

# By-laws on Accounting Rules for Investment Trusts

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## Article 1 Purpose

These By-laws set forth the necessary matters for the enforcement of the Accounting Rules for Investment Trusts (hereinafter referred to as the “Rules”).

## Article 2 Assets Section

The account titles specified in the By-laws stipulated in Article 6, Paragraph 2 of the Rules shall be the titles specified in the following items, and the amount specified in each item shall be recorded at the time specified in each item.

### (1) Deposits

Within the investment trust property (hereinafter referred to as the “Trust Property”), the amount of deposits shall be recorded.

### (2) Money Trusts

Within the Trust Property, the amount of Money Trusts of a bank engaged in trust business and a trust company (meaning beneficiary certificates of beneficiary certificate-issuing trusts prescribed in Article 2, Paragraph 1, Item 14 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, hereinafter referred to as the “FIEA”) and beneficial interests in Monetary Trusts with a contract indemnifying the principal amounts prescribed in Article 22, Paragraph 1, Item 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Prime Minister’s Office Order No. 129 of 2000) among the beneficial interests in trusts prescribed in Paragraph 2, Item 1 in the same article of the said Act) shall be recorded.

### (3) Call Loans

Within the Trust Property, the amount of call loans and discounted bills shall be recorded.

### (4) Mortgage Securities

The book value of mortgage securities that have come to belong to the Trust Property (meaning the mortgage securities prescribed in Article 2, Paragraph 1, Item 16 of the FIEA. The same shall apply

hereinafter.) shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such mortgage securities was made.

In preparing the balance sheet (hereinafter referred to as the “Balance Sheet”) stipulated in the Regulation on Calculation of Investment Trust Property (Prime Minister’s Office Order No. 133 of 2000; hereinafter referred to as the “Rules for Investment Trust Financial Statements”) the appraised value of such mortgage securities shall be recorded.

(5) Other Financial Instruments

The acquisition value of financial instruments (meaning real asset securitization-related products) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such Financial Instruments was made.

(6) Monetary Claims

The acquisition value of monetary claims that have come to belong to the Trust Property (meaning monetary claims prescribed in Article 3, Item 7 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480, 2000, hereinafter referred to as “Enforcement Order of the Investment Trust Act.”), excluding the deposits prescribed in Item 1 and call loans prescribed in Item 3.) shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such Monetary Claims was made.

In preparing the Balance Sheet, the appraised value of such Monetary Claims shall be recorded.

(7) Promissory Note

The acquisition value of promissory notes (meaning promissory notes stipulated in Article 3, Item 6 of the Enforcement Order of the Investment Trust Act, excluding discounted bills) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such promissory notes was made.

In preparing the Balance Sheet, the appraised value of such promissory notes shall be recorded.

(8) Beneficial Interests

The acquisition value of beneficial interests in trusts (meaning beneficial interests in trusts stipulated in Article 2, Paragraph 2, Item 1 of the FIEA, excluding those that fall under the category of money trusts stipulated in Item 2 and the beneficial interests in monetary claims trusts stipulated in Item 22) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such beneficial interests in trusts was made.

In preparing the Balance Sheet, the appraised value of such beneficial interests in trusts shall be recorded.

(9) Investments in Capital

The acquisition value of the equity in investment in a silent partnership, etc. (meaning the right under partnership contract, etc., that fall under Article 2, Paragraph 2, Items 5 and 6 of the FIEA and Article 3, Item 8 of the Enforcement Order of the Investment Trust Act) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such equity in investment in a silent partnership, etc. was made.

In preparing the Balance Sheet, the appraised value of such equity in investment in a silent partnership,

etc. shall be recorded.

(10) Beneficiary Certificates of Trust Issuing Beneficiary Certificates

The acquisition value of beneficiary certificates of trust issuing beneficiary certificates (meaning beneficiary certificates of trust issuing beneficiary certificates stipulated in Article 2, Paragraph 1, Item 14 of the FIEA, excluding money trusts stipulated in Item 2 and beneficial interests in monetary claims trusts stipulated in Item 22) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for beneficiary certificates of trust issuing beneficiary certificates was made.

In preparing the Balance Sheet, the appraised value of such beneficiary certificates of trust issuing beneficiary certificates shall be recorded.

(11) Stock Certificates

The book value (including purchase commission fees) of stocks that have come to belong to the Trust Property (including depositary receipts or certificates of deposit possessing the nature of stock) shall be recorded. The time to record the amount thereof shall be the day on which the purchase agreement for such shares was made or, for new stocks to be allocated or for dividend stocks to be distributed, and shall be the day on which the ex-right or ex-dividend old stocks are purchased or sold, and the acquisition values of such new stocks or dividends shall be the face value or issue value.

The book value per share shall be calculated by dividing the total amount acquired of the same issue divided by the total number of shares of the same issue.

In preparing the Balance Sheet, the appraised value of such stocks shall be recorded.

(12) Stock Options Certificates

The book value (including purchase commission fees) of stock options certificates (meaning the stock options certificates (including warrants securities or certificates) issued under the provision of Article 288, Paragraph 1 of the Companies Act, including investment equity option certificates (meaning the investment equity option certificates stipulated in Article 2, Paragraph 18 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, hereinafter referred to as “the Investment Trust Act”))) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such stock options certificates was made.

The book value per stock option certificates shall be calculated by dividing the total amount acquired of the same issue divided by the total number of certificates of the same issue.

In preparing the Balance Sheet, the appraised value of such stock option certificates shall be recorded.

(13) Option Certificates, etc.

The book value of option certificates, etc. that have come to belong to the Trust Property (including securities or certificates indicating rights to an option transaction stipulated in Article 2, Paragraph 1, Item 19 of the FIEA; hereinafter referred to as “Option Certificates, etc.”) shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such Option Certificates, etc. was made.

In preparing the Balance Sheet, the appraised value of such Option Certificates, etc. shall be recorded.

(14) Preferred Equity Securities

The book value (including purchase commission fees) of preferred equity securities that have come to belong to the Trust Property (meaning preferred securities stipulated in Article 2, Paragraph 1, Item 7 of the FIEA and the new preferred securities stipulated in Item 8 of the same Act ) shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such preferred equity securities was made.

In preparing the Balance Sheet, the appraised value of such preferred equity securities shall be recorded.

(15) National Government Bonds

The acquisition value of national government bonds (including purchase commission fees) that have come to belong to the Trust Property shall be recorded. In this case, accrued interest at the time of acquisition shall not be included in the acquisition value for interest-bearing bonds.

Furthermore, the acquisition value for items with an application reservation fee shall be the amount including the application reservation fee for unit type investment trusts, open investment trusts (excluding bond investment trusts. The same shall apply hereinafter.) and Mother fund, whereas the acquisition value for bond investment trusts shall be the amount not including the application reservation fee. The time to record the amount thereof shall be the date on which the purchase agreement for such national government bonds was made.

