

Attachment 1

Control Objectives and Key Control Points concerned with Internal Control Framework for Segregated Management

1. General Matters

Control Objectives	Key Control Points Example
<p>(1) Directors shall recognize the importance of compliance with the laws and regulations, etc. concerning the segregated management and shall be aware of the status of the organization's compliance with the relevant laws and regulations as appropriate.</p>	<p>(i) Directors understand that the segregated management system for customer assets contributes to investor protection and as such, the sound development of the securities market, while recognizing the importance of compliance with the laws and regulations, etc. concerning the segregated management.</p> <p>(ii) Regarding the status of compliance with the laws and regulations, etc. concerning the segregated management, appropriate reporting structure to the Board of Directors, representative director, compliance officer (meaning person in charge of legal compliance; the same shall apply hereinafter), etc. has been established and is being appropriately operated.</p>
<p>(2) Organizational structure, etc. for compliance with the laws and regulations, etc. concerning the segregated management has been established with each employee carrying out one's daily duties based on full understanding of the relevant laws, regulations, internal rules, and other matters regarding the segregated management</p>	<p>(iii) In order to comply with the laws and regulations regarding segregated management, the management method and department in charge, etc. have been clearly prescribed and documented as rules, manuals, etc. In addition, a system has been established to ensure all officers and employees concerned are fully informed of such matters and is being properly operated.</p> <p>Furthermore, in the event of any change to the laws, regulations, and rules relating to the segregated management, a system has been established and is being properly operated to make all officers and employees fully aware of such change and to apply such change to the related systems and programs.</p> <p>(iv) A system has been established and is being properly operated to appropriately respond to any violation of laws or regulations detected in relation to the segregated management or any matter indicated in the inspection by the Financial Services Agency or the investigation by the Investment Trusts Association.</p>
<p>(3) Independent department to properly monitor the status of segregated management in an</p>	<p>(v) A system has been established and is properly being operated where an independent department such as an Internal Audit Division periodically verifies that the legal compliance with the laws and regulations, etc. concerning the segregated management</p>

appropriate manner.	is being properly implemented and reports the outcome of such verification to the Board of Directors, etc.
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2. Segregated Management of Securities

Control Objectives	Key Control Points Example
<p>2-1. General Matters</p> <p>The officers and employees concerned shall comprehensively and accurately identify the scope of customers' securities subject to the segregated management as required by the laws and regulations, etc. concerned with such segregated management in line with the types of business and products handled by the Financial Instruments Business Operator.</p>	<p>(i) A system has been established for concluding contracts between the Financial Instruments Business Operator and the customer as appropriate (e.g., "Custody Agreement," "Transfer Account Contract," etc.), and such system is properly functioning.</p> <p>(ii) The scope, management method, and place of custody regarding the customers' securities subject to segregated management by a member is clearly defined in compliance with the laws and regulations, etc. concerning the segregated management in line with the individual business operations and product handled while proper internal rules, etc. have been established and are being appropriately performed.</p> <p>At the same time, internal rules, etc. regarding how to respond to a new product and any change in the format of transactions, etc. have been developed and are being properly implemented.</p> <p><Reference></p> <p><u>Securities subject to segregated management</u></p> <ol style="list-style-type: none"> 1. Securities temporarily deposited by a customer for sale 2. Securities deposited by a customer according to a custody agreement or a management agreement of book-entry transfer settlement account
<p>2-2. Third-Party Custody</p> <p>(1) Customer's consent shall be obtained for having a third party safekeep the relevant securities.</p>	<p>(i) When securities are kept by a third-party organization (such as a securities transfer agency, other financial instruments business operator, or Japan Securities Depository Center, etc.), a system has been established to obtain consent for re-deposit from customers in accordance with a contract, etc., and such system is functioning properly.</p>
<p>(2) The selection of a third-party organization to safekeep customers' securities shall be appropriate from the viewpoint of protecting the</p>	<p>(ii) A system to examine the credit and management status of the relevant third-party organization has been established and is being appropriately operated. The following are some examples of considerations:</p> <ul style="list-style-type: none"> - Criteria for selecting a third-party organization at the time of opening a new account and periodical review of such

