

# By-laws for Rules on Investment Reports Pertaining to Investment Trusts and Investment Corporations

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## Article 1. Purpose

These By-laws provide for matters necessary to the enforcement of rules on investment reports for investment trusts and investment corporations (hereinafter referred to as the “Rules”).

## Article 2. Status of Purchase and Sale of Incorporated Assets

The types of assets to be classified as set forth in the By-laws prescribed in Article 3, Paragraph 1, Item 6 of the Rules shall be the following assets, and where such assets are to be indicated, they shall be indicated by type as set forth in the respective items.

- (1) Shares: Listed and registered shares and unlisted and unregistered shares
- (2) Stock options certificates (including warrants securities, the same shall apply hereinafter)
- (3) Option certificates, etc.
- (4) Corporate bonds with stock options (convertible bonds)
- (5) Public and corporate bonds: national government bonds, municipal bonds, special bonds and corporate bonds (including investment corporation bonds)
- (6) Investment trust beneficiary certificates and investment securities
- (7) Investment equity subscription right certificates
- (8) Other Securities: Commercial papers, loan trust beneficiary rights, overseas negotiable certificates of deposits, and foreign loan trust beneficiary securities
- (9) Monetary claims
- (10) Promissory notes
- (11) Instruments (meaning those provided in Article 3, Item 9 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000 (hereinafter referred to as “Cabinet Order”)), and the same shall apply hereinafter)

- (12) Futures transactions: Stock futures, bond futures and other futures transactions
- (13) Option transactions: Stock index, individual stocks, bonds, interest rates, currency and other option transactions
- (14) Swap and forward transactions: Interest rates, currency, forward rate, forward currency and other swaps and forwards
- (15) Mother fund beneficiary certificates: Each mother fund thereof

#### Article 3. Transaction Status of Derivatives

Derivatives to be classified as stipulated in the By-laws prescribed in Article 3, Paragraph 1, Item 7 of the Rules shall be the following types, and where such types are to be indicated, they shall be indicated by type as set forth in the respective items.

- (1) Futures transactions: Divided into shares, bonds and instruments, etc. for each issue
- (2) Option transactions: Divided into shares, bonds and instruments, etc. and by call and put for each issue

#### Article 4. Major Issues Traded

The types of assets to be classified as stipulated in the By-laws as prescribed in Article 3, Paragraph 1, Item 9 of the Rules shall be as follows:

- (1) Shares
- (2) Stock options certificates
- (3) Option certificates, etc.
- (4) Corporate bonds with stock options (convertible bonds)
- (5) Public and corporate bonds

#### Article 5. Status of Transactions with Interested Parties

Other matters provided in the By-laws as prescribed in Article 3, Paragraph 1, Item 10 of the Rules shall be as follows:

- (1) Transaction of securities issued by interested parties and amount held at the end of period
- (2) Acquisition of securities for which financial instruments business operators (meaning type-I financial instruments business operators ( meaning entities engaged in type-I financial instruments business as defined in Article 28, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as “FIEA” )) and entities similar to such that are corporations established under and conforming to foreign laws and regulations; the same shall apply hereinafter), who are interested parties, are the managing underwriters of issue
- (3) Acquisition of securities for which a financial instruments business operator, who is an interested party, or a financial institution is representative for a private placement
- (4) Payment rate of trading commissions to interested parties

#### Article 6. Description of Incorporated Assets

The types of assets to be classified as stipulated in the By-laws prescribed in Article 3, Paragraph 1, Item 13 of

the Rules shall be the following types of assets, and where details of such assets are to be indicated, individual issues shall be indicated for each type of assets set forth in the respective items.