In preparing the Balance Sheet, the appraised value of such national government bonds shall be recorded.

(16) Municipal Bonds

The provisions of the preceding item shall apply mutatis mutandis to the recording of the acquisition value of municipal bonds, the calculation of their acquisition value in cases where there is an application reservation fee, and the time of recording the amount for special municipal bonds. When doing so, the term “municipal bonds” shall replace the term “national government bonds,” the “such municipal bonds” shall replace the term “such national government bonds.”

In preparing the Balance Sheet, the appraised value of such municipal bonds shall be recorded.

(17) Special Bonds

The provisions of Item 15 shall apply mutatis mutandis to the recording of the acquisition value of special bonds, the calculation of their acquisition value in cases where there is an application reservation fee, and the time of recording the amount for special bonds. When doing so, the term “special bonds” shall replace the term “national government bonds,” the “such special bond” shall replace the term “such national government bonds.”

In preparing the Balance Sheet, the appraised value of such special bonds shall be recorded.

(18) Corporate Bond (Excluding Short-Term Corporate Bonds Stipulated in Item 22)

The provisions of Item 15 shall apply mutatis mutandis to recording the acquisition value of corporate bonds (including investment corporation bonds (meaning investment corporation bonds defined in Article 2, Paragraph 1, Item 11 of the FIEA and foreign investment securities similar to investment corporation bonds; the same shall apply hereinafter) and school bonds (meaning school bonds defined in Article 4, Item 1 of the Cabinet Office Order on Definitions Stipulated in Article 2 of the Financial

Instruments and Exchange Act (Cabinet Ordinance No. 14 of 1993)), and the calculation of their acquisition values in cases where there is an application reservation fee, and time of recording the amount for bond certificates and school bonds. In this case, the term “corporate bonds” in Item 15 shall replace the term “national government bonds,” the “such corporate bonds” shall replace the term “such national government bonds.”

In preparing the Balance Sheet, the appraised value of such corporate bonds shall be recorded.

(19) Equity Securities

The provisions of Item 15 shall apply mutatis mutandis to the recording of the acquisition value of investment securities, the calculation of their acquisition value in cases where there is an application reservation fee, and the time of recording the amount for equity securities. When doing so, the term “equity securities” shall replace the term “national government bonds,” the “such equity securities” shall replace the term “such national government bonds.”

In preparing the Balance Sheet, the appraised value of such equity securities shall be recorded.

(20) Investment Trust Beneficiary Certificates

The book value (including expenses required for acquisition) of investment trust beneficiary certificates (meaning beneficiary certificates stipulated in Article 2, Paragraph 1, Item 10 of FIEA ) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such investment trust beneficiary certificates was made.

In preparing the Balance Sheet, the appraised value of such investment trust beneficiary certificates, etc. shall be recorded.

(21) Investment Securities

The book value (including expenses required for acquisition) of the investment securities (meaning investment securities stipulated in Article 2, Paragraph 1, Item 11 of the FIEA) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such investment securities, etc. was made.

In preparing the Balance Sheet, the appraised value of such investment securities, etc., shall be recorded.

(22) Other Securities

The acquisition value of commercial papers, short-term corporate bonds, etc. (meaning short-term corporate bonds as stipulated in Article 66, Item 1 of the Act on Transfer of Company Bonds, Shares, etc., short-term corporate bonds as stipulated in Article 61-10, Paragraph 1 of the Insurance Business Act, specified short-term corporate bonds as stipulated in Article 2, Paragraph 8 of the Act on Securitization of Assets, short-term bonds as stipulated in Article 54-4, Paragraph 1 of the Shinkin Bank Act, short-term agricultural and forestry bonds as stipulated in Article 62-2, Paragraph 1 of the Norinchukin Bank Act, and short-term foreign bonds as stipulated in Article 38, Paragraph 2 of the Order on Supervision of General Transfer Agencies), negotiable certificates of deposits issued by a foreign corporation, foreign loan trust beneficiary securities (securities or certificates stipulated in Article 2, Paragraph 1, Item 18 of FIEA, including the items that possess the same properties), and beneficial interests in loan claims trusts (among beneficiary certificates of trust issuing beneficiary

certificates as stipulated in Article 2, Paragraph 1, Item 14 of the FIEA and beneficiary rights of trust as stipulated in Article 2, Paragraph 2, Item 1 of the said Act, refer to a beneficial interest of a trust in which monetary claims of a bank, cooperative structured financial institution defined in Article 2, Paragraph 1 of the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions (Act No. 44 of 1993), and financial institutions listed in the items of Article 1-9 of the Order for Enforcement of the FIEA (Order No. 321 of 1965), or a trust company is entrusted (limited to a trust in which the beneficiary at the time of conclusion of the contract for the trust is the settlor ), and securities or certificates issued by foreign countries or foreign persons which have the same characteristics, or which have the same characteristics of rights to foreign persons. ) shall be recorded. In this case, accrued interest at the time of acquisition shall not be included in the acquisition value for those bearing interest. The time to record the amount thereof shall be the date on which the purchase agreement for such securities was made.

In preparing the Balance Sheet, a separate account title for respective securities shall be established, and the appraised value or acquisition value of such securities shall be recorded.

(23) Mother Fund Beneficiary Certificates

The acquisition value of mother fund beneficiary certificates that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such beneficiary certificates was made.

In preparing the Balance Sheet, the appraised value of such beneficiary certificates shall be recorded.

(24) Commodities

The acquisition value of commodities (meaning commodities stipulated in Article 2, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950)) that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such commodities was made.

In preparing the Balance Sheet, the appraised value of such commodities shall be recorded.

(25) Call Options (Purchase)

The purchase value for call options (including the expenses required for purchasing) pertaining to option transactions by the Trust Property (meaning transactions listed in Article 2, Paragraph 21, Item 3 (b) of the FIEA, transactions conducted in foreign financial instruments markets (foreign financial instruments markets stipulated in Article 2, Paragraph 8, Item 3 of the FIEA) as well as transactions similar to those listed in Article 2, Paragraph 21, Item 3, or transactions listed in Article 2, Paragraph 22, Item 3 or 4 of the same Act, Article 2, Paragraph 1, Item 2 of the Act on Regulation of Commodity Investments (Act No. 66 of 1991), Article 2, Paragraph 14, Item 4 of the Commodity Derivatives Transaction Act, or Article 3, Item 10 (d) of the Enforcement Order of the Investment Trust Act; the same shall apply hereinafter) shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for call options was made.

In preparing the Balance Sheet, the appraised value of such call options shall be recorded.

In addition, the purchase value shall be recorded for the account for the purchase of call options in transactions with options, and the time for recording and preparation of the Balance Sheet shall be

handled according to the rules for call options (purchase).