<p>customers' assets.</p>	<p>organization are provided.</p> <ul style="list-style-type: none"> - Information in order to grasp the credit status of the relevant third-party organization can be obtained and analyzed in a timely manner. - Management conditions of the relevant third-party organization are being obtained and assessed. - Through external audit, etc., it is being reviewed whether the operational practices are properly conducted, and the verification results or proof thereof have been obtained in order to understand the details of such verification. <p>(iii) A system to conclude an appropriate custody contract with a third-party organization in compliance with the laws and regulations, etc. concerning the segregated management has been established and is being properly operated.</p>
<p>(3) Customer securities subject to the segregated management are managed by having them under custody in the manner required by the laws and regulations for segregated management while comprehensively ascertaining the outstanding balance of such securities (commingled custody, non-commingled custody).</p>	<p>(iv) As for each method of custody agreed upon with a customer regarding such customer's securities, a system has been established and is being appropriately operated to ensure that the custody business is conducted in accordance with any of the following methods as required under the laws and regulations, etc. concerning the segregated management and that accounting and other records are kept by the Financial Instruments Business Operator.</p> <p><Simple Custody></p> <p>A third-party organization clearly separates the custody of customers' securities from that of the proprietary securities of the financial instruments business operators and keep such customers' securities in a manner that is easy to promptly identify the specific customer who owns the relevant securities.</p> <p><Commingled Custody></p> <p>A third-party organization clearly separates the custody of customers' securities from that of proprietary securities of the Financial Instruments Business Operator by such means as segregating an account for the Financial Instruments Business Operator from the one for the customers so that the securities share of all the customers can be immediately ascertained. Furthermore, securities share of each customer among such customers' securities shall be immediately identified by the books, etc. of the relevant Financial Instruments Business</p>

	<p>Operator. Securities that are jointly owned by the Financial Instruments Business Operator and the customers (securities jointly owned by the Financial Instruments Business Operator and the customers pertinent to accumulated investment products, etc.) shall be managed in such a manner that the share of each customer can be immediately determined from the books, etc. of the relevant Financial Instruments Business Operator.</p> <p>(v) With regard to securities subject to the custody of a third-party organization, a system has been established and is being appropriately operated for the Financial Instruments Business Operator to confirm that such third-party organization keeps records and carries out the custody business in compliance with the laws and regulations, etc. concerning the segregated management.</p> <p>When an external auditor of the trustee company evaluates and reports the effectiveness of the internal control over the custody business of securities concerned with such company, refer to the Paragraph 11 of the Audit Standards Committee Report 402, “Considerations when auditing enterprises with contract business” by the Japanese Institute of Certified Public Accountants.</p> <p>(vi) Even if there are no physical securities for the newly issued investment trust beneficiary certificates, a system has been established and is being appropriately operated so that the name and quantities of such securities held by a specific customer can be immediately confirmed on a customer-by-customer basis in the registry books, etc., while properly implementing the existing procedures for periodically checking and verifying the outstanding balance of such securities and documenting such verification outcome.</p>
<p>(4) Among all securities in possession of a Financial Instruments Business Operator, the substantiality of book balance and status of the segregated management concerned with the securities under</p>	<p>(vii) With regard to securities held by a third-party organization, procedures have been developed and are being appropriately performed where the balance reconciliation between the accounting book records of the Financial Instruments Business Operator and the statements of such third-party organization are conducted on a regular basis, and procedures are in place and properly operated to ensure that any discrepancy identified as a result of such reconciliation is promptly investigated and</p>