- (1) Domestic listed and unlisted shares
- (2) Foreign listed and registered shares and unlisted and unregistered shares
- (3) Domestic stock options certificates
- (4) Foreign stock options certificates
- (5) Domestic option certificates
- (6) Foreign option certificates
- (7) Domestic corporate bonds with stock options (convertible bonds)
- (8) Foreign corporate bonds with stock options (convertible bonds)
- (9) Public and corporate bonds: Domestic public and corporate bonds shall be classified by type of bond, and foreign public and corporate bonds shall be classified by currency
- (10) Domestic investment trust beneficiary certificates and investment securities
- (11) Foreign investment trust beneficiary certificates and investment securities
- (12) Investment equity subscription right certificates
- (13) Investment trust beneficiary certificates in Japanese currency that are incorporated by fund of funds
- (14) Foreign currency-denominated investment trust beneficiary certificates incorporated by fund of funds
- (15) Other domestic securities
- (16) Other foreign securities
- (17) Monetary claims: Domestic and foreign separately
- (18) Promissory notes: Domestic and foreign separately
- (19) Beneficial Interests, silent partnership equity or trust issuing beneficiary certificates: Domestic and foreign separately
- (20) Instruments
- (21) Futures transactions: Domestic and foreign separately
- (22) Option transactions: Domestic and foreign separately
- (23) Individual stock option transactions: Domestic and foreign separately
- (24) Swaps and forward transactions
- (25) Mother fund beneficiary certificates

#### Article 7. Composition of Investment Trust Property

The types of assets to be classified as stipulated in the By-laws prescribed in Article 3, Paragraph 1, Item 17 of the Rules shall be as follows:

- (1) Shares
- (2) Stock options certificates
- (3) Option certificates, etc.
- (4) Corporate bonds with stock options (convertible bonds)
- (5) Public and corporate bonds
- (6) Investment trust beneficiary certificates and investment securities

- (7) Investment equity subscription right certificates
- (8) Other securities
- (9) Monetary claims
- (10) Promissory notes
- (11) Beneficial Interests
- (12) Silent partnership equity
- (13) Trust issuing beneficiary certificates
- (14) Instruments
- (15) Mother fund beneficiary certificates
- (16) Call loans, etc.

#### Article 7-2. Breakdown of Distribution Source

The matters to be stipulated in the By-laws prescribed in Article 3, Paragraph 5 of the Rules shall be as follows:

- (1) Dividends for the period
- (2) Revenues for the period and income other than revenues for the period within the dividends for the period
- (3) Amount subject to distribution carried forward to the next period

#### Article 8. Cases that Do Not Require Delivery of Investment Report (Full Version) and Investment Report (Delivery Version)

Cases provided for in the By-laws prescribed in Article 10, Paragraph 1 and Article 10-2, Paragraph 1 of the Rules shall address the circumstances described below:

- (1) The solicitation of the application for acquiring the beneficiary certificates are made through private placement with qualified institutional investors, and the investment trust contracts provide that investment reports shall not be delivered
- (2) A person living with the beneficiary is expected to receive the investment report without fail, and the beneficiary agrees not to receive the investment report by the preparation date thereof (excluding cases in which the beneficiary has requested delivery of the investment report by the preparation date thereof)
- (3) Beneficiary certificates are listed on a financial instruments exchange (excluding cases in which beneficiary certificates are specified listed securities as provided in Article 2, Paragraph 33 of the FIEA)
- (4) MRFs (meaning those prescribed in Article 1 of the Rules for Operations of MMF, etc. that are public and corporate bond investment trusts in compliance with the provisions of Article 25, Item 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Office Ordinance No. 129 of 2000))
- (5) Securities for professional investors prescribed in Article 4, Paragraph 3 of the FIEA, for which information pertaining to matters to be stated in the investment report is provided or disclosed as issuer information under Article 27-32, Paragraph 1 of the FIEA pursuant to Paragraph 1 or 2 of the same article (limited to cases where provision or disclosure of such information is provided or disclosed in lieu of delivery of the investment report in the investment trust contract)

Article 9. Verifying Beneficiary to Receive Summary Delivery

1. The confirmation method specified in the By-laws as provided in Article 10, Paragraph 2, Item 2 of the Rules shall be a means whereby the beneficiary shall choose either the delivery for each fiscal year end or preparation period, or a summary delivery. In this case, summary delivery shall be made in principle every 3 months, and a delivery period of not less than 4 months and not more than 12 months may be established at the discretion of the investment trust management company (meaning the investment trust management company as defined in Article 2, Paragraph 11 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951); hereinafter referred to as the “Management Company”).
2. When a beneficiary requests a change in delivery method, the delivery method of the investment report shall be changed in accordance with the beneficiary’s wish.

