

Committee Resolution on Valuation and Accounting of Investment Trust Properties

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 Revised on September 10, 2020

This committee resolution provides for matters delegated to the Self-Regulation Committee with respect to the valuation and accounting of investment trusts.

Article 1 The value calculated by the calculation method established by the Self-Regulation Committee as prescribed in Article 2 of the By-laws for Rules for Valuation and Accounting of Investment Trust Properties (hereinafter referred to as the “By-laws”) shall be the value calculated by the following method:

1. Old Stocks and New Stocks when stock subscription warrants for New Stocks have expired (hereinafter referred to as “Ex-rights”)

- (1) Old Stocks

- (a) In the event of paid-in capital increase (including parallel capital increase. The same shall apply hereinafter.)

$$\frac{\text{Final price of Old Stocks (with rights)} + \text{Payment per New Stock}}{1 + \text{Allotment rate of paid-in quantity per Old Stock}} \times \left[\frac{\text{New Stock allotment rate of the paid-in quantity per Old Stock}}{\frac{1}{\text{Split rate}} - 1} \right]$$

- (Note) (i) The final market price of Old Stocks (with rights) shall be the closing price at the exchange on the last day with rights.

- (ii) When one share is divided into 1.2 shares, the split rate shall be 1/1.2 (same hereinafter).

- (b) In the event of a stock split

Final price of Old Stocks (with rights) x split rate

- (c) Allotment of shares without contribution (limited to cases where shares of the same class as such shares are allotted. The same shall apply hereinafter.)

$$\frac{\text{Final price of Old Stocks (with rights)}}{1 + \text{New Stock allotment rate}}$$

- (2) New Stocks

Old Stock (Ex-rights) Appraised Value

2. Shares when the right to demand dividends ceases (hereinafter referred to as “Ex-dividend”)

Final price with dividend - Current forecast dividend

(Note) The final market price with dividends shall be the closing price at the exchange on the last day with dividends.

3. Shares subject to simultaneous Ex-rights and Ex-dividends

- (1) Old Stocks

(a) In the event of simultaneous Ex-rights and Ex-dividends due to paid-in capital increase

$$\frac{\text{Final price of Old Stock (with rights and with dividends)} - \text{Estimated distribution for the period} + \left(\text{Payment per New Stocks} \times \frac{\text{New Stock allotment rate of paid-in quantity per Old Stock}}{\text{Split rate}} - 1 \right)}{1 + \text{Allotment rate of paid-in quantity per Old Stock}}$$

(b) In the event of simultaneous Ex-rights and Ex-dividends due to a stock split

[Final price of Old Stocks (with rights and with dividends) - forecast dividends for the period] x split rate

(c) In the event of simultaneous Ex-rights and Ex-dividends due to allotment of shares without contribution

$$\frac{\text{Final price of Old Stocks (with rights) - forecast dividends for the period}}{1 + \text{New Stock allotment rate}}$$

- (2) New Stocks

Appraised Value of Old Stocks (Ex-rights and Ex-dividends)

4. Shares went Ex-rights for subsidiary stock subscription

$$\text{Final price of parent company shares (with rights)} - \left(\text{Market value of subsidiary shares} - \text{Payment per subsidiary share} \right) \times \text{Number of subsidiary shares allocated per parent company share}$$

(Note) The final market price of parent company shares (with rights) and the market value of subsidiary shares shall be the exchange closing price for parent company shares and subsidiary shares on the last day rights are held.

5. Shares on the purchase and sale commencement date after share consolidation

- (1) When the date of purchase and sale commencement of shares after share consolidation is the same as the date of Ex-dividends

(Final price before share consolidation - estimated dividend for the period) ÷ consolidation rate

(Note) (i) The final price before share consolidation shall mean the closing price at the exchange on the business day immediately preceding the commencement date of sale and purchase of the stock certificates after share consolidation (the same shall apply hereinafter).

(ii) When 2 shares are consolidated into 1 share, the consolidation rate shall be 1/2 (same hereinafter).

- (2) When the date of commencement of purchase and sale after share consolidation differs from the date of Ex-dividends

Final price before share consolidation ÷ consolidation rate

6. New Stocks after a merger (in the event of a consolidation-type merger)

$$\left\{ \begin{array}{l} \text{Final price of} \\ \text{Old Stocks} \end{array} \pm \begin{array}{l} \text{Merger} \\ \text{Adjustment} \\ \text{for 1 Such} \\ \text{Old Stock} \end{array} \right\} \times \begin{array}{l} \text{Rate of Old} \\ \text{Stocks to 1} \\ \text{New Stock} \\ \text{after a merger} \end{array} + \left\{ \begin{array}{l} \text{Final price} \\ \text{of Old} \\ \text{Stock} \end{array} \pm \begin{array}{l} \text{Merger} \\ \text{Adjustment} \\ \text{for 1 Such} \\ \text{Old Stock} \end{array} \right\} \times \begin{array}{l} \text{Rate of Old} \\ \text{Stocks to 1 New} \\ \text{Stock after a} \\ \text{merger} \end{array} \left. \vphantom{\left\{ \right\}} \right\} + \dots$$

Number of merged companies

(Notes) 1. Figures in parentheses () shall be calculated for each merged company.

2. The merger adjustment shall be deducted in the case of delivered money through a merger and added in the case of payments.

Article 2 The method to calculate the rate specified in Article 7 of the By-laws shall be as follows:

$$N = B \div A$$

N: The cross rate on the calculation date of the constant value displaying currency (hereinafter referred to as “the currency”).

(Round off to four decimal places.)

A: The midpoint price of customer rates on the date of calculation of the currency

B: The midpoint price of customer rates on the calculation date for currencies other than the currency
However, when the currency is Japanese currency, such formula shall not be used, and the midpoint price of customer rates on the calculation date shall be used.

Article 3 The method of calculating the rate specified in Article 8, Paragraph 1 of the By-laws shall be as

follows:

$$N = B \div A$$

N: Cross rate at the reserved delivery date for the calculation date.

A: The midpoint price of futures rates for customers on the reserved delivery date of the currency

B: The midpoint price of futures rates for customers on the date of reserved delivery of currencies other than the currency

Variables A and B above use the midpoint price published on the same fixed date of the month that the midpoint price of futures rates for customers is published.

However, when the currency is Japanese currency, such calculation formula shall not be used and the midpoint price of futures rates for customers on the date of delivery shall be used.

Moreover, N shall be rounded off to the **nearest four decimal places** (hereinafter the same shall apply in Article 4 below).

Article 4 The calculation method of the value specified in Article 8, Paragraph 2 of the By-laws shall be as follows:

$$N = A + \left\{ (B - A) \times \frac{n - a}{b - a} \right\}$$

N: Valuation rate on the valuation date of the Reserve Exchanges for such date

A: Cross rate for the date closest to but not after such date

B: Cross rate for the date closest to and after such date

n: Number of days from the calculation date to such date

a: Number of days from the calculation date to the date announced that is closest to but not after such date

b: Number of days from the calculation date to the date announced that is closest to and after such date

Provided, however, that when the currency is Japanese currency, variables A and B in the above formula shall be as follows:

A: The midpoint price of futures rates for customers on the day that is closest to but not after such date

B: The midpoint price of futures rates for customers on the day that is closest to and after such date

Furthermore, (B - A) **shall be rounded off to the nearest four decimal places**.

Article 5 The accounting of the matters provided in each item of Article 9 of the By-laws shall be conducted as stipulated below:

1. Accounting when converting convertible corporate bonds into shares

(a) Timing of accounting

In principle, accounting shall be done on the day the settlor company of an investment trust (meaning a settlor company of an investment trust as defined in Article 2, Paragraph 11 of the Act on Investment

Trusts and Investment Corporations (Act No. 198, 2000) and hereinafter referred to as the “Management Company”) gives instructions to the trustee company to convert shares.

(b) Accounting Processes

- (i) The book value of the convertible corporate bonds for share conversion and the certificates for corporate bonds with share option (including the certificates for corporate bonds with share option set forth in Article 341-3, Paragraph 1, Items 7 and 8 of the Old Commercial Code prior to the enforcement of the Companies Act) (hereinafter referred to as “Convertible Corporate Bonds, etc.”), which are the property set forth in Article 236, Paragraph 1, Item 3 of the Companies Act for corporate bonds with share option and for which it is specified in advance that such corporate bonds and share options may not exist independently, shall be transferred to the book value of the shares.

Moreover, if there is any balance of prepaid expenses related to such conversion, such balance of prepaid expenses shall also be transferred to the book value of the shares.

- (ii) The amount of corporate bonds to be redeemed in cash which cannot be converted into shares at the time of conversion shall be deducted from the book value of the shares obtained in (i) above and included in the accounts receivable.

The amount recorded in the accounts receivable shall be transferred to the call loan account or money trust account on the date such amount is received.

- (iii) Any uncollected amount of interest on such Convertible Corporate Bonds, etc. recorded during the period up to the date of conversion into shares shall be cancelled on the date of conversion into shares.

[Journal of Share Conversion Instruction Date]

Stock certificates	11,159,955	Corporate bonds	11,000,000
* Accounts receivable	45	(Prepaid expenses	160,000)
(Accrued interest income	-100,000)	(Interest income	-100,000)
(Number of shares:	42,553)		

- To be recorded on the date of instruction requesting conversion.

* is the amount of corporate bonds to be redeemed in cash.

- Interest income and accrued interest income shall be cancelled.

- No entry in () will be made if the conversion effect does not occur by the interest payment date of the Convertible Corporate Bonds, etc.

2. Accounting for stock subscription warrants for New Stocks acquired by a tender for rights and unclaimed stocks

(1) Treatment of stock subscription warrants for New Shares

(a) Timing of accounting

Shall be on the date of tender.

(b) Amounts, etc. to be recorded as book value

The book value shall be treated as ordinary New Stocks, the amount of which shall be the successful tender price (for premiums) plus commissions and payments, and shall not be accounted for as stock subscription warrants for New Stocks.

Moreover, payment for New Stocks shall be recorded in payment for outstanding Stocks.

(c) Fees

Said commission shall be the established commission on the successful tender price.

(2) Treatment of forfeiture of New Stocks

(a) Timing of forfeiture

Shall take place on the last day of application for such New Stocks.

(b) Accounting Processes

The unpaid amount of the payment for such New Stocks shall be cancelled and the difference between the book value of such New Stocks and the unpaid amount of the payment shall be transferred to the book value of the parent shares, and if there are no parent shares, the difference shall be treated as a loss on securities transactions.

3. Accounting for Sales Securities for Margin Trading

Category		Calculations	Account Journal	
1. Sell Contract	(1) Contract price	Number of new listed shares x new unit price listed	Contract Date	
	(2) Net price	Contract price - listing fee - listing consumption tax - listing transaction tax	Margin Transaction Deposit: ××× (Net Price)	Sales Securities for Margin Trading: ××× (Net Price)
	(3) Sales securities for margin trading Margin Transaction Deposit	Net price		
	(4) Guarantee deposits	Cash portion + substitute securities portion	Guarantee Deposits: ×××	Call Loans: ××× (or money trusts) Guarantee Deposits Substitute Securities:×××
	(5) Guarantee deposits Substitute Securities	Substitute securities portion		
2. Repurchases	(1) Contract price	Number of shares repurchased x unit repurchase price	Contract Date	
	(2) Deducted fees, etc. (outgoing) <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 2px; display: inline-block;"> Fees Consumption tax Transaction tax </div>	(i) Full repurchase Full balance of sell contract fees, etc. (ii) Partial repurchase (*1) Balance of sell contract fees, etc. x $\frac{\text{Number of shares repurchased}}{\text{Number of outstanding sell contract shares}}$ (Fees, consumption tax, and transaction tax shall be calculated separately.)	Sales Securities for Margin Trading: ××× Accounts Receivable: ××× (Settlement Amount Receivable) Loss on Securities Transactions: ××× (Loss on Settlement)	Margin Transaction Deposit: ××× Gain on Securities Transactions: ××× (Gains on Settlement) Accounts Payable (Settlement Amount Payable)
	(3) Fees, etc. (incoming)	Fees, etc. upon repurchase	Delivery Date	
	(4) Right treatment unit price	5. Items corresponding to the Modification of rights (1) Right treatment unit price	Call Loans: ××× (Settlement Amount Receivable) Accounts Payable: ××× (Settlement Amount Payable) Other Expenses: ×××	Accounts Receivable: ××× (Settlement Amount Receivable) Call Loans: ××× (Settlement Amount Payable) Call Loans: ××× (Daily interest management fees, etc.)
	(5) Settlement amount	Number of shares repurchased x {(sell contract unit price - right treatment unit price) - unit repurchasing price} - fees, etc. (Fees, consumption tax, and transaction tax are for sell contracts (outgoing) and repurchasing (incoming)) Difference > 0.....Settlement amount receivable Difference < 0.....Settlement amount payable	Note 1: (Daily interest management fees, etc.) Call Loans: ××× (Daily interest management fees, etc.)	Other Revenue: ××× Note 2: (Daily interest management fees, etc.)
	(6) Deducted margin transaction deposit	(i) Full repurchase Balance of margin transaction deposit (ii) Partial repurchase $\frac{\text{Number of shares repurchased}}{\text{Number of outstanding sell contract shares}}$ - deducted fees, etc. (Individually calculated in (*1))	Collateral Withdrawal Date	
	(7) Deducted sales securities for margin trading	(i) If before revaluation, an amount equivalent to the deducted margin transaction deposit (ii) Partial repurchase after revaluation $\frac{\text{Number of shares repurchased}}{\text{Number of outstanding sell contract shares}}$ Balance of sales securities for margin trading x	Call Loans: ××× (or money trusts) Guarantee Deposits Substitute Securities: ×××	Guarantee Deposits: ×××
	(8) Settlement loss or gain	Deducted sales securities for margin trading - deducted margin transaction deposit +/- settlement amount receivable and payable Difference > 0.....Gains on securities transactions Difference < 0.....Loss on securities transactions		

Category		Calculations	Account Journal	
	(9) Daily interest management fees, etc. (Other Proceeds) (Other Expenses)	Received daily interest (interest rate) - negative daily interest payable (premiums) - administration costs Note 1: This shall be the total amount of the negative daily interest payable and margin transaction administration costs. Note 2: This shall be the amount of the received daily interest. Note 3: The amounts in both Note 1 and Note 2 shall be offset. Difference > 0.....Other Revenue Difference < 0.....Other Expenses		
	(10) Guarantee deposits	Cash portion + substitute securities portion		
	(11) Guarantee deposits Substitute Securities	Substitute securities portion		
3. Actual Delivery	(1) Deducted fees, etc. (Outgoing)	Full amount of fees, consumption tax, and transaction tax	Contract Date	
	(2) Right treatment unit	5. Items corresponding to the Modification of rights (1) Right treatment unit price	Sales Securities for Margin Trading: xxx	Margin transaction deposit: xxx
	(3) Settlement amount receivable	Number of shares actually delivered x (sell contract unit price - right treatment unit price) - deducted fees, etc. Difference.....Settlement amount receivable	Loss on Securities Transactions: xxx (Loss due to revaluation)	Gain on Securities Transactions: xxx (Gain due to revaluation)
	(4) Deducted margin transaction deposit	Full amount of balance of margin transaction deposit	Accounts Receivable: xxx (Settlement Amount Receivable)	Share certificates: xxx (Book value in kind)
	(5) Deducted sales securities for margin trading	Full balance of sales securities for margin trading	Loss on Securities Transactions: xxx (Loss in kind)	Gain on Securities Transactions: xxx (Gains in kind)
	(6) Book value of deducted stock certificates	(i) Number of shares actually delivered = number of shares in kind Full balance of book value of stock certificates (ii) Number of shares actually delivered < number of shares in kind Number of shares actually delivered x book value unit price of stock certificates	Delivery Date	
	(7) Settlement loss or gain	Deducted sales securities for margin trading - deducted margin transaction deposit (loss or gain due to revaluation) Difference > 0.....Gains on securities transactions Difference < 0.....Loss on securities transactions Settlement amount receivable - book value of deducted stock certificates (loss or gain in kind) Difference > 0.....Gains on securities transactions Difference < 0.....Loss on securities transactions	Call Loans:xxx (Settlement Amount Receivable) Other Expenses: xxx Note 1: (Daily interest management fees, etc.) Call Loans: xxx (Daily interest management fees, etc.)	Accounts Receivable: xxx (Settlement Amount Receivable) Call Loans: xxx (Daily interest management fees, etc.) Other Revenue: xxx Note 2: (Daily interest management fees, etc.)
	(8) Daily interest management fees (Other Revenue) (Other Expenses)	Received daily interest (interest rate) - negative daily interest payable (premiums) - administration costs Note 1: This shall be the total amount of the negative daily interest payable and margin transaction administration costs. Note 2: This shall be the amount of the received daily interest. Note 3: The amounts in both Note 1 and Note 2 shall be offset. Difference > 0.....Other Revenue Difference < 0.....Other Expenses	Collateral Withdrawal Date	
	(9) Guarantee deposits	Cash portion + substitute securities portion	Call Loans:xxx (or money trusts) Guarantee Deposits Substitute Securities: xxx	Guarantee Deposits: xxx
	(10) Guarantee deposits Substitute Securities	Substitute securities portion		

Category		Calculations	Account Journal
4. Ex-dividend	(1) Ex-dividend adjustment amount	Estimated dividend unit price x number of outstanding sell contract shares x (1 - withholding tax rate)	Ex-dividend Date
	(2) Ex-dividend adjustment amount payable	Ex-dividend adjustment amount - ex-dividend adjustment amount payable Difference > 0.....Other Revenue Difference < 0.....Other Expenses	Other Expenses: ××× (Amount of Ex-dividend adjustment) Payment Date of Amount of Ex-dividend Adjustment Other Accrued Expenses: ××× (Amount of Ex-dividend adjustment)
	(3) Guaranteed dividend adjustment amount	Ex-dividend adjustment amount payable - guaranteed dividend amount Difference > 0.....Other Revenue Difference < 0.....Other Expenses	Other Accrued Expenses: ××× (Amount of Ex-dividend adjustment) Other Expenses: ××× (Difference) Date of Recording of Guaranteed dividend adjustment amount Call Loans: ××× (or money trusts) (Ex-dividend adjustment amount to be paid) Other Revenue: ××× (Difference) Call Loans: ××× (or money trusts) (Guaranteed dividend adjustment amount) Other Revenue: ××× (Guaranteed dividend adjustment amount)
5. Modification of Rights	Method by market quotation revision	(1) Right treatment unit price	Unit price for market quotation revision announced by the exchange on the date of ex-rights
		(2) Right modification fee	Number of outstanding sell contract shares x right treatment unit price
	Method by revision on number of shares/share price	If New Stocks are allotted in integer multiples, they shall be treated in the manner prescribed by the exchange, and the above treatment shall not apply.	
6. Valuation		Sales securities for margin trading - (outstanding number of sell contract shares x evaluated unit price) Difference > 0.....Gain on valuation of securities Difference < 0.....Loss on valuation of securities	Loss or Gain on Valuation of Securities: ×××
7. Revaluation		The open funds will be reevaluated at the fiscal year end. Gain on valuation of securities.....Gain on securities transactions Loss on valuation of securities.....Loss on securities transactions	Date of Settlement of Accounts Loss on Securities Transactions: ××× Sales Securities for Margin Trading: ××× Sales Securities for Margin Trading: ××× Gain on Securities Transactions: ×××

4. Accounting for Short Selling of Bond Certificates (Excluding Those with Interest)

I. Actual Delivery by Purchase in Kind

Transaction	Account Journal		Description															
1. Short Sale Contract Date	August 11		Short selling of interest-bearing government bonds Contract date: August 11 Delivery date: August 24 Contract face value: 100 million yen Interest: 3.9% Interest payment date: June 21 and December 21, twice a year Contract unit price: 93.55 yen Contract price: 93,550,000 yen Transaction tax: 28,065 yen Accrued interest: 683,835 yen Delivery price: 94,205,770 yen															
2. Contract Date for Purchase in Kind	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; border-top: 1px solid black;">Accounts Receivable</td> <td style="width: 50%; border-top: 1px solid black;">Sales of Securities Borrowed</td> </tr> <tr> <td style="text-align: right;">93,521,935</td> <td style="text-align: right;">93,521,935</td> </tr> </table>	Accounts Receivable		Sales of Securities Borrowed	93,521,935	93,521,935	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; border-top: 1px solid black;">National Government Bond Certificates</td> <td style="width: 50%; border-top: 1px solid black;">Accounts Payable</td> </tr> <tr> <td style="text-align: right;">93,650,000</td> <td style="text-align: right;">93,650,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Sales of Securities Borrowed</td> <td style="border-top: 1px solid black;">National Government Bond Certificates</td> </tr> <tr> <td style="text-align: right;">93,521,935</td> <td style="text-align: right;">93,650,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Loss on Securities Transactions</td> <td style="border-top: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">128,065</td> <td></td> </tr> </table>	National Government Bond Certificates	Accounts Payable	93,650,000	93,650,000	Sales of Securities Borrowed	National Government Bond Certificates	93,521,935	93,650,000	Loss on Securities Transactions		128,065
Accounts Receivable	Sales of Securities Borrowed																	
93,521,935	93,521,935																	
National Government Bond Certificates	Accounts Payable																	
93,650,000	93,650,000																	
Sales of Securities Borrowed	National Government Bond Certificates																	
93,521,935	93,650,000																	
Loss on Securities Transactions																		
128,065																		
3. Delivery Date for Purchase in Kind (Short Sale Delivery Date)	August 24		Purchase of the Same Issue Contract date: August 20 Delivery date: August 24 Contract face value: 100 million yen Contract unit price: 93.65 yen Contract price: 93,650,000 yen Accrued interest: 683,835 yen Delivery price: 94,333,835 yen															
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; border-top: 1px solid black;">Call Loans</td> <td style="width: 50%; border-top: 1px solid black;">Accounts Receivable</td> </tr> <tr> <td style="text-align: right;">94,205,770</td> <td style="text-align: right;">93,521,935</td> </tr> <tr> <td style="border-top: 1px solid black;">Accounts Payable</td> <td style="border-top: 1px solid black;">Advances Received</td> </tr> <tr> <td style="text-align: right;">93,650,000</td> <td style="text-align: right;">683,835</td> </tr> <tr> <td style="border-top: 1px solid black;">Prepaid Expenses</td> <td style="border-top: 1px solid black;">Call Loans</td> </tr> <tr> <td style="text-align: right;">683,835</td> <td style="text-align: right;">94,333,835</td> </tr> <tr> <td style="border-top: 1px solid black;">Advances Received</td> <td style="border-top: 1px solid black;">Prepaid Expenses</td> </tr> <tr> <td style="text-align: right;">683,835</td> <td style="text-align: right;">683,835</td> </tr> </table>	Call Loans		Accounts Receivable	94,205,770	93,521,935	Accounts Payable	Advances Received	93,650,000	683,835	Prepaid Expenses	Call Loans	683,835	94,333,835	Advances Received	Prepaid Expenses	683,835	683,835
Call Loans	Accounts Receivable																	
94,205,770	93,521,935																	
Accounts Payable	Advances Received																	
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Prepaid Expenses	Call Loans																	
683,835	94,333,835																	
Advances Received	Prepaid Expenses																	
683,835	683,835																	

Transaction	Account Journal	Description								
<p>4. Valuation</p>	<hr/> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding-right: 5px;">Loss or Gain on Valuation of Securities</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-right: 1px solid black; text-align: right; padding-right: 5px;">-78,065</td> <td></td> </tr> </table>	Loss or Gain on Valuation of Securities		-78,065		<p>Evaluated unit price: 93.60 yen Loss or gain on valuation of securities = Sales of securities borrowed - appraised value = 93,521,935 - 93,600,000</p>				
Loss or Gain on Valuation of Securities										
-78,065										
<p>5. Revaluation of Accounts for Settlement (Open Type)</p>	<hr/> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding-right: 5px;">Sales of Securities Borrowed</td> <td style="width: 50%; padding-left: 5px;">Gain on Securities Transactions</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td></td> </tr> </table> <p style="text-align: center;">Or</p> <hr/> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding-right: 5px;">Loss on Securities Transactions</td> <td style="width: 50%; padding-left: 5px;">Sales of Securities Borrowed</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td></td> </tr> </table>	Sales of Securities Borrowed	Gain on Securities Transactions			Loss on Securities Transactions	Sales of Securities Borrowed			<p>The valuation loss or gain on the date of the settlement of accounts shall be adjusted to the book value of sales of securities borrowed.</p>
Sales of Securities Borrowed	Gain on Securities Transactions									
Loss on Securities Transactions	Sales of Securities Borrowed									