(26) Put Options (Purchase)

The purchase value for put options pertaining to option transactions by the Trust Property (including purchase costs) shall be recorded. The time to record the amount thereof shall be the date on which the purchase agreement for such options was made.

In preparing the Balance Sheet, the appraised value of such put options shall be recorded.

In addition, the purchase value shall be recorded for the account for the purchase of put options in transactions with options, and the time for recording and preparation of the Balance Sheet shall be handled according to the rules for put options (purchase).

(27) Notional Principal Receivable Assets

The amount of notional principal that serves as the basis for receivable swap interest rate pertaining to swap transactions and the amount of notional principal that serves as the basis for purchasing in forward rate transactions, forward currency transactions, and non-deliverable forward transactions by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the respective transaction agreements were made.

At the end of the fiscal year, the corresponding account of notional principal receivable assets shall be deducted from the account, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(28) Corresponding Account of Notional Principal Payable Liability

The amount of notional principal that serves as the basis for the payable swap interest rate pertaining to swap transactions and the outstanding amount of notional principal that serves as the basis for selling in forward rate transactions, forward currency transactions, and non-deliverable forward transactions by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the respective transaction agreements were made.

At the end of the fiscal year, such notional principal payable liability account shall be deducted from the account, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(29) Securities Lent

The amount pertaining to loaned securities held by the Trust Property (the amount equivalent to the market value on the day before the date of the loan came into effect for lending stock certificates and the amount equivalent to the face value for bond certificates) shall be recorded. The time to record the amount thereof shall be the date on which the loan came into effect.

At the end of the fiscal year, this shall be offset against the loan securities of loan trade account.

(30) Borrowing Trade Securities

The outstanding amount for borrowing trade securities in the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the borrowing came into effect.

At the end of the fiscal year, this shall be offset against the securities borrowed account.

(31) Futures Purchase Account

The purchase value (including purchase costs) subject to the transaction pertaining to the futures transaction by the Trust Property (meaning transactions listed in Article 2, Paragraph 21, Item 1 or 2 of the FIEA, transactions similar to those listed in Article 2, Paragraph 21, Item 1 or 2 that are conducted in foreign financial instruments markets, transactions listed in Article 2, Paragraph 14 of the Commodity Derivatives Transaction Act (not including Item 4), and transactions listed in Article 3, Item 10 (b) of the Enforcement Order of the Investment Trust Act; the same applies hereinafter ) shall be recorded. The time to record the amount thereof shall be the date on which the agreement was made.

At the end of the fiscal year, the accounts payable of futures transactions shall be deducted from such accounts, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(32) Derivative Evaluation Account

In preparing the Balance Sheet, valuation gains of futures transactions (excluding items related to option transactions) and valuation gains of foreign exchange shall be recorded in this account in the assets section.

(33) Repurchase Transaction Account

The settlement amount for bonds, etc. acquired through conditional sales shall be recorded.

(34) Accounts Receivable

The following accounts receivables pertaining to securities, etc. belonging to the Trust Property shall be recorded:

- (a) The sales value of securities and other financial instruments, etc. (hereinafter referred to as “securities, etc.”) at the time the sales agreement was made (excluding expenses required for sale)
- (b) The sales value of call options or put options at the time the option sales agreement was made (excluding expenses required for sale)
- (c) The amount of gains generated when a resale or repurchase transaction, etc. involving futures and options transactions is complete
- (d) The amount of gains generated when premature settlement involving swap transactions is complete
- (e) The amount of gains generated when the transactions pertaining forward rate transactions, forward currency transactions, and non-deliverable forward transactions are settled
- (f) The fixed amount when the corporate bond redemptions, capital reduction returns, money delivered through a merger, or liquidation dividends pertaining to securities belonging to the Trust Property have been settled
- (g) For exchange-traded funds, the set amount in cash when receiving a guarantee of obligation by the Japan Securities Clearing Corporation

(35) Foreign Exchange Accounts Receivable

The amount for account receivable when making a reservation to sell currencies other than those whose base value is listed (hereinafter referred to as “Foreign Currency”) shall be recorded. The time to record the amount thereof shall be the date of making such reservation.

(36) Foreign Exchange Purchase

The outstanding amount (including exchange fees, etc.) when a purchase reservation of Foreign

Currency is made shall be recorded. The time to record the amount thereof shall be the date of making such reservation.

(37) Accounts Receivable for Futures Transactions

The sales value for trading subjects pertaining to futures transactions by the Trust Property (excluding sales costs) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement for such a transaction was made. If the commission is paid at a time other than when the transaction is complete, the amount of such payment shall be added on.

At the end of the fiscal year, the futures sales account shall be deducted from the account, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(38) Margin Transaction Deposits

The outstanding amount of the sales in margin transactions (excluding expenses required for sales) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement was made.

(39) Accrued Dividend Receivable

The amounts for account receivables for dividends pertaining to stocks, dividends from beneficiary certificates, and dividends from investment securities that belong to the Trust Property shall be recorded.

(40) Accrued Interest

Interest income pertaining to deposits, money trusts, call loans, discounted bills, other financial instruments, national government bonds, municipal bonds, special bonds, corporate bonds (including investment corporation bonds) and other securities, as well as receivable swap interest rates in swap transactions and the amount for account receivable of repurchase transactions shall be recorded.

(41) Advance Payments

The amount paid in advance by way of customers' margin provided, etc., shall be recorded.

(42) Prepaid Expenses

The equivalent amount of accrued interests at the time of acquisition for interest-bearing bonds, etc. that have come to belong to the Trust Property shall be recorded.

(43) Other Accrued Revenue

The amount for accounts receivable of share-lending commission generated from securities lent and miscellaneous income and revenue generated from the Trust Property shall be recorded.

(44) Guarantee Deposits

The amount of cash or substitute securities, etc. provided to Type I Financial Instruments Business Operators (meaning a financial instruments business operators stipulated in Article 28, Paragraph 1 of FIEA; hereinafter referred to as "Type I Financial Instruments Business Operators."), etc. as guarantee deposits pertaining to margin transactions, when-issued transactions, or swap transactions, etc. by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the guarantee deposits were provided.

(45) Customers' Margin Provided

The amount of cash or substitute securities, etc. provided to Type I Financial Instruments Business Operators, etc. as customers' margin pertaining to futures transactions or option transactions by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the customers' margins were provided.

(46) Securities Received as Customers' Deposits for Cash Collateral Received

The amount of securities, etc., received from Type I Financial Instruments Business Operators, etc. as securities received as customers' deposits for cash collateral received pertaining to lending of securities that belong to the Trust Property or swap transactions, etc. shall be recorded. The time to record the amount thereof shall be the date on which the cash collateral was received.

In addition, securities received as customers' deposits for cash collateral received shall not be evaluated.

(47) Foreign Investment Accounts

The acquisition value of assets in foreign currency acquired with the listed currency of the base value of the Trust Property shall be recorded (including the exchange fee). The time to record the amount thereof shall be the date of delivery for such assets.