<p>custody of a third-party organization (separately for simple custody, commingled custody or joint custody) shall be verified.</p>	<p>addressed. The following are some examples of considerations: (Refer to 4-2, (2)(iii))</p> <ul style="list-style-type: none"> - Collation is being performed at every transfer of the securities or at least every month. - Procedures are in place for addressing and reporting any discrepancy identified as a result of such collation. - Results of collation and full accounts thereof are documented. - The collation procedures are in place to ensure that all securities in the possession of the Financial Instruments Business Operator, regardless of their registered names, shall be included in such collation, and that they are identifiably recorded in the appropriate customers' accounts, etc. <p>(viii) With regard to the balance of customers' securities, procedures are in place and properly performed where transaction balance statements are periodically sent to the relevant customers and any inquiry, complaint, etc. from them is properly reported and addressed. (See 4-1. (1))</p> <p>(ix) A system has been established and is being properly operated to comprehensively verify that the customer securities and proprietary securities, etc. are not mixed by completely identifying all the securities possessed by the Financial Instruments Business Operator, including not only customers securities, but also proprietary securities, etc. (such as those held in proprietary account balances, borrowed securities, and securities received as collateral for derivative transactions) and collating such securities with the custody location thereof.</p>
<p>2-3. Account Management: (1) Among customers' securities subject to the segregated management, balance of those that are recorded in the transfer account book as prescribed in the Act on Transfer of Corporate Bonds, Shares, etc. (hereinafter referred to as the "Transfer Act") shall be comprehensively</p>	<p>(i) With regard to customer securities recorded in the transfer account book pursuant to the provisions of the Transfer Act, a system has been established and is being appropriately operated to ensure that account management is being conducted and accounting book records are possessed by the Financial Instruments Business Operators in accordance with the means stipulated in the laws and regulations for segregated management.</p>

<p>grasped, and such securities are kept in a manner stipulated in the laws and regulations for segregated management.</p>	
<p>(2) Among all securities in possession of a Financial Instruments Business Operator, the substantiality of book balance and status of the segregated management concerned with the securities recorded in the transfer account book pursuant to the Transfer Act shall be verified.</p>	<p>(ii) Among all securities in possession of a Financial Instruments Business Operator, a system has been established and is being properly operated to ensure the substantiality of book balance and status of the segregated management concerned with the securities recorded in the transfer account book pursuant to the Transfer Act.</p> <p>(a) With regard to the securities recorded in the transfer account book pursuant to the Transfer Act, procedures have been developed and are being appropriately performed where the balance collation between the book records for such transfer account book, etc. of the Financial Instruments Business Operator and the statements of the relevant third-party organization are conducted on a regular basis, and procedures are in place and properly operated to ensure that any discrepancy identified as a result of such collation is promptly investigated and addressed. The following are some examples of considerations:</p> <ul style="list-style-type: none"> - Collation is being performed at every transfer of the securities or at least every month. - Procedures are in place for addressing and reporting any discrepancy identified as a result of such collation. - Results of collation and full accounts thereof are documented. - The collation procedures are in place to ensure that all securities in the possession of the Financial Instruments Business Operator, regardless of their registered names, shall be included in such collation, and that they are identifiably recorded in the appropriate customers' accounts, etc. <p>(b) With regard to the balance of customers' securities, procedures are in place and properly performed where transaction balance statements are periodically sent to the relevant customers and any inquiry, complaint, etc. from them is properly reported and addressed. (See 4-1. (1))</p>

	<p>(c) A system has been established and is being properly operated to comprehensively verify that the customer securities and proprietary securities, etc. are not mixed by completely identifying all the securities possessed by the Financial Instruments Business Operator, including not only customers' securities, but also proprietary securities, etc. (such as those held in proprietary account balances, borrowed securities, and securities received as collateral for derivative transactions) and collating such securities with the custody location thereof.</p>
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3. Segregated Management of Money, etc.

Control Objectives	Key Control Points Example
<p>3-1. General Matters</p> <p>(1) The officers and employees concerned shall comprehensively and accurately identify the scope of customers' securities subject to the segregated management as required by the laws and regulations, etc. concerned with such segregated management in line with the types of business and products handled by the Financial Instruments Business Operator.</p>	<p>(i) A system has been established and is being properly operated so that the officers and employees concerned can comprehensively and accurately identify the scope of customers' securities subject to the segregated management as required by the laws and regulations on such segregated management. Additionally, rules regarding how to respond to a new product, new customer, and any change in the format of transactions, etc. have been developed and are being properly implemented.</p> <p>(ii) A system has been established and is being properly operated so that money brought in or out by sales representative, etc. for the settlement with customers are appropriately segregated in its management.</p>
<p>(2) The selection of a trust bank in which a segregated customer trust account is to be established shall be appropriate from the viewpoint of protecting customer assets.</p>	<p>(iii) A system has been established and is being properly operated to examine the trust property management and credit status of the trust bank in which the segregated customer fund account is established. The following are some examples of considerations:</p> <ul style="list-style-type: none"> - Criteria for selecting a trust bank at the time of opening a new account and periodical review are provided. - Information to grasp the trust property management and credit status of the trust bank has been obtained and analyzed in a timely manner. <p>When an external auditor of the trustee company evaluates and</p>