II. Actual Delivery by Borrowing Bond Certificates

Transaction	Account Journal		Description
1. Short Sale Contract Date	August 11		Short selling of interest-bearing government bonds Contract date: August 11 Delivery date: August 24 Contract face value: 100 million yen Interest: 3.9% Interest payment date: June 21 and December 21, twice a year Contract unit price: 93.55 yen Contract price: 93,550,000 yen Transaction tax: 28,065 yen Accrued interest: 683,835 yen Delivery price: 94,205,770 yen
	Accounts Receivable 93,521,935	Sales of Securities Borrowed 93,521,935	
2. Date of Conclusion of Loan Agreement	No treatment		Borrowing of the Same Issue Loan date: August 24 Repayment date: August 30 Loan face value: 100 million yen Loan unit price: 93.75 yen Loan amount: 93,750,000 yen
3. Loan Issue Date (Short Sale Delivery Date)	August 24		
	Borrowing Trade Securities 93,750,000	Securities Borrowed 93,750,000	
	Call Loans 94,205,770	Accounts Receivable 93,521,935 Advances Received 683,835	

Transaction	Account Journal		Description
4. Calculating Interest Expenses	August 25 - August 30		Equivalent to the method of calculating accrued interest income on bond certificates
	Interest Expense 10,684	Accrued Interest Expenses 10,684	
5. Contract Date for Purchase in Kind	August 26		Purchase of the Same Issue Contract date: August 26 Delivery date: August 30 Contract face value: 100 million yen Contract unit price: 93.85 yen Contract price: 93,850,000 yen Accrued interest: 747,945 yen Delivery price: 94,597,945 yen
	National Government Bond Certificates 93,850,000	Accounts Payable 93,850,000	
	Sales of Securities Borrowed 93,521,935	National Government Bond Certificates 93,850,000	
	Loss on Securities Transactions 328,065		
6. Repayment Date of Borrowed Bond Certificates	August 30		* Treatment of deposits for borrowed bond certificates and bond-borrowing commission, etc. shall correspond to accounting for borrowed bond certificates.
	Accounts Payable 93,850,000	Call Loans 94,597,945	
	Prepaid Expenses 747,945	Prepaid Expenses 747,945	
	Accrued Interest Expenses 64,104		
	Advances Received 683,835		
	Interest Expense 6		
	Securities Borrowed 93,750,000	Borrowing Trade Securities 93,750,000	
7. Interest Deposit	Interest Payment Date		If there is any interest payment date between the date of delivery of sales of securities borrowed and the date of repayment of borrowed bond certificates, an amount equivalent to the interest shall be paid to the lender.
	Accrued Interest Expenses XXX,XXX	Call Loans (Amount equivalent to interest)	
	Advances Received XXX,XXX		
	Interest Expense XXX		

5. Accounting for Short Selling of Bond Certificates (If with Interest)

I. Actual Delivery by Purchase in Kind

Transaction	Account Journal		Description
1. Short Sale Contract Date	August 11		Short selling of interest-bearing government bonds Contract date: August 11 Delivery date: August 24 Contract face value: 100 million yen Interest: 3.9% Interest payment date: June 21 and December 21, twice a year Contract unit price: 93.55 yen Contract price: 93,550,000 yen Transaction tax: 28,065 yen Accrued interest: 683,835 yen Delivery price: 94,205,770 yen
	Accounts Receivable 94,205,770	Sales of Securities Borrowed 94,205,770	
2. Contract Date for Purchase in Kind	August 20		Purchase of the Same Issue Contract date: August 20 Delivery date: August 24 Contract face value: 100 million yen Contract unit price: 93.65 yen Contract price: 93,650,000 yen Accrued interest: 683,835 yen Delivery price: 94,333,835 yen
	National Government Bond Certificates 94,333,835	Accounts Payable 94,333,835	
	Sales of Securities Borrowed 94,205,770	National Government Bond Certificates 94,333,835	
	Loss on Securities Transactions 128,065		
3. Delivery Date for Purchase in Kind (Short Sale Delivery Date)	August 24		
	Call Loans 94,205,770	Accounts Receivable 94,205,770	
		Call Loans 94,333,835	
	Accounts Payable 94,333,835		

Transaction	Account Journal	Description						
4. Valuation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Loss or Gain on Valuation of Securities -78,065</td> <td style="width: 50%; padding: 5px;"></td> </tr> </table>	Loss or Gain on Valuation of Securities -78,065		<p>Evaluated unit price: 93.60 yen Loss or gain on valuation of securities = Sales of Securities Borrowed - (appraised value + accrued interest + interest payable) = 94,205,770 - (93,600,000 + 683,835 + 0)</p> <p>The valuation loss or gain on the date of the settlement of accounts shall be adjusted to the book value of sales of securities borrowed.</p>				
Loss or Gain on Valuation of Securities -78,065								
5. Revaluation of Accounts for Settlement (Open Type)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Sales of Securities Borrowed</td> <td style="width: 50%; padding: 5px;">Gain on Securities Transactions</td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 5px;">Or</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Loss on Securities Transactions</td> <td style="width: 50%; padding: 5px;">Sales of Securities Borrowed</td> </tr> </table>	Sales of Securities Borrowed	Gain on Securities Transactions	Or		Loss on Securities Transactions	Sales of Securities Borrowed	
Sales of Securities Borrowed	Gain on Securities Transactions							
Or								
Loss on Securities Transactions	Sales of Securities Borrowed							

II. Actual Delivery by Borrowing Bond Certificates

Transaction	Account Journal		Description
1. Short Sale Contract Date	August 11		Short selling of interest-bearing government bonds Contract date: August 11 Delivery date: August 24 Contract face value: 100 million yen Interest: 3.9% Interest payment date: June 21 and December 21, twice a year Contract unit price: 93.55 yen Contract price: 93,550,000 yen Transaction tax: 28,065 yen Accrued interest: 683,835 yen Delivery price: 94,205,770 yen Borrowing of the Same Issue Loan date: August 24 Repayment date: August 30 Loan face value: 100 million yen Loan unit price: 93.75 yen Loan amount: 93,750,000 yen
	Accounts Receivable 94,205,770	Sales of Securities Borrowed 94,205,770	
2. Date of Conclusion of Loan Agreement	No treatment		
3. Loan Issue Date (Short Sale Delivery Date)	August 24		
	Borrowing Trade Securities 93,750,000	Securities Borrowed 93,750,000	
	Call Loans 94,205,770	Accounts Receivable 94,205,770	

Transaction	Account Journal		Description														
4. Contract Date for Purchase in Kind	<p style="text-align: center;">August 26</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;">National Government Bond Certificates</td> <td style="width: 50%; padding: 2px;"></td> </tr> <tr> <td style="text-align: right; padding: 2px;">94,597,945</td> <td style="padding: 2px;">Accounts Payable</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="text-align: right; padding: 2px;">94,597,945</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">Sales of Securities Borrowed</td> <td style="padding: 2px;">National Government Bond Certificates</td> </tr> <tr> <td style="text-align: right; padding: 2px;">94,205,770</td> <td style="text-align: right; padding: 2px;">94,597,945</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">Loss on Securities Transactions</td> <td style="padding: 2px;"></td> </tr> <tr> <td style="text-align: right; padding: 2px;">392,175</td> <td style="padding: 2px;"></td> </tr> </table>		National Government Bond Certificates		94,597,945	Accounts Payable		94,597,945	Sales of Securities Borrowed	National Government Bond Certificates	94,205,770	94,597,945	Loss on Securities Transactions		392,175		<p>Purchase of the Same Issue Contract date: August 26 Delivery date: August 30 Contract face value: 100 million yen Contract unit price: 93.85 yen Contract price: 93,850,000 yen Accrued interest: 747,945 yen Delivery price: 94,597,945 yen * If there is any interest payment date before the in-kind delivery date, only an amount equivalent to the interest shall be deducted through reduction of the book value of sales of securities borrowed.</p>
National Government Bond Certificates																	
94,597,945	Accounts Payable																
	94,597,945																
Sales of Securities Borrowed	National Government Bond Certificates																
94,205,770	94,597,945																
Loss on Securities Transactions																	
392,175																	
5. Repayment Date for Borrowed Bond Certificates	<p style="text-align: center;">August 30</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;">Accounts Payable</td> <td style="width: 50%; padding: 2px;">Call Loans</td> </tr> <tr> <td style="text-align: right; padding: 2px;">94,597,945</td> <td style="text-align: right; padding: 2px;">94,597,945</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">Securities Borrowed</td> <td style="padding: 2px;">Borrowing Trade Securities</td> </tr> <tr> <td style="text-align: right; padding: 2px;">93,750,000</td> <td style="text-align: right; padding: 2px;">93,750,000</td> </tr> </table>		Accounts Payable	Call Loans	94,597,945	94,597,945	Securities Borrowed	Borrowing Trade Securities	93,750,000	93,750,000	<p>* Treatment of deposits for borrowed bond certificates and bond-borrowing commission, etc. shall correspond to accounting for borrowed bond certificates.</p>						
Accounts Payable	Call Loans																
94,597,945	94,597,945																
Securities Borrowed	Borrowing Trade Securities																
93,750,000	93,750,000																
6. Interest Deposit	<p style="text-align: center;">Interest Payment Date</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;">Accrued Interest Expenses (Amount equivalent to interest)</td> <td style="width: 50%; padding: 2px;">Call Loans (Amount equivalent to interest)</td> </tr> </table>		Accrued Interest Expenses (Amount equivalent to interest)	Call Loans (Amount equivalent to interest)	<p>If there is any interest payment date from the date of delivery of the sales of securities borrowed until the date of repayment of the borrowed bond certificates, the book value of the sales of securities borrowed shall be amended at the same time as payment to the lender of an amount equivalent to the interest.</p>												
Accrued Interest Expenses (Amount equivalent to interest)	Call Loans (Amount equivalent to interest)																

6. Accounting for Borrowed Shares

Transaction	Account Journal	Description	Remarks				
1. Date of Conclusion of Loan Agreement (September 10)	No account processing	Example) Borrowing of stock certificates Date of conclusion of loan agreement: September 10 Loan issue date: September 12 Repayment date: Not normally specified Number of borrowed shares: 10,000 Conclusion date units: 510 yen	* Contract execution normally takes place before the short-sale contract date. * There is a gap in the time between borrowing and short sale. * Not all shares borrowed will be short sold.				
2. Loan Issue Date (Delivery Date of Borrowed Shares)	<p style="text-align: center;">September 12</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Borrowing Trade Securities 5,050,000</td> <td style="width: 50%; padding: 5px;">Securities Borrowed 5,050,000</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 5px;">Guarantee Deposits 5,355,000</td> <td style="padding: 5px;">Call Loans 5,355,000</td> </tr> </table>	Borrowing Trade Securities 5,050,000	Securities Borrowed 5,050,000	Guarantee Deposits 5,355,000	Call Loans 5,355,000	<p>Borrowing transactions are calculated at the market value of 505 yen on the business day immediately preceding the loan issue date. @ 505 yen x 10,000 shares = 5,050,000</p> <p>The deposited collateral is calculated at the market value of 510 yen as of September 10, the date of conclusion of the loan agreement. Deposited collateral: @510 yen x 10,000 shares x 105% = 5,355,000</p> <p>The deposited collateral shall accrue by the transaction agreement regardless of whether the borrowed shares are sold.</p> <p>The deposited collateral shall be marked-to-market at market value two business days prior. The same shall apply to any additional deposits.</p>	<p>* There will be no trading loss or gain for funds at the time of the loan issue date (share delivery date).</p> <p>* Collateral is cash or substitute securities.</p> <p>* The loan issue date and share sale and delivery date are not necessarily the same.</p> <p>* The effective date of the market value (@ 510) and the loanable value of the deposited collateral (approximately 105%) are agreed upon in the contract.</p>
Borrowing Trade Securities 5,050,000	Securities Borrowed 5,050,000						
Guarantee Deposits 5,355,000	Call Loans 5,355,000						
3. Short-Sale (Share Sell) Contract Date	<p style="text-align: center;">September 13</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Accounts Receivable 4,997,375</td> <td style="width: 50%; padding: 5px;">Sales of Securities Borrowed 4,997,375</td> </tr> </table>	Accounts Receivable 4,997,375	Sales of Securities Borrowed 4,997,375	<p>Example) Short sale of stock certificates Contract date: September 13 Delivery date: September 18 Number of contracted shares: 10,000 Contract unit price: 500 yen Contract price: 5,000,000 yen Fee: 2,625 yen (including consumption tax) Delivery price: 4,997,375 yen</p>	<p>* There will be no trading loss or gain for funds at the time of short selling.</p> <p>* This does not suppose short selling without share borrowing (share sale).</p> <p>* Valuation shall begin on the date of recording of contract.</p>		
Accounts Receivable 4,997,375	Sales of Securities Borrowed 4,997,375						
4. Share Sale and Delivery Date	<p style="text-align: center;">September 18</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Call Loans 4,997,375</td> <td style="width: 50%; padding: 5px;">Accounts Receivable 4,997,375</td> </tr> </table>	Call Loans 4,997,375	Accounts Receivable 4,997,375				
Call Loans 4,997,375	Accounts Receivable 4,997,375						
5. Share-Borrowing Commission (During the Borrowing Period)	<p style="text-align: center;">Each day September 12-September 30</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Other Expenses 111</td> <td style="width: 50%; padding: 5px;">Other Accrued Expenses 111</td> </tr> </table>	Other Expenses 111	Other Accrued Expenses 111	<p>Example) Loan rate: 0.80% per annum Daily value x 0.80% ÷ 365 = 111</p>	<p>* To be calculated from the loan issue date or the first business day following the loan issue date Example) Closing at the end of month and payment on the 10th of the following month</p>		
Other Expenses 111	Other Accrued Expenses 111						

Transaction	Account Journal	Description	Remarks								
6. Interest on Collateral	<p style="text-align: center;">Each day September 12-September 30</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Other Accrued Revenue</td> <td style="width: 50%;">Other Revenue</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">13</td> <td style="text-align: right;">13</td> </tr> </table>	Other Accrued Revenue	Other Revenue	13	13	<p>Example) Deposit interest rate (interest): 0.10% per annum Daily amount of collateral x 0.10% ÷ 365 = 13</p>	<p>* To be recorded from the date of recording of the guarantee deposits or from the first business day following the date of recording * The date of receipt is determined by the transaction agreement. Example) Closing at the end of the month and receipt on the 10th of the following month</p>				
Other Accrued Revenue	Other Revenue										
13	13										
7. Contract Date for Repurchase in Kind	<p style="text-align: center;">October 22</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Sales of Securities Borrowed</td> <td style="width: 50%;">Accounts Payable</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">4,997,375</td> <td style="text-align: right;">4,502,362</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td style="text-align: right;">Gain on Securities Transactions</td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td style="text-align: right;">495,013</td> </tr> </table>	Sales of Securities Borrowed	Accounts Payable	4,997,375	4,502,362		Gain on Securities Transactions		495,013	<p>Example) Repurchase of the same issue Contract date: October 22 Delivery date: October 25 Number of contracted shares: 10,000 Contract unit price: 450 yen Contract price: 4,500,000 yen Fee: 2,362 yen (including consumption tax) Delivery price: 4,502,362 yen</p>	<p>* Not all short-sold shares will be repurchased.</p>
Sales of Securities Borrowed	Accounts Payable										
4,997,375	4,502,362										
	Gain on Securities Transactions										
	495,013										
8. Delivery Date of Repurchased Stock Certificates	<p style="text-align: center;">October 25</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Payable</td> <td style="width: 50%;">Call Loans</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">4,502,362</td> <td style="text-align: right;">4,502,362</td> </tr> </table>	Accounts Payable	Call Loans	4,502,362	4,502,362		<p>* The loan repayment date and share repurchase and delivery date are not necessarily the same.</p>				
Accounts Payable	Call Loans										
4,502,362	4,502,362										
9. Borrowed Shares Repayment Date	<p style="text-align: center;">October 31</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Securities Borrowed</td> <td style="width: 50%;">Borrowing Trade Securities</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">5,100,000</td> <td style="text-align: right;">5,100,000</td> </tr> </table>	Securities Borrowed	Borrowing Trade Securities	5,100,000	5,100,000		<p>* Not all borrowed shares will be returned.</p>				
Securities Borrowed	Borrowing Trade Securities										
5,100,000	5,100,000										
10. Withdrawal of Collateral	<p style="text-align: center;">October 31</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Call Loans</td> <td style="width: 50%;">Guarantee Deposits</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">4,530,000</td> <td style="text-align: right;">4,530,000</td> </tr> </table>	Call Loans	Guarantee Deposits	4,530,000	4,530,000	<p>The same shall apply to the mark-to-market withdrawal of collateral. The amount of the collateral withdrawal shall be in accordance with the transaction agreement.</p>					
Call Loans	Guarantee Deposits										
4,530,000	4,530,000										
11. Payment of Share-Lending Commission	<p style="text-align: center;">(Payment date)</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Other Accrued Expenses</td> <td style="width: 50%;">Call Loans</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">3,459</td> <td style="text-align: right;">3,459</td> </tr> </table>	Other Accrued Expenses	Call Loans	3,459	3,459	<p>Payment amount: Σ (Daily appraisal value x 0.80% ÷ 365) = 3,459 yen The payment date and method for item rental shall be in accordance with the transaction agreement. Adjustment for any leftover amount shall be made in "Other Expenses."</p>					
Other Accrued Expenses	Call Loans										
3,459	3,459										

Transaction	Account Journal	Description	Remarks												
12. Receipt of Interest	<p style="text-align: center;">(Date of receipt)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Call Loans</td> <td style="width: 50%; text-align: right;">Other Accrued Revenue</td> </tr> <tr> <td style="text-align: right;">455</td> <td style="text-align: right;">455</td> </tr> </table>	Call Loans	Other Accrued Revenue	455	455	<p>Amount received: Σ (daily amount of collateral x 0.10% \div 365) = 455 yen The receipt date and method for interest shall be in accordance with the transaction agreement. Adjustment for any leftover amount shall be made in "Other Revenue."</p>									
Call Loans	Other Accrued Revenue														
455	455														
13. Ex-Dividend	<p style="text-align: center;">(Ex-dividend date)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Other Expenses</td> <td style="width: 50%; text-align: right;">Other Accrued Expenses</td> </tr> <tr> <td style="text-align: right;">30,000</td> <td style="text-align: right;">30,000</td> </tr> </table> <p style="text-align: center;">(Right allotment date)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Other Expenses</td> <td style="width: 50%; text-align: right;">Other Accrued Expenses</td> </tr> <tr> <td style="text-align: right;">20,000</td> <td style="text-align: right;">20,000</td> </tr> </table> <p style="text-align: center;">(Payment date to the lender)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Other Accrued Expenses</td> <td style="width: 50%; text-align: right;">Call Loans</td> </tr> <tr> <td style="text-align: right;">50,000</td> <td style="text-align: right;">50,000</td> </tr> </table>	Other Expenses	Other Accrued Expenses	30,000	30,000	Other Expenses	Other Accrued Expenses	20,000	20,000	Other Accrued Expenses	Call Loans	50,000	50,000	<p>An ex-dividend adjustment amount shall be recorded for the number of short-sale shares. Ex-dividend adjustment amount = Estimated dividend unit price x number of short-sale shares x 100%</p> <p>The number of borrowed shares, excluding the number of short-sale shares, calculated on the ex-dividend date shall be calculated as the ex-dividend adjustment amount. Ex-dividend adjustment amount = Estimated dividend unit price x number of borrowed shares (*) x 100% * Excluding the number of short-sale shares calculated on the ex-dividend date Example) Estimated dividend unit price: 50 yen Number of borrowed shares: 1,000 Number of short-sale shares: 600</p>	* Payment method at the time of ex-dividend shall be in accordance with the transaction agreement.
Other Expenses	Other Accrued Expenses														
30,000	30,000														
Other Expenses	Other Accrued Expenses														
20,000	20,000														
Other Accrued Expenses	Call Loans														
50,000	50,000														
14. Ex-Rights for New Shares	<p>Ex-rights date: Number of short-sale shares is increased by the number of the newly allotted shares.</p> <p style="text-align: center;">(Payment date of money equivalent to fractional shares)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Other Expenses</td> <td style="width: 50%; text-align: right;">Call Loans</td> </tr> <tr> <td style="text-align: right;">38,500</td> <td style="text-align: right;">38,500</td> </tr> </table>	Other Expenses	Call Loans	38,500	38,500	<p>If the new share allotment date comes before the due date for repayment of borrowed shares, a number of shares equivalent to the new shares shall be refunded to the lender in old shares on the new share delivery date. The item rental fee for new shares shall not be included until the new share delivery date because the occurrence of liabilities shall be from the new share delivery date. Collateral shall be calculated by increasing the allotment of new shares from the right allotment date.</p>	<p>* If fractional shares have been generated, an amount in cash equivalent to the number of fractional shares shall be repaid based on the agreement. * If the borrowed shares are repaid by the new share issue date, it is sufficient to repay only the original number of old shares and to arrange to repay a number of old shares equivalent to the number of the new shares on the new share issue date.</p>								
Other Expenses	Call Loans														
38,500	38,500														
15. Valuation	<p style="text-align: center;">(Daily valuation)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Loss or Gain on Valuation of Securities</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">xxxx</td> <td></td> </tr> </table>	Loss or Gain on Valuation of Securities		xxxx		<p>Sales of securities borrowed shall be valued on a daily basis at actual market value. Sales of securities borrowed - (number of short-sale shares x evaluated market value)</p> <p>Difference > 0.....Gain on valuation of securities Difference < 0.....Loss on valuation of securities</p>	<p>* Valuation shall begin on the date of recording of the short sale (share sale) contract. * Loan transactions shall not be evaluated.</p>								
Loss or Gain on Valuation of Securities															
xxxx															

Transaction	Account Journal	Description	Remarks		
16. Revaluation	<p style="text-align: center;">(Daily valuation)</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Loss on Valuation of Securities (Sales of securities borrowed)</td> <td style="width: 50%; padding: 5px;">Sales of Securities Borrowed (Gain on valuation of securities)</td> </tr> </table>	Loss on Valuation of Securities (Sales of securities borrowed)	Sales of Securities Borrowed (Gain on valuation of securities)	<p>Open type funds will be reevaluated at fiscal year end.</p> <p>Gain on valuation of securities.....Gain on securities transactions Loss on valuation of securities.....Loss on securities transactions</p>	<p>* The following items shall be noted at the time of creation of a balance sheet as stipulated in the Cabinet Office Order issued by the Prime Minister's Office:</p> <ol style="list-style-type: none"> 1. That money has been borrowed for the securities 2. The estimated market value of the securities borrowed (those that have not been repaid) 3. That gain and loss on transactions shall be recorded on the contract date for repurchase of the sales of securities borrowed
Loss on Valuation of Securities (Sales of securities borrowed)	Sales of Securities Borrowed (Gain on valuation of securities)				

7. Accounting for Settlement after Tax Deduction of an Amount Equivalent to Existing Accrued Interest on Sales of Domestic Public and Corporate Bonds

Processing shall be as follows when the equivalent amount to existing accrued interest pertaining to the sales of domestic public and corporate bonds is settled by the amount after tax deduction (meaning an amount from which an equivalent amount to tax is deducted):

- (1) The amount equivalent to existing accrued interest recorded on the prepaid expenses account at the time of acquisition shall be the amount less the amount equivalent to tax (meaning the amount actually to be paid).
- (2) The amount for account receivable for bond interests to be recorded on a daily basis after the time of acquisition shall be tax inclusive (meaning an amount including the amount equivalent to tax).
- (3) The difference between the amount equivalent to existing accrued interest or bond interest actually received at the time of sale or on the interest payment date and the amount of prepaid expenses account and the amount of accrued interest income account to be deducted at that time shall be adjusted by increasing or decreasing the account for interest income.

[Journal Entry Example (excluding corporate bond calculation)]:

If convertible corporate bonds with a face value of 4 million yen and an annual interest rate of 7.3% are acquired after 100 days and sold after 50 days

1. Acquisition

Prepaid Expenses	<u>64,000</u>	Call Loans	<u>64,000</u>
		(or money trusts)	

2. Accrued Interest Income (for 50 days)

Accrued Interest Income	40,000	Interest Income	40,000
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3. Sale

Call Loans	96,000	Prepaid Expenses	64,000
(or money trusts)		Accrued Interest Income	40,000
		Interest Income	-8,000
	<u>96,000</u>		<u>96,000</u>

4. Interest Payment Date

Call Loans	146,000	Prepaid Expenses	<u>64,000</u>
(or money trusts)		Accrued Interest Income	<u>66,000</u>
		Interest Income	<u>16,000</u>
	146,000		146,000

8. Accounting for Brokerage Fees for Foreign Securities

Brokerage fees for foreign securities shall be processed in other foreign currency expenses accounts and other unpaid expense accounts each time a contract is made.

[Journal Entry Example]

Brokerage fees shall be processed in the other foreign currency expenses accounts and other unpaid expense accounts each time a contract is made.

Other Accrued Expenses	Call Loans (or money trusts)
------------------------	---------------------------------

9. Accounting for Foreign Shares Listed on Domestic Financial Instruments Exchanges

Processing of foreign securities listed on domestic financial instruments exchanges shall be as follows:

- (1) Amounts to be recorded on the foreign investments account and the foreign currency funds account shall be the acquisition value of foreign shares. The amount to be deducted from these accounts shall be the book value pertaining to the sale of foreign shares.
- (2) Transfers of deposits recorded in assets denominated in foreign currencies to assets denominated in Japanese currency shall be made on the date of recording of the deposit.

