

By-laws on Regulations for Complex Investment Trusts Similar to Over-the-Counter Derivatives Transactions

Established on February 17, 2011

Article 1. Purpose

These By-laws set forth the necessary matters concerning implementation of the Regulations for Complex Investment Trusts Similar to Over-the-Counter Derivatives Transactions (hereinafter referred to as the “Regulations”).

Article 2. Definition of Specific Investment Trusts

Among complex investment trusts similar to over-the-counter derivatives transactions as defined in Article 11 of the Regulations, investment trusts as defined in the By-laws shall be investment trusts to which the following definition applies (hereinafter referred to as “Specific Investment Trusts”):

Investment trusts that state in the prospectus or investment trust contracts that the target investment outcome (redemption value, revenue distribution, etc.) or trust end date will be determined by a specific index or price level (hereinafter referred to as the “Benchmark Index”) by utilizing derivatives transactions (meaning derivatives transactions as defined in Article 2, Paragraph 20 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the “FIEA”) and derivatives transactions as defined in Article 2-15 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950); the same shall apply hereinafter) (including those that utilize them directly or utilize them indirectly via structured bonds, etc. (meaning structured bonds as defined in Article 2 of the Regulations; the same shall apply hereinafter)), have the functions and mechanisms to secure the principal (or limit losses) based on certain conditions for price fluctuations of the Benchmark Index (except for those related to credit), and possess product attributes that will result in damages to the principal or special profitability for investors such as the attribute that the redemption value reflects price fluctuations of the Benchmark Index when the Benchmark Index reaches a Certain Level during a certain period of the trust period using a knock-in option or similar investment economic effect (meaning the level when rising or falling beyond a certain range, hereinafter referred to as the “Certain Level”) versus when that Certain Level is not reached.

Article 3. Presentation

The following text shall be displayed on the cover or in the header of prospectuses, sales materials, and other documents describing the contents of the investment trust (including documents provided via electromagnetic means) (hereinafter referred to as “Marketing Materials, etc.”) in order to facilitate an understanding of Specific Investment Trusts and clearly draw the attention of investors to the risk of substantial damage to the principal if the Benchmark Index reaches the Certain Level. In this case, the font size shall be no smaller than 12 points as specified in the Japanese Industrial Standard Z8305, and the text shall be surrounded by a frame.

There is a risk that the principal of this investment trust will be significantly damaged if the Benchmark Index* reaches the predetermined Certain Level. Please consider such risk carefully when applying for this investment trust.

* The Benchmark Index shall be one which matches the content of the investment trust (for example, the “Nikkei Stock Average Index”).

Article 4. Special Provisions for Disclosure of Marketing Materials, etc.

1. Marketing Materials, etc., for Specific Investment Trusts shall include the following items in the following order:

- (1) Explanations on when the Benchmark Index reaches the Certain Level shall clearly and plainly describe the fact that investment trusts that have reached the Certain Level of the Benchmark Index will lose their functions to secure, etc. the principal once that Certain Level has been reached, that they shall then have product attributes where the redemption value fluctuates in response to the value of the Benchmark Index, and also describe the details of the redemption value, etc. to be assumed corresponding to price fluctuations of the Benchmark Index.
- (2) If there are restrictions on early cancellation, they shall emphasize and explain the correlation between the level of the Benchmark Index before and after reaching the Certain Level and restrictions on early cancellation (any restrictions should be described clearly, such as “If the beneficiary attempts to redeem an investment trust immediately before or after the Benchmark Index reaches a Certain Level, the investment trust cannot be redeemed if the timing of the application for redemption falls within the closed period during which redemption cannot be made.”) in an easy-to-understand way.
- (3) When incorporating structured bonds, describe the fact that they are “structured bonds that include derivative structures” and appropriately describe the “credit risk” and “liquidity risk” of structured bonds.
- (4) Explanations on investment policies, explanations on distribution policies, and information on structured bonds or other special mechanisms (issuer, etc.) shall be included after the descriptions (1) through (3) above.

2. The matters to be included in (1) through (3) of the preceding paragraph shall be explained using characters and numerals in no smaller than 12-point font as specified in the Japanese Industrial Standard Z8305, and shall also be included with typographical emphasis or other devices to make them stand out as much as possible.

3. In preparing the Delivery Prospectus, it should be noted that (1) through (4) above shall be described as the “Purpose and Features of the Fund,” followed by another description of the “Investment Risk.”

Article 5. Special Provisions for Disclosure regarding Investment Reports

Specific Investment Trusts shall disclose the relative status of the value, start value and knock-in value, etc. of the index as of the preparation of the investment report and shall clearly and plainly indicate the fact that investment trusts that have reached the Certain Level of the Benchmark Index have lost their functions to secure, etc. the principal due to the fact that Certain Level has been reached and that they shall have product

attributes where the redemption value fluctuates in response to the value of the Benchmark Index, and also indicate the details of the redemption value, etc. to be assumed corresponding to price fluctuations of the Benchmark Index.

Article 6. Special Provisions for Timely Disclosure

With regard to Specific Investment Trusts, more thorough and timely disclosure shall be made, and disclosure materials indicating the fact that investment trusts that have reached the Certain Level of the Benchmark Index have lost their functions to secure, etc. the principal due to the fact that Certain Level has been reached and that they shall have product attributes where the redemption value fluctuates in response to the value of the Benchmark Index, and the details of the redemption value, etc. to be assumed corresponding to price fluctuations of the Benchmark Index shall be made in clear and easy-to-understand manner, disclosed on the website of the Management Company, and sent to the distributors.

Article 7. Preparation of Disclosure Materials for Unconfirmed Information, etc.

When forming Specific Investment Trusts, the coupon rate, amount of distribution, and other determinates of profit shall promptly be prepared as disclosure materials after they have been determined, and the disclosure materials shall be sent to distributors.

Article 8. Preparation of Information Disclosure Materials Using the Benchmark Index, etc.

When the Benchmark Index reaches a Certain Level when forming Specific Investment Trusts, disclosure materials shall be prepared in accordance with the provisions of Article 6 and any Marketing Materials, etc., to be used for public offerings of the investment trust shall state that the disclosure materials will be sent to distributors.

Supplementary Provision

These By-laws shall come into effect from April 1, 2011.