(48) Acquired Beneficiary Securities

When the Trust Property purchases beneficiary certificates based on the provisions of Article 30-2 of the Investment Trust Act prior to the enforcement of FIEA or when the Trust Property purchase beneficiary certificates based on Article 18 of the Investment Trust Act after the enforcement of FIEA, the purchase value of the beneficiary certificates shall be recorded.

### Article 3 Liabilities Section

The account titles specified in the By-laws stipulated in Article 7, Paragraph 2 of the Rules shall be the titles specified in the following items, and the amount specified for each item shall be recorded at the time specified in each item.

(1) Sales Securities for Margin Trading

The sales value for margin transactions by the Trust Property (excluding sales costs) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement for such a margin transaction was made.

In preparing the Balance Sheet, the appraised value of such sales securities for margin trading shall be recorded.

(2) Sales of Securities Borrowed

The offer price for short-sold securities (excluding sales costs) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement was made.

In preparing the Balance Sheet, the appraised value of such sales of securities borrowed shall be recorded.

(3) Bonds Sold

The offer price for TBA transactions (meaning transactions in which the deliverable issue of the pass-through securities is not specified, but only a coupon is specified) by the Trust Property (excluding

sales costs) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement was made.

In preparing the Balance Sheet, the appraised value of such bonds sold shall be recorded.

(4) Call Option (Sales)

The offer price for call options pertaining to option transactions by the Trust Property (excluding sales costs) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement for such options was made.

In preparing the Balance Sheet, the appraised value of such call options shall be recorded.

In addition, the sales value shall be recorded for the account for the sales of call options in transactions with options, and the time for recording and preparation of the Balance Sheet shall be handled according to the rules for call options (sales).

(5) Put Options (Sales)

The offer price for put options pertaining to option transactions by the Trust Property (excluding sales costs) shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement for such options was made.

In preparing the Balance Sheet, the appraised value of such put options shall be recorded.

In addition, the sales value shall be recorded for the account for the sales of put options in transactions with options, and the time for recording and preparation of the Balance Sheet shall be handled according to the rules for put options (sales).

(6) Corresponding Account of Notional Principal Receivable Assets

The outstanding amount of notional principal that serves as the basis for the receivable swap interest rate pertaining to swap transactions and the outstanding amount of notional principal that serves as the basis for purchasing in forward rate transactions, forward currency transactions, and non-deliverable forward transactions by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the respective transaction agreements were made.

At the end of the fiscal year, such accounts shall be deducted from the corresponding account of notional principal receivable asset account, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(7) Notional Principal Payable Liability

The amount of notional principal that serves as the basis for the payable swap interest rate pertaining to swap transactions and the amount of notional principal that serves as the basis for selling in forward rate transactions, forward currency transactions, and non-deliverable forward transactions by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the respective transaction agreements were made.

At the end of the fiscal year, such accounts shall be deducted from corresponding account of notional principal payable liability, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(8) Securities of Loan Trade

The outstanding amount of loans on securities held by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the loan came into effect.

At the end of the fiscal year, this shall be offset against the securities lent account.

(9) Securities Borrowed

The amount for borrowed securities shall be recorded. The time to record the amount thereof shall be the date on which the borrowing came into effect.

At the end of the fiscal year, this shall be offset against the borrowing trade securities account.

(10) Loans

The advances paid made for the Trust Property by a trustee company and the amount borrowed by the Trust Property based on the provisions of the investment trust contract (hereinafter referred to as “the Contract”) shall be recorded.

(11) Advances Received

The amount received in advance for short selling of bonds, etc. shall be recorded.

(12) Deferred Revenue

The amount received in advance as a deferral fee for accrued interest generated in ex-interest bond purchases, etc., shall be recorded.

(13) Accounts Payable

The amount for the following accounts payables, etc. pertaining to securities, etc. belonging to the Trust Property shall be recorded: The time to record the amount thereof shall be the date on which the transaction agreement was made.

(a) The acquisition value of securities, etc. (including expenses required for acquisition)

(b) The purchase value of call options or put options (including purchase costs)

(c) The amount of loss arising from resale or repurchase, etc. pertaining to futures transactions and option transactions

(d) The amount of loss generated when such transactions are complete due to premature settlement involving swap transactions

(e) The amount of loss (basically) generated when the transactions pertaining to forward rate transactions, forward currency transactions, and non-deliverable forward transactions are settled

(14) Selling Exchange

The outstanding amount (including exchange fees, etc.) when a sales reservation of Foreign Currency is made shall be recorded. The time to record the amount thereof shall be the date of making such reservation.

(15) Foreign Exchange Accounts Payable

The amount for account payable for when a purchase reservation for foreign currency is made shall be recorded. The time to record the amount thereof shall be the date of making such reservation.

(16) Futures Transactions Accounts Payable

The purchase value for transactions traded as futures by the Trust Property (including purchase costs) shall be recorded. The time to record the amount thereof shall be the date on which the purchase

agreement for such a transaction was made. If a commission, etc. is paid at a time other than when the transaction is complete, the amount of such payment shall be added.

At the end of the fiscal year, such accounts shall be deducted from the futures purchase account, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(17) Unpaid Share Subscription

The amount for account payable for subscription of new shares that have come to belong to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which ex-rights for the old stocks were purchased or sold.

(18) Unpaid Dividends

The amount for account payable for the earnings dividends of the Trust Property to the consignor shall be recorded.

(19) Redemption Payable

The amount for account payable for the amount to be paid to the consignor from the Trust Property upon the consignor's partial cancellation shall be recorded (excluding remuneration for the consignor and the trustee). The time to record the amount thereof shall be the day the principal reduction is processed in accounting by executing partial cancellation.

(20) Unpaid Trustee Fees

Based on the terms and conditions of the Contract, the amount for account payable for trust fees to be paid from the Trust Property to the trustee shall be recorded.

(21) Unpaid Consignor Fees

Based on the terms and conditions of the Contract, the amount for account payable for trust fees to be paid from the Trust Property to the consignor shall be recorded.

(22) Accrued Interest Expenses

The amount for account payables of interest expenses to be paid on loans, collateral received and the amount of swap interest payable on swap transactions shall be recorded.

(23) Futures Sales Account

The sales value (deducting the expenses required for sales) of the transaction subject to the futures transaction shall be recorded. The time to record the amount thereof shall be the date on which the sales agreement for such a transaction was made.

At the end of the fiscal year, such accounts shall be deducted from the accounts receivable of futures transactions, and if the difference is a positive number, the difference is transferred to the accounts receivable, and if the difference is negative, the difference is transferred to the accounts payable.

(24) Derivative Evaluation Account

In preparing the Balance Sheet, valuation losses on futures transactions, etc. (excluding option transactions) and valuation losses on foreign exchange shall be recorded in the relevant account in the liabilities section.