Respective losses and gains on assets denominated in foreign currencies pertaining to the recorded amount shall be simultaneously transferred to the assets denominated in Japanese currency.

- (3) Deposit processing subject to the balance of account receivable on the closing date, the profit or loss of the assets denominated in foreign currencies subject to the recorded amount shall be deducted from the equivalent amount to the profit or loss that is transferred to the foreign currency funds account. Any amount that cannot be deducted shall be processed as a loss or gain for the period.

[Journal Entry Example]

Category	Assets Denominated in Japanese Currency		Assets Denominated in Foreign Currencies		Remarks
1. Purchase Contract Date	No treatment		Stock certificates: xxx	Accounts Payable: xxx	To be recorded in foreign investments account and Foreign currency fund account. The amount shall be the acquisition value (in Japanese currency) of securities denominated in foreign currencies. Valuation shall be added to valuation loss or gain for the foreign investments account.
2. Purchase Delivery Date	Foreign Investments a/c: xxx	Call Loans: xxx (or money trusts)	Accounts Payable: xxx Deposit: xxx	Deposit: xxx Foreign Currency Funds: xxx	
3. Sales Contract Date	No treatment		Accounts Receivable: xxx Loss on Transactions: xxx	Stock certificates: xxx Gain on Transactions: xxx	
4. Sale Delivery Date	Call Loans: xxx (or money trusts) Loss on Transactions: xxx	Foreign Investments a/c: xxx Gain on Transactions: xxx	Deposit: xxx Foreign Currency Funds: xxx Gain on Transactions: xxx	Accounts Receivable: xxx Deposit: xxx Loss on Transactions: xxx	Deposits recorded in assets denominated in foreign currencies shall be transferred to assets denominated in Japanese currency on the date of recording the amount. "All losses and gains on assets denominated in foreign currencies pertaining to the amount to be recorded shall be simultaneously transferred to the assets denominated in Japanese currency." The amount deducted from foreign investments account and foreign currency funds account shall be the book value for sale of securities denominated in foreign currencies.
5. Cash Dividends (1) Ex-dividend Date	No treatment		Accrued Dividends Receivable: xxx	Stock Dividends: xxx	
(2) Deposit Date	Call Loans: xxx (or money trusts) Other Foreign Currency Expenses: xxx	Stock Dividends: xxx Other Foreign Currency Revenue: xxx	Deposit: xxx Stock Dividends: xxx	Accrued Dividends Receivable: xxx Deposit: xxx	Amount of accrued dividends receivable = Unit price of dividends before tax (expressed denominated in foreign currency) × number of shares × T.T.B on the ex-dividend date Cash dividends shall be paid to the trustee in Japanese currency by the bank handling the dividend payment. The difference between T.T.B on the ex-dividend date and T.T.B on the date the bank handling dividend payment converts dividends into yen shall be processed on the payment date as other foreign currency expenses or other foreign currency revenues. Foreign income taxes are to be recorded off the books.
6. Processing of Share Dividends (1) Ex-dividend Date	No treatment		No treatment		
(2) Deposit date of fractional disposal amount	Call Loans: xxx (or money trusts)	Other Revenue: xxx	Deposit: xxx Other Revenue: xxx	Other Revenue: xxx Deposit: xxx	Stock certificates shall be issued only for the number of sales unit shares among the number of shares in the sale unit to be allotted. Only the number of shares as securities denominated in foreign currencies shall be increased. Fractional shares less than one unit shall be sold and disposed of by the Japan Securities Clearing Association and paid as disposition value by the institution handling share administration (the trustee bank).

Category	Assets Denominated in Japanese Currency		Assets Denominated in Foreign Currencies		Remarks
7. Processing of Stock Splits (1) Stock Split Date:	No treatment		No treatment		Stock certificates shall be issued only for the number of shares in the sales unit among the number of shares to be allotted. Only the number of shares as securities denominated in foreign currencies shall be increased.
	Call Loans: ××× (or money trusts)	Other Revenue: ×××	Deposit: ××× Other Revenue: ×××	Other Revenue: ××× Deposit: ×××	
8. Processing of Paid-in Capital Increase (1) Ex-rights Date	No treatment		No treatment		Fractional shares less than one unit shall be paid for as payment for disposition. Paid-in capital increase shall be disposed of by sale onsite by the Japan Securities Clearing Association and paid as disposition value by the institution handling share administration.
	Call Loans: ××× (or money trusts)	Gain on Transactions: ×××	Deposit: ××× Gain on Transactions: ×××	Gain on Transactions: ××× Deposit: ×××	
9. Processing of Free Capital Increase (1) Ex-rights Date (2) Deposit date of fractional disposal amount	No treatment		No treatment		Stock certificates shall be issued only for the number of shares in the sales unit among the number of shares to be allotted. Only the number of shares as securities denominated in foreign currencies shall be increased.
	Call Loans: ××× (or money trusts)	Other Revenue: ×××	Deposit: ××× Other Revenue: ×××	Other Revenue: ××× Deposit: ×××	
10. Processing After Revaluation on the Settlement Date (1) In Case of a Valuation Gain: (2) In Case of a Valuation Loss:	Foreign Investments a/c : ×××		Gain on Transactions: ×××		Fractional shares less than one unit shall be paid for as disposition value.
	Gain on Transactions: ×××		Stock certificates: ×××		
	Foreign Currency Funds: ×××		Gain on Transactions: ×××		
	Foreign Currency Funds: ×××		Foreign Currency Funds: ×××		
11. Accounting for Deposit Processing Subject to the Balance of Account Receivables. (1) Payment of Dividends (2) Receipt of Sales Payment	Loss on Transactions: ×××		Foreign Investments a/c : ×××		The amount deducted from the foreign investments account and foreign currency funds account shall be the book value for sale of securities denominated in foreign currencies plus or minus loss or gain on sale.
	Foreign Investments a/c : ×××		Loss on Transactions: ×××		
	Foreign Currency Funds: ×××		Stock certificates: ×××		
	Foreign Currency Funds: ×××		Loss on Transactions: ×××		
(1) Payment of Dividends	Call Loans: ××× (or money trusts)		Foreign Investment Accounts: ×××		Accrued Dividends Receivable: ××× Deposit: ×××
	Foreign Investment Accounts: ×××		Deposit: ×××		
(2) Receipt of Sales Payment	Call Loans: ××× (or money trusts)		Foreign Investment Accounts: ×××		Accounts Receivable: ××× Deposit: ×××
	Foreign Investment Accounts: ×××		Deposit: ×××		

10. Accounting of Foreign Public and Corporate Bonds

Processing of foreign public and corporate bonds shall be as follows:

- (1) Bond interest on foreign public and corporate bonds traded with interest shall not be recorded on a daily basis but shall be recorded in a lump sum as accrued on the ex-interest date.
- (2) Accounting for the purchase price of foreign public and corporate bonds payable in Japanese currency shall be the following journal entries:
 - (a) Accounting for assets denominated in Japanese currency

Purchase Payment Date	
Foreign Investment Accounts	Call Loans (or money trusts)

- (b) Accounting of assets denominated in foreign currencies

Purchase Payment Date	
Prepaid Expenses for Public and Corporate Bonds	Foreign Currency Funds

- (3) If any convertible corporate bonds denominated in foreign currencies issued by a Japanese enterprise are converted into shares and made into assets denominated in Japanese currency, the conversion shall be made as follows:
 - (a) Timing of accounting

In principle, processing shall be done on the date the management company gives the trustee company instructions for conversion into shares.
 - (b) Accounting of assets denominated in foreign currencies
 - (i) The book value of convertible corporate bonds for share conversion shall be transferred to the book value of stock certificates.

Any balance of prepaid expenses related to such conversion shall also be transferred to the book value of the stock certificates.
 - (ii) Any receivable amount of interest on the convertible corporate bonds recorded during the period up to the date of conversion into shares shall be cancelled on the date of conversion into shares.
 - (c) Transfer from assets denominated in foreign currencies to assets denominated in Japanese currency shall be processed in the same manner as revolving funds. The exchange rate used for conversion of Japanese currency shall be the middle price of customer rates on the processing date.

11. Accounting for Discounted Bills

Processing of discounted bills shall be as follows:

- (1) No entry shall be made for discounted bills. They shall be included in call loans and processed as a () statement of items.
- (2) The acquisition value shall be recorded, and discount expenses shall be recorded on a daily basis as interest income and accrued interest income.
- (3) Any difference arising from resale or transfer before the settlement date shall be processed by increasing or decreasing interest income.

[Example] If a promissory note with a face value of 100 million yen is purchased at an annual rate of 8% in a period of 90 days and resold after 45 days, the market rate on the resale date shall be 7.75% per annum.

* 1. Call Loans	99,044,521	* 2. Call Loans (Discounted bills)	98,027,398
		* 3. Accrued Interest Income	986,265
		Interest Income	30,858

The acquisition price shall be withdrawn for the discounted bills.

The amount that the daily recorded amount is multiplied by the number of days elapsed is withdrawn for the accrued interest income.

Interest income shall be calculated by deducting the difference of * 2 and * 3 from * 1.

If transfer occurs before the settlement date, the purchase funds shall use * 1 above as the acquisition price of the discounted bills.

12. Accounting for Exercise of Stock Subscription Warrants of Corporate Bonds with Warrants

(a) Timing of accounting

In principle, processing shall be done on the date on which the management company gives the trustee company instructions to exercise stock subscription warrants.

(b) Accounting shall be classified into cash payment and substitute payment and shall be processed as follows:

[Journal Entry Example]

Classification	Journal Entry Example, Etc.												
(1) In case of cash payment	1) Book value of the corporate bonds \geq Face value of the corporate bonds Example 1: Face value of the corporate bonds.....10,000,000 yen Book value of the corporate bonds.....10,500,000 yen Balance of existing accrued interest at the time of acquisition of the corporate bonds..... 200,000 yen Balance of accrued interest income up to the time of exercise of stock subscription warrants after the acquisition of the corporate bonds. 100,000 yen Exercise price of warrants.....300 yen Allowance rate of warrants.....100% Exercise rate of warrants.....100%												
	<table border="1"> <tr> <td>Stock Certificates</td> <td>10,499,900</td> <td>Corporate bonds.....</td> <td>500,000</td> </tr> <tr> <td></td> <td></td> <td>Call Loans:</td> <td>9,999,900</td> </tr> <tr> <td></td> <td></td> <td>(or money trusts)</td> <td></td> </tr> </table>	Stock Certificates	10,499,900	Corporate bonds.....	500,000			Call Loans:	9,999,900			(or money trusts)	
Stock Certificates	10,499,900	Corporate bonds.....	500,000										
		Call Loans:	9,999,900										
		(or money trusts)											

Classification	Journal Entry Example, Etc.					
(2) In case of substitute payment	<p>Note 1. Number of acquired shares (33,333)...The same shall apply hereinafter.</p> $= \frac{10,000,000 \text{ yen} \times 100\% \times 100\%}{300 \text{ yen}}$ <p>(Amounts less than one share rounded down)</p> <p>Note 2. Payment amount (9,999,900 yen) = 33,333 shares x 300 yen</p> <p>Note 3. Of the book value of corporate bonds, the amount to be transferred to the book value of stock certificates (500,000 yen) = 10,500,000 - 10,000,000</p> <p>Note 4. The balance of the existing accrued interest account at the time of acquisition of corporate bonds (200,000 yen) shall not be included in the acquisition value of stock certificates because the corporate bonds themselves will remain as straight bonds even after exercise of the rights.</p> <p>Note 5: The balance of accrued interest income account after the time of acquisition of the corporate bonds until exercise of stock subscription warrants (100,000 yen) shall not be cancelled because the corporate bonds themselves shall remain as straight bonds even after exercise of the rights.</p> <p>Note 6. Acquired stock certificates shall be processed as old shares (the same shall apply hereinafter).</p> <p>2) Book value of the corporate bonds < Face value of the corporate bonds</p> <p>Book Value Example 1: Case of 9,500,000 yen</p> <table border="1" data-bbox="550 1366 1372 1467"> <tr> <td>Stock certificates: 9,999,900</td> <td>Call Loans: 9,999,900 (or money trusts)</td> </tr> </table>	Stock certificates: 9,999,900	Call Loans: 9,999,900 (or money trusts)			
	Stock certificates: 9,999,900	Call Loans: 9,999,900 (or money trusts)				
<p>1) <u>Book value of the corporate bonds ≥ Face value of the corporate bonds</u></p> <table border="1" data-bbox="550 1556 1372 1702"> <tr> <td>Stock certificates: 10,699,900</td> <td>Corporate bonds: 10,500,000</td> </tr> <tr> <td>Accounts Receivable: 100</td> <td>Prepaid expenses: 200,000</td> </tr> <tr> <td>Accrued Interest Income: -100,000</td> <td>Interest Income: -100,000</td> </tr> </table> <p>Note 1. Accounts receivable (amount to be delivered for rounding upon said exercise) = 10,000,000 yen - (33,333 shares x 300 yen) ...The same shall apply hereinafter.</p> <p>Note 2. The amount from Note 1 shall be deducted from the book value of the corporate bonds (10,500,000 yen) and the balance of accrued interest account at the time of acquisition of the corporate bonds</p>	Stock certificates: 10,699,900	Corporate bonds: 10,500,000	Accounts Receivable: 100	Prepaid expenses: 200,000	Accrued Interest Income: -100,000	Interest Income: -100,000
Stock certificates: 10,699,900	Corporate bonds: 10,500,000					
Accounts Receivable: 100	Prepaid expenses: 200,000					
Accrued Interest Income: -100,000	Interest Income: -100,000					

(200,000 yen), and the book value of the corporate bonds shall be transferred to the book value of the stock certificates.

Note 3. The balance of accrued interest income account (100,000 yen) from the time of the acquisition of corporate bonds until the time of exercise of stock subscription warrants shall be cancelled.

...The same shall apply hereinafter.

2) Book value of the corporate bonds < Face value of the corporate bonds

Book Value Example 1: Case of 9,500,000 yen

Stock certificates 10,199,900	Corporate bonds 9,500,000
Accounts Receivable: 100	Gain on Securities Transactions: 500,000
Accrued Interest Income:-100,000	Prepaid Expenses: 200,000 Interest Income: -100,000

Note 1. Gain on securities transactions (500,000 yen)
= 10,000,000 yen - 9,500,000 yen

Note 2. The book value of stock certificates shall be the amount calculated by deducting accounts receivable (100 yen) from the face value of corporate bonds (10,000,000 yen) and adding the balance of already existing accrued interest at the time of acquisition of the corporate bonds (200,000 yen).

13. Accounting for Futures Trading

Journal entry, etc.

(Note) "Call Loans" in accounts journal entries shall mean deposits, money trusts, call loans, and customers' margin deposits.

Category	Calculations, etc.		Accounts Journal																	
Futures Transactions 1. Opening Transaction (1) Buy contract			<u>Contract Date</u>																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Number of contracted units</td> <td style="width: 50%;">Quantity of new contracts</td> </tr> <tr> <td style="text-align: center;">Contract unit price</td> <td>Buy contract unit price</td> </tr> <tr> <td style="text-align: center;">Contract price</td> <td>Quantity of new contracts x buy contract unit price x set multiple</td> </tr> <tr> <td style="text-align: center;">Fees</td> <td>(Note) In case of one-way payment in advance, the fees are processed on the outstanding futures transactions a/c.</td> </tr> <tr> <td style="text-align: center;">Net price</td> <td>Contract price + fees</td> </tr> <tr> <td style="text-align: center;">Customers' margin deposits</td> <td>Cash portion + substitute securities portion</td> </tr> <tr> <td style="text-align: center;">Customers' margin deposits Substitute Securities</td> <td>Substitute securities portion</td> </tr> </table>		Number of contracted units	Quantity of new contracts	Contract unit price	Buy contract unit price	Contract price	Quantity of new contracts x buy contract unit price x set multiple	Fees	(Note) In case of one-way payment in advance, the fees are processed on the outstanding futures transactions a/c.	Net price	Contract price + fees	Customers' margin deposits	Cash portion + substitute securities portion	Customers' margin deposits Substitute Securities	Substitute securities portion	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Futures Purchases (Net Price)</td> <td style="width: 50%; text-align: center;">Accounts Payable for Futures Transactions (Net Price)</td> </tr> </table>		Futures Purchases (Net Price)	Accounts Payable for Futures Transactions (Net Price)
	Number of contracted units	Quantity of new contracts																		
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	Futures Purchases (Net Price)	Accounts Payable for Futures Transactions (Net Price)																		
		(Note) Fees <u>On the Contract Date in Case of Advance Payment</u>																		
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Customers' margin deposits	Cash portion + substitute securities portion																			
Customers' margin deposits Substitute Securities	Substitute securities portion																			
Futures Purchases (Net Price)	Accounts Payable for Futures Transactions (Net price - Fees) Call Loans or Outstanding Amounts (Fees)																			
		<u>Deposit Date</u>																		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Customers' Margin Deposits (Cash + Substitutions)</td> <td style="width: 50%; text-align: center;">Call Loans, etc. (Cash) Customers' Margin Deposits Substitute Securities (Substitutes)</td> </tr> </table>		Customers' Margin Deposits (Cash + Substitutions)	Call Loans, etc. (Cash) Customers' Margin Deposits Substitute Securities (Substitutes)															
Customers' Margin Deposits (Cash + Substitutions)	Call Loans, etc. (Cash) Customers' Margin Deposits Substitute Securities (Substitutes)																			
(2) Sell contract	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Number of contracted units</td> <td style="width: 50%;">Quantity of new contracts</td> </tr> <tr> <td style="text-align: center;">Contract unit price</td> <td>Sell contract unit price</td> </tr> <tr> <td style="text-align: center;">Contract price</td> <td>Quantity of new contracts x sell contract unit price x set multiple</td> </tr> <tr> <td style="text-align: center;">Fees</td> <td>In the case of one-way payment in advance, the fees are recorded on the outstanding futures transactions a/c.</td> </tr> <tr> <td style="text-align: center;">Net price</td> <td>Contract price - fees</td> </tr> </table>		Number of contracted units	Quantity of new contracts	Contract unit price	Sell contract unit price	Contract price	Quantity of new contracts x sell contract unit price x set multiple	Fees	In the case of one-way payment in advance, the fees are recorded on the outstanding futures transactions a/c.	Net price	Contract price - fees								
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			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Accounts Receivable for Futures Transactions (Net Price)</td> <td style="width: 50%; text-align: center;">Futures Sale (Net Price)</td> </tr> </table>		Accounts Receivable for Futures Transactions (Net Price)	Futures Sale (Net Price)														
Accounts Receivable for Futures Transactions (Net Price)	Futures Sale (Net Price)																			
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Accounts Receivable for Futures Transactions (Net price + Fees)	Futures Sale (Net Price) Call Loans, etc. Or Accounts Payable (Fees)																			

Category	Calculations, etc.	Accounts Journal					
2. Closing Transactions (1) Reversing trade (i) Resale	<table border="1"> <tr> <td>Number of contracted units</td> <td>Resale quantity</td> </tr> </table>	Number of contracted units	Resale quantity				
	Number of contracted units	Resale quantity					
	<table border="1"> <tr> <td>Contract unit price</td> <td>Resale unit price</td> </tr> </table>	Contract unit price	Resale unit price				
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	<table border="1"> <tr> <td>Contract price</td> <td>Resale quantity x resale unit price x set multiple</td> </tr> </table>	Contract price	Resale quantity x resale unit price x set multiple				
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	<table border="1"> <tr> <td>Fees (outgoing)</td> <td> (1) Whole Resale Full amount of the balance of the total fees of buy contracts, etc. (2) Partial Resale (a) $\text{Balance of buy contract fees} \times \frac{\text{Resale quantity}}{\text{Remaining quantity of contracts}}$ (In principle, the total amount of fees, consumption tax, and amounts equivalent to exchange tax shall be calculated separately.) </td> </tr> </table>	Fees (outgoing)	(1) Whole Resale Full amount of the balance of the total fees of buy contracts, etc. (2) Partial Resale (a) $\text{Balance of buy contract fees} \times \frac{\text{Resale quantity}}{\text{Remaining quantity of contracts}}$ (In principle, the total amount of fees, consumption tax, and amounts equivalent to exchange tax shall be calculated separately.)				
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<table border="1"> <tr> <td>Right modification unit price</td> <td>Amount equivalent to rights announced by the Exchange (The same shall apply hereinafter.)</td> </tr> </table>	Right modification unit price	Amount equivalent to rights announced by the Exchange (The same shall apply hereinafter.)					
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<table border="1"> <tr> <td>Settlement amount</td> <td> (1) In case of incoming and outgoing collection of fees, etc. at the time of resale $\text{Resale quantity} \times \{ \text{resale unit price} - (\text{buy contract unit price} - \text{right modification unit price}) \} \times \text{set multiple} - \text{fees (outgoing and incoming)}$ $\text{Difference} \geq 0 \text{ Settlement amount receivable}$ $\text{Difference} < 0 \text{ Settlement amount payable}$ (2) Incoming fee collection only at the time of resale ...If the outgoing portion shall be paid when the contract is made $\text{Resale quantity} \times \{ \text{resale unit price} - (\text{buy contract unit price} - \text{right modification unit price}) \} \times \text{set multiple} - \text{fees (incoming)}$ $\text{Difference} \geq 0 \text{ Settlement amount receivable}$ $\text{Difference} < 0 \text{ Settlement amount payable}$ </td> </tr> </table>	Settlement amount	(1) In case of incoming and outgoing collection of fees, etc. at the time of resale $\text{Resale quantity} \times \{ \text{resale unit price} - (\text{buy contract unit price} - \text{right modification unit price}) \} \times \text{set multiple} - \text{fees (outgoing and incoming)}$ $\text{Difference} \geq 0 \text{ Settlement amount receivable}$ $\text{Difference} < 0 \text{ Settlement amount payable}$ (2) Incoming fee collection only at the time of resale ...If the outgoing portion shall be paid when the contract is made $\text{Resale quantity} \times \{ \text{resale unit price} - (\text{buy contract unit price} - \text{right modification unit price}) \} \times \text{set multiple} - \text{fees (incoming)}$ $\text{Difference} \geq 0 \text{ Settlement amount receivable}$ $\text{Difference} < 0 \text{ Settlement amount payable}$					
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<table border="1"> <tr> <td>Deduction of accounts payable for futures transactions A</td> <td> (1) Whole Resell Outstanding balance of futures transactions (2) Partial Resale $\text{Balance of buy contract price} \times \frac{\text{Resale quantity}}{\text{Remaining quantity of contracts}} + \text{fees (outgoing)}$ {Individually calculated in (a)} </td> </tr> </table>	Deduction of accounts payable for futures transactions A	(1) Whole Resell Outstanding balance of futures transactions (2) Partial Resale $\text{Balance of buy contract price} \times \frac{\text{Resale quantity}}{\text{Remaining quantity of contracts}} + \text{fees (outgoing)}$ {Individually calculated in (a)}					
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<table border="1"> <tr> <td>Deduction of futures purchases B</td> <td> (1) If before revaluation, the amount equivalent to the amount deducted from the outstanding amount of futures transactions above (2) Partial Resale after Revaluation $\text{Balance of futures purchases} \times \frac{\text{Resale quantity}}{\text{Remaining quantity of contracts}}$ </td> </tr> </table>	Deduction of futures purchases B	(1) If before revaluation, the amount equivalent to the amount deducted from the outstanding amount of futures transactions above (2) Partial Resale after Revaluation $\text{Balance of futures purchases} \times \frac{\text{Resale quantity}}{\text{Remaining quantity of contracts}}$					
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Category	Calculations, etc.		Accounts Journal	
	Loss or gain on closing of accounts	Accounts payable for futures transactions - futures purchases ± settlement amount receivable and payable - advance payment fees (A) (B)	Contract Date	
	Customers' margin deposits	Abovementioned	Accounts Payable for Futures Transactions (A) Accounts Receivable (Settlement Amount Receivable) Losses on Futures Transactions, etc. (Loss on Settlement)	Futures Purchases (B) Accounts Payable (Settlement Amount Payable) Gains on Futures Transactions, etc. (Gains on Settlement)
			Delivery Date	
			Call Loans, etc. (Settlement Amount Receivable) Accounts Payable (Settlement Amount Payable)	Accounts Receivable (Settlement Amount Receivable) Call Loans, etc. (Settlement Amount Payable)
			Withdrawal Date	
			Call Loans, etc. Customers' Margin Deposits Substitute Securities	Customers' Margin Deposits

