Article 79: Matters to Be Prescribed in the Detailed Rules**

The Detailed Rules shall set forth the necessary matters relating to the processing of rights, etc., associated with the Deposited Foreign Stock Certificates, etc. other than those set forth in this Chapter.

## **CHAPTER VI: Fees**

### **Article 80: Fees**

1. The JASDEC Participants for Foreign Stock Certificates, etc. and the Participant for Foreign Stock Certificates, etc. of the Account Management Institutions for Foreign Stock Certificates, etc. (hereinafter referred to as the “Fee Payers”), shall pay the fees set forth in the Appendix (meaning the sum of amounts calculated with respect to each of the fee categories set forth in the Appendix) to JASDEC. In this case, amounts equal to the consumption tax and the local consumption tax shall be added to such fees.
2. The fees prescribed in the preceding paragraph shall be paid pursuant to the provisions of the following items, depending on the category of the Fee Payers set forth in the following items:
  - (1) JASDEC Participants for Foreign Stock Certificates, etc.  
Fees for a particular month shall be paid not later than the last business day of the following month.
  - (2) Any person who submits a request to JASDEC pursuant to the provisions of Paragraph 1 of Article 30 (and who is not a JASDEC Participant for Foreign Stock Certificates, etc.):  
On or before the date separately designated by JASDEC.
3. If a Fee Payer fails to pay the fees on or before the applicable payment due date prescribed in the preceding paragraph, JASDEC may collect from such Fee Payer a delay penalty which shall accrue at the rate of 0.04 Yen/day for every 100 Yen of the unpaid amount.
4. The rates of the fees set forth in the Appendix, as well as the fees which are not set forth in the Appendix and their rates, shall be determined by JASDEC pursuant to the decisions of the President and CEO.

## **CHAPTER VII: Partial Delegation of Work**

### **Article 81: Partial Delegation of Work related to the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc.**

1. In addition to the provisions of Article 40, Paragraph 2 of Article 68, Paragraph 2 of Article 69 and Paragraph 2 of Article 70, whenever deemed necessary for the operation of the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC, JASDEC may delegate some of its work to third parties.
2. When the preceding paragraph applies, JASDEC shall select those to which the work will be delegated from the corporations which are capable of properly performing the delegated work in a reliable manner and whose reputation in society is satisfactory.
3. In connection with the delegation of work, JASDEC shall execute an agreement with the party to which the work will be delegated, which shall include the following provisions:
  - (1) Nature and scope of work.
  - (2) Period during which the work will be delegated.
  - (3) JASDEC's rights to require that the party, to which the work is delegated, submit reports or information concerning the delegated work, and to review related documents and other matters.
  - (4) Other necessary matters.
4. JASDEC shall include in the agreement prescribed in the preceding paragraph a provision which prohibits the party, to which the work is delegated, from further delegating such work to any other party.
5. Before delegating any of the work relating to the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. pursuant to the provisions of Paragraph 1, JASDEC shall submit to the competent Minister the document on which all of the matters set forth in the items of Paragraph 1 of Article 8 of the Order are described or recorded, and to which all of the documents set forth in the items of Paragraph 2 of Article 8 of the Order are attached.

## **CHAPTER VIII: Miscellaneous Provisions**

### **Article 81-2: Announcement, etc. of Statistics, etc.**

JASDEC may issue a public announcement, etc., as appropriate, of statistics, etc., for the efficient operation of Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc.

### **Article 81-3: Measures to Ensure Security of Specific Personal Information**

1. A JASDEC Participant for Foreign Stock Certificates, etc. shall take the measures prescribed by cabinet order necessary to ensure the security of the specific personal information prescribed in Article 19, Paragraph 11 of the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure.
2. The confirmation of whether the system prescribed in Article 24, Item 2 of the Order for Enforcement of the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (Cabinet Order No. 155 of 2014) is in place, which a JASDEC Participant for Foreign Stock Certificates, etc. is to make with respect to JASDEC, shall be conducted as prescribed in the Detailed Rules.

### **Article 82: Necessary Measures, etc.**

JASDEC may prescribe the Detailed Rules concerning the necessary matters which are not set forth in these Business Rules or to implement necessary measures, for the purpose of operating the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. conducted by JASDEC in a proper and reliable manner.