Article 10. Details of Individual Issues of Bonds Incorporated in Daily Settlement Type Bond Investment Trusts

The matters to be stipulated in the By-laws as prescribed in Article 12, Paragraph 2 of the Rules shall be the face value and the date of redemption.

Article 11. MMF Monthly Disclosure Items

The method to be specified in the By-laws as prescribed in Article 16, Paragraph 2 of the Rules shall be the method of indication as set forth in each of the following items with respect to the Items for Monthly Disclosure.

- (1) Balance of incorporated assets by type and incorporation ratio: National government bonds, municipal bonds, special bonds (excluding financial bonds, the same shall apply hereinafter in this article and the following article), financial bonds, straight bonds, corporate bonds with stock options (convertible bonds), CPs, CDs and other assets (meaning call loans, deposits, accounts receivable and accounts payable and other assets. The same shall apply hereinafter in this article and the following article) shall be divided into category and the face value (except other assets, and the same shall apply in this article), and the appraised value and the incorporation ratio (meaning the ratio of the appraised value to the total amount of net assets or total amount of assets; the same shall apply hereinafter in Item 2) shall be indicated for each asset.
- (2) Incorporation ratio of public and corporate bonds, financial bonds, CPs and CDs by top five issuers: The name of the issuer and the incorporation ratio shall be indicated for each asset by classifying them into public and corporate bonds (excluding national government bonds prescribed in Article 3, Paragraph 1, Item 1 of the Rules for Operations of MMF, etc. (hereinafter referred to as “Government bonds, etc. ”) and financial bonds), financial bonds, CPs and CDs (meaning CDs, call loans, etc. (excluding any collateralized call loan secured by Government bonds, etc.)).
- (3) Ratio of incorporated assets to total net assets by rating: Assets are classified into public and corporate bonds and short-term financial assets, and the ratio of incorporation (meaning the ratio of the appraised value to the total amount of net assets) shall be indicated for each credit rating determined by a credit

rating agency (meaning a credit rating agency provided in Article 2, Paragraph 36 of the FIEA and a specified affiliated corporation provided in Article 116-3, Paragraph 2 of the Cabinet Office Ordinance on Financial Instruments Business, etc. Cabinet Office Ordinance No. 52 of 2007); the same shall apply hereinafter) and for each credit rating the Management Company determines based on the financial soundness of the issuing company.

#### Article 11-2 (MRF Monthly Disclosure Items)

The manner of presentation specified in the By-laws as prescribed in Article 16-2, Paragraph 2 of the Rules shall be that set forth in each of the following items corresponding to the Items for Monthly Disclosure:

- (1) Balance and ratio of incorporation of each type of incorporated asset: Assets in the portfolio shall be divided into national government bonds, municipal government bonds, special bonds, finance bonds, straight bonds, CPs, CDs and other assets, with face value (excluding other assets; the same shall apply in this article), and the appraised value and the incorporation ratio (meaning the ratio of the appraised value to the total amount of net assets or total amount of assets; the same shall apply hereinafter in Item 2) shall be indicated for each asset. However, face value and appraised value may be omitted.
- (2) The status of the incorporation ratio of public and corporate bonds and short-term financial assets by issuer shall be indicated by any of the following methods:
  - (a) Incorporation ratio of public and corporate bonds and short-term financial assets by top 10 issuers: Assets shall be divided into public and corporate bonds (meaning corporate bonds and financial bonds as defined in Article 19, Paragraph 1, Item 5 of the Rules for Operations of MMFs, etc., excluding national government bonds as defined in Paragraph 1, Item 1 and municipal bonds and special bonds as defined in Item 2 of the same article) and short-term financial assets (meaning CPs, CDs, call loans, etc. (excluding any collateralized call loans secured by Government bonds, etc.)), ; the same shall apply hereinafter), and the issuer and incorporation ratio shall be indicated for each asset separately. However, although national government bonds, municipal government bonds and special bonds may be included when indicating the public and corporate bonds, in this case, the top 10 issues by each issuers of straight bonds and financial bonds excluding national government bonds, municipal government bonds and special bonds shall be indicated.
  - (b) Incorporation ratio of incorporated assets by top 20 issuers: The issuer's name and incorporation ratio shall be indicated by totaling public and corporate bonds and short-term financial assets without dividing these assets into classes. However, if the indication includes national government bonds, municipal bonds and special bonds, the top 20 issues shall be indicated by issuer and exclude national government bonds, municipal bonds and special bonds.
- (3) Ratio of incorporated assets by credit ratings to the total amount of net assets: Assets are classified into public and corporate bonds and short-term financial assets, and the incorporation ratio (meaning the ratio of the appraised value to the total amount of net assets) shall be indicated for each credit rating by a credit rating agency, and for each credit rating determined by the Management Company based on the financial soundness of the issuing company.

Article 12. Investment Trusts Subject to Voluntary Disclosure

The investment trusts specified by the By-laws prescribed in Article 20 of the Rules shall be the following:

- (1) Privately placed investment trusts
- (2) Listed investment trusts (meaning investment trusts as defined in Article 12, Items 1 and 2 of the Cabinet Order and listed securities investment trusts as defined in Article 9-4-2 of the Act on Special Measures Concerning Taxation)
- (3) Unit type investment trusts for closed periods
- (4) Asset accumulation type investment trust
- (5) Million type investment trusts
- (6) Money pool type investment trusts
- (7) Pension type investment trusts (trusts dedicated to defined contribution pensions or variable annuities)
- (8) Investment trusts with a total net assets of less than 100 million yen or with a total number of beneficiaries of less than 50
- (9) Investment trusts for which the investment trust contract stipulates the portfolio not be replaced in principle
- (10) Other investment trusts similar to investment trusts (1) through (9)

Article 13. Classification of Assets Other Than Real Estate, etc. of a Real Estate Investment Trust (REIT)

The types of assets required to be classified among those other than a real estate and asset-backed securities of a real estate investment corporation as provided in Article 22, Item 15 of the Rules shall be the following:

- (1) Shares and investment securities
- (2) Securities other than shares and investment securities
- (3) Securities for margin transactions
- (4) Specified transactions and exchange contract transactions
- (5) Other specified assets

Article 14. Classification of Assets Other Than Real Estate, etc., of a Real Estate Investment Corporation

The provision in the preceding article shall apply mutatis mutandis to the type of assets required to be classified among those other than a real estate and asset-backed securities of a real estate investment corporation as provided in Article 26, Item 15 of the Rules.

Article 15. Classification of Assets Other Than Infrastructure Assets, etc., and Infrastructure-related Assets of an Infrastructure Investment Trust

The types of assets required to be classified among those other than infrastructure assets and infrastructure-related assets of an infrastructure investment corporation as provided in Article 29, Item 15 of the Rules shall be the following:

- (1) Shares (excluding those provided in Article 3, Paragraph 6, Item 1 of the Regulations on Infrastructure Investment Trusts and Infrastructure Investment Corporations (hereinafter referred to as “Regulations on IIT, etc.”); the same shall apply hereinafter) and investment securities (excluding those provided in

Article 3, Paragraph 6, Item 6 of the Regulations on IIT, etc.; the same shall apply hereinafter.)