Category	Calculations, etc.	Accounts Journal																																						
(ii) Repurchase	<table border="1"> <tr> <td data-bbox="504 204 786 261">Number of contracted units</td> <td data-bbox="786 204 1491 261">Repurchase quantity</td> </tr> <tr> <td data-bbox="504 261 786 293">Contract unit price</td> <td data-bbox="786 261 1491 293">Repurchase unit price</td> </tr> <tr> <td data-bbox="504 293 786 325">Contract price</td> <td data-bbox="786 293 1491 325">Repurchase quantity x repurchase unit price x set multiple</td> </tr> <tr> <td data-bbox="504 325 786 544">Fees (outgoing)</td> <td data-bbox="786 325 1491 544"> (1) Full Repurchase Full amount of the balance of sell contract fees (2) Partial Resale (a) $\text{Balance of sell contract fees} \times \frac{\text{Repurchase quantity}}{\text{Remaining quantity of contracts}}$ (In principle, the total amount of fees, consumption tax, and amounts equivalent to exchange tax shall be calculated separately.) </td> </tr> <tr> <td data-bbox="504 544 786 576">Fees (incoming)</td> <td data-bbox="786 544 1491 576"></td> </tr> <tr> <td data-bbox="504 576 786 628">Right modification unit price</td> <td data-bbox="786 576 1491 628"></td> </tr> <tr> <td data-bbox="504 628 786 991">Settlement amount</td> <td data-bbox="786 628 1491 991"> (1) In case of incoming and outgoing collection of fees for repurchasing. $\text{Repurchase quantity} \times \{(\text{sell contract unit price} - \text{right modification unit price}) - \text{repurchase unit price}\} \times \text{set multiple} - \text{fees (outgoing and incoming)}$ $\text{Difference} \geq 0 \text{ Settlement amount receivable}$ $\text{Difference} < 0 \text{ Settlement amount payable}$ (2) If fees are collected only at the time of repurchase.....The outgoing portion shall already have been paid when the contract is made $\text{Repurchase quantity} \times \{(\text{sell contract unit price} - \text{right modification unit price}) - \text{repurchase unit price}\} \times \text{set multiple} - \text{fees (incoming)}$ $\text{Difference} \geq 0 \text{ Settlement amount receivable}$ </td> </tr> <tr> <td data-bbox="504 991 786 1187">Deduction of account receivables for futures transactions C</td> <td data-bbox="786 991 1491 1187"> (1) Full Repurchase Outstanding balance of accounts receivable for futures transactions (2) Partial Repurchase $\text{Balance of sell contract price} \times \frac{\text{Repurchase quantity}}{\text{Remaining quantity of contracts}} + \text{fees (outgoing)}$ {Individually calculated in (a)} </td> </tr> <tr> <td data-bbox="504 1187 786 1353">Deduction of futures sales D</td> <td data-bbox="786 1187 1491 1353"> (1) If before revaluation, the amount equivalent to the amount deducted from the outstanding amount of futures transactions above (2) Partial repurchase after revaluation $\text{Forward sales balance} \times \frac{\text{Repurchase quantity}}{\text{Remaining quantity of contracts}}$ </td> </tr> </table>	Number of contracted units	Repurchase quantity	Contract unit price	Repurchase unit price	Contract price	Repurchase quantity x repurchase unit price x set multiple	Fees (outgoing)	(1) Full Repurchase Full amount of the balance of sell contract fees (2) Partial Resale (a) $\text{Balance of sell contract fees} \times \frac{\text{Repurchase quantity}}{\text{Remaining quantity of contracts}}$ (In principle, the total amount of fees, consumption tax, and amounts equivalent to exchange tax shall be calculated separately.)	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Customers' Margin Deposits Substitute Securities																																								

Category	Calculations, etc.		Accounts Journal
	Loss or gain on closing of accounts	Futures sales - accounts receivable for futures transactions ± settlement amount receivable and payable - advance payment fees (D) (C)	
	Customers' Margin Deposits	Abovementioned	

Category	Calculations, etc.		Accounts Journal	
(B) Sell contract settlement	Number of contracted units	Settlement quantity	Settlement Date	
	Contract unit price	Settlement unit price	Futures Sale (H)	Accounts Receivable for Futures Transactions (F)
	Contract price	Settlement quantity x settlement unit price x set multiple	Accounts Receivable (Settlement Amount Receivable)	Accounts Payable (Settlement Amount Payable)
	Fees (outgoing)		Losses on Futures Transactions, etc. (Loss on Settlement)	Gains on Futures Transactions, etc. (Gains on Settlement)
	Fees (incoming)		Delivery Date	
	Right modification unit price		Call Loans, etc. (Settlement Amount Receivable)	Accounts Receivable (Settlement Amount Receivable)
	Settlement amount	(1) In case of incoming and outgoing collection of fees at the time of settlement Settlement quantity x {(sell contract unit price - right modification unit price - settlement unit price) x set multiple - fees (outgoing)} Difference \geq 0 Settlement amount receivable Difference $<$ 0 Settlement amount payable (2) If fees are collected only at the incoming time of settlement Settlement quantity x {(sell contract unit price - right modification unit price) - settlement unit price} x set multiple Difference \geq 0 Settlement amount receivable Difference $<$ 0 Settlement amount payable	Accounts Payable (Settlement Amount Payable)	Call Loans, etc. (Settlement Amount Payable)
	Withdrawal of accounts receivable for futures transactions	Full balance of accounts receivable for futures transactions	Withdrawal Date	
	Deduction of futures sales H	Full balance of futures sales	Call Loans, etc.	Customers' Margin Deposits
Settlement loss or gain	Futures sales - accounts receivable for futures transactions \pm settlement amount receivable and payable - advance payment fees (H) (G)	Customers' Margin Deposits Substitute Securities		
Customers' margin deposits	Abovementioned			

Category	Calculations, etc.	Accounts Journal																		
(2) Settlement in kind (A) Actual receipt (a) Standardized government bonds (b) Stock futures 50	6. See Special Provision (1) for standardized government bonds transactions.	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Next Business Day After the Last Trading Day</td> </tr> <tr> <td style="width: 50%; vertical-align: top; border-right: 1px solid black;"> Stock certificates (Settlement Amount) </td> <td style="width: 50%; vertical-align: top;"> Accounts Payable (Settlement Amount) </td> </tr> <tr> <td style="vertical-align: top; border-right: 1px solid black;"> Accounts Payable for Futures Transactions (E) </td> <td style="vertical-align: top;"> Futures Purchases (F) </td> </tr> <tr> <td style="vertical-align: top; border-right: 1px solid black;"> Losses on Futures Transactions, etc. (Difference < 0) </td> <td style="vertical-align: top;"> Gains on Futures Transactions, etc. (Difference ≥ 0) </td> </tr> <tr> <td colspan="2" style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Delivery Date</td> </tr> <tr> <td style="vertical-align: top; border-right: 1px solid black;"> Accounts Payable (Settlement Amount) </td> <td style="vertical-align: top;"> Call Loans (or money trusts) (Settlement Amount) </td> </tr> <tr> <td colspan="2" style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Delivery Date</td> </tr> <tr> <td style="vertical-align: top; border-right: 1px solid black;"> Call Loans (or money trusts) </td> <td style="vertical-align: top;"> Customers' Margin Deposits </td> </tr> <tr> <td style="vertical-align: top; border-right: 1px solid black;"> Customers' Margin Deposits Substitute Securities </td> <td></td> </tr> </table>	Next Business Day After the Last Trading Day		Stock certificates (Settlement Amount)	Accounts Payable (Settlement Amount)	Accounts Payable for Futures Transactions (E)	Futures Purchases (F)	Losses on Futures Transactions, etc. (Difference < 0)	Gains on Futures Transactions, etc. (Difference ≥ 0)	Delivery Date		Accounts Payable (Settlement Amount)	Call Loans (or money trusts) (Settlement Amount)	Delivery Date		Call Loans (or money trusts)	Customers' Margin Deposits	Customers' Margin Deposits Substitute Securities	
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	Delivery Date																			
	Call Loans (or money trusts)	Customers' Margin Deposits																		
	Customers' Margin Deposits Substitute Securities																			
	Number of contracted units	Spot transaction quantity (last quantity of buy contracts)																		
	Contract unit price	Buy contract unit price - right modification unit price																		
	Contract price	Spot transaction quantity x (buy contract unit price - right modification unit price) x 50,000																		
Futures fees (outgoing)	Futures fees (outgoing) balance (futures fees [outgoing] when the buy contract is made - futures fees [outgoing] at the time of sellback)																			
Exchange tax equivalent (outgoing)	Exchange tax equivalent (outgoing) balance (exchange tax equivalent [outgoing] when the buy contract is made - exchange tax equivalent (outgoing) at the time of sellback)																			
Net price (Amount to be prorated for the contract price)	Contract price + futures fees (outgoing) + Exchange tax equivalent (outgoing)																			
Actual receipt fees	Same as spot fees, described below																			
Settlement amount (Total customer payment)	Contract price + futures fees (outgoing) + Exchange tax equivalent (outgoing) + spot transaction fees																			
Withdrawal of accounts payable for futures transactions (E)	Outstanding balance of futures transactions																			
Deduction of futures purchases (F)	Balance of futures purchases																			
(E) - (F)	Difference ≥ 0 Gains on futures transactions Difference < 0 Losses on futures transactions																			

Category	Calculations, etc.		Accounts Journal	
(c) Japanese yen currency futures (Tokyo Financial futures)	Deposits for each individual	Issue (Pro-rata amount)	Used to prorate the net price to the net price for each individual issue. The share price shall be the closing price on the spot market on the last trading day. Net price of A1 issue $= \text{Net price} \times \frac{\text{Closing price of A1 issue} \times \text{number of 1 trading unit shares}}{\text{A50n issue closing price} \times \text{1 number of trading unit shares}} = 1 \text{ (rounded down to the nearest yen)}$ (Note) The difference between the net price and the total amount of the pro rata allotment shall be allocated in the order of the smallest security code by 1 yen each.	[Next Business Day After the Last Trading Day] <u>Daily Trial Balance Sheet for Foreign Currency</u> Accounts Payable for Futures Transactions (Losses on Futures Transactions) Futures Purchases (Gains on Futures Transactions) <u>Daily Trial Balance Sheet for Japanese Currency</u> Foreign Exchange Accounts Receivable Selling Exchange ----- Accounts Payable for Futures Transactions Accounts Payable Losses on Futures Transactions, etc. (A) → Commission in yen and consumption tax [6. See Special Provision (2)]
		Actual receipt fees	Net price of A1 issue x set actual receipt fees rate (rounded down to the nearest yen) (Same as the actual receipt fees)	
		Settlement amount	Net price of A1 issue + actual receipt fees for A1 issue -----	
		Number of acquired shares	Actual receipt quantity x 1 trading unit number of shares -----	
		Contract unit price	Net price of A1 issue ----- Number of acquired shares for A1 issue ----- (Rounded down to the nearest yen)	

Category	Calculations, etc.	Accounts Journal
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			<p>[Delivery date]</p> <p><u>Daily Trial Balance Sheet for Foreign Currency</u></p> <table border="1"> <tr> <td>Foreign Currency Funds</td> <td>Deposit</td> </tr> <tr> <td>(Profit Account)</td> <td>(Loss Account)</td> </tr> </table> <p>Daily Trial Balance Sheet for Japanese Currency</p> <table border="1"> <tr> <td>Selling exchange</td> <td>Foreign Exchange Accounts Receivable</td> </tr> <tr> <td>Call Loans, etc. (Loss Categories)</td> <td>(Gain Categories)</td> </tr> <tr> <td>-----</td> <td>-----</td> </tr> <tr> <td>Accounts Payable (A)</td> <td>Call Loans, etc.</td> </tr> </table> <p>→ Same as remittances of foreign currency</p>	Foreign Currency Funds	Deposit	(Profit Account)	(Loss Account)	Selling exchange	Foreign Exchange Accounts Receivable	Call Loans, etc. (Loss Categories)	(Gain Categories)	-----	-----	Accounts Payable (A)	Call Loans, etc.
Foreign Currency Funds	Deposit														
(Profit Account)	(Loss Account)														
Selling exchange	Foreign Exchange Accounts Receivable														
Call Loans, etc. (Loss Categories)	(Gain Categories)														
-----	-----														
Accounts Payable (A)	Call Loans, etc.														

Category	Calculations, etc.	Accounts Journal			
(B) Current offering (a) Standardized government bonds (b) Stock futures 50	6. See Special Provision (1) for standardized government bonds transactions.	<u>Next Business Day After the Last Trading Day</u>			
		Number of contracted units	Actual delivery quantity (last quantity of buy contracts)	Accounts Receivable (Settlement Amount)	Stock certificates (Book value in kind)
		Contract unit price	Sell contract unit price - right modification unit price	Loss on Securities Transactions	Gain on Securities Transactions
		Contract price	Actual delivery quantity x (sell contract unit price - right modification unit price) x 50,000	Futures Sale (H)	Accounts Receivable for Futures Transactions (G)
		Futures fees (outgoing)	Balance of futures fees (outgoing) (Futures fees [outgoing] when the sell contract is made - futures fees [outgoing] at the time of buyback)	Losses on Futures Transactions, etc. (Difference < 0)	Gains on Futures Transactions, etc. (Difference ≥ 0)
		Net price (Amount to be prorated for the contract price)	Contract price + futures fees (outgoing) + Exchange tax equivalent (outgoing)	<u>Delivery Date</u>	
		Actual delivery fees	Same as spot fees, described below	Call Loans (or money trusts)	Customers' Margin Deposits
		Securities transaction tax	In-kind securities transaction tax, as described below	(Settlement Amount)	(Settlement Amount)
		Settlement amount (Total customer payment)	Contract price - futures fees (outgoing) - exchange tax equivalent (outgoing) - actual delivery fees - securities transaction tax	<u>Delivery Date</u>	
		Withdrawal from accounts receivable for futures transactions (G)	Balance of accounts receivable for futures transactions	Call Loans (or money trusts)	Customers' Margin Deposits
		Deduction of futures sales (H)	Balance of futures purchases	Customers' Margin Deposits Substitute Securities	
		(H) - (G)	Difference ≥ 0 Gains on futures transactions Difference < 0 Losses on futures transactions		

Category	Calculations, etc.	Accounts Journal																
(a) Japanese yen currency futures (Tokyo Financial futures)	<div style="border: 1px solid black; height: 600px; width: 100%;"></div>	<p>[Next Business Day After the Last Trading Day]</p> <p><u>Daily Trial Balance Sheet for Foreign Currency</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Futures Sale (Losses on Futures Transactions)</td> <td style="width: 50%; text-align: center;">Accounts Receivable for Futures Transactions (Gains on Futures Transactions)</td> </tr> </table> <p><u>Daily Trial Balance Sheet for Japanese Currency</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Foreign Exchange Purchases</td> <td style="width: 50%; text-align: center;">Foreign Exchange Accounts Payable</td> </tr> <tr> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> </tr> <tr> <td style="text-align: center;">Accounts Payable for Futures Transactions Losses on Futures Transactions, etc.</td> <td style="text-align: center;">Accounts Payable (A)</td> </tr> </table> <p>→ Commission paid in yen and consumption tax [6. See Special Provision (2)]</p> <p>[Delivery date]</p> <p><u>Daily Trial Balance Sheet for Foreign Currency</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Deposit</td> <td style="width: 50%; text-align: center;">Foreign Currency Funds</td> </tr> </table> <p><u>Daily Trial Balance Sheet for Japanese Currency</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Foreign Exchange Accounts Payable Foreign Investment Accounts</td> <td style="width: 50%; text-align: center;">Foreign Exchange Purchases Call Loans, etc.</td> </tr> <tr> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> </tr> <tr> <td style="text-align: center;">Accounts Payable (A)</td> <td style="text-align: center;">Call Loans, etc.</td> </tr> </table> <p>→ Same as foreign currency processing</p>	Futures Sale (Losses on Futures Transactions)	Accounts Receivable for Futures Transactions (Gains on Futures Transactions)	Foreign Exchange Purchases	Foreign Exchange Accounts Payable	-----	-----	Accounts Payable for Futures Transactions Losses on Futures Transactions, etc.	Accounts Payable (A)	Deposit	Foreign Currency Funds	Foreign Exchange Accounts Payable Foreign Investment Accounts	Foreign Exchange Purchases Call Loans, etc.	-----	-----	Accounts Payable (A)	Call Loans, etc.
Futures Sale (Losses on Futures Transactions)	Accounts Receivable for Futures Transactions (Gains on Futures Transactions)																	
Foreign Exchange Purchases	Foreign Exchange Accounts Payable																	
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Foreign Exchange Accounts Payable Foreign Investment Accounts	Foreign Exchange Purchases Call Loans, etc.																	
-----	-----																	
Accounts Payable (A)	Call Loans, etc.																	

Category	Calculations, etc.		Accounts Journal	
3. Modification of Rights	Buy contracts	Right modification price = Remaining buy contract quantity x right modification unit price x set multiple	[Buy Contracts] Right modification date	
	Sell contract	Right modification price = Remaining buy contract quantity x right amendment unit price x set multiple	Accounts Payable for Futures Transactions (Right Modification Fee)	Futures Purchases (Right Modification Fee)
4. Valuation	Buy contracts	(Remaining buy contract quantity x evaluated unit price x set multiple) - buy contract net price (Market value) (Book value) Difference ≥ 0 Valuation gain Difference < 0 Valuation Loss	[Sell Contracts] Right modification date Futures Sale (Right Modification Fee)	Accounts Receivable for Futures Transactions (Right Modification Fee)
	Sell contract	(Remaining buy contract quantity x evaluated unit price x set multiple) - sell contract net price Difference > 0 Valuation Loss Difference < 0 Valuation Gain In the case of open type investment trusts, revaluation shall be made to the market value on the fund settlement date.	Every day Valuation Gain or Loss on Futures Transactions, etc. Valuation Loss (-) or Gain	
5. Revaluation	Buy contracts	Valuation gains shall be recorded as futures transaction, etc. gains, and valuation losses shall be recorded as futures transaction, etc. losses.	[Buy Contracts] Fund Settlement Date	
	Sell contract	Same as above	Futures Purchases (Valuation Margin) Losses on Futures Transactions, etc. (Valuation Loss)	Gains on Futures Transactions, etc. (Valuation Loss) Futures Purchases (Valuation Loss)
	Acceptance of calculated gains	If calculated gains can be withdrawn, they shall be processed by collecting customers' margin deposits.	[Sell Contracts] Fund Settlement Date	
6. Calculated Profit Withdrawals			Futures Sale (Valuation Margin) Losses on Futures Transactions, etc. (Valuation Loss)	Gains on Futures Transactions, etc. (Valuation Loss) Futures Sale (Valuation Loss)
			Delivery Date Call Loans, etc. Customers' Margin Deposits	

7. Special Provisions

(1) Standardized Government Bonds Transactions

Journal Entry Example		Remarks																																												
<p>Accounts Journal for Futures Purchase Contracts</p> <p>◇ On December 17, Fund A (open type) purchased 1 billion yen face value of futures for the March contract month. (Contract Price = @ 97.50)</p> <p style="text-align: center;">12/17 Contract Date</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">Futures Purchases a/c</td> <td style="width: 50%; text-align: left;">Accounts Payable for Futures Transactions a/c</td> </tr> <tr> <td style="text-align: right;">975,300,000 yen</td> <td style="text-align: left;">975,300,000 yen</td> </tr> <tr> <td colspan="2">* Commission, etc.: 300,000 yen</td> </tr> </table> <p style="text-align: center;">12/19 (3rd Business Day) Customers' Margin Deposit</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">Customers' Margin Deposit a/c</td> <td style="width: 50%; text-align: left;">Money Trust a/c (or call loans)</td> </tr> <tr> <td style="text-align: right;">30,000,000 yen</td> <td style="text-align: left;">10,000,000 yen</td> </tr> <tr> <td colspan="2">Securities Received as Customers' Deposits for Customers' Margin a/c 20,000</td> </tr> </table> <p>◇ On February 10, Accounts settled due to the settlement of the fund above Revalue * (1).</p> <p style="text-align: center;">Final price for the contract month of March @ 97.20</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">Loss on Futures Transaction a/c</td> <td style="width: 50%; text-align: left;">Futures Purchases a/c</td> </tr> <tr> <td style="text-align: right;">3,300,000 yen</td> <td style="text-align: left;">3,300,000 yen</td> </tr> </table> <p>◇ On March 4, Fund A settled the above futures transaction through reversing trade. (Contract Price = @ 98.80) However, this fund has been revaluated due to its February 10 closing date. (Loss on sale: 3,300,000 yen)</p> <p style="text-align: center;">3/4 Contract Date</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">Accounts Payable for Futures Transactions a/c</td> <td style="width: 50%; text-align: left;">Futures Purchases a/c</td> </tr> <tr> <td style="text-align: right;">975,300,000 yen</td> <td style="text-align: left;">972,000,000 yen</td> </tr> <tr> <td>* (2) Accounts Receivable a/c</td> <td>Gain on futures transaction a/c</td> </tr> <tr> <td style="text-align: right;">12,400</td> <td style="text-align: right;">15,700</td> </tr> </table>	Futures Purchases a/c	Accounts Payable for Futures Transactions a/c	975,300,000 yen	975,300,000 yen	* Commission, etc.: 300,000 yen		Customers' Margin Deposit a/c	Money Trust a/c (or call loans)	30,000,000 yen	10,000,000 yen	Securities Received as Customers' Deposits for Customers' Margin a/c 20,000		Loss on Futures Transaction a/c	Futures Purchases a/c	3,300,000 yen	3,300,000 yen	Accounts Payable for Futures Transactions a/c	Futures Purchases a/c	975,300,000 yen	972,000,000 yen	* (2) Accounts Receivable a/c	Gain on futures transaction a/c	12,400	15,700	<p>Accounts Journal for Futures Sales Contracts</p> <p>◇ On October 21, Fund B (unit type) sold 1 billion yen face value of futures for the December contract month. (Contract Price = @ 98.00)</p> <p style="text-align: center;">10/21 Contract Date</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: left;">Accounts Receivable for Futures Transactions a/c</td> <td style="width: 50%; text-align: right;">Futures Sales a/c</td> </tr> <tr> <td style="text-align: left;">979,700,000 yen</td> <td style="text-align: right;">979,700,000 yen</td> </tr> <tr> <td colspan="2">* Commission, etc.: 300,000 yen</td> </tr> </table> <p style="text-align: center;">10/23 (3rd Business Day) Customers' Margin Deposit</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: left;">Customers' Margin Deposit a/c</td> <td style="width: 50%; text-align: right;">Money Trust a/c (or call loans)</td> </tr> <tr> <td style="text-align: left;">30,000,000 yen</td> <td style="text-align: right;">10,000,000 yen</td> </tr> <tr> <td colspan="2">Securities Received as Customers' Deposits for Customers' Margin a/c 20,000</td> </tr> </table> <p>(The unit type does not undergo revaluation for closing)</p> <p>◇ On December 2, Fund B settled the above futures transaction through reversing trade. (Contract Price = @ 99.44)</p> <p style="text-align: center;">12/2 Contract Date</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: left;">Futures Sales a/c</td> <td style="width: 50%; text-align: right;">Accounts Receivable for Futures Transactions a/c</td> </tr> <tr> <td style="text-align: left;">979,700,000 yen</td> <td style="text-align: right;">979,700,000 yen</td> </tr> <tr> <td>Loss on Futures Transaction a/c</td> <td>* (3) Accounts Payable a/c</td> </tr> <tr> <td style="text-align: left;">15,000</td> <td style="text-align: right;">15,000</td> </tr> </table>	Accounts Receivable for Futures Transactions a/c	Futures Sales a/c	979,700,000 yen	979,700,000 yen	* Commission, etc.: 300,000 yen		Customers' Margin Deposit a/c	Money Trust a/c (or call loans)	30,000,000 yen	10,000,000 yen	Securities Received as Customers' Deposits for Customers' Margin a/c 20,000		Futures Sales a/c	Accounts Receivable for Futures Transactions a/c	979,700,000 yen	979,700,000 yen	Loss on Futures Transaction a/c	* (3) Accounts Payable a/c	15,000	15,000	<p>* (1) Revaluation for closing is made for the open type only.</p> <p>* (2) Accounts receivable (settlement amount) 12,400,000 yen = 1 billion yen x (98.80 - 97.50) x 1/100 - 600,000 yen (Face Value) (Settlement Contract Price) (Purchase Contract Price) (Commission, etc.)</p> <p>* (3) Accounts payable (clearing price) 15,000,000 yen = 1 billion yen x (98.00 - 99.44) x 1/100 - 600,000 yen (Face Value) (Sales Contract Price) (Settlement Contract Price) (Commission, etc.)</p>
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Journal Entry Example

Remarks

3/7 Delivery Date (4 Business Days)

Money Trust a/c (or call loans)	Accounts Receivable a/c
12,400,000 yen	12,400,000 yen

Money Trust a/c (or call loans)	Customers' Margin Deposits
10,000,000 yen	30,000,000 yen
Securities Received as Customers' Deposits for Customers' Margin a/c	
20,000	

◇ In the event that the futures transaction above is settled through delivery (actual receipt of stock purchased)

- Final clearing price @97.60
- CF of deliverable bonds 1.025

3/10 (the next business day after the last day of a futures transaction)

Accounts Payable for Futures Transactions a/c	Futures Purchases a/c
975,300,000 yen	972,000,000 yen
Accounts Receivable a/c	* (4) Gain on Futures Transaction a/c
400	3,700

3/17 Actual receipt of stock purchased confirmation date (4 business days before delivery date)

* (6) Government Bonds a/c	Accounts Payable a/c
1,000,400	1,000,400,000 yen

12/5 Delivery Date (4 Business Days)

Accounts Payable a/c	Money Trust a/c (or call loans)
5,000,000 yen	5,000,000 yen

Money Trust a/c (or call loans)	Customers' Margin Deposit a/c
10,000,000 yen	30,000,000 yen
Securities Received as Customers' Deposits for Customers' Margin a/c	
20,000	

◇ In the event that the futures transaction above is settled through delivery (actual delivery of stock sold)

- Final clearing price @98.80
- CF of deliverable bonds 1.035
- Book value of actual delivery of stock sold: 995,000 yen (@ 99.50)

12/10 (the next business day after the last day of a futures transaction)

Futures Purchases a/c	Accounts Receivable for Futures Transactions a/c
979,700,000 yen	979,700,000 yen
* (5) Loss on Futures Transaction a/c	Accounts Payable a/c
8,600	8,600

12/10 Contact Date for Actual Delivery of Stock Sold

Accounts Receivable a/c	Government bonds a/c
1,022,273,000 yen	995,000,000 yen
	* (7) Gain on Sale of Public and Corporate Bonds a/c
	22,273

* (4) Gain on Futures Transactions: 3,700,000 yen =
1 billion yen x (97.60 - 97.20) x 1/100 - 300,000 yen
(Face Value) (Final Clearing Price) (Book Value) (Commission Fees, etc.)