	<p>reports the effectiveness of the internal control over the custody business of securities concerned with such company, refer to Paragraph 11 of the Audit Standards Committee Report 402, “Considerations when auditing enterprises with contract business” by the Japanese Institute of Certified Public Accountants.</p>
<p>(3) The contract with the trust bank for establishing a segregated customer trust account shall include all the provisions required by the laws and regulations relevant to the segregated management.</p>	<p>(iv) The contents of the trust account conform to the laws and regulations, etc. concerning the segregated management. In other words, the trust agreement specifies the following points:</p> <ul style="list-style-type: none"> - The trustee shall be a trust company or a financial institution engaged in fiduciary business. - The Financial Instruments Business Operator shall be the settlor. - Customers concerned with the financial instruments business conducted by such Financial Instruments Business Operator shall be the beneficiary of the principal. - An agent for the beneficiary shall be appointed from the following: <ul style="list-style-type: none"> (1) A representative director or any other person equivalent thereto who is responsible for the management of business execution, or (2) A person who has suitable qualification to supervise the execution of the fiduciary duties such as lawyer, certified public accountant, and so forth. <p>When any of the events set forth in each item of Article 79-53, Paragraph 1 of the Financial Instruments Act applies to the relevant Financial Instruments Business Operator, the agent for beneficiary shall be the person set forth in (2) above.</p> <p>(v) The management method of the trust property shall be in compliance with the laws and regulations, etc. concerning the segregated management. In other words, assets subject to investment are limited to the following items in the trust agreement:</p> <ul style="list-style-type: none"> - National government bonds and other securities designated by the Commissioner of the Financial Services Agency; - Deposit in a bank or any other financial institution designated by the Commissioner of the Financial Services Agency; and - Other instruments designated by the Commissioner of the Financial Services Agency (e.g., call loans, trust bank account loan to a trust bank that is also a trustee, cash trusts with

	principal guarantee contracts, and others).
<p>3-2. Customer Segregated Fund Management System</p> <p>(1) The method and object for calculation of segregated funds shall be specified, and the accuracy and completeness of the recorded data to be used as the basis of calculation, as well as the consistency with accounting book records, shall be ensured.</p>	<p>(i) A system has been established and is being properly operated so that the calculation of segregated customer trust funds and the segregated management of segregated fund accounts can be comprehensively and accurately performed in compliance with the relevant laws and regulations. The following are some examples of considerations:</p> <ul style="list-style-type: none"> - The method and subjects of calculation concerned with the customer segregated fund are prescribed in the internal rules, guidelines, etc. - Measures are taken to ensure the accuracy and completeness of the recorded data required as base for the calculation of customer segregated fund. - Measures are taken to ensure the consistency of the accounting book records with the data required as base for the calculation of customer segregated fund. - In the internal regulations, etc., in addition to the Adjustment Calculation Record Date regarding segregated customer trust fund, the alternative treatment is provided for when such Record Date is a holiday (if such date is a holiday, the Record Date is to be advanced to the previous day or postponed to the next day).
<p>(2) The necessary amount of segregated customer funds as the sum of segregated customer funds shall be calculated comprehensively and accurately in compliance with the laws and regulations, etc. concerning the segregated managements.</p>	<p>(ii) The Financial Instruments Business Operator has established and is properly operating a system for calculating the following segregated customer fund for each customer every day in compliance with the laws and regulations, etc. concerning the segregated management and internal rules.</p> <ul style="list-style-type: none"> - Total amount of the market value (value calculated based on the last price published on the relevant day or one calculated in a reasonable manner as equivalent thereto) of money and securities to be segregated as the segregated customer fund. <p>The following may be deducted from the above:</p> <ul style="list-style-type: none"> * Credit held by a Financial Instruments Business Operator against a customer (which relates to an advance payment to a customer for his/her purchase of securities of whom such securities are subject to the segregated management) <p>(iii) In calculating segregated customer funds for each customer, the following items need to be taken into consideration (including the</p>