(25) Repurchase Transaction Account

The settlement amount for bonds, etc., sold through conditional sales shall be recorded.

(26) Securities Received as Customers' Deposits for Guarantee Deposits

The amount of securities, etc. deposited to Type I Financial Instruments Business Operators, etc. as securities in lieu of guarantee deposits pertaining to margin transactions, when-issued transactions, swap transactions, etc., by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the guarantee deposits were provided.

(27) Securities Received as Customers' Deposits for Customers' Margin

The amount of securities, etc. deposited to Type I Financial Instruments Business Operators, etc. as securities in lieu of customers' margin pertaining to futures or option transactions, etc. by the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the customers' margins were provided.

(28) Collateral Received

The amount of cash or substitute securities, etc. received from Type I Financial Instruments Business Operators, etc. as a security deposit for loans of securities and swap transactions, etc. by the Trust Property shall be recorded. The time to record the amount thereof amount shall be the date of receipt of the security money.

(29) Other Accrued Expenses

The amount for account payables for miscellaneous expenses and miscellaneous losses incurred in the Trust Property shall be recorded.

#### Article 4 Net Asset Section

The account titles specified in the By-laws stipulated in Article 10, Paragraph 2 of the Rules shall be the titles specified in the following items, and the amount specified shall be recorded at the time specified in each item:

(1) Principal

The principal amount of the Trust Property shall be recorded. The time to record the amount thereof shall be the day the trust is established or the day the additional principal is established.

In addition, the day on which the reduction in principal is processed in accordance with the execution of a partial cancellation of the consignor shall be the day following the partial cancellation application.

(For bond investment trusts that are set by interest on custody government bonds, etc., the date of application for partial cancellation.)

(2) Foreign Currency Fund

The amount of assets denominated in foreign currencies (excluding those to be exchanged for the principal amount at the beginning of currency swap transactions and to be exchanged again at the end of currency swap transactions) acquired in the currency in which the base value of the Trust Property is indicated shall be recorded. The time to record the amount thereof shall be the date of delivery for such assets.

(3) Reserve for Stock Price Fluctuations

Based on the terms and conditions of the Contract, the accumulated reserve for stock price fluctuations shall be recorded.

(4) Reserve for Value Fluctuations

Based on the terms and conditions of the Contract, the accumulated reserve for value fluctuations shall be recorded.

(5) Reserve for Dividends

The amount of reserve for dividends which has been set aside based on the provisions of Article 55 of the Rules concerning Valuation and Accounting of Investment Trust Property (hereinafter referred to as the "Accounting Rules") shall be recorded.

(6) Profit Carried Forward

The amount of profit carried forward calculated based on the provisions of Article 56, Article 58 or Article 63 of the Accounting Rules shall be recorded.

(7) Deficit Carried Forward

The amount of deficit carried forward calculated based on the provisions of Article 55, Article 56, Article 58 or Article 63 of the Accounting Rules shall be recorded.

(8) Retained Earnings

The Balance Sheet shall be prepared by deducting the total amount of liabilities and the amount of principal from the total amount of assets

## Article 5 Expenses

The account titles for expenses specified in the By-laws stipulated in Article 15, Paragraph 2 of the Rules shall be the titles specified in the following items, and the amount specified in each item shall be recorded at the time specified in each item.

(1) Subscription Fees

The amount paid from the Trust Property as a subscription fee at the initial establishment of the trust based on the terms and conditions of the Contract, shall be recorded.

(2) Losses on Trading of Securities

For securities, etc., of the Trust Property, if any of the following applies, the amount shall be recorded at the time specified in each item.

(a) When securities, etc. held by the Trust Property are sold, the amount of loss shall be recorded as the difference between the book value and the sale value of such sold securities, etc. (less commissions for sales and transaction taxes on securities, etc., and excluding accrued interest and prepaid accrued interest on interest-bearing bonds and accrued interest on discount bonds for the period from the time of acquisition thereof to the time of the sale thereof (The sale consignment fee and securities, etc. transaction tax are deducted, and accrued interest and prepaid accrued interest on interest-bearing bonds and accrued interest corresponding to the period from the acquisition (For those that have been re-evaluated with new valuation after acquisition, the most recent valuation. The same shall apply hereinafter in this item and Item 1 of the next article.) to the sale of discount bonds are not included in the sale value.) The time to record the amount thereof shall be the date on which the sales agreement was made.

(b) In cases where securities, etc. held by the Trust Property have been redeemed, the amount of loss shall be recorded as the difference between the book value of such securities, etc., and the redemption

value (accrued interest for the period from the acquisition of the discount bonds to the redemption is not included in the redemption value.) The time to record the amount thereof shall be the redemption date.

(c) In the event of losses arising from revaluation of securities, etc., held by the Trust Property of an additional investment trust in accordance with the provisions of Article 55, Paragraph 1, Item 1, Article 56, Paragraph 1, Item 1 or Article 58, Item 1 of the Accounting Rules, the amount equivalent to losses on valuation of such securities, etc., and the amount included in the valuation loss adjustment account (excluding amounts included in losses on valuation of futures transactions, etc.) shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(d) In the event that the securities, etc. held by the Trust Property of the mother fund are revalued in accordance with the provisions of Article 62 of the Accounting Rules and a loss is incurred, an amount equivalent to losses arising from revaluation of such securities, etc., shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(3) Losses on Futures Transactions, etc.

For futures transactions or option transactions, etc. by the Trust Property, if any of the following applies, the amount shall be recorded at the time specified in each item.

(a) In the case where a resale or a repurchase or a sell-back of a subject of transaction has been carried out (hereinafter referred to as the "Reverse Transaction") the difference between the book value and the value of the subject of such Reverse Transactions (by adding or subtracting the cost required for such transactions) which is the amount of loss to the Trust Property shall be recorded. The time to record the amount thereof shall be the date on which the Reverse Transaction agreement was made.

(b) If delivery is made with contracts for difference in futures transactions, the difference between the book value of the subject of such transactions and the settlement value thereof which is the amount of loss to the Trust Property shall be recorded. The accounting period for recording such amount shall be the date of delivery settlement.

The amount and the accounting period for such amounts in the case of settlement in kind of futures transactions pertaining to standard items (including "standard items" in commodity futures transactions) deemed to be government bonds or foreign government bonds shall be the same as in the case of contracts for difference.

(c) If delivery is made through settlement in kind in futures transactions, the difference between the futures purchase account and the accounts payable for futures transactions and the difference between the futures sales account and the accounts receivable for futures transactions which are the amount of loss to the Trust Property shall be recorded. The time to record the amount thereof shall be the next business day after delivery settlement.

(d) In the event of exercise, waiver or non-exercise of any rights in relation to option transactions, the amount equivalent to the loss for Trust Property shall be recorded as the book value of said option which is equivalent to the amount corresponding to such exercise, waiver or non-exercise of such

rights. The time to record the amount thereof shall be the date of exercise, waiver or non-exercise of such rights.