* (5) Loss on Futures Transactions: 8,600,000 yen =
1 billion yen x (97.97 - 98.80) x 1/100 - 300,000 yen
(Face Value) (Book Value) (Final Clearing Price) (Commission Fees, etc.)

* (6) Government Bonds: 1,000,400,000 yen =
1 billion yen x 97.60 x 1.025 x 1/100
(Face Value) (Final Clearing Price) (CF)

* (7) Gains on sales of public and corporate bonds: 27,273,000 yen =
1 billion yen x (98.80 x 1.035 - 99.50) x 1/100 - 307,000 yen
(Face Value) (Final Clearing Price) (CF) (Book Value) (Transaction Tax)

Contract Price for Actually Delivered Stock Sold
@ 102.258

(Transaction Tax = 1 billion yen x 102.258 x 1/100 x 3/10.000)
(Tax Rate)

Journal Entry Example				Remarks																
3/20 Delivery Date		12/20 Delivery Date		<p>* (8) Settlement Amount</p> <p>1 billion yen $= 1 \text{ billion yen} \times \{(97.60 \times 1.025) + (97.50 - 97.60)\} \times 1/100 + 600,000 \text{ yen}$ (Face Value) (Final Clearing Price) (Deliverable Bond CF) (Sales Contract Price) (Final Clearing Price) (Clearing Fees, etc.)</p> <div style="border: 1px solid black; width: 100%; height: 20px; margin: 5px 0;"></div> <p style="text-align: center;">Contract Price for Stock Traded</p> <p style="text-align: center;">Delivery Price</p> <p>* (9) Settlement amount</p> <p>1,013,673,000 yen = 1 billion yen x</p> <p>$\{98.80 \times 1.035 + (98.00 - 98.80)\} \times 1/100 - (600,000 \text{ yen} + 307,000 \text{ yen})$ (Final Clearing Price) (Deliverable Bond CF) (Sales Contract Price) (Settlement Contract Price) (Fees) (Transaction Tax)</p> <div style="border: 1px solid black; width: 100%; height: 20px; margin: 5px 0;"></div> <p style="text-align: center;">Contract Price for Actually Delivered Stock Sold</p> <p style="text-align: center;">Delivery Price</p> <p style="text-align: center;">(Clearing Fees)</p> <p style="text-align: center;">(Transaction tax = 1 billion yen x 102.258 x 1/100 x 3/10,000 (tax rate))</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Amount of actual delivery of stock sold</p>																
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(2) Special Provision for Accounting for the Contract Amount and Commission Charge (Including Consumption Tax) Converted Into Other Currencies, Such as in “Futures Transactions in Japanese Yen”

The following directive shall apply to accounting for brokerage commissions and consumption taxes on “Japanese Yen Currency Futures” and “US Dollar Short Term Interest Rate Futures” within the Tokyo Financial Futures Exchange.

	Buy Contracts				Sell Contracts			
	Daily Trial Balance Sheet for Japanese Currency		Daily Trial Balance Sheet for Foreign Currency		Daily Trial Balance Sheet for Japanese Currency		Daily Trial Balance Sheet for Foreign Currency	
(1) A New Position Opening	* Includes Commission (including consumption tax)		* Records Contract Amount		* Includes Commission (including consumption tax)		* Records Contract Amount	
(1) Contract Date	Losses on Futures Transactions, etc.	Accounts Payable for Futures Transactions	Futures Purchases	Accounts Payable for Futures Transactions	Losses on Futures Transactions, etc.	Accounts Payable for Futures Transactions	Accounts Receivable for Futures Transactions	Futures Sale
(2) Settlement Date	Accounts Payable for Futures Transactions	Accounts Payable	Accounts Payable for Futures Transactions	Futures Purchases	Accounts Payable for Futures Transactions	Accounts Payable	Futures Sale	Accounts Receivable for Futures Transactions
(1) Contract Date	Losses on Futures Transactions, etc.		[Accounts Receivable]	[Accounts Payable]	Losses on Futures Transactions, etc.		[Accounts Receivable]	[Accounts Payable]
	(Settlement Contract Amount)		[Loss on Futures Transactions, etc.]	[Gains on Futures Transactions, etc.]	(Settlement Contract Amount)		[Loss on Futures Transactions, etc.]	[Gains on Futures Transactions, etc.]
(2) Delivery Date	Accounts Payable	Call Loans, etc.	[Deposit]	[Accounts Receivable]	Accounts Payable	Call Loans, etc.	[Deposit]	[Accounts Receivable]
			[Accounts Payable]	[Deposit]			[Accounts Payable]	[Deposit]

Category	Calculations, etc.	Accounts Journal												
		<p>(2) Put</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Contract Date</th> </tr> </thead> <tbody> <tr> <td style="width: 50%; text-align: center; vertical-align: top;">Accounts Receivable (Net Price)</td> <td style="width: 50%; text-align: center; vertical-align: top;">Put Option (Sell) (Net Price)</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Delivery Date</th> </tr> </thead> <tbody> <tr> <td style="width: 50%; text-align: center; vertical-align: top;">Call Loans, etc. (Net Price)</td> <td style="width: 50%; text-align: center; vertical-align: top;">Accounts Receivable (Net Price)</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Deposit Date</th> </tr> </thead> <tbody> <tr> <td style="width: 50%; text-align: center; vertical-align: top;">Customers' Margin Deposits</td> <td style="width: 50%; text-align: center; vertical-align: top;">Call Loans, etc. Customers' Margin Deposits Substitute Securities</td> </tr> </tbody> </table>	Contract Date		Accounts Receivable (Net Price)	Put Option (Sell) (Net Price)	Delivery Date		Call Loans, etc. (Net Price)	Accounts Receivable (Net Price)	Deposit Date		Customers' Margin Deposits	Call Loans, etc. Customers' Margin Deposits Substitute Securities
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Deposit Date														
Customers' Margin Deposits	Call Loans, etc. Customers' Margin Deposits Substitute Securities													

Category	Calculations, etc.		Accounts Journal		
2. Closing Transaction (1) Resale (Applies to both call and put)	Number of contracted units	Resale quantity	(1) Call		
	Contract unit price	Resale unit price	Contract Date		
	Contract price	Resale quantity x resale unit price x set multiple	Accounts Receivable (Net Price) Losses on Futures Transactions, etc. (Difference < 0)	Call Option (Buy) (Book Value) Gains on Futures Transactions, etc. (Difference ≥ 0)	
	Fees				
	Net price	Contract price - fees	Delivery Date		
	Book value of sale	(1) Whole Resell Full amount of book value (2) Partial Resale Resale quantity x book unit price x set multiple	Call Loans, etc. (Net Price)	Accounts Receivable (Net Price)	
			(2) Put		
		Contract Date			
		Accounts Receivable (Net Price) Losses on Futures Transactions, etc. (Difference < 0)	Put Option (Buy) (Book Value) Gains on Futures Transactions, etc. (Difference ≥ 0)		
		Delivery Date			
		Call Loans, etc. (Net Price)	Accounts Receivable (Net Price)		

Category	Calculations, etc.		Accounts Journal																			
(2) Repurchase (Applies to both call and put)	<table border="1"> <tr> <td data-bbox="504 207 784 279">Number of contracted units</td> <td data-bbox="784 207 1489 279">Repurchase quantity</td> </tr> <tr> <td data-bbox="504 279 784 327">Contract unit price</td> <td data-bbox="784 279 1489 327">Repurchase unit price</td> </tr> <tr> <td data-bbox="504 327 784 375">Contract price</td> <td data-bbox="784 327 1489 375">Repurchase quantity x repurchase unit price x set multiple</td> </tr> <tr> <td data-bbox="504 375 784 414">Fees</td> <td data-bbox="784 375 1489 414"></td> </tr> <tr> <td data-bbox="504 414 784 454">Net price</td> <td data-bbox="784 414 1489 454">Contract price + fees</td> </tr> <tr> <td data-bbox="504 454 784 582">Book value of portion sold</td> <td data-bbox="784 454 1489 582">(1) Full Repurchase Full amount of book value (2) Partial Repurchase Repurchase quantity x book unit price x set multiple</td> </tr> <tr> <td data-bbox="504 582 784 678">Transaction loss or gain</td> <td data-bbox="784 582 1489 678">Book value of portion sold - Net price Difference ≥ 0 Difference < 0</td> </tr> <tr> <td data-bbox="504 678 784 758">Customers' margin deposits</td> <td data-bbox="784 678 1489 758"></td> </tr> <tr> <td data-bbox="504 758 784 1085"></td> <td data-bbox="784 758 1489 1085"></td> </tr> </table>		Number of contracted units	Repurchase quantity	Contract unit price	Repurchase unit price	Contract price	Repurchase quantity x repurchase unit price x set multiple	Fees		Net price	Contract price + fees	Book value of portion sold	(1) Full Repurchase Full amount of book value (2) Partial Repurchase Repurchase quantity x book unit price x set multiple	Transaction loss or gain	Book value of portion sold - Net price Difference ≥ 0 Difference < 0	Customers' margin deposits				(1) Call	
	Number of contracted units	Repurchase quantity																				
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	Fees																					
	Net price	Contract price + fees																				
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		Withdrawal Date																				
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		(2) Put																				
		Contract Date																				
		Put Option (Sell) (Book Value) Losses on Futures Transactions, etc. (Difference < 0)	Accounts Payable (Net Price) Gains on Futures Transactions, etc. (Difference ≥ 0)																			
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		Withdrawal Date																				
		Call Loans, etc. Customers' Margin Deposits Substitute Securities	Customers' Margin Deposits																			

Category	Calculations, etc.		Accounts Journal	
(3) Exercise of Rights			Date of exercise	
(1) Exercise of Call Rights	Number of contracted units	Exercise quantity	Losses on Futures Transactions, etc. (Transfer amount for transaction losses)	Call Option (Buy) (Book Value)
(a) Futures Options	Book value of portion to be exercised	Exercise quantity x book value x set multiple		
(Securities, interest, currency, etc.)	Transfer amount for transaction losses	Book value of portion to be exercised		
A. Buy Contracts			Date of exercise	
			Futures purchases (Buy Contract Net Price)	Accounts Payable for Futures Transactions (Buy Contract Net Price)
B. Sell Contracts	Quantity of buy contracts	Exercise quantity		
	Buy contract unit price	Exercise price (= strike price)	Deposit Date	
(b) Futures Options (Index)	Buy Contract Price	Exercise quantity x exercise price x set multiple	Customers' Margin Deposits	Call Loans, etc. Customers' Margin Deposits Substitute Securities
	Fees			
	Buy contract net price	Buy contract price + fees		
	Customers' margin deposits			
(c) Spot Options			Equivalent to futures transactions accounting	
			Date of exercise	
			Accounts Receivable (Settlement Amount Receivable) Losses on Futures Transactions, etc. (Difference < 0)	Call Option (Buy) (Book Value) Gains on Futures Transactions, etc. (Difference ≥ 0)
			Delivery Date	
	Settlement Amount Receivable	(Index value - exercise price) x exercise quantity x set multiple - Fees	Call Loans, etc.	Accounts Receivable
			Date of exercise	
			Losses on Futures Transactions, etc. (Transfer amount for transaction losses) Stock certificates, bonds, or deposits (Items purchased)	Call Option (Buy) (Book Value) Accounts Payable (Net Purchase Price)
			Delivery Date	
			Accounts Payable	Call Loans, etc.

Category	Calculations, etc.		Accounts Journal	
<p>- When there are shares below the minimum trade unit when exercising stock options</p>	<p>Settlement amount when below the minimum unit</p>	<p>(Final price of stock certificates - exercise price) x quantity of stock options below minimum trade unit</p> <p>(Final price of stock certificates - exercise price) > 0</p> <p>(Final price of stock certificates - exercise price) < 0</p>	<p style="text-align: center;">Date of exercise</p> <hr/> <p>Accounts Receivable (Settlement Amount Receivable When Below the Minimum Unit)</p> <p style="text-align: center;">Delivery Date</p> <hr/> <p>Call Loans, etc.</p>	<p style="text-align: center;">Date of exercise</p> <hr/> <p>Gains on Futures Transactions, etc. (Settlement Amount Receivable When Below the Minimum Unit)</p> <p style="text-align: center;">Delivery Date</p> <hr/> <p>Accounts Receivable</p> <p style="text-align: center;">Date of exercise</p> <hr/> <p>Losses on Futures Transactions, etc. (Settlement Amount Payable When Below the Minimum Unit)</p> <p style="text-align: center;">Delivery Date</p> <hr/> <p>Accounts Payable</p> <p style="text-align: center;">Date of exercise</p> <hr/> <p>Accounts Payable (Settlement Amount Payable When Below the Minimum Unit)</p> <p style="text-align: center;">Delivery Date</p> <hr/> <p>Call Loans, etc.</p>

Category	Calculations, etc.		Accounts Journal		
(2) Exercise of Put Options (a) Futures Options (Securities, interest, currency, etc.)	Number of contracted units	Exercise quantity	Date of exercise		
	Book value of portion to be exercised	Exercise quantity x book value x set multiple	Losses on Futures Transactions, etc. (Transfer amount for transaction losses)	Put Option (Buy) (Book Value)	
	Transfer amount for transaction losses	Book value of portion to be exercised	Date of exercise		
	A. Sell Contracts		Accounts Receivable for Futures Transactions (Sell Contract Net Price)	Futures Sale (Sell Contract Net Price)	
	B. Resale	Quantity of sell contracts	Exercise quantity	Deposit Date	
	Sell contract unit price	Exercise Price	Customers' Margin Deposits	Call Loans, etc. Customers' Margin Deposits Substitute Securities	
	Sell Contract Price	Exercise quantity x exercise price x set multiple			
	Fees				
	Sell Contract Net Price	Sell Contract Price - Fees			
	Customers' margin deposits		Equivalent to futures transactions accounting		
(c) Spot Options			Date of exercise		
	Settlement Amount Receivable	(Exercise price - index value) x exercise quantity x set multiple - Fees	Accounts Receivable (Settlement Amount Receivable) Losses on Futures Transactions, etc. (Difference < 0)	Put Option (Buy) (Book Value) Gains on Futures Transactions, etc. (Difference ≥ 0)	
Delivery Date			Call Loans, etc. Accounts Receivable		
			Date of exercise		
			Losses on Futures Transactions, etc. (Transfer amount for transaction losses) Accounts Receivable (Net Sales) Loss on Securities Transactions	Put Option (Buy) (Book Value) Stock Certificates, Bonds, or Deposits (Items sold) Gain on Securities Transactions	
			Delivery Date		
			Call Loans, etc.	Accounts Receivable	

Category	Calculations, etc.		Accounts Journal	
<p>- When there are shares below the minimum trade unit when exercising stock options</p>	<p>Settlement amount when below the minimum unit</p>	<p>(Exercise price - final price of stock certificates) x quantity of stock options below minimum trade unit</p> <p>(Exercise price - final price of stock certificates) > 0</p> <p>(Exercise price - final price of stock certificates) < 0</p>	<p style="text-align: center;">Date of exercise</p> <hr/> <p>Accounts Receivable (Settlement Amount Receivable When Below the Minimum Unit)</p>	<p style="text-align: center;">Date of exercise</p> <hr/> <p>Gains on Futures Transactions, etc. (Settlement Amount Receivable When Below the Minimum Unit)</p> <p style="text-align: center;">Delivery Date</p> <hr/> <p>Call Loans, etc.</p> <p style="text-align: center;">Date of exercise</p> <hr/> <p>Accounts Payable (Settlement Amount Payable When Below the Minimum Unit)</p> <p style="text-align: center;">Delivery Date</p> <hr/> <p>Accounts Payable</p>

Category	Calculations, etc.		Accounts Journal	
(4) Exercise of Rights (1) Exercising Call Rights (a) Futures Options (Securities, interest, currency, etc.)	Number of contracted units	Exercise Quantity	Date of exercise	
	Book value of portion to be exercised	Exercise quantity x book unit price x set multiple	Call Option (Sell) (Book Value)	Gains on Futures Transactions, etc. (Transfer amount for transaction gains)
	Transfer amount for transaction gains	Book value of portion to be exercised	Date of exercise	
	Quantity of sell contracts	Exercise Quantity	Accounts Receivable for Futures Transactions (Sell Contract Net Price)	Futures Sale (Sell Contract Net Price)
	Sell contract unit price	Exercise Price	Deposit Date	
	Sell Contract Price	Exercise quantity x exercise price x set multiple	Customers' Margin Deposits	Call Loans, etc. Customers' Margin Deposits Substitute Securities
	Fees		Equivalent to futures transactions accounting	
	Sell Contract Net Price	Sell Contract Net Price - Fees	Date of exercise	
	Customers' margin deposits		Call Option (Sell) (Book Value) Losses on Futures Transactions, etc. (Difference < 0)	Accounts Payable (Settlement amount payable) Gains on Futures Transactions, etc. (Difference ≥ 0)
	(c) Spot Options	Settlement amount payable	(Index value - exercise price) x exercise quantity x set multiple + Fees	Delivery Date
			Accounts Payable	Call Loans, etc.
			Date of exercise	
			Call Option (Sell) (Book Value) Accounts Receivable (Net Sales) Loss on Securities Transactions	Gains on Futures Transactions, etc. (Transfer amount for transaction gains) Stock Certificates, Bonds, or Deposits (Items sold) Gain on Securities Transactions
			Delivery Date	
			Call Loans, etc.	Accounts Receivable

Category	Calculations, etc.		Accounts Journal	
- When there are shares below the minimum trade unit when exercising stock options	Settlement amount when below the minimum unit	$ \begin{aligned} & (\text{Exercise price} - \text{final price of stock certificates}) \\ & \times \text{quantity of stock options below minimum trade unit} \\ \\ & (\text{Exercise price} - \text{final price of stock certificates}) < 0 \\ \\ \\ \\ \\ \\ \\ \\ & (\text{Exercise price} - \text{final price of stock certificates}) > 0 \end{aligned} $	<hr/> Date of exercise Losses on Futures Transactions, etc. (Settlement Amount Payable When Below the Minimum Unit)	<hr/> Date of exercise Accounts Payable (Settlement Amount Payable When Below the Minimum Unit)
			<hr/> Delivery Date Accounts Payable	<hr/> Delivery Date Call Loans, etc.
			<hr/> Date of exercise Accounts Receivable (Settlement Amount Receivable When Below the Minimum Unit)	<hr/> Date of exercise Gains on Futures Transactions, etc. (Settlement Amount Receivable When Below the Minimum Unit)
			<hr/> Delivery Date Call Loans, etc.	<hr/> Delivery Date Accounts Receivable

Category	Calculations, etc.		Accounts Journal	
(2) Exercise of put rights (a) Futures Options (Securities, interest, currency, etc.)	Number of contracted units	Exercise Quantity	Date of exercise	
	Book value of portion to be exercised	Exercise quantity x book unit price x set multiple	Put Option (Sell) (Book Value)	Gains on Futures Transactions, etc. (Transfer amount for transaction gains)
	Transfer amount for transaction gains	Book value of portion to be exercised	Date of exercise	
	A. Buy Contracts		Futures Purchases (Buy Contract Net Price)	Accounts Payable for Futures Transactions (Buy Contract Net Price)
	Quantity of buy contracts	Exercise Quantity	Deposit Date	
	B. Sell Contracts	Exercise Price	Customers' Margin Deposits	Call Loans, etc. Customers' Margin Deposits Substitute Securities
	Buy contract unit price	Exercise Price	Equivalent to futures transactions accounting	
	Buy Contract Price	Exercise quantity x exercise price x set multiple	Date of exercise	
	Fees		Put Option (Sell) (Book Value) Losses on Futures Transactions, etc. (Difference < 0)	Accounts Payable (Settlement Amount Payable) Gains on Futures Transactions, etc. (Difference ≥ 0)
	Buy contract net price	Buy Contract Net Price + Fees	Delivery Date	
Customers' margin deposits		Accounts Payable	Call Loans, etc.	
(c) Spot Options	Settlement amount payable	(Exercise price - index value) x exercise quantity x set multiple + Fees	Date of exercise	
			Put Option (Sell) (Book Value) Stock Certificates, Bonds, or Deposits (Items purchased)	Gains on Futures Transactions, etc. (Transfer amount for transaction gains) Accounts Payable (Net Purchase Price)
			Delivery Date	
			Accounts Payable	Call Loans, etc.