	<p>customer's money held at the bank):</p> <ul style="list-style-type: none"> - Money paid in from a customer as a result of transaction involving the securities. As long as the purchased securities are subject to the segregated management, the amount paid in by the customer in advance is excluded. - Money received by a Financial Instruments Business Operator on behalf of a customer in connection with the sale of securities that has not yet been paid out to the customer. - Dividends, interest, redemption proceeds, etc. received by a Financial Instruments Business Operator on behalf of a customer that have not yet been paid out to the customer. <p>(iv) Procedures for a Financial Instruments Business Operator to calculate the Necessary Amount of segregated customer fund every day as sum of such funds for each customer in compliance with the laws and regulations, etc. concerning the segregated management have been established and are being properly implemented.</p> <p>(v) In the event of any failure in connection with the customer transaction, appropriate handling of managing the segregated customer fund is provided for and is consistently observed.</p>
<p>(3) The necessary amount as stipulated in the laws and regulations, etc. concerning the segregated management shall be deposited in the trust account for segregated customers fund.</p>	<p>(vi) Procedures have been established and are being properly implemented in order to collate the appraisal value of trust property in the trust account for segregated customer funds with the Necessary Amount of segregated customer funds at the frequency stipulated in the laws and regulations, etc. concerning the segregated management and to ensure the Necessary Amount of the segregated customer fund is deposited at the designated trust account of the segregated customer fund at a trust bank.</p> <p>(vii) When the segregated customer trust fund is a securities trust or a blanket trust, procedures have been established and are being appropriately implemented to confirm that the securities to be entrusted are national government bonds or other securities designated by the Commissioner of the Financial Services Agency.</p> <p>(viii) When the segregated customer trust fund is a securities trust or a blanket trust, it is clearly stated in the trust agreement that the securities under custody shall not be made available for loans.</p> <p>(ix) When a Financial Instruments Business Operator performs a</p>

	<p>calculation on the Adjustment Calculation Record Date, procedures have been established and are being implemented to ensure that the appraisal value of the securities deposited in the account for segregated customer trust fund is calculated based on the market price (value calculated based on the last price published on the relevant day or one calculated in a reasonable manner as equivalent thereto). In addition, at the time of calculation on the Record Date, procedures have been established and are being implemented to confirm that the amount is not more than the amount obtained by multiplying the market price on such Record Date by the ratio specified by the Commissioner of the Financial Services Agency.</p>
<p>(4) Any deposit and withdrawal in the trust account for the segregated customers fund shall be made in compliance with the laws and regulations, etc. concerning the segregated management following the appropriate procedures.</p>	<p>(x) With regard to any shortfall identified as result of the daily calculation of the Necessary Amount of segregated customer fund, procedures have been established and are being implemented to confirm at least once a week that funds or securities have been transferred into the relevant trust account for the segregated customer fund within three (3) business days from the Adjustment Calculation Record Date.</p> <p>(xi) Regarding the termination in whole or in part of a trust contract in relation to the segregated customer trust fund, procedures have been established and are being implemented to ensure that such termination is limited to the following cases in compliance with the laws and regulations, etc. concerning the segregated management;</p> <ul style="list-style-type: none"> - In the event that the appraisal value of the principal of the trust property on the Adjustment Calculation Record Date exceeds the Necessary Amount of segregated customer fund, redemption, etc. is to be made within the amount equivalent to such excess amount; - In the event that redemption, etc. is made within the amount equivalent to customer segregated fund pertaining to the subscription for offering, etc. on the date of payment for such offering; or - In the event that redemption, etc. is made in order to transfer to another contract of the segregated customer trust fund: <p>(xii) A system has been established and is being properly operated so that any deposit into or withdrawal from, the segregated customer</p>