### **Article 83: Release of Liabilities**

JASDEC shall not have any duty to pay compensation for damages suffered by a JASDEC Participant for Foreign Stock Certificates, etc. in connection with their transactions with JASDEC relating to the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc., except in the event that JASDEC is deemed to have committed any intentional misconduct or gross negligence.

### **Article 83-2: Exclusion of Anti-Social Forces**

If a JASDEC Participant for Foreign Stock Certificates, etc. or any of its officers or comparable persons is found to fall under an anti-social force (meaning an organized crime group or organized crime group member or a person similar to the foregoing prescribed in Article 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991)), JASDEC shall discontinue the account of such JASDEC Participant for Foreign Stock Certificates, etc. or take other necessary measures.

#### **Article 84: Abolishment of System**

If JASDEC determines that the Book-Entry Transfer System for Foreign Stock Certificates, etc. does not need to continue its existence, JASDEC may 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 85: Amendment of Business Rules**

1. JASDEC may amend these Business Rules pursuant to the decisions of the President and CEO, when deemed necessary for the efficient operation of the Depository and Book-Entry Transfer System for Foreign Stock Certificates, etc.
2. JASDEC may amend the Detailed Rules prescribed pursuant to Article 82 or measures required to be taken under Article 82, when deemed necessary for the efficient operation of the Depository and Book-Entry Transfer System for Foreign Stock Certificates, etc.

#### **Article 86: Governing Law and Agreed Jurisdiction**

1. The rights and obligations between JASDEC and the JASDEC Participants for Foreign Stock Certificates, etc. relating to the Depository and Book-Entry Transfer System for Foreign Stock Certificates, etc. shall be governed by the laws of Japan.
2. In the event that any dispute arises concerning the rights and obligations between JASDEC and the JASDEC Participants for Foreign Stock Certificates, etc. relating to the Depository and Book-Entry Transfer System for Foreign Stock Certificates, etc., the Tokyo District Court shall have exclusive jurisdiction over the lawsuit relating thereto; provided, however, that JASDEC may commence a lawsuit against any JASDEC Participant for Foreign Stock Certificates, etc., at a court outside of Japan which is deemed to have jurisdiction thereof.

## Supplementary Rules

1. These Business Rules come into effect as of April 1, 2006.
2. A Participant for Foreign Stock Certificates, etc. may, if holding an amount relating to Foreign Stock Certificates, etc. described or recorded in the account of Japan Securities Settlement & Custody, Inc. (hereinafter referred to as the “JSSC”) in a Foreign Depository, transfer such amount by performing book-entry transfer (hereinafter referred to as the “Issue Transfer”) into the account of JASDEC in such Foreign Depository from the account of JSSC on the date designated by JASDEC (hereinafter referred to as the “Issue Transfer Date”).
3. A Participant for Foreign Stock Certificates, etc. shall, in advance and prior to the Issue Transfer Date, carry out a return claim (hereinafter referred to as the “Return Claim for Issue Transfer”) against JSSC into the account of JASDEC which is carried out pursuant to the provisions of Article 22, Paragraph 1 of the Business Rules relating to the Central Depository and Clearing System for Foreign Stocks of JSSC for Issue Transfer referenced in the preceding paragraph.
4. The provisions of Article 34 shall apply *mutatis mutandis* in the cases of Paragraph 2. In this case, the Return Claim for Issue Transfer against JSSC by a Participant for Foreign Stock Certificates, etc. shall be deemed an instruction for deposit to JASDEC prescribed in Article 34, Paragraph 2, and the notice to such Participant for Foreign Stock Certificates, etc. made for the first time on the business day which arrives first after the Issue Transfer Date regarding the amount described or recorded in the account of the Participant for Foreign Stock Certificates shall be deemed a notice prescribed in Paragraph 4 of the same Article.

### Supplementary Rules (Notice on March 24, 2006)

These amended provisions will come into effect as of April 1, 2006.

### Supplementary Rules (Notice on April 27, 2006)

These amended provisions will come into effect as of the date of enforcement of the Companies Act (Act No. 86 of 2005).

### Supplementary Rules (Notice on September 28, 2007)

These amended provisions will come into effect as of the date of enforcement of the Act for Partial Revision of the Securities and Exchange Act (Act No. 65 of 2006).