Category	Calculations, etc.		Accounts Journal	
(5) Waiver of Rights (Applies to both call and put)	Number of contracted units	Waiver Quantity	(1) Call Waiver Date	
	Book value of portion waived	Quantity waived x book unit value x set multiple	Losses on Futures Transactions, etc. (Transfer amount for sales/purchase losses)	Call Option (Buy) (Book Value)
	Transfer amount for transaction losses	Book value of portion waived	(2) Put Waiver Date	
			Losses on Futures Transactions, etc. (Transfer amount for sales/purchase losses)	
(6) Expiration of Obligations (Applies to both call and put)	Number of contracted units	Number of expired obligations	(1) Call Obligation Expiration Date	
	Book value of expired obligations	Quantity of expired obligations x book unit value x set multiple	Call Option (Sell) (Book Value)	Gains on Futures Transactions, etc. (Transfer Amount for Sales/Purchase gains)
	Transfer amount for transaction gains	Book value of expired obligations	Withdrawal Date	
			Call Loans, etc. Customers' Margin Deposits Substitute Securities	Customers' Margin Deposits
			(2) Put Obligation Expiration Date	
			Put Option (Sell) (Book Value)	After-tax Gains on Futures Transactions (Transfer Amount for Sales/Purchase gains)
			Withdrawal Date	
			Call Loans, etc. Customers' Margin Deposits Substitute Securities	Customers' Margin Deposits

Category	Calculations, etc.	Accounts Journal														
3. Valuation	<table border="1"> <tr> <td data-bbox="504 212 651 268">Buy contracts</td> <td data-bbox="651 212 801 236">Call</td> <td data-bbox="801 212 1491 236">Appraised value - Book Value</td> </tr> <tr> <td data-bbox="504 236 651 268"></td> <td data-bbox="651 236 801 268">Put</td> <td data-bbox="801 236 1491 268">Appraised value - Book Value</td> </tr> <tr> <td data-bbox="504 268 651 323">Sell contract</td> <td data-bbox="651 268 801 292">Call</td> <td data-bbox="801 268 1491 292">Book Value - Appraised value</td> </tr> <tr> <td data-bbox="504 292 651 323"></td> <td data-bbox="651 292 801 323">Put</td> <td data-bbox="801 292 1491 323">Book Value - Appraised value</td> </tr> </table>	Buy contracts	Call	Appraised value - Book Value		Put	Appraised value - Book Value	Sell contract	Call	Book Value - Appraised value		Put	Book Value - Appraised value	<p style="text-align: center;">Every day</p> <hr/> <table border="1"> <tr> <td data-bbox="1552 236 1809 323">Valuation Gain or Loss on Futures Transactions, etc.</td> <td data-bbox="1809 236 2078 323"></td> </tr> </table>	Valuation Gain or Loss on Futures Transactions, etc.	
Buy contracts	Call	Appraised value - Book Value														
	Put	Appraised value - Book Value														
Sell contract	Call	Book Value - Appraised value														
	Put	Book Value - Appraised value														
Valuation Gain or Loss on Futures Transactions, etc.																
4. Valuation Conversion	<p data-bbox="504 387 1491 435">In the case of open type investment trusts, revaluation shall be made to the market value on the fund settlement date.</p> <table border="1"> <tr> <td data-bbox="504 451 801 523">Buy contracts Same between call/put</td> <td data-bbox="801 443 1491 523">Valuation gains shall be recorded as futures transaction, etc. gains, and valuation losses shall be recorded as futures transaction, etc. losses.</td> </tr> <tr> <td data-bbox="504 523 801 579">Sell contract Same between call/put</td> <td data-bbox="801 523 1491 579">Same as above</td> </tr> </table>	Buy contracts Same between call/put	Valuation gains shall be recorded as futures transaction, etc. gains, and valuation losses shall be recorded as futures transaction, etc. losses.	Sell contract Same between call/put	Same as above	<p data-bbox="1552 411 1715 435">[Buy Contracts]</p> <p data-bbox="1552 443 1637 467">(1) Call</p> <p style="text-align: center;">Fund Settlement Date</p> <hr/> <table border="1"> <tr> <td data-bbox="1552 499 1809 555">Call Option (Buy) (Valuation Margin)</td> <td data-bbox="1809 499 2078 579">Gains on Futures Transactions, etc. (Valuation Margin)</td> </tr> <tr> <td data-bbox="1552 579 1809 659">Losses on Futures Transactions, etc. (Valuation Loss)</td> <td data-bbox="1809 603 2078 659">Call Option (Buy) (Valuation Loss)</td> </tr> </table> <p data-bbox="1552 722 1630 746">(2) Put</p> <p style="text-align: center;">Fund Settlement Date</p> <hr/> <table border="1"> <tr> <td data-bbox="1552 778 1809 834">Put Option (Buy) (Valuation Margin)</td> <td data-bbox="1809 778 2078 858">Gains on Futures Transactions, etc. (Valuation Margin)</td> </tr> <tr> <td data-bbox="1552 858 1809 938">Losses on Futures Transactions, etc. (Valuation Loss)</td> <td data-bbox="1809 882 2078 938">Put Option (Buy) (Valuation Loss)</td> </tr> </table>	Call Option (Buy) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)	Losses on Futures Transactions, etc. (Valuation Loss)	Call Option (Buy) (Valuation Loss)	Put Option (Buy) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)	Losses on Futures Transactions, etc. (Valuation Loss)	Put Option (Buy) (Valuation Loss)		
Buy contracts Same between call/put	Valuation gains shall be recorded as futures transaction, etc. gains, and valuation losses shall be recorded as futures transaction, etc. losses.															
Sell contract Same between call/put	Same as above															
Call Option (Buy) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)															
Losses on Futures Transactions, etc. (Valuation Loss)	Call Option (Buy) (Valuation Loss)															
Put Option (Buy) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)															
Losses on Futures Transactions, etc. (Valuation Loss)	Put Option (Buy) (Valuation Loss)															

Category	Calculations, etc.	Accounts Journal												
<p>5. Change in Number of Shares (Applies to both call and put)</p> <p>6. Ex-Rights Accounting (Applies to both call and put)</p>	<p>- Open interest will be adjusted when the number of unit shares (not accompanying a change in face value) of stock options changes.</p> <p>(E.g.) Changing trade unit from 1,000 shares to 100 shares</p> <p>- When a stock split, reverse stock split, or paid capital increase for the stock options occurs, the ex-rights price will be adjusted on the ex-rights date, etc., based on the stock split/reverse stock split ratio.</p>	<p>[Sell Contracts]</p> <p>(1) Call</p> <table border="1" data-bbox="1556 231 2072 454"> <thead> <tr> <th colspan="2" data-bbox="1691 231 1915 263">Fund Settlement Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="1556 263 1803 327">Call Option (Sell) (Valuation Margin)</td> <td data-bbox="1803 263 2072 351">Gains on Futures Transactions, etc. (Valuation Margin)</td> </tr> <tr> <td data-bbox="1556 351 1803 454">Losses on Futures Transactions, etc. (Valuation Loss)</td> <td data-bbox="1803 351 2072 454">Call Option (Sell) (Valuation Loss)</td> </tr> </tbody> </table> <p>(2) Put</p> <table border="1" data-bbox="1556 518 2072 726"> <thead> <tr> <th colspan="2" data-bbox="1691 518 1915 550">Fund Settlement Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="1556 550 1803 614">Put Option (Sell) (Valuation Margin)</td> <td data-bbox="1803 550 2072 638">Gains on Futures Transactions, etc. (Valuation Margin)</td> </tr> <tr> <td data-bbox="1556 630 1803 726">Losses on Futures Transactions, etc. (Valuation Loss)</td> <td data-bbox="1803 630 2072 726">Put Option (Sell) (Valuation Loss)</td> </tr> </tbody> </table> <p>No entry to the Account Journals</p> <p>- Option contract unit number 1 -> 10</p> <p>No entry to the Account Journals</p>	Fund Settlement Date		Call Option (Sell) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)	Losses on Futures Transactions, etc. (Valuation Loss)	Call Option (Sell) (Valuation Loss)	Fund Settlement Date		Put Option (Sell) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)	Losses on Futures Transactions, etc. (Valuation Loss)	Put Option (Sell) (Valuation Loss)
Fund Settlement Date														
Call Option (Sell) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)													
Losses on Futures Transactions, etc. (Valuation Loss)	Call Option (Sell) (Valuation Loss)													
Fund Settlement Date														
Put Option (Sell) (Valuation Margin)	Gains on Futures Transactions, etc. (Valuation Margin)													
Losses on Futures Transactions, etc. (Valuation Loss)	Put Option (Sell) (Valuation Loss)													

Category	Calculations, etc.	Accounts Journal
	<p>- The number of stock certificates subject to options for one unit of stock options shall be adjusted based on the relevant stock split ratio, etc., when the exercise price is adjusted. However, when the adjusted quantity is an integer multiple of the trading unit of the stock subject to options, the quantity shall not be adjusted, and the open interest shall be adjusted based on the relevant stock split ratio, etc.</p> <p>(Example 1) Stock Split of 1:1.1</p> <ul style="list-style-type: none"> - The trading unit of subjected stock certificates per option (set multiple). - Adjustment of exercise price <p>(Example 2) Stock Split of 1:2</p> <ul style="list-style-type: none"> - The trading unit of subjected stock certificates per option (set multiple). - Number of option contract units - Adjustment of exercise price 	<ul style="list-style-type: none"> - 1,000 shares -> 1,100 shares - Exercise price after split = Exercise price before split ÷ 1.1 <ul style="list-style-type: none"> - No change - Change from 1 -> 2 - Exercise price after split = Exercise price before split ÷ 2

15. Accounting for Corporate Bonds with Detachable Stock Subscription Warrants

Category	Accounting Method	Accounts Journal
<p>1. Corporate Bonds with Stock Subscription Warrants Processing For Cum Warrants Upon Acquisition</p> <p>- Calculation of Book Value - <When Not Listed></p>	<p>○ When cum warrants are acquired, the amount required for acquisition (excluding existing accrued interest) shall be separated into corporate bond certificates (ex-warrants) and tock subscription warrant securities (warrants) on the contract date for accounting purposes.</p> <p>(1) Ex-Warrants</p> <p>(i) Contract unit price = Latest standard indicative price (Note) The standard indicative price issued by the Japan Securities Dealers Association every Thursday shall apply from Friday to Thursday of the following week.</p> <p>(ii) Contract price = Purchase face value x contract unit price ÷ 100</p> <p>(iii) Book value = Contract price</p> <p>(2) Warrants</p> <p>(i) Contract unit price = (contract unit price of cum warrants) - (contract unit price of ex-warrant)</p> <p>(ii) Contract price = Number of warrants x (value of corporate bonds per warrant) x unit contract price ÷ 100</p> <p>(iii) Book value = Contract price (= contract price of cum warrants - contract price of ex-warrant)</p>	<p>- Contract Date - (Corporate Bond Certificates) xxx (Accounts payable) xxx (Stock subscription warrant securities) xxx</p> <p>(Corporate bonds = (1)-(iii) Stock subscription warrant securities = (2)-(iii) Accounts payable = Cum warrants contract price)</p> <p>- Delivery Date - (Accounts payable) xxx (Call loans) xxx (Prepaid Expenses) xxx or money trust</p> <p>(Prepaid expenses = Existing accrued interest when cum warrants are acquired)</p> <p>Call Loan = Amount received when cum warrants are acquired</p>

Category	Accounting Method	Accounts Journal
<p>3. Accounting When Warrants Are Sold</p>	<p>Unit book value of warrants = $\text{Book value of warrants} \div (\text{number of warrants} \times \text{face value of corporate bonds per warrant}) \times 100$</p> <p>○ When only warrants are sold, a securities transaction tax equivalent to those levied on stocks shall be collected.</p> <p>(i) Contract Price... Same as 1-(2)-(ii).</p> <p>(ii) Brokerage commissions Calculated the same as for stocks</p> <p>(iii) Securities transaction tax = $\text{Contract price} \times 55/10,000$ (Rounded down to the nearest yen)</p> <p>(iv) Delivery amount = $\text{Contract price} - \text{brokerage commission} - \text{securities transaction tax}$</p> <p>(v) Book value of portion sold = $\text{Number of warrants} \times (\text{amount of corporate bonds per warrant})$ (amounts under one yen rounded down) $\times \text{unit book value} \div 100$</p> <p>(vi) Profit or loss on trade = $\text{Delivery amount} - \text{book value of portion sold}$</p>	<p>- Contract Date - $(\text{Accounts receivable}) \text{ xxx } (\text{Stock subscription warrant securities}) \text{ xxx}$ $(\text{Gain on securities transactions}) \text{ xxx}$</p> <p>(Accounts receivable = (iv) Stock subscription warrant securities = (v) Gain (or loss) on securities transactions) = (vi)</p> <p>- Delivery Date - $(\text{Call loans}) \text{ xxx } (\text{Accounts receivable}) \text{ xxx}$ Or money trust</p>
<p>4. Accounting When Rights Are Exercised</p>	<p>○ The book value of shares acquired through the exercise of rights shall be the payment amount plus the book value of the warrants. As such, the book value of the warrants will be transferred to the book value of the shares.</p> <p>(i) Acquired shares = $(\text{Number of warrants} \times \text{face value of bonds per warrant}) \times \text{grant ratio}$ (Amounts less than one share rounded down) $\times \text{Exercise ratio} \div \text{Exercise price}$</p> <p>(ii) Payment amount = $\text{Acquired shares} \times \text{exercise price}$</p> <p>(iii) Book value = $\text{Payment amount} + \text{warrant book value}$</p>	<p>- Date of Exercise - $(\text{Stock certificates}) \text{ xxx}$ $(\text{Stock subscription warrant securities}) \text{ xxx}$ $(\text{Call loans}) \text{ xxx}$ Or money trust</p> <p>(Stock certificates = (iii) Stock subscription warrant securities = Book value of warrant Call Loan = (ii)</p>

Category	Accounting Method	Accounts Journal
<p>7. Daily Valuation and Closing Revaluation</p> <p>8. About Cum Warrants Bonds Denominated in Foreign Currencies</p>	<p>○ Listed warrants are valued daily at the market closing price. When closing the accounts at the end of the term, perform revaluation for open type trusts.</p> <p>○ The transaction amount is to be separated into ex-warrants and warrants on the execution date. This shall be done according to Japanese separation methods.</p> <p>(1) Ex-Warrants Contract unit price = the OTC indicative bid price quote on the date of purchase Corresponds to warrants issued in Japan hereinafter.</p> <p>(2) Warrants Contract price = contract unit price of cum warrant) - (contract unit price of ex-warrant) Corresponds to warrants issued in Japan hereinafter.</p>	

16. Accounting for Euroyen Bonds

- (1) Accounting for Euroyen Bonds (excluding Euroyen Dual Currency Bonds; the same shall apply hereinafter) shall be as follows:
 - (a) Euroyen bonds shall be accounted for in the daily trial balance sheet for Japanese currency.
 - (b) The bond account shall be classified according to domestic bond classification.
 - (c) Accounting for deposits and withdrawals related to sales and interest payments, etc. shall be done in the deposit account.
 - (d) In the event that the amount of deposited in (c) is used in Japan or appropriated for payment within Japan, the destination of the deposit shall be changed (that is, an account transfer).
- (2) Accounting for Euroyen Dual Currency Bonds shall be as follows:
 - (a) Euroyen Dual Currency Bonds shall be accounted for in the daily trial balance sheet for foreign currency displayed in yen.
 - (b) When bonds are redeemed, payment shall be accounted for in the daily trial balance sheet of the foreign currency received.
 - (i) Gains or losses on bond redemption shall be calculated in Japanese yen and accounted for in the foreign currency daily trial balance sheet displayed in yen. In this case, the amount of foreign currency received is converted into Japanese yen at the customer rate on the same day.
 - (ii) After the accounting in (i) above, yen shall be transferred from the daily trial balance sheet for the foreign currency displayed in yen to the daily trial balance sheet in Japanese yen. When doing so, the same procedures for selling foreign currency shall apply.
 - (iii) Account for the purchase of foreign currency equivalent to the amount of foreign currency received in redemption of bonds in the daily trial balance sheet in Japanese yen.
 - (c) Remittances of foreign currency assets displayed in yen shall be accounted for in the same way as transfers accompanying sale of foreign currency.
- (3) Journal entry examples for Euroyen Bonds and Euroyen Dual Currency Bonds are as follows:

(1) Journal Entry Example for Euroyen Bonds

Category	Account Journal (Assets Denominated in Japanese Currency)	Remarks
1. Purchase Contract Date	(Bonds) ××× (Accounts Payable)	* Journal entry examples on delivery dates and payment dates, etc., should be made on the date the respective notification was made.
2. Date of Deposit Destination Change	(De p o s i t) ××× (Call Loans) Or money trust	
3. Purchase Delivery Date	(Accounts Payable) ××× (De p o s i t)	
4. Sales Contract Date	(Prepaid Expenses) ×××	
5. Sale Delivery Date	(Accounts Receivable) ××× (B o n d s) (Gains on Securities Transactions) (De p o s i t) ××× (Accounts Receivable)	
6. Date of Deposit Destination Change	(Call Loans) ××× (De p o s i t) Or money trust	
7. Recording of Accrued Interest Income	(Accrued Interest Income) ××× (Interest Income)	
8. Interest Deposit	(De p o s i t) ××× (Accrued Interest Income) (Prepaid Expenses) (Interest Income)	

(2) Journal Entry Example for Euroyen Dual Currency Bonds

Category	Accounts Journal		Remarks
	Assets Denominated in Japanese Currency (Yen)	Assets Denominated in Foreign Currency (Yen)	
1. Purchase Contract Date	No treatment	(Bonds) xxx (Accounts Payable) xxx	- Bond account is a temporary category (The same shall apply hereinafter) - If the contract is made on the Tokyo OTC market, journal entries shall be made at the date of purchase delivery.
2. Date of Yen Remittance	(Foreign Investment a/c) xxx (Call loans) xxx Or money trust	(Deposit) xxx (Foreign Currency Fund) xxx	
3. Purchase Delivery Date	No treatment	(Accounts Payable) xxx (Deposit) xxx (Prepaid Expenses) xxx	- Process once delivery is complete
4. Recording of Accrued Interest Income	No treatment	(Accrued Interest Income) xxx (Interest Income) xxx	
5. Interest Deposit Date	No treatment	(Deposit) xxx (Accrued Interest Income) xxx (Prepaid Expenses) xxx (Interest Income) xxx	- Process when interest is deposited
6. Sales Contract Date	No treatment	(Accounts Receivable) xxx (Bonds) xxx (Losses on Securities Transaction) xxx (Gain on securities transactions) xxx	
7. Sale Delivery Date	No treatment	(Deposit) xxx (Accounts Receivable) xxx (Accrued Interest Income) xxx (Prepaid Expenses) xxx (Interest Income) xxx	- Process once delivery is complete

Category	Accounts Journal		Remarks
	Assets Denominated in Japanese Currency (Yen)	Assets Denominated in Foreign Currency (Yen)	
8. Closing Date Revaluation (For Open Type Trusts)	(Foreign Investment Accounts) xxx (Gain on securities transactions) xxx	(Bonds) xxx (Gains on Securities Transactions) xxx (Gains on Securities Transactions) xxx (Foreign Currency Funds) xxx	- Valuation Gains - Valuation Losses
	(Losses on Securities Transaction) xxx (Foreign Investment Accounts) xxx	(Loss on Securities Transaction) xxx (Bonds) xxx (Foreign Currency Funds)xxx (Loss on Securities Transaction) xxx	- Deposit = Amount of foreign currency received as redemption x average rate - Gain or Loss on Securities Transaction
9. Accounting for Bond Redemption	(Deposit) xxx (Foreign Investment Accounts) xxx (Gains on Securities Transactions) xxx	- Yen - (Deposit) xxx (Bonds) xxx (Loss on Securities Transaction) xxx (Gain on securities transactions) xxx (Foreign Currency Funds) xxx (Deposit) xxx	= Deposits - Bond Book Value - Same as accounting for sales of foreign currency - Redemption proceeds received in foreign currency
10. Yen Transfer Day	(Foreign Investment Accounts) xxx (Deposit) xxx (Deposit) xxx	(Gains on Securities Transactions) xxx - Daily Trial Balance Sheet for Currency Received as Redemption - (Deposit)xxx (Foreign Currency Funds) xxx (Foreign Currency Funds) xxx (Deposit) xxx	
	(Foreign Investment Accounts) xxx (Gains on Securities Transactions) xxx	(Gains on Securities Transactions) xxx	

17. Accounting for Domestic Negotiable Certificates of Deposit (CD)

Category	Account Journal		Remarks
<p>1. Accounting for Purchase Date (Delivery Date)</p> <p>2. Recording of Accrued Interest Income</p>	<p>Deposit xxx</p> <hr/> <p>Accrued Interest Income xxx</p>	<p>Call Loans xxx (or money trusts)</p> <hr/> <p>Interest Income xxx</p>	<p>Account Category: Deposits Amount Recorded: Purchase price</p> <p>Accounting Period: Calculated daily starting the day following the date of purchase until the date of sales (delivery date) Amount recorded: Daily rate of interest including tax</p> <p><Formula> Per day: $\frac{\text{Maturity principal and interest (or sales amount)} - \text{purchase price}}{\text{No. of days}}$ (Rounded down to the nearest yen)</p> <p>Maturity principal and interest = face value x (1 + rate on certificate x number of days/365) (Rounded down to the nearest yen) No. of days: From the purchase date to the date of maturity (or date of sales), excluding the first or last day</p>
<p>3. Accounting for Maturity Date or Date of Sales (Delivery Date)</p>	<p>Call Loans xxx (or money trusts)</p> <p>Accounts Receivable xxx</p>	<p>Deposit xxx Accrued Interest Income xxx Interest Income xxx</p>	<p>Call Loan: Maturity principal and interest or sales amount. However, if a purchase is made midway through the period and held until the maturity date, withholding tax (20%) will be applied to the interest for the non-holding period.</p> <p>Accounts receivable: Withholding taxes at maturity date</p> <p>Deposits: Purchase price</p> <p>Accrued interest income: The deducted amount of accrued interest income recorded</p> <p>Interest income: Difference occurred on the maturity date or date of sales</p> <p><Formula> Interest income = Maturity principal and interest (or sales amount) - (purchase price + accrued interest income per day x no. of days)</p> <p>Maturity principal and interest: Amount including tax</p> <p>No. of days: From the purchase date to the date of maturity or sales, excluding the first or last day</p>

18. Accounting for Commercial Paper (Including Short-Term Bonds, etc.)

Commercial Paper (including short-term bonds, etc.) shall be calculated at the acquisition value in the Other Securities account, and discount charges shall be recorded daily as interest income and accrued interest income.

19. Accounting Accompanying Conversion of Shareholder Benefits

The amount of shareholder benefits converted shall be recorded in Other Revenue without delay upon receipt.

20. Accounting of Borrowed Funds

Category	Accounting Method	
I. Account Processing for Loans	1. Calculate the amount of the loan (repayment amount). Interest expenses are not included.	
II. Creating New Accounts	1. Interest Expense Accounts (Liability Account).... Accrued Interest Expense (Loss Account).... Interest Expense (1) The interest expense for loans shall be recorded. (2) Interest expense shall be treated as negative income gain.	
III. Calculating Interest Expense	1. To be recorded collectively on the borrowing date.	
IV. Loan Amounts Denominated in Foreign Currency	1. This shall be the Foreign Exchange Accounts Receivable pertaining to internal transfers of accounts receivable denominated in foreign currency.	

Transaction	Account Journal	Description				
1. Date of Loan	<table border="1"> <tr> <td data-bbox="400 1507 783 1615">Call Loans: xxx</td> <td data-bbox="783 1507 1142 1615">Loans: xxx</td> </tr> <tr> <td data-bbox="400 1615 783 1722">Interest Expense: xxx</td> <td data-bbox="783 1615 1142 1722"></td> </tr> </table>	Call Loans: xxx	Loans: xxx	Interest Expense: xxx		} When interest is paid in advance
	Call Loans: xxx	Loans: xxx				
Interest Expense: xxx						
<table border="1"> <tr> <td data-bbox="400 1507 783 1615">Call Loans:xxx</td> <td data-bbox="783 1507 1142 1615">Loans: xxx</td> </tr> <tr> <td data-bbox="400 1615 783 1816">Interest Expense: xxx</td> <td data-bbox="783 1615 1142 1816">Accrued Interest Expenses: xxx</td> </tr> </table>	Call Loans:xxx	Loans: xxx	Interest Expense: xxx	Accrued Interest Expenses: xxx	} When interest is paid afterward	
Call Loans:xxx	Loans: xxx					
Interest Expense: xxx	Accrued Interest Expenses: xxx					
2. Reimbursement Date	<table border="1"> <tr> <td data-bbox="400 1816 783 1926">Loans: xxx</td> <td data-bbox="783 1816 1142 1926">Call Loans: xxx</td> </tr> <tr> <td data-bbox="400 1926 783 1989">Accrued Interest Expenses: xxx</td> <td data-bbox="783 1926 1142 1989"></td> </tr> </table>	Loans: xxx	Call Loans: xxx	Accrued Interest Expenses: xxx		When interest is paid afterward
Loans: xxx	Call Loans: xxx					
Accrued Interest Expenses: xxx						

21. Accounting for Loaned Stock Certificates

Category	Accounting Method
I. Accounting for Loaned Stock Certificates	<ol style="list-style-type: none"> 1. No new account titles prescribed in the ministry orders shall be created, and as such there is no separation of book values. 2. Loaned stock certificates are managed in the “Securities Loaned” and “Loan Transaction Securities” accounts. 3. Loaned stock certificates are managed separately for each share issue.
II. Collateral (Acceptance of Collateral Money for Lending Shares)	<ol style="list-style-type: none"> 1. Lending shares are accepted as trust property.
III. Creating New Accounts	<ol style="list-style-type: none"> 1. Loaned Stock Certificates Asset Account.....Securities Loaned Liability Account.....Loan Transaction Securities (1) The market value of the loan on the day before the loan closing date shall be recorded. (2) To be recorded on the date the loan was made and to be withdrawn on the return date. (3) Offset through an account transfer on the closing date and transfer back at the beginning of the following fiscal term. 2. Account for Collateral Received Asset Account.....Securities Received as Customers’ Deposits for Cash Collateral Received Liability Account.....Cash Collateral Received (1) The received amount of cash collateral for loaned shares sold shall be recorded. When securities are accepted instead, the collateral value shall be recorded. (2) To be recorded on the date the loan was made and to be withdrawn on the return date. 3. Interest Expense Account Liability Account.....Accrued Interest Expenses Loss Account.....Interest expense (1) The interest expense on cash collateral for loaned shares sold shall be recorded daily. (2) To be recorded on the date of the loan and to be withdrawn on the payment date. (3) Interest expense shall be treated as negative income gain.
IV. Share-Lending Commission	<ol style="list-style-type: none"> 1. Accounts to Be Recorded Asset Account.....Other Accrued Revenue Profit AccountOther Revenue (1) To be recorded daily starting on the date of the loan and to be withdrawn on the payment date. (2) Share-lending commission shall be treated as income gain.

Category	Accounting Method
V. Overdue of Relevant Ex-Rights Stocks	<ol style="list-style-type: none"> 1. Cancellation of Dividends Cancelled on the last business day of the month. 2. An amount equivalent to dividends shall be recorded. 3. Accounts to Be Recorded Asset Accounts..... Other Accrued Revenue Profit Account..... Other Revenue To be recorded on the last business day of the month and withdrawn on the date of payment of dividends.
VI. Overdue Capital Increase/Split/Ex-Rights of Stock (For Stock Subscription Warrants and Rights to Receive Stock Through Stock Splits)	<ol style="list-style-type: none"> 1. Accept certificates of deposits for various rights. 2. Accept new shares in exchange for certificates of deposit on the date new shares are issued and onward. 3. Processing on the date of ex-rights shall not be revoked. 4. Shares less than one unit shall be liquidated in cash. (Sale of Fractional Shares) (The commodity portion and the loan portion are processed separately in processing sales of shares less than one unit)
VII. Settlement of Accounts	<ol style="list-style-type: none"> 1. Accounting <ol style="list-style-type: none"> (1) The Securities Loaned Account and the Loan Transaction Securities Account shall be offset through transfers. (2) At the start of the period, these will be returned through retransfer. 2. Account Settlement Report <ol style="list-style-type: none"> (1) The number of loaned shares per issue shall be written in the remarks column of the securities statement. (2) For transactions with interested parties, state the total market value at the time of the loan.