	trust fund can be made accurately based on the Necessary Amount of the segregated customer fund as of the Adjustment Calculation Record Date according to the approval procedures by an appropriately authorized officer. In addition, a system for timely, accurate, and comprehensive recording of such deposits and withdrawals has been established and is being properly operated.
(5) Procedures to periodically check the balance of account books for segregated customers fund against the balance at such trust bank account exist.	(xiii) A system has been established and is being properly operated to periodically check account balances between the statements obtained from the trust banks and member's accounting book records regarding the accounts for the segregated customer trust fund. The following are some examples of considerations: <ul style="list-style-type: none"> - Frequency of collation shall be at least weekly, - Collation is being made by an independent department, etc. that is not involved in the business of receiving and withdrawing money from the segregated customer trust fund, - Any discrepancy detected as a result of the collation has been investigated and resolved in a timely and appropriate manner, and - Collation results and details are documented and reported to a manager.

4. Accounting and Book Keeping

Control Objectives	Key Control Points Example
4-1. Account Opening, Orders Receipt, and Contract with Customers (1) Appropriateness of the transaction (i.e., that all customer transactions initiated are with a real counterparty and have been properly authorized) shall be ensured.	(i) New customer account has been approved by a properly authorized manager, and all necessary documentation to open such account has been obtained and filed prior to commencement of any transaction. (ii) Except for the instance where the delivery of documents upon the conclusion of contract (transaction statement) is not required under the relevant laws and regulations (including a delivery by electromagnetic means. The same shall apply hereinafter), the relevant documents have been delivered to the customer promptly after the execution of the contract for all transactions (including whether the authority to omit transaction confirmation has been granted to the sales representatives, etc.) (iii) Transaction balance statement, etc. specifying details of transfer, balance, and other items concerned with securities and money have been delivered to customers periodically or at a time

	<p>of every transaction.</p> <p>(iv) Measures are taken to prevent unauthorized issuance of the delivery documents upon the conclusion of contract (transaction statement), transaction balance statement, etc. (including prevention for intentional avoidance of issuance and falsification, etc. concerned with such documents).</p> <p>(v) Customer’s inquiry, complaint, etc. concerning the delivery documents upon the conclusion of contract (transaction report), transaction balance statement, etc. are being reported, addressed, and resolved.</p> <p>(vi) Measures are taken to detect any erroneous transaction due to an erroneous order and so forth.</p> <p>(vii) The cancellation or amendment of the transaction are being made by a properly authorized manager.</p>
<p>(2) All transactions shall be entered, processed, and reported.</p>	<p>(viii) All orders received from customers are being entered into order slips and other books, approved by an officer with appropriate authority if necessary, and entered into the transaction processing system without any omission.</p> <p>(ix) Measures are taken to ensure that the contract note (execution report) is properly allocated to each transaction.</p> <p>(x) Measures are taken to ensure that all major transaction data such as the customer name, account number, date and time of order receipt and execution, product name, quantity, price, selling or buying, and others are entered without omission.</p>
<p>(3) Any contract for the transactions shall be accurately entered, processed, and reported with respect to major trading information, such as the principal transaction or customer transaction, customer name, account number, dates and times of the orders received and contracted, product name, quantity, price, currency, amount, buy or sell, and</p>	<p>(xi) Order slips and other books are being verified against the contract data. In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved.</p> <p>(xii) Measures are taken to prevent any invalid account number (other than those registered under proper authorization), issue code, trading date, etc. from being accepted on the system.</p> <p>(xiii) Transactions are being confirmed with all concerned parties promptly after the execution. In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved.</p>