- (2) Securities other than shares and investment securities
- (3) Securities for margin transactions
- (4) Specified transactions and exchange contract transactions
- (5) Other specified assets

Article 16. Classification of Assets Other Than Infrastructure Assets, etc. and Infrastructure-related Assets of an Infrastructure Investment Corporation

The provision in the preceding article shall apply mutatis mutandis to the type of assets required to be classified among those other than infrastructure assets and infrastructure-related assets of an infrastructure investment corporation as provided in Article 34, Item 15 of the Rules.

Supplementary Provision

These By-laws shall come into effect on April 1, 2004.

Supplementary Provision

This revision shall be in force from the date of commencement of trading on the Jasdaq Securities Exchange, Inc.

Supplementary Provision

This amendment shall come into effect on May 19, 2005.

Supplementary Provision

This amendment shall come into effect on May 24, 2006.

Supplementary Provision

This amendment shall come into effect on June 19, 2006.

Supplementary Provision

This amendment shall come into effect on January 19, 2007.

Supplementary Provision

This amendment shall come into effect on September 30, 2007.

However, revised provisions shall apply as of the new accounting period starting on the effective date.

Supplementary Provisions

This amendment shall come into effect from the date on which the Option Certificates, etc., are listed on the Osaka Securities Exchange, Inc.



Provided, however, with regard to investment Trust Property for which the calculation period commenced prior to the implementation date, the provisions then in force may remain applicable.

Supplementary Provision

This amendment shall come into effect on January 16, 2009.

Supplementary Provision

This amendment shall come into effect on March 19, 2009.

Supplementary Provision

This amendment shall come into effect on September 16, 2009.

Supplementary Provision

This revision shall take effect on January 1, 2011 and will apply beginning with monthly disclosures based on subsequent dates.

Supplementary Provisions

1. These amendments shall be effective as of June 1, 2012, and shall apply to investment reports for investment trusts with settlement of accounts on and after that date.
2. Notwithstanding the foregoing Paragraph 1., this shall not preclude Full Members from operating under the amended provisions up to the effective date.

Supplementary Provision

This amendment shall come into effect on January 4, 2013.

Supplementary Provisions

1. These amendments shall take effect on December 1, 2014, and apply to investment trust Investment Report (Full Version) and Investment Reports (Delivery Version) with preparation dates (as stipulated in Article 14, Paragraph 1 of the New Investment Trust Act) falling on and after the effective date, and the provisions then in force for investment reports with preparation dates (as stipulated in Article 14, Paragraph 1 of the Old Investment Trust Act) falling prior to the effective date shall remain applicable.
2. Article 38 (Review) of the Supplementary Provisions of the Investment Trust Act states that “the government shall review the provisions of each law after its revision (hereinafter in this article referred to as “each revised law”) in principle 5 years from the effective date, and take measures as deemed necessary based on the results thereof in consideration of the state of enforcement of each revised law.” Corresponding measures shall be taken in light of this provision.

\* The amended Articles are as follows:

Article 8 is revised.

#### Supplementary Provision

This revision shall take effect on December 1, 2014, and apply to the Investment Report (Full Version) and the Investment Report (Delivery Version) of investment trusts pertaining to the preparation date stipulated in Article 14, Paragraph 1 of the new Investment Trust Act falling after the effective date, and the investment report pertaining to the preparation date stipulated in Article 14, Paragraph 1 of the old Investment Trust Act that falls prior to the effective date shall remain applicable.

\* The amended Articles are as follows:

Article 2, Item 7, Article 6, Item 12 and Article 7, Item 7 are newly established. Numbering reorganized accordingly.

#### Supplementary Provision

This amendment shall come into effect on July 16, 2015.

\* The amended Articles are as follows:

Articles 15 and 16 are newly established.

#### Supplementary Provision

This amendment shall come into effect on May 18, 2017.

\* The amended Articles are as follows:

Article 11, Item 3 is deleted. Numbering reorganized accordingly.

#### Supplementary Provision

This revision shall come into effect on September 30, 2019.

\* Corrected numbering error of items in conjunction with partial revision (September 30, 2019) in the “Rules for Investment Reports, etc., for Investment Trusts and Investment Corporations.”