Transaction	Account Journal	Description
1. Time of Loan	(Balance) Stock Certificates 150,000,000	100,000 shares of Issue A, holds book value of 150,000,000 @ 1,500 Yen
2. Time of Loan Agreement Execution 10/23/95 (Mon)	No account processing	Lend 30,000 shares of Stock A. (Loan Date: 10/25/94 (Wed), Repayment date: 10/26 (Thu), Daily borrowing rate: 60 sen)

Transaction	Account Journal	Description		
<p>3. Business Day Before Date of Loan 10/24 (Tue)</p> <p>4. Date of Loan</p> <p>5. Recording of Interest Expense on Share-lending Commission and Cash Collateral for Loaned Shares Sold</p> <p>6. Reimbursement Date</p>	<p>10/25</p> <hr/>	<p>Current price of Issue A: 2000 yen</p>		
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>(1) Securities Loaned 60,000,000</p> <p>(2) Call Loans 60,000,000</p> <p>(3) Securities Received as Customers' Deposits for Cash Collateral Received xxx</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Loan Transaction Securities 60,000,000</p> <p>Cash Collateral Received 60,000,000</p> <p>Cash Collateral Received xxx</p> </td> </tr> </table>	<p>(1) Securities Loaned 60,000,000</p> <p>(2) Call Loans 60,000,000</p> <p>(3) Securities Received as Customers' Deposits for Cash Collateral Received xxx</p>	<p>Loan Transaction Securities 60,000,000</p> <p>Cash Collateral Received 60,000,000</p> <p>Cash Collateral Received xxx</p>	<p>(1) Record loan amount for loaned stock certificates - The amount to be recorded is the market value on the day before the date of loan.</p> <p>(2) Record collateral - The received amount of cash collateral for loaned shares sold shall be recorded.</p> <p>(3) When accepting substitute securities - The collateral price shall be recorded.</p>
	<p>(1) Securities Loaned 60,000,000</p> <p>(2) Call Loans 60,000,000</p> <p>(3) Securities Received as Customers' Deposits for Cash Collateral Received xxx</p>	<p>Loan Transaction Securities 60,000,000</p> <p>Cash Collateral Received 60,000,000</p> <p>Cash Collateral Received xxx</p>		
	<p>10/26</p> <hr/>	<p>(1) Record share-lending commission - Number of lending shares x lending rate $30,000 \times 0.60 = 18,000$</p> <p>(2) Recording of interest expense on cash collateral for loaned shares sold $60,000,000 \times 0.0170 \div 365 = 2,794$</p>		
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>(1) Loan Transaction Securities 60,000,000</p> <p>(2) Cash Collateral Received 60,000,000</p> <p>(3) Cash Collateral Received xxx</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Securities Loaned 60,000,000</p> <p>Call Loans 60,000,000</p> <p>Securities Received as Customers' Deposits for Cash Collateral Received xxx</p> </td> </tr> </table>	<p>(1) Loan Transaction Securities 60,000,000</p> <p>(2) Cash Collateral Received 60,000,000</p> <p>(3) Cash Collateral Received xxx</p>	<p>Securities Loaned 60,000,000</p> <p>Call Loans 60,000,000</p> <p>Securities Received as Customers' Deposits for Cash Collateral Received xxx</p>	<p>(1) Repayment of loaned share certificates (2) Repayment of cash collateral (3) Repayment when accepting substitute securities</p>
	<p>(1) Loan Transaction Securities 60,000,000</p> <p>(2) Cash Collateral Received 60,000,000</p> <p>(3) Cash Collateral Received xxx</p>	<p>Securities Loaned 60,000,000</p> <p>Call Loans 60,000,000</p> <p>Securities Received as Customers' Deposits for Cash Collateral Received xxx</p>		

Transaction	Account Journal	Description						
7. When Participating in the Share Lending Market the Following Day Onward	Repeat 2 to 6 above	i. Loaned Share Issues ii. Number of Loaned Shares iii. Market Value of Loaned Share Issues iv. Share Lending Rate v. The amount in the account journal varies daily based on interest rate on cash collateral for loaned shares sold						
8. Date of Share-Lending Commission Settlement (The clearing day falls on the last business day of a month.)	<p style="text-align: center;">10/31</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> (1) Call Loans <div style="text-align: right;">18,000</div> </td> <td style="width: 5%; border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="width: 45%; vertical-align: top;"> Other Accrued Revenue <div style="text-align: right;">18,000</div> </td> </tr> <tr> <td style="vertical-align: top;"> (2) Accrued Interest Expenses <div style="text-align: right;">2,794</div> </td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="vertical-align: top;"> Call Loans <div style="text-align: right;">2,794</div> </td> </tr> </table>	(1) Call Loans <div style="text-align: right;">18,000</div>		Other Accrued Revenue <div style="text-align: right;">18,000</div>	(2) Accrued Interest Expenses <div style="text-align: right;">2,794</div>		Call Loans <div style="text-align: right;">2,794</div>	(1) Receipt of share-lending commission (2) Payment of interest on cash collateral for loaned shares sold
(1) Call Loans <div style="text-align: right;">18,000</div>		Other Accrued Revenue <div style="text-align: right;">18,000</div>						
(2) Accrued Interest Expenses <div style="text-align: right;">2,794</div>		Call Loans <div style="text-align: right;">2,794</div>						
9. Overdue Lending Contracts [For Overdue Lending of Settled Share Issues (October Ex-Dividends)] Date of loan: 10/31 Repayment date: 11/1 Correction of Dividends	<p style="text-align: center;">10/31</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> (1) Dividend Income <div style="text-align: right;">150,000</div> </td> <td style="width: 5%; border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="width: 45%; vertical-align: top;"> Accrued Dividends Receivable <div style="text-align: right;">150,000</div> </td> </tr> <tr> <td style="vertical-align: top;"> (2) Other Accrued Revenue <div style="text-align: right;">150,000</div> </td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="vertical-align: top;"> Other Revenue <div style="text-align: right;">150,000</div> </td> </tr> </table>	(1) Dividend Income <div style="text-align: right;">150,000</div>		Accrued Dividends Receivable <div style="text-align: right;">150,000</div>	(2) Other Accrued Revenue <div style="text-align: right;">150,000</div>		Other Revenue <div style="text-align: right;">150,000</div>	(1) Cancellation of accrued dividends receivable (30000 shares, estimated unit price 5 yen) $30,000 \times 5 = 150,000$ (2) An amount equivalent to dividends shall be recorded. $30,000 \times 5 = 150,000$
(1) Dividend Income <div style="text-align: right;">150,000</div>		Accrued Dividends Receivable <div style="text-align: right;">150,000</div>						
(2) Other Accrued Revenue <div style="text-align: right;">150,000</div>		Other Revenue <div style="text-align: right;">150,000</div>						

Transaction	Account Journal	Description		
<p>10. When the Amount Equivalent to Dividends is Deposited as Expected Late January, 1996</p>	<p style="text-align: center;">1/XX/96</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">(1) Call Loans 150,000</td> <td style="width: 50%; padding: 5px;">(2) Other Accrued Revenue 150,000</td> </tr> </table>	(1) Call Loans 150,000	(2) Other Accrued Revenue 150,000	<p>(1) Deposit Amount 30,000 × 5 = 150,000 (2) In (9)-(2) of the above: 150,000</p>
(1) Call Loans 150,000	(2) Other Accrued Revenue 150,000			
<p>11. When Exceeding the Lending Period (For Stock Subscription Warrants and Rights to Receive Stock Through Stock Splits)</p>	<p style="text-align: center;">No account processing</p>	<p>Receive deposit receipts for various rights from lending counterpart (JSF) on 10/31.</p>		
<p>12. Date of New Share Issue</p>	<p style="text-align: center;">No accounting (merge old and new)</p>	<p>i. Receive new shares in exchange for certificates of deposit. ii. Shares less than one unit shall be liquidated in cash. (The trust bank portion and the loaned share portion are processed separately in processing sales of shares less than one unit)</p>		
<p>13. Fund Closing Date</p>	<hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Loan Transaction Securities xxx</td> <td style="width: 50%; padding: 5px;">Securities Loaned xxx</td> </tr> </table>	Loan Transaction Securities xxx	Securities Loaned xxx	<p>* Transfers between the Securities Loaned Account and the Loan Transaction Securities Account are conducted and offset at the end of the fiscal term, then returned at the start of the following term.</p>
Loan Transaction Securities xxx	Securities Loaned xxx			
<p>14. Beginning of the Following Fiscal Term</p>	<hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;">Securities Loaned xxx</td> <td style="width: 50%; padding: 5px;">Loan Transaction Securities xxx</td> </tr> </table>	Securities Loaned xxx	Loan Transaction Securities xxx	
Securities Loaned xxx	Loan Transaction Securities xxx			

22. Accounting for Loaned Bonds

Category	Accounting Method
I. Accounting for Loaned Bonds	<ol style="list-style-type: none"> 1. No new account titles prescribed in the ministry orders shall be created, and as such there is no separation of book values. 2. Loan bonds are managed in the “Securities Loaned” and “Loan Transaction Securities” accounts. 3. Loaned bonds are managed separately for each issue.
II. Acceptance of Real Property Collateral	<ol style="list-style-type: none"> 1. Not accepted as trust property, but may be accepted. 2. Substitute securities are not valuated.
III. Creating New Accounts	<ol style="list-style-type: none"> 1. Loaned Bonds Account <ul style="list-style-type: none"> Asset Account.....Securities Loaned Liability Account.....Loan Transaction Securities <ol style="list-style-type: none"> (1) The face value amount of the loan shall be recorded. (2) To be recorded on the date the loan was made and to be withdrawn on the return date. (3) Offset through an account transfer on the closing date and transfer back at the beginning of the following fiscal term. 2. Account for Collateral Received <ul style="list-style-type: none"> Asset Account.....Securities Received as Customers’ Deposits for Cash Collateral Received Liability Account.....Cash Collateral Received <ol style="list-style-type: none"> (1) The collateral price shall be recorded. (2) To be recorded on the date the loan was made and to be withdrawn on the return date. 3. Interest Expense Account <ul style="list-style-type: none"> Liability Account.....Accrued Interest Expenses Loss Account.....Interest expense <ol style="list-style-type: none"> (1) The interest expense for cash collateral shall be recorded daily. (2) To be recorded on the date of the loan and to be withdrawn on the payment date. (3) Interest expense shall be treated as negative income gain.
IV. Share-Lending Commission	<ol style="list-style-type: none"> 1. Accounts to Be Recorded <ul style="list-style-type: none"> Asset Account.....Other Accrued Revenue Profit AccountOther Revenue 2. To be recorded daily starting on the date of the loan and to be withdrawn on the payment date. 3. Bond-lending commission shall be treated as income gain.

Category	Accounting Method
V. Recording of Accrued Interest Income	1. Loaned portions and non-loaned portions shall not be recorded separately. 2. When an amount equivalent to interest after taxes is deposited in a loan that has an interest payment date during the loan period, the amount equivalent to the tax shall be cancelled from interest income.
VI. Settlement of Accounts	1. Accounting (1) The Securities Loaned Account and the Loan Transaction Securities Account shall be offset through transfers. (2) At the start of the period, these will be returned through retransfer. 2. Account Settlement Report (1) The face value of the loan per issue shall be written in the remarks column of the securities statement. (2) For transactions with interested parties, the total lending amount shall be stated. (Monthly Report to Investment Trust Association)

Transaction	Account Journal	Description
1. Time of Loan	(Balance) National Government Bond Securities 10,150,000,000	#156 Face value of Japanese Government Bond Securities: 10,000,000,000, book value of 101.50 held (Date of interest payment: 3/9/20, Rate of interest: 4.2%)
2. Time of Loan Agreement Execution	No account processing	Loan of 3 billion yen at face value. (Date of loan: 1/18/94, Repayment date: 1/25, Bond-lending commission: 0.0025)
3. Date of Loan	(Transfer) 1/18 (1) Securities Loaned (Assets) 3,000,000,000 Loan Transaction Securities (Liabilities) 3,000,000,000	(1) Recording of Loan Bonds - The amount to be recorded shall be the face value of the loan.
4. Acceptance of Collateral	(1) Call Loans xxx Cash Collateral Received (Liabilities) xxx (2) Securities Received as Customers' Deposits for Cash Collateral Received (Assets) xxx Cash Collateral Received (Liabilities) xxx	(1) Acceptance of cash collateral (2) Acceptance of substitute securities

Transaction	Account Journal	Description																								
5. During the Loan Period	<p>(Transfer) 1/19 - 1/24</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">(1) Accrued Interest Income</td> <td style="width: 50%;">Interest Income</td> </tr> <tr> <td style="text-align: right;">1,150,684</td> <td style="text-align: right;">1,150,684</td> </tr> <tr> <td>(2) Other Accrued Revenue</td> <td>Other Revenue</td> </tr> <tr> <td style="text-align: right;">20,547</td> <td style="text-align: right;">20,547</td> </tr> <tr> <td>(3) Interest Expense</td> <td>Accrued Interest Expenses</td> </tr> <tr> <td style="text-align: right;">xxx</td> <td style="text-align: right;">xxx</td> </tr> </table> <p>(Transfer) 1/25</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">(1) Loan Transaction Securities</td> <td style="width: 50%;">Securities Loaned</td> </tr> <tr> <td style="text-align: right;">3,000,000,000</td> <td style="text-align: right;">3,000,000,000</td> </tr> <tr> <td>(2) Call Loans</td> <td>Other Accrued Revenue</td> </tr> <tr> <td style="text-align: right;">143,835</td> <td style="text-align: right;">123,282</td> </tr> <tr> <td></td> <td>Other Revenue</td> </tr> <tr> <td></td> <td style="text-align: right;">20,553</td> </tr> </table>	(1) Accrued Interest Income	Interest Income	1,150,684	1,150,684	(2) Other Accrued Revenue	Other Revenue	20,547	20,547	(3) Interest Expense	Accrued Interest Expenses	xxx	xxx	(1) Loan Transaction Securities	Securities Loaned	3,000,000,000	3,000,000,000	(2) Call Loans	Other Accrued Revenue	143,835	123,282		Other Revenue		20,553	<p>(1) Recording of the amount equivalent to interest on loaned bonds - Loaned portions and non-loaned portions shall not be recorded separately. $10,000,000,000 \times 0.042 \div 365 = 1,150,684$</p> <p>(2) Recording of bond-lending commission - Face value of loan x bond-lending commission rate x loan period - Bond-lending commission shall be recorded daily. $3,000,000,000 \times 0.25 \div 365 = 20,547$</p> <p>(3) Recording of interest expenses for cash collateral - Interest expense shall be recorded daily.</p>
(1) Accrued Interest Income	Interest Income																									
1,150,684	1,150,684																									
(2) Other Accrued Revenue	Other Revenue																									
20,547	20,547																									
(3) Interest Expense	Accrued Interest Expenses																									
xxx	xxx																									
(1) Loan Transaction Securities	Securities Loaned																									
3,000,000,000	3,000,000,000																									
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143,835	123,282																									
	Other Revenue																									
	20,553																									
6. Reimbursement Date	<hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">(1) Cash Collateral Received</td> <td style="width: 50%;">Call Loans</td> </tr> <tr> <td style="text-align: right;">xxx</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td>(2) Accrued Interest Expenses</td> <td>Securities Received as Customers' Deposits for Cash</td> </tr> <tr> <td style="text-align: right;">xxx</td> <td style="text-align: right;">Collateral Received</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td style="text-align: right;">xxx</td> <td style="text-align: right;">Call Loans</td> </tr> <tr> <td style="text-align: right;">xxx</td> <td style="text-align: right;">xxx</td> </tr> </table>	(1) Cash Collateral Received	Call Loans	xxx	xxx	(2) Accrued Interest Expenses	Securities Received as Customers' Deposits for Cash	xxx	Collateral Received	Interest expense	xxx	xxx	Call Loans	xxx	xxx	<p>(1) Repayment of Loaned Bonds</p> <p>(2) Acceptance of bond-lending commission (deposit date) $3,000,000,000 \times 0.0025 \times 7 \div 365 = 143,835...$ Amount received $20,547 \times 6 = 123,282...$ Amount deducted from accounts receivable $143,835 - 123,282 = 20,553 ...$ Amount recorded on final date</p>										
(1) Cash Collateral Received	Call Loans																									
xxx	xxx																									
(2) Accrued Interest Expenses	Securities Received as Customers' Deposits for Cash																									
xxx	Collateral Received																									
Interest expense	xxx																									
xxx	Call Loans																									
xxx	xxx																									
7. Repayment of Collateral	<hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Loan Transaction Securities</td> <td style="width: 50%;">Securities Loaned</td> </tr> <tr> <td style="text-align: right;">3,000,000,000</td> <td style="text-align: right;">3,000,000,000</td> </tr> </table>	Loan Transaction Securities	Securities Loaned	3,000,000,000	3,000,000,000	<p>(1) Repayment of Collateral</p> <p>(2) Payment of Accrued Interest Expenses (Payment Date)</p>																				
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Securities Loaned	Loan Transaction Securities																									
3,000,000,000	3,000,000,000																									
9. Beginning of the Following	<hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Securities Loaned</td> <td style="width: 50%;">Loan Transaction Securities</td> </tr> <tr> <td style="text-align: right;">3,000,000,000</td> <td style="text-align: right;">3,000,000,000</td> </tr> </table>	Securities Loaned	Loan Transaction Securities	3,000,000,000	3,000,000,000																					
Securities Loaned	Loan Transaction Securities																									
3,000,000,000	3,000,000,000																									

23. Accounting for Borrowed Bonds

Category	Accounting Method
I. Accounting for Borrowed Bonds	<ol style="list-style-type: none"> 1. Borrowed Bond Account Asset Account.....Borrowing Trade Securities Liability Account.....Securities Borrowed The loan amount shall be recorded. 2. Corporate bonds shall be managed separately for each issue.
II. Recording of Income Related to Cash Collateral	<ol style="list-style-type: none"> 1. Accounts to Be Recorded Asset Account.....Other Accrued Revenue Profit AccountOther Revenue Revenue related to cash collateral shall be recorded.
III. Recording Bond-Borrowing Commission	<p>Accounts to Be Recorded</p> <p>Liability Account.....Other Accrued Expenses Loss Account.....Other Expenses</p>
IV. Recording of Accrued Interest Income on Borrowed Bonds	<ol style="list-style-type: none"> 1. Accrued interest income on borrowed bonds shall not be recorded. 2. When interest is deposited for borrowing that has an interest payment date during the loan period, it shall be paid to the lender.

Account Journal for Borrowed Bonds

Transaction	Account Journal		Description
1. Date of Conclusion of Loan Agreement	No account processing		Loan date: August 24, Repayment date: August 30 Loan face value: 100 million yen Loan unit price: 93.75 yen Loan amount: 93,750,000 yen Loan rate: 0.18% per annum Interest rate on security deposit: 0.50% per annum
2. Loan Issue Date	8/24		
	Borrowing Trade Securities 93,750,000	Securities Borrowed 93,750,000	
	Guarantee Deposits 93,750,000	Call Loans 93,750,000	
3. Bond-Borrowing Commission During Loan Period	8/25 - 8/30		
Interest accrued on cash collateral	Other Expenses 493	Other Accrued Expenses 493	100,000,000 yen x 0.18% x 1 ÷ 365
	Other Accrued Revenue 1,284	Other Revenue 1,284	93,750,000 yen x 0.50% x 1 ÷ 365

Transaction	Account Journal		Description									
4. Reimbursement Date	<p style="text-align: center;">8/30</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;"> Securities Borrowed 93,750,000 </td> <td style="width: 50%;"> Borrowing Trade Securities 93,750,000 </td> </tr> <tr> <td style="border-right: 1px solid black;"> Other Accrued Expenses 2,958 </td> <td style="border-right: 1px solid black;"> Call Loans 2,958 </td> </tr> <tr> <td style="border-right: 1px solid black;"> Call Loans 93,757,704 </td> <td style="border-right: 1px solid black;"> Guarantee Deposits 93,750,000 </td> </tr> <tr> <td style="border-right: 1px solid black;"></td> <td style="border-right: 1px solid black;"></td> <td style="border-right: 1px solid black;"> Other Accrued Revenue 7,704 </td> </tr> </table>		Securities Borrowed 93,750,000	Borrowing Trade Securities 93,750,000	Other Accrued Expenses 2,958	Call Loans 2,958	Call Loans 93,757,704	Guarantee Deposits 93,750,000			Other Accrued Revenue 7,704	
Securities Borrowed 93,750,000	Borrowing Trade Securities 93,750,000											
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		Other Accrued Revenue 7,704										
5. Closing Date	<hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;"> Securities Borrowed 93,750,000 </td> <td style="width: 50%;"> Borrowing Trade Securities 93,750,000 </td> </tr> </table>		Securities Borrowed 93,750,000	Borrowing Trade Securities 93,750,000								
Securities Borrowed 93,750,000	Borrowing Trade Securities 93,750,000											
6. Start of Following Fiscal Year	<hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;"> Borrowing Trade Securities 93,750,000 </td> <td style="width: 50%;"> Securities Borrowed 93,750,000 </td> </tr> </table>		Borrowing Trade Securities 93,750,000	Securities Borrowed 93,750,000	<p>* Transfers between securities borrowed and borrowing trade securities are performed and offset at the end of the fiscal term, then returned at the start of the following term.</p>							
Borrowing Trade Securities 93,750,000	Securities Borrowed 93,750,000											

[Journal Entry Example]

Transaction	Account Journal		Description
[Interest Rate Swap]	(Yen - Yen)		
1. Date of Conclusion of Transaction			* Recording of the notional principal amount to be used for the interest rate swap
	(1) Notional Principal Receivable Assets (2) Corresponding Account of Notional Principal Payable Liability	Corresponding Account of Notional Principal Receivable Assets Notional Principal Payable Liability	(1) Notional Principal Amount for Receipt of Interest (2) Notional Principal Amount for Payment of Interest
2. During Interest-recording Period			
	(1) Accrued Interest Income	Interest Income	(1) Recording of Interest Income on swap transactions
	(2) Interest Expense	Accrued Interest Expenses	(2) Recording of interest expenses on swap transactions
3. Interest Settlement Date (Interest Payment Date)			
	(1) Call Loans	Accrued Interest Income	(1) Receipt of interest rate swap fees
	(2) Accrued Interest Expenses	Call Loans	(2) Payment of interest rate swap fees
4. Maturity Date			
	(1) Corresponding Account of Notional Principal Receivable Assets	Notional Principal Receivable Assets	(1) Transfer of notional principal for interest receivable
	(2) Notional Principal Payable Liability	Corresponding Account of Notional Principal Payable Liability	(2) Transfer of notional principal for interest payable
	(3) Call Loans	Accrued Interest Income	(3) Receipt of interest rate swap fees
	(4) Accrued Interest Expenses	Interest Income	(4) Payment of interest rate swap fees
	Interest Expenses	Call Loans	(5) When any revaluation, etc. is implemented
	(5) Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc.	
5. Interim Settlement (1) Contract Date			
	Corresponding Account of Notional Principal Receivable Assets	Notional Principal Receivable Assets	
	Notional Principal Payable Liability	Corresponding Account of Notional Principal Payable Liability	
	Accounts Receivable		
	Or Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc.	
		Accounts Payable	

Transaction	Account Journal		Description
(2) Delivery Date	Call Loans Or Accounts Payable Call Loans Accrued Interest Expenses Interest Expenses	Accounts Receivable Call Loans Accrued Interest Income Interest Income Call Loans	
6. Valuation	Gain or Loss on Valuation of Futures Transactions (off-book account)		<p>- The "Corresponding Account of Notional Principal Receivable Assets" and the "Account of the Notional Principal Payable Liability" shall be valued respectively, and the total amount of the valuation gains or losses thereof shall be added to the total amount of Net Assets as the "Gain or Loss on Valuation of Futures Transactions etc."</p> <p>However, if the market value obtained at the time of valuation is based on the difference between the present value of the Receivable Swap Interest and the Payable Swap Interest, the amount obtained by deducting the Recorded Accrued Interest Income on the Receivable Swap Interest and the Recorded Accrued Interest Expenses on the Payable Swap Interest shall be used as the market value, and either the "The Notional Principal Receivable Assets" or the "Notional Principal Payable Liability" shall be added to or deducted from such market value.</p>
7. Revaluation of Accounts for Settlement (Open Type)	Notional Principal Receivable Assets Or Losses on Futures Transactions, etc. Notional Principal Payable Liability Or Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc. Notional Principal Receivable Assets Gains on Futures Transactions, etc. Notional Principal Payable Liability	

[Currency Swap] Without Principal Exchange

Swap Interest: Receipt in Yen, Payment in Foreign Currency

Transaction	Japanese Yen Denominated Account Journals		Foreign Currency Denominated Account Journals	
1. Date of Conclusion of Transaction	Notional Principal Receivable Assets	Corresponding Account of Notional Principal Receivable Assets	Corresponding Account of Notional Principal Payable Liability	Notional Principal Payable Liability
2. During Interest-recording Period	Accrued Interest Income	Interest Income	Interest Expenses	Accrued interest expenses
3. Interest Settlement Date (Interest Payment Date)	Call Loans	Accrued Interest Income	Accrued interest expenses	Deposit
4. Maturity Date	Corresponding Account of Notional Principal Receivable Assets Call Loans Losses on Futures Transactions, etc.	Notional Principal Receivable Assets Accrued Interest Income Gains on Futures Transactions, etc. Interest Income	Notional Principal Payable Liability Accrued interest expenses Losses on Futures Transactions, etc. Interest expenses	Corresponding Account of Notional Principal Payable Liability Deposit Gains on Futures Transactions, etc.
5. Interim Settlement (1) Agreement	Corresponding Account of Notional Principal Receivable Assets Accounts Receivable Or Losses on Futures Transactions, etc.	Notional Principal Receivable Assets Gains on Futures Transactions, etc. Accounts Payable	Notional Principal Payable Liability Accounts Receivable Or Losses on Futures Transactions, etc.	Corresponding Account of Notional Principal Payable Liability Gains on Futures Transactions, etc. Accounts Payable
(2) Delivery Date	Call Loans Or Accounts Payable Call Loans	Accounts Receivable Call Loans Accrued Interest Income Interest Income	Deposit Or Accounts Payable Accrued interest expenses Interest Expenses	Accounts Receivable Deposit Deposit

Transaction	Japanese Yen Denominated Account Journals		Foreign Currency Denominated Account Journals	
6. Valuation	Gain or Loss on Valuation of Futures Transactions (off-book account)		Gain or Loss on Valuation of Futures Transactions etc. (off-book account)	
7. Revaluation on the Settlement (Open Type)	Notional Principal Receivable Assets Or Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc. Notional Principal Receivable Assets	Notional Principal Payable Liability Or Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc. Notional Principal Payable Liability

[Currency Swap] In case of exchange of principle (exchange at the start and re-exchange at the end)

Swap Interest: Receipt in Yen, Payment in Foreign Currency

Transaction	Japanese Yen Denominated Account Journals		Foreign Currency Denominated Account Journals	
1. Date of Conclusion of Transaction	Notional Principal Receivable Assets	Corresponding Account of Notional Principal Receivable Assets	Corresponding Account of Notional Principal Payable Liability	Notional Principal Payable Liability
2. Principal Exchange Date Payment in Yen, Receipt in Foreign Currency	Corresponding Account of Notional Principal Receivable Assets	Call Loans	Deposit	Corresponding Account of Notional Principal Payable Liability
3. Maturity Date Payment in Foreign Currency - Receipt in Yen	Call Loans Call Loans	Notional Principal Receivable Assets Accrued Interest Income	Notional Principal Payable Liability Accrued interest expenses	Deposit Deposit
4. Recording of Interest, Settlement of Interest, Interim Settlement, Valuation, Maturity Termination Date, etc. shall be handled in the same manner as when the principal is not exchanged.				