others.	
<p>4-2. Settlement of Transaction with Customer</p> <p>(1) To ensure that any transfer of the customers' securities or money is made solely in connection with a valid transaction or under the proper instruction from the relevant customer with proper authorization.</p>	<p>(i) Any transfer of securities and money is being made only according to valid transactions or to proper customer instructions and has been approved by a properly authorized manager.</p> <p>(ii) Rules for division of duties for the following functions have been prepared and are being properly complied with.</p> <ul style="list-style-type: none"> - Execution of trade - Trade registration into book - Trade confirmation - Transaction settlement (money and securities) - Balance check
<p>(2) To ensure that the authorized transfer of securities or money has been comprehensively accounted for the purpose of accounting and accurately recorded in the appropriate accounting item with respect to major trade information, such as the amount, quantity, product name, currency, customer name, dates, delivery information, and others.</p>	<p>(iii) The balance of securities under custody of a third-party organization has been collated periodically against the records of such third party. In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved. (Refer to 2-2, (4)(vii))</p> <p>(iv) The balance of the securities recorded in the transfer account book pursuant to the Transfer Act has been collated periodically against the records of such third party. In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved. (Refer to 4-2, (2))</p> <p>(v) The scheduled settlement amount of money and securities in the transaction processing system is reconciled with the actual settlement amount in a timely manner (e.g., collation with the actual settlement amount in case of automatic slip issuance based on such scheduled settlement amount on the settlement date). In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved.</p> <p>(vi) Measures are taken to promptly discover, investigate and resolve any unidentified deposit, etc.</p> <p>(vii) Measures are taken to ensure that matters caused by any failure or securities in transit are addressed in a timely manner.</p> <p>(viii) Bank account balance is verified on a daily basis by an independent department, etc., and any discrepancy discovered is promptly investigated and addressed.</p>
4-3. Master Data and	(i) Measures are taken to ensure that any modification to the Master

<p>Cumulative Data</p> <p>(1) To ensure that any change to the master data (customer data such as customer name, account number, address, settlement account, product data, etc.) has been approved and completely and accurately entered into.</p>	<p>Data has been approved by an appropriately authorized officer.</p> <p>(ii) Appropriate person in charge shall check that any modification to the Master Data has been accurately and thoroughly made and recorded.</p> <p>(iii) A backup system has been developed in case there is an error in the system controlling the Master Data.</p>
<p>(2) To ensure that any input data regarding trading transactions, receipts, and payments of securities and money are accurately recorded in the database including the customer's account ledger, the securities register under custody, the securities register per location of custody (register on securities held by the Financial Instruments Business Operator for each location of custody), etc.</p>	<p>(iv) Measures are taken to ensure that the securities register per location of safekeeping and other book accounts have been properly updated with respect to the respective amounts (both for securities and money) at each time of commencement, contract, and settlement concerned with trading.</p> <p>(v) Measures are taken to prevent or to detect any false entry in the account.</p> <p>(vi) Daily transaction records are collated in a timely manner between the securities register per location of safekeeping and other account books. In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved.</p>
<p>(3) To ensure that any accumulated data on trading, transfer of securities and money, and any modification thereof are consistent with the relevant items of securities register per location of custody and other related accounting books.</p>	<p>(vii) Balances of the customers' money and securities are being collated among the relevant books. In the event of any discrepancy identified in the collation, it is being promptly investigated and resolved.</p> <p>(viii) Balance of products held is being collated among the relevant books. In particular, with respect to the balance concerned with the proprietary holding of product, the balance based on the delivery date is collated against that based on the contract date.</p>
<p>4-4. Restrictions on Access</p>	<p>(i) Measures are taken to ensure that a delivery instruction (which</p>

<p>to Assets and Records</p> <p>(1) To ensure that only authorized employees shall have access to assets and accounting book records, including master data and settlement data for money and securities.</p>	<p>specifies the date of delivery, issue name, quantity, destination, approval stamp, etc.) is prepared, and that the securities register per location of safekeeping and other relevant books are updated based on such instruction concerned with any transfer of securities.</p> <p>(ii) Measures are taken to ensure that any revision to the books and records is being made by authorized departments and employees to enable proper check and balance function.</p> <p>(iii) Steps have been taken to ensure that any amendments to the books and records have been approved.</p> <p>(iv) Measures are taken to ensure that only authorized personnel have access to the Master Data. Measures are also taken to prevent any unauthorized access to the Master Data.</p>
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