(e) In the event of any loss arising from revaluation of the transactions subject to futures transactions or option transactions, etc., the amount equivalent to such valuation loss and the amount included in the valuation loss adjustment account as a valuation loss for futures transactions, etc., shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(f) At the time of premature settlement or termination of the contract pertaining to the swap transaction, the difference between the book value of the subject of such transaction and the settlement value which is the amount of loss to the Trust Property shall be recorded. The time to record the amount thereof shall be the date the contract for premature settlement is established or the date of termination of the contract.

(g) In the event that losses arise from revaluation of the Trust Property of an open investment trust in swap transactions, forward rate transactions, forward currency transactions and non-deliverable forward transactions based on the provisions of Article 55, Paragraph 1, Item 1, Article 56, Item 1 or Article 58, Paragraph 1, Items 2 and 3 of the Accounting Rules, the amount equivalent to the valuation loss of said swap transaction, forward rate transaction, forward currency transaction and non-deliverable forward transaction and the amount recorded in the valuation loss adjustment account shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

#### (4) Interest Expenses

Interest expense on loans and collateral received, and swap interest expense on swap transactions shall be recorded daily. In addition, the settlement amount to be paid for forward rate transactions and forward currency transactions shall be recorded on the fixed date.

In preparing the profit and loss and retained earnings statement as defined in the Rules for Investment Trust Financial Statements (hereinafter referred to as the "Profit and Loss Statement"), the amount calculated by adding the cumulative amount of interest expense withdrawn at the time of the cancellation during the accounting period to the balance at the end of the period recorded as interest expense in the Trust Property shall be recorded.

#### (5) Trustee Fees

Based on the terms and conditions of the Contract, the trust fees to be paid from the Trust Property to the trustee shall be recorded daily. However, among unit type investment trusts, those for which the contract stipulates when to record such amount shall be recorded on the day specified.

#### (6) Consignor Fees

The trust fees to be paid from the Trust Property to the consignor based on the terms and conditions of the Contract, shall be recorded daily. However, among unit type investment trusts, those for which the Contract stipulates the time to record such amount shall be recorded on the day specified.

#### (7) Losses on Early Cancellation

The difference between the initial issue value and cancellation value of beneficiary certificates subject

to partial cancellation shall be recorded as income paid from the Trust Property to the consignor upon execution of partial cancellation by consignor. However, for open investment trust for the purpose of investment in public and corporate bonds, the amount calculated based on the provisions of Article 59, Paragraph 2 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal amount is to be decreased in accounting processes in accordance with the execution of partial early cancellation.

(8) Additional Trust Losses

The amount to be treated as a loss of Trust Property in connection with the additional trust of the principal, and the difference between the amount of the additional trust and such principal amount shall be recorded. The time to record the amount thereof shall be the date on which such principal is additionally entrusted.

(9) Other Foreign Currency Expenses

The amount of miscellaneous expenses and miscellaneous losses incurred with respect to foreign currency-denominated assets held by the Trust Property shall be recorded.

(10) Other Expenses

The amount of miscellaneous expenses and miscellaneous losses incurred concerning the Trust Property shall be recorded.

(11) Dividends

The amount of dividends of the Trust Property shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(12) Amount of Reserve for Stock Price Fluctuations

The amount of reserve for stock price fluctuations calculated based on the terms and conditions of the Contract shall be recorded. The time for recording such amount shall be the date stipulated in the Contract.

(13) Amount of Reserve for Value Fluctuations

The amount of reserve for value fluctuations calculated based on the terms and conditions of the Contract shall be recorded. The time for recording such amount shall be the date stipulated in the Contract.

(14) Amount of Reserve for Dividends

The amount of reserve for dividends for the current accounting period calculated based on the provisions of Article 55, Paragraph 1, Items 4 and 5, and Article 56, Item 4 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(15) Revenue Adjustment (amount equivalent to loss on trading of securities)

The amount of loss equivalent to the loss on trading of securities out of the revenue adjustment calculated based on the provisions of Article 57 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal is additionally entrusted.

(16) Revenue Adjustment (other revenue adjustment)

The amount of loss of any other revenue adjustment out of the revenue adjustment calculated based on

the provisions of Article 57 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal is additionally entrusted.

(17) Valuation Loss Adjustment Account

The amount of the valuation loss adjustment account calculated based on the provisions of Article 57 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal amount is to be decreased in accounting processes in accordance with the execution of partial early cancellation.

(18) Compensation Amount of Deficit Carried Forward

The amount to be compensated for the deficit carried forward shall be recorded based on the provisions of Article 55, Paragraph 1, Items 4 to 6 of the Accounting Rules. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(19) Current Deficit

The amount of current deficit calculated based on the provisions of Articles 56, 58 and 63 of the Accounting Rules shall be recorded.

## Article 6 Profit

The account titles for revenues specified in the By-laws stipulated in Article 15, Paragraph 2 of the Rules shall be the titles specified in the following items, and the amount specified in each item shall be recorded at the time specified in each item.

(1) Gain on Securities Transactions

For securities, etc., of the Trust Property, if any of the following applies, the amount shall be recorded at the time specified in each item.

(a) When securities, etc. held by the Trust Property are sold, the amount of profit shall be recorded as the difference between the book value and the sale value of such sold securities, etc., (excluding brokerage commissions for sales and transaction taxes on securities, etc., and excluding accrued interest and prepaid accrued interest on interest-bearing bonds and accrued interest on the period from the time of acquisition to the sale of discount bonds) shall be recorded as the amount for profit.

The time to record the amount thereof shall be the date on which the sales agreement was made.

(b) in cases where securities, etc., held by the Trust Property have been redeemed, the difference between the book value of such securities, etc., and the redemption value (accrued interest receivable for the period from the time of acquisition of the discount bonds to the time of sale shall not be included in such redemption value) shall be recorded as the amount of profit for the Trust Property.

The time to record the amount thereof shall be the redemption date.

(c) When securities, etc., held by the Trust Property of an open investment trust are revalued based on the provisions of Article 55, Paragraph 1, Item 1 of the Accounting Rules and profits are accrued from such revaluation, the amount equivalent to the valuation gain on such securities, etc. and the amount included in the valuation gain adjustment account (excluding the amount included in the valuation gain on futures transactions, etc.) shall be recorded. The time to record the amount thereof

shall be the last day of the accounting period as stipulated in the Contract.

(d) In the event that the securities, etc., held by the Trust Property of the mother fund are revalued based on the provisions of Article 62 of the Accounting Rules and there is profit, the amount equivalent to the valuation profit on the said securities, etc., shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(2) Gains on Futures Transactions, etc.

For futures transactions or option transactions, etc. by the Trust Property, if any of the following applies, the amount shall be recorded at the time specified in each item.