Supplementary Rules (Notice on October 31, 2007)

These amended provisions will come into effect as of November 1, 2007.

Supplementary Rules (Notice on March 13, 2008)

These amended provisions will come into effect as of March 17, 2008.

Supplementary Rules (Notice on May 8, 2008)

These amended provisions will come into effect as of May 8, 2008 and shall be applied from March 17, 2008.

Supplementary Rules (Notice on August 14, 2008)

These amended provisions will come into effect as of September 1, 2008.

Supplementary Rules (Notice on September 29, 2008)

These amended provisions will come into effect as of September 9, 2008 and shall be applied with regard to calculation of amount of fees for September 1, 2008 and onward.

Supplementary Rules (Notice on November 26, 2008)

Article 1: Date of Implementation

These amended provisions will come into effect as of the date of enactment (hereinafter the “Implementation Day”) of the Act for Partial Amendments of the Act on Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Shares and Other Securities, etc. (Act No. 88 of 2004) prescribed in the main text of Article 1 of the Supplementary Provisions of such Act; provided, however, that the amended provisions of Article 80 of the Business Rules will come into effect from the beginning of the month containing the Implementation Day.

Article 2: Fees

With regard to the billing method for fees prescribed in Article 86 of the Business Rules before amendment, the provisions in force shall remain applicable.

Supplementary Rules (Notice on February 27, 2009)

These amended provisions will come into effect as of March 1, 2009.

Supplementary Rules (Notice on March 30, 2009)

These amended provisions will come into effect as of April 1, 2009.

Supplementary Rules (Notice on May 29, 2009)

These amended provisions will come into effect as of June 1, 2009.

Supplementary Rules (Notice on September 28, 2009)

These amended provisions will come into effect as of September 28, 2009.

Supplementary Rules (Notice on March 29, 2010)

These amended provisions will come into effect as of April 1, 2010.

Supplementary Rules (Notice on March 31, 2010)

These amended provisions will come into effect as of April 1, 2010.

Supplementary Rules (Notice on June 24, 2010)

These amended provisions will come into effect as of July 1, 2010.

Supplementary Rules (Notice on March 28, 2011)

These amended provisions will come into effect as of April 1, 2011.

Supplementary Rules (Notice on March 26, 2012)

These amended provisions will come into effect as of April 1, 2012.

Supplementary Rules (Notice on December 14, 2012)

These amended provisions will come into effect as of January 1, 2013.

Supplementary Rules (Notice on December 26, 2012)

These amended provisions will come into effect as of February 25, 2013.



Supplementary Rules (Notice on January 8, 2013)

These amended provisions will come into effect as of February 25, 2013.

Supplementary Rules (Notice on October 31, 2013)

These amended provisions will come into effect as of November 1, 2013.

Supplementary Rules (Notice on October 31, 2013)

These amended provisions will come into effect as of January 6, 2014; provided, however, that if JASDEC recognizes that the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. cannot be or is not likely to be implemented under such amended provisions due to trouble in the operation of the systems managed by JASDEC, such amended provisions shall come into effect as of a day to be designated by JASDEC which day shall be on or after January 7, 2014.

Supplementary Rules (Notice on October 1, 2014)

These amended provisions will come into effect as of October 1, 2014.

Supplementary Rules (Notice on November 26, 2014)

These amended provisions will come into effect as of December 1, 2014.

Supplementary Rules (Notice on July 24, 2015)

These amended provisions will come into effect as of July 24, 2015.

Supplementary Rules (Notice on October 13, 2015)

These amended provisions will come into effect as of January 1, 2016.

Supplementary Rules (Notice on May 11, 2017)

These amended provisions will come into effect as of May 30, 2017.

Supplementary Rules (Notice on September 11, 2020)

These amended provisions will come into effect as of October 1, 2020.

Supplementary Rules (Notice on September 4, 2020)

These amended provisions will come into effect as of November 24, 2020; provided, however, that if JASDEC recognizes that the Depository and Book-Entry Transfer Business for Foreign Stock Certificates, etc. cannot be or is not likely to be implemented under such amended provisions due to trouble in the operation of JASDEC's systems, such amended provisions shall come into effect as of a day to be designated by JASDEC which day shall be on or after November 25, 2020.