[Currency swap] In case of exchange of principal (exchange at the start or at the end)

Swap Interest: Receipt in Yen, Payment in Foreign Currency

Transaction	Japanese Yen Denominated Account Journals		Foreign Currency Denominated Account Journals	
1. Date of Conclusion of Transaction	Notional Principal Receivable		Corresponding Account of Notional Principal Payable Liability	
2. Principal Exchange Date	Assets		Principal Payable Liability	
(1) Payment in Yen - Receipt in Foreign Currency				
(2) Payment in Foreign Currency - Receipt in Yen	Foreign Investment Accounts	Call Loans ∴ Equivalent to current remittance processing. The remittance rate shall be the exchange.	Deposit	Foreign Currency Funds
	Call Loans Loss account	Foreign Investment Accounts Profit account	Foreign Currency Funds Profit account	Deposit Loss account
	∴ Equivalent to current collection treatment (Remittance rate shall be the exchange rate.)			
3. Recording of Interest, Settlement of Interest, Interim Settlement, Valuation, Maturity Termination Date, etc. shall be handled in the same manner as when the principal is not exchanged.				

Swap Interest.... Receipt in the currency in which the base value is displayed (hereinafter referred to as “the relevant currency”) and payment in a currency other than the currency in which the base value is displayed (hereinafter referred to as “foreign currency”)

Transaction	Relevant Currency-denominated Account		Foreign Currency Denominated Account Journals	
1. Date of Conclusion of Transaction	Notional Principal Receivable		Corresponding Account of Notional Principal Payable Liability	
2. Principal Exchange Date	Assets		Principal Payable Liability	
(1) Payment in Relevant Currency - Receipt in Foreign Currency				
(2) Payment in foreign currency - Receipt in Relevant Currency	Foreign Investment Accounts	Deposit ∴ Equivalent to current remittance processing. (The remittance rate shall be the exchange rate)	Deposit or Call Loan	Foreign Currency Funds
	Deposit Loss account	Foreign Investment Accounts Profit account	Foreign Currency Funds Profit account	Deposit or Call Loan Loss account
	∴ Equivalent to current collection treatment (Remittance rate shall be the exchange rate.)			
3. Recording of Interest, Settlement of Interest, Interim Settlement, Valuation, Maturity Termination Date, etc. shall be handled in the same manner as when the principal is not exchanged.				

[Credit Default Swap]

Transaction	Account Journal	Formula	Remarks								
<p>1. Date of Conclusion of Contract</p>	<p style="text-align: center;">2006/7/10</p> <p>(Buyer)</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Corresponding Account of Notional Principal Payable Liability</td> <td style="width: 50%;">Notional Principal Payable Liability</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> </table> <p>(Seller)</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Notional Principal Receivable Assets</td> <td style="width: 50%;">Corresponding Account of Notional Principal Receivable Assets</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> </table>	Corresponding Account of Notional Principal Payable Liability	Notional Principal Payable Liability	2,000,000,000	2,000,000,000	Notional Principal Receivable Assets	Corresponding Account of Notional Principal Receivable Assets	2,000,000,000	2,000,000,000		<p>* CDS Transaction on July 10 (Commencement Date: July 11)</p> <ul style="list-style-type: none"> - Notional principal: 2,000,000,000 yen (term: 5 years) - Premium: 30 bps (4 times of interest payment per year) - Interest Calculation Section: ACT/360 (and ACT/365) - Collection rate at the time of credit event: 40% (in case of cash settlement) - Maturity Date 10 July, 2011 <p>* The principal for receipt of interest shall be the Notional Principal Receivable Assets and the principal for payment of interest shall be the Notional Principal Payable Liability</p> <p>* In the event of an up-front payment, the amount received and paid for price shall be added to or deducted from the book value, and the amount received and paid for the accrued interest shall be recorded in the account for advances received and prepaid expenses on the date of execution of each transaction contract.</p>
Corresponding Account of Notional Principal Payable Liability	Notional Principal Payable Liability										
2,000,000,000	2,000,000,000										
Notional Principal Receivable Assets	Corresponding Account of Notional Principal Receivable Assets										
2,000,000,000	2,000,000,000										
<p>2. Valuation</p>	<p>Gain or Loss on Valuation of Futures Transactions (off-book account)</p>	<p>(1) Valuation Gain or Loss (Seller) = Market value of assets received - Notional principal receivable assets (Book Value Received)</p> <p>(2) Valuation Gain or Loss (Buyer) = Notional Liability for Payment (Book Value for Payment) - Market Value of Liabilities Payable</p>	<p>* Market value may be provided for net worth including interest. In such a case, only the amount equivalent to the principal shall be valued at the market value obtained by deducting the amount equivalent to accrued interest from the market value. (Preparation of Example where Market Value is Provided in Amount Including Interest)</p> <p>* The amount equivalent to accrued interest shall not be included in the market value, but only the amount equivalent to the principal shall be valued. Separately recorded as Accrued Interest Income and Accrued Interest Expenses.</p>								
<p>3. Commencement Date of Transaction (Commencement Date) (Delivery Date)</p>	<p style="text-align: center;">2006/7/11</p> <p>(Buyer)</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Securities Received as Customers' Deposits for Cash Collateral Received</td> <td style="width: 50%;">Cash Collateral Received</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> </table> <p>(Seller)</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Customers' Margin Deposits</td> <td style="width: 50%;">Securities received as customers' deposits for customers' margin:</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> </table>	Securities Received as Customers' Deposits for Cash Collateral Received	Cash Collateral Received	2,000,000,000	2,000,000,000	Customers' Margin Deposits	Securities received as customers' deposits for customers' margin:	2,000,000,000	2,000,000,000		<p>* Acceptance or non-acceptance of collateral from Seller shall be determined by agreement.</p> <p>* Government bonds are deposited as customer margin.</p> <p>* Necessity, unnecessary and frequency of mark-to-market revaluation shall be determined by agreement.</p> <p>* Interest is paid to the trust property from the other party.</p>
Securities Received as Customers' Deposits for Cash Collateral Received	Cash Collateral Received										
2,000,000,000	2,000,000,000										
Customers' Margin Deposits	Securities received as customers' deposits for customers' margin:										
2,000,000,000	2,000,000,000										

<p>4. Recording of interest</p>	<p style="text-align: center;">From 2006/7/11</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: left; border-bottom: 1px solid black;">(Buyer)</td> </tr> <tr> <td style="width: 50%;">Interest Expenses</td> <td style="width: 50%; text-align: right;">Accrued interest expenses</td> </tr> <tr> <td style="text-align: right;">16,666</td> <td style="text-align: right;">16,666</td> </tr> <tr> <td colspan="2" style="text-align: left; border-bottom: 1px solid black;">(Seller)</td> </tr> <tr> <td style="width: 50%;">Accrued Interest Income</td> <td style="width: 50%; text-align: right;">Interest Income</td> </tr> <tr> <td style="text-align: right;">16,666</td> <td style="text-align: right;">16,666</td> </tr> </table>	(Buyer)		Interest Expenses	Accrued interest expenses	16,666	16,666	(Seller)		Accrued Interest Income	Interest Income	16,666	16,666	<p>(1) Unit price for accrued interest and accrued interest expenses = Premium (%) ÷ 360 (Rounded down to seven decimal places) = 0.3 ÷ 360 ÷ 0.0008333</p> <p>(2) Accrued Interest Expenses Per Day = Accrued interest expenses unit price x Corresponding account of notional principal payable liability ÷ 100 = 0.0008333 x 2,000,000,000 ÷ 100 =16,666</p> <p>(3) Accrued Interest Income Per Day = Accrued interest income unit price x Corresponding Account of Notional Principal Receivable Assets ÷ 100</p>	<p>* The time and period for recording shall be in accordance with the agreement, etc.</p>						
(Buyer)																					
Interest Expenses	Accrued interest expenses																				
16,666	16,666																				
(Seller)																					
Accrued Interest Income	Interest Income																				
16,666	16,666																				
<p>5. Interest Payment Date (Interest Receipt and Payment Date) If the encashment is on the Interest Payment Date:</p>	<p style="text-align: center;">2006/10/11</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: left; border-bottom: 1px solid black;">(Buyer)</td> </tr> <tr> <td style="width: 50%;">(Recorded) Accrued Interest Expenses</td> <td style="width: 50%; text-align: right;">Money Trust</td> </tr> <tr> <td style="text-align: right;">1,516,606</td> <td style="text-align: right;">1,533,332</td> </tr> <tr> <td style="text-align: right;">16,726</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: left; border-bottom: 1px solid black;">(Seller)</td> </tr> <tr> <td style="width: 50%;">Money Trust</td> <td style="width: 50%; text-align: right;">(Recorded) Accrued Interest Income</td> </tr> <tr> <td style="text-align: right;">1,533,332</td> <td style="text-align: right;">1,516,606</td> </tr> <tr> <td></td> <td style="text-align: right;">Interest Income</td> </tr> <tr> <td></td> <td style="text-align: right;">16,726</td> </tr> </table>	(Buyer)		(Recorded) Accrued Interest Expenses	Money Trust	1,516,606	1,533,332	16,726		(Seller)		Money Trust	(Recorded) Accrued Interest Income	1,533,332	1,516,606		Interest Income		16,726	<p>(1) Ratio of elapsed days (assuming fixed interest rate) = Premium (%) ÷ Number of times of payment of interest (Rounded down to seven decimal places) = 0.3 x 92 days (elapsed days) ÷ 360 days ≐ 0.0766666</p> <p>(2) Interest Expenses = Ratio of elapsed days x Corresponding account of notional principal payable liability ÷ 100 = 0.0766666 x 2,000,000,000 ÷ 100 = 1,533,332</p> <p>(3) Adjusted Amount = 1,533,332 - 16,666 x 91 days = 16,726</p> <p>(4) Interest Income = Ratio of elapsed days x Corresponding account of notional principal receivable assets ÷ 100</p>	<p>* In principle, the number of days elapsed shall be calculated on one end from the previous interest payment date to the current interest payment date, and whether the calculation is based on the actual number of days or on 30 days depends on the “calculation category” of each transaction (specified in the instructions at the time of execution).</p> <p>* “Number of days per year” for calculating the ratio of elapsed days of interest shall be in accordance with “calculation category” (specified in the instructions at the time of execution) for 365 days, 360 days, etc.</p>
(Buyer)																					
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1,516,606	1,533,332																				
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	Interest Income																				
	16,726																				

6. Partial Cancellation (Contract Date) When the amount of assets and liabilities before cancellation is the same (No settlement of accounts during the period)	2006/11/8		<p>(1) (Withdrawal upon cancellation) Notional Principal Payable Liability = Notional Principal Payable Liability Before Cancellation x Notional Principal Equivalent to Payment Liability on Cancellation (Principal Portion) ÷ Corresponding Account of Notional Principal Payable Liability Before Cancellation = 2,000,000,000 x 1,000,000,000 ÷ 2,000,000,000 = 1,000,000,000 (Realized in one formula. Amounts less than Yen to be rounded down (The same shall apply to the notional principle receivable assets))</p> <p>(2) Gains on Futures Transactions = Net Amount Received + Amount of Interest Expenses</p> <p>(3) (Withdrawal upon cancellation) The Notional Principal Receivable Assets = The Notional Principal Receivable Assets before cancellation x Notional Principal equivalent to Receivable Assets on Cancellation (principal portion) ÷ The Corresponding Account of Notional Principal Receivable Assets before cancellation</p> <p>(4) Losses on Futures Transactions, etc. = Amount of Net Payment + Amount of Interest Income</p>	<p>* Status at the time of cancellation</p> <ul style="list-style-type: none"> - Cancellation of the amount equivalent to 1,000,000,000 yen out of the notional principal of 2,000,000,000 yen. - The cancellation amount is the amount equivalent to the principal and the Seller's net payment amount is 4,750,000 yen - The receivable amount equivalent to accrued interest is 250,000 yen (date of delivery: November 10). <p>* Accrued interest income and expenses shall be recorded in the balance of the principal before cancellation until the day before the delivery date of partial cancellation.</p>
	(Buyer)			
	(Withdrawal upon cancellation) Notional Principal Payable Liability 1,000,000,000	Corresponding Account of Notional Principal Payable Liability 1,000,000,000		
	Accounts Receivable 5,000,000	Gains on Futures Transactions, etc. 5,000,000		
(Seller)				
Corresponding Account of Notional Principal Receivable Assets 1,000,000,000	(Withdrawal upon cancellation) Notional Principal Receivable Assets 1,000,000,000			
Losses on Futures Transactions, etc. 5,000,000	Accounts Payable 5,000,000			

7. Partial Cancellation (Delivery Date) When the amount of assets and liabilities before cancellation is the same (No settlement of accounts during the period)	2006/11/10			
	(Buyer)			
	<u>Principal Equivalent</u>			
	Money Trust	5,000,000	Accounts Receivable	5,000,000
	<u>The amount equivalent to accrued interest (interest expenses)</u>			
	(Withdrawal) Accrued Interest Expenses	241,657	Money Trust	250,000
	(Adjusted) Interest expenses	8,343		
	Cash Collateral Received	1,000,000,000	Securities Received as Customers' Deposits for Cash Collateral Received	1,000,000,000
	(Seller)			
	<u>Principal Equivalent</u>			
Accounts Payable	5,000,000	Money Trust	5,000,000	
<u>The amount equivalent to accrued interest (interest expenses)</u>				
Money Trust	250,000	(Withdrawn) Accrued interest income	241,657	
		(Adjusted) Interest income	8,343	
Securities Received as Customers' Deposits for Customers' Margin	1,000,000,000	Customers' Margin Deposits	1,000,000,000	

(1) Accrued Interest Expenses Paid
Money Trust = Accrued Interest Expenses Paid
Withdrawn Accrued Interest Expenses =
Recorded Accrued Interest Expenses
Adjusted Interest Expenses = Accrued
Interest Expenses Paid
- Withdrawn Accrued Interest Expenses

(2) Accrued interest income received
Money Trust = Accrued Interest Income
Received
Withdrawn Accrued Interest Income =
Recorded Accrued Interest Income
Adjusted Interest Income = Accrued
Interest Income Received
- Withdrawn Accrued Interest Income

- * The method of receiving and paying the equivalent amount to accrued interest shall be in principle the same as the current bond method (partial sale).
- * Accrued interest income and expenses on the principal balance after cancellation is recorded as usual.
- * The principal amount and interest rate related accounts journals are shown separately, but in fact they are settled for funds collectively.
- * Return of government bonds as received cash collateral.

* Return of government bonds as customers' margin deposits.

8. Occurrence of Credit Event (Settlement in Kind) Settlement with Deliverable Liability of Reference Company No Settlement of Accounts for the Period (same amount of principal)	2007/1/9			
	<u>(Buyer)</u>			
	Notional Principal Payable Liability	2,000,000,000	Corresponding Account of Notional Principal Payable Liability	2,000,000,000
	<hr/>			
	Money Trust (Accounts Receivable)	2,000,000,000	General Bonds	1,900,000,000
	Loss on Securities Transactions	1,800,000,000	Gains on Futures Transactions, etc.	1,900,000,000
	<hr/>			
	Cash Collateral Received	2,000,000,000	Securities Received as Customers' Deposits for Cash Collateral Received	2,000,000,000
	<hr/>			
	Equivalent to Accrued Interest (Interest Expenses) 90 days			
	(Withdrawal) Accrued Interest Expenses	1,483,274	Money Trust	1,500,000
	(Adjusted) Interest expenses	16,726		
<hr/>				
<u>(Seller)</u>				
Corresponding Account of Notional Principal Receivable Assets	2,000,000,000	Notional Principal Receivable Assets	2,000,000,000	
<hr/>				
General Bonds	100,000,000	Money Trust (Accounts Payable)	2,000,000,000	
Losses on Futures Transactions, etc.	1,900,000,000			
<hr/>				
Securities Received as Customers' Deposits for Customers' Margin	2,000,000,000	Customers' Margin Deposits	2,000,000,000	
<hr/>				
Accrued Interest (Interest Received) 90 days				
Money Trust	1,500,000	(Withdrawn) Accrued interest income	1,483,274	
		(Adjusted) Interest income	16,726	
			16,726	
		(1) Loss on securities transactions (1,800,000,000) = book value (1,900,000,000) - Actual market price (100,000,000)		
		(2) Accrued Interest Expenses paid Money Trust = Accrued Interest Expenses Paid Withdrawn Accrued Interest Expenses = Recorded Accrued Interest Expenses Adjusted Interest Expenses = Accrued Interest Expenses Paid - Withdrawn Accrued Interest Expenses		
		(3) Accrued interest income received Money Trust = Accrued Interest Income Received Withdrawn Accrued Interest Income = Recorded Accrued Interest Income Adjusted Interest Income = Accrued Interest Income Received - Withdrawn Accrued Interest Income		
			* At the time of a credit event (CE), a journal entry for the reversal of general bonds will be made. * When the principal amount of assets and liabilities is not the same amount as a result of revaluation of settlement of accounts, "Profit and Loss on Futures Transactions, etc." will be incurred. * Loss on securities transactions at reasonable prices such as book value and market price. * If physical delivery is not possible at the time of CE, it is recorded as receivable. Journal entries for Money Trust/Account receivable and received cash collateral shall be made on the date of delivery. * When the principal amount of assets and liabilities is not the same amount as a result of revaluation of settlement of accounts, "Profit and Loss on Futures Transactions, etc." will be incurred. * Make journal entries for the recording of general bonds at the time of CE. * The book value of general bonds is calculated based on reasonable prices such as actual market prices. Start mark-to-market valuation from the date of recording. * If physical delivery is not possible at the time of CE, it is recorded as account payable. Journal entries for Accounts Payable / Money Trust and Customers' Margin shall be made on the date of delivery.	

9. Occurrence of Credit Event (Cash Settlement) Collection rate: 40% No Settlement of Accounts for the Period (same amount of principal)	2007/1/9		
	<u>(Buyer)</u>		
	Notional Principal Payable Liability	2,000,000,000	Corresponding Account of Notional Principal Payable Liability
			2,000,000,000
	Cash Collateral Received	2,000,000,000	Securities Received as Customers' Deposits for Cash Collateral Received
			2,000,000,000
	Money Trust (accounts receivable)	1,200,000,000	Gains on Futures Transactions, etc.
			1,200,000,000
	<u>Equivalent to Accrued Interest (Interest Expenses) 90 days</u>		
	(Withdrawal) Accrued Interest Expenses (Adjusted) Interest expenses	1,483,274 16,726	Money Trust
		1,500,000	
<u>(Seller)</u>			
Corresponding Account of Notional Principal Receivable Assets	2,000,000,000	Notional Principal Receivable Assets	
		2,000,000,000	
Securities Received as Customers' Deposits for Customers' Margin	2,000,000,000	Customers' Margin Deposits	
		2,000,000,000	
Losses on Futures Transactions, etc.	1,200,000,000	Money Trust (Accounts Payable) etc.	
		1,200,000,000	
<u>Equivalent amount to accrued interest (Interest income)</u>			
Money Trust	1,500,000	(Withdrawn) Accrued interest income (Adjusted) Interest income	
		1,483,274 16,726	
		(1) Gains on Futures Transactions, etc. = (1 - collection rate) x Notional Principal Payable Liability (principal portion)	
		(2) Accrued Interest Expenses paid Money Trust = Accrued Interest Expenses Paid Withdrawn Accrued Interest Expenses = Recorded Accrued Interest Expenses Adjusted Interest Expenses = Accrued Interest Expenses Paid - Withdrawn Accrued Interest Expenses	
		(3) Losses on Futures Transactions, etc. = (1 - collection rate) x Notional Principal Receivable Assets (principal portion)	
		(4) Accrued interest income received Money Trust = Accrued Interest Income Received Withdrawn Accrued Interest Income = Recorded Accrued Interest Income Adjusted Interest Income = Accrued Interest Income Received - Withdrawn Accrued Interest Income	

<p>10. In the event that the principal of the payable liabilities (receivable assets) at the maturity date is the same amount:</p>	<p style="text-align: center;">2011/7/9</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">(Buyer)</td> </tr> <tr> <td style="width: 50%;">Notional Principal Payable Liability</td> <td style="width: 50%;">Corresponding Account of Notional Principal Payable Liability</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash Collateral Received</td> <td style="border-top: 1px solid black;">Securities Received as Customers' Deposits for Cash Collateral Received</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> <tr> <td colspan="2" style="text-align: center;">(Seller)</td> </tr> <tr> <td>Corresponding Account of Notional Principal Receivable Assets</td> <td>Notional Principal Receivable Assets</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Securities Received as Customers' Deposits for Customers' Margin</td> <td style="border-top: 1px solid black;">Customers' Margin Deposits</td> </tr> <tr> <td style="text-align: right;">2,000,000,000</td> <td style="text-align: right;">2,000,000,000</td> </tr> </table>	(Buyer)		Notional Principal Payable Liability	Corresponding Account of Notional Principal Payable Liability	2,000,000,000	2,000,000,000	Cash Collateral Received	Securities Received as Customers' Deposits for Cash Collateral Received	2,000,000,000	2,000,000,000	(Seller)		Corresponding Account of Notional Principal Receivable Assets	Notional Principal Receivable Assets	2,000,000,000	2,000,000,000	Securities Received as Customers' Deposits for Customers' Margin	Customers' Margin Deposits	2,000,000,000	2,000,000,000		<p>* When the principal amount of assets and liabilities is not the same amount as a result of revaluation of settlement of accounts, "Profit and Loss on Futures Transactions, etc." will be