(a) In the case of Reverse Transaction of any transaction subject to futures transaction or option transaction, the amount of profit to the Trust Property shall be recorded as the difference between the book value of the subject of the transaction and the value of the Reverse Transaction. (The cost required for such transaction shall be adjusted by adding or subtracting.) The time to record the amount thereof shall be the date on which the Reverse Transaction agreement was made.

(b) If delivery is made with contracts for difference in futures transactions, the difference between the book value of the subject of such transactions and the settlement value thereof which is the amount of profit to the Trust Property shall be recorded. The accounting period for recording such amount shall be the date of delivery settlement.

(c) If delivery is made through settlement in kind in futures transactions, the difference between the futures purchase account and the accounts payable for futures transactions and the difference between the futures sales account and the accounts receivable for futures transactions which are the amount of profit to the Trust Property shall be recorded. The time to record the amount thereof shall be the next business day after delivery settlement.

(d) In the event in which rights are exercised, rights are not exercised, or obligations are terminated in relation to option transactions, the amount equivalent to the profit for Trust Property shall be recorded at the book value of such option which is equivalent to the amount corresponding to such exercise or non-exercise of such rights, or termination of such obligations. The time to record the amount thereof shall be the date of exercise of such rights, or for non-enforcement, the date of termination of such obligation.

(e) In the event that any profit arising from revaluation of the transactions subject to futures transactions or option transactions, etc., the amount equivalent to such valuation gain and the valuation gain adjustment account included as valuation profit adjustment for futures transactions, etc., shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(f) At the time of interim settlement or termination of the contract pertaining to swap transaction, the difference between the book value of the subject of such transaction and the settlement value thereof shall be recorded as the amount of profit of the Trust Property. The time to record the amount thereof shall be the date the contract for premature settlement is established or the date of termination of the contract.

(g) In the event that profits are earned through revaluation of the Trust Property of an open investment

trust in swap transactions, forward rate transactions, forward currency transactions and non-deliverable forward transactions pursuant to the provisions of Article 55, Paragraph 1, Item 1 of the Accounting Rules, the amount equivalent to the valuation gain of said swap transaction, forward rate transaction, forward currency transaction and the amount recorded in the valuation gain adjustment account shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(3) Profit and Loss on Buying and Selling of Securities, etc.

In preparing the Profit and Loss Statement, the amount obtained by adding the cumulative amount of the profit and loss on buying and selling of securities, etc., which has been withdrawn at the time of cancellation during the period to the balance at the end of the period for profit and loss on trading of securities, etc., shall be recorded. In the case of the unit type, the amount calculated by adding (subtracting) the amount obtained by subtracting the valuation profit and loss on trading of securities, etc. at the end of the previous accounting period from the valuation profit and loss on trading of securities, etc. at the end of the current accounting period shall be recorded.

(4) Profit and Loss on Derivative Transactions, etc.

In preparing the Profit and Loss Statement, the amount obtained by adding the cumulative amount of the profit and loss on derivative transactions, etc., withdrawn at the time of cancellation during the accounting period to the balance at the end of the period for the profit and loss on derivative transactions, etc., shall be recorded. In the case of a unit type, the amount obtained by adding (subtracting) the amount obtained by deducting the valuation profit and loss on derivative transactions, etc., at the end of the previous accounting period from the valuation profit and loss on derivative transactions, etc., at the end of the current period shall be recorded.

(5) Dividend Income

Dividends on profits held by the Trust Property shall be recorded. The time to record the amount thereof shall be the day on which the ex-dividend stocks are purchased or sold.

For investment trust beneficiary certificates, the amount of dividends shall be recorded. The time to record the amount thereof shall be the day on which the ex-dividend investment trusts are purchased or sold.

In preparing the Profit and Loss Statement, the amount obtained by adding the cumulative amount of dividend income withdrawn at the time of cancellation during the period to the balance of dividend income at the end of the accounting period shall be recorded.

(6) Dividend Stocks

In the case of stock dividends pertaining to shares held by the Trust Property, if the quantity of such dividends is fixed, the face value or the issue value equivalent to the total amount of dividends shall be recorded, and if the amount of dividends is not fixed, the face value or the issue value equivalent to 90% or less of the expected amount of dividends shall be recorded. The time to record the amount thereof shall be the day on which the ex-dividend stocks are purchased or sold.

In preparing the Profit and Loss Statement, the amount calculated by adding the cumulative amount of dividend stocks withdrawn at the time of cancellation during the accounting period to the balance of

dividend stocks at the end of the period shall be recorded.

(7) Interest Income

The interest received on deposits, money trusts, call loans, discount bills, and other securities, as well as the accrued interest on interest-bearing bonds (including investment corporation bonds) or discount bonds (including investment corporation bonds) after the date of ownership of the Trust Property and the receivable swap interest rates on swap transactions shall be recorded daily. In addition, the amount received for settlement amount of forward rate transactions and forward currency transactions shall be recorded on the fixed date.

In preparing the Profit and Loss Statement, the amount calculated by adding the cumulative amount of interest income withdrawn at the time of cancellation during the accounting period to the balance of interest income at the end of the period shall be recorded.

(8) Foreign Exchange Gains and Losses

In preparing the Profit and Loss Statement, the amount of other foreign currency revenues less other foreign currency expenses at the end of the period shall be recorded.

(9) Gain on Cancellation

The amount to be compensated for a part of the loss incurred in the Trust Property due to the execution of partial cancellation by the consignor shall be the difference between the initial issue value and the cancellation value of the beneficiary certificates subject to partial cancellation. However, for open investment trusts for the purpose of investing in public and corporate bonds, the amount calculated based on the provisions of Article 60, Paragraph 2 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal amount is to be decreased in accounting processes in accordance with the execution of partial early cancellation.

(10) Gain on Additional Subscriptions

The amount to be treated as the profit of the Trust Property associated with the additional trust of the principal, and the difference between the amount of the additional trust and the initial principal amount shall be recorded. The time to record the amount thereof shall be the date on which such principal is additionally entrusted.

(11) Other Foreign Currency Revenue

Miscellaneous revenue and miscellaneous income arising from assets denominated in foreign currencies held by the Trust Property shall be recorded.

(12) Other Revenue

Charges for securities lent and miscellaneous income and revenue arising from Trust Property shall be recorded.

(13) Reversal Amount of Reserve for Stock Price Fluctuations

The amount of any reversal of reserve for stock price fluctuations based on the terms and conditions of the Contract shall be recorded. The time for recording such amount shall be the day specified in the Contract or in the event of a partial cancellation, the day on which the reduction in principal is processed in accounting with the execution of such cancellation.

(14) Reversal Amount of Reserve for Value Fluctuations

The amount of reserve for value fluctuations reversed based on the terms and conditions of the Contract shall be recorded. The time for recording such amount shall be the day specified in the Contract or in the event of a partial cancellation, the day on which the reduction in principal is processed in accounting with the execution of such cancellation.

(15) Revenue Adjustment (amount equivalent to gain on securities transactions)

The amount of profit equivalent to gain on securities transactions among the revenue adjustments calculated based on provisions of Article 57 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal is additionally entrusted.

(16) Revenue Adjustment (other revenue adjustment)

The amount of profit of any other revenue adjustment out of the revenue adjustment calculated based on the provisions of Article 57 of the Accounting rules shall be recorded. The time to record the amount thereof shall be the date on which the principal is additionally entrusted.

(17) Valuation Gain Adjustment Account

The amount of the valuation gain adjustment account calculated based on provisions of Article 57 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the date on which the principal amount is to be decreased in accounting processes in accordance with the execution of partial early cancellation.

(18) Reversal Amount of Reserve for Dividends

The amount of any reversal of reserve for distribution based on the provisions of Article 55, Paragraph 1, Item 6 of the Accounting Rules shall be recorded. The time to record the amount thereof shall be the last day of the accounting period as stipulated in the Contract.

(19) Current Income

The amount of the current income calculated based on the provisions of Article 56, Article 58 and Article 63 of the Accounting Rules shall be included.

#### Article 7 Account Titles in the Profit and Loss Statement

In preparing the Profit and Loss Statement, in addition to the titles specified in Articles 5 and 6, the titles specified in the following items shall be established, and the amount specified in each item shall be recorded in the titles.

(1) Current Profit Dividends or Current Loss Dividends Due to Early Cancellation

In preparing the Profit and Loss Statement of an open investment trust, the accumulated amount of dividends distributed as profits or losses, profit and loss on buying and selling of securities, etc., and valuation profit and loss adjustment accounts arising from early cancellation during the accounting period shall be recorded.

(2) Opening Surplus or Opening Deficit

In preparing the Profit and Loss Statement, the amount recorded as the ending surplus in the previous accounting period shall be recorded.

(3) Increase or Decrease Due to Additional Trusts for the Current Period

In preparing the Profit and Loss Statement, the accumulated amount of revenue adjustments associated

with the additional trust during the period shall be recorded. For the mother fund, the accumulated amount of profit and loss on additional trust during the period shall be recorded.

(4) Increase or Decrease Due to Early Cancellation during the Current Period

In preparing the Profit and Loss Statement, the accumulated amount of revenue adjustment, reserve for dividends and loss carried forward due to early cancellation during the accounting period shall be recorded. In addition, for unit type securities investment trusts and mother fund beneficiary securities, the accumulated amount of profit and loss due to early cancellation during the accounting period shall be recorded.

Article 8 Form for Supplementary Schedules

The form of supplementary schedules provided in Article 25, Paragraph 2 of the Rules shall be the form specified in the following items with respect to the supplementary schedules specified in the items:

- (1) Schedule of Short Sale Securities: Appended Form 1
- (2) Schedule of Accounts Receivable: Appended Form 2
- (3) Unit Type Distributable Amount Statement: Appended Form 1 stipulated in Article 11 of the By-laws on the “Rules concerning Valuation and Accounting of Investment Trust Property” (hereinafter referred to as the “By-laws on Valuation, etc.”) (the name of such form shall be replaced with “Unit Type Distributable Amount Statement.”)
- (4) Additional Type Dividends Statement: Appended Form 2 stipulated in Article 12 of the By-laws on Valuation, etc.
- (5) Status of Transactions with Interested Parties, etc.: Appended Form 3

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on March 18, 2005.

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on January 20, 2006.

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 11, 2007.

Supplementary Provisions

This amendment shall come into effect from the newly recorded accrued dividend receivable from July 1, 2007.

Accrued dividends receivable already recorded on the effective date shall be applied from those renewed on and after the effective date.

[Reference]

Provisions applicable until June 30, 2007: Article 6

(5) Dividend Income

The amount of dividend on profits pertaining to shares held by Trust Property shall be recorded if the amount has been determined, or shall be recorded if not determined, in an amount equivalent to 90% of the expected dividend amount.

The time to record the amount thereof shall be the day on which the ex-dividend stocks are purchased or sold.

For investment trust beneficiary certificates, the amount of dividends shall be recorded. The time to record the amount thereof shall be the day on which the ex-dividend investment trusts are purchased or sold.

In preparing the Profit and Loss Statement, the amount obtained by adding the cumulative amount of dividend income withdrawn at the time of early cancellation during the period, to the balance of dividend income at the end of the period shall be recorded.

Supplementary Provision

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

Supplementary Provisions

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

However, any documents specified in Article 8, Item 1 prior to the amendment intended for the calculation period whose preparation commenced prior to the implementation date, the provisions then in force may remain applicable.

Supplementary Provision

This amendment shall come into effect on November 16, 2007.

#### Supplementary Provision

This amendment shall come into effect on December 21, 2007.

#### Supplementary Provision

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 Provisions

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

Provided, however, that short-term commercial and industrial bonds stipulated in Article 38 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007) shall be deemed to be short-term corporate bonds stipulated in Article 2, Item 21.

#### Supplementary Provision

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

#### Supplementary Provisions

This amendment shall come into effect on December 1, 2014.

\* The amended provisions are as follows:

Article 2, Items 12 and 48

#### Supplementary Provisions

This amendment shall come into effect on May 1, 2019.

\* Necessary arrangement in connection with the change of era name

#### Supplementary Provisions

This amendment shall come into effect on September 12, 2019.

\* Amendment of the deviation, etc. of the provisions due to partial amendment of the “Rules concerning Valuation and Accounting of Investment Trust Property” (Amended to move Article 63 to Article 56, etc.)

#### Supplementary Provisions

This amendment shall come into effect on January 1, 2021.

\* New establishment of Article 2, Item 1 (34) (g)

### Schedule of Short Sale Securities

(Unit: )

Issue	Short sale securities				Remarks
	Face value of	Book value	Valuation	Valuation	

Schedule of Accounts Receivable

(Unit: )

Description	Scheduled date of income	Issue	Quantity	Amount	Remarks
Total					

Status of Transactions with Interested Parties, etc.

From (YYYY/MM/DD)

To (YYYY/MM/DD)

Division	Transaction amount, etc.					
	Purchase amount, etc.	Of which, the amount of transactions with interested parties B	$\frac{B}{A}$	Sales amount, etc.	Of which, the amount of transactions with interested parties D	$\frac{D}{C}$
	A		A	C		C
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Stock certificates						
Stock options certificates (Warrant certificates)						
Option Certificates, etc.						
Public and corporate bonds						
Corporate bonds with stock options (Convertible bonds)						
Corporate bonds with stock options (Corporate bonds with						
Other securities						
Stock futures transactions						
Stock option transactions						
Bond futures transactions						
Bond option transactions						
Other futures transactions						
Other option transactions						
Deposits						
Negotiable certificates of deposits						
Money trusts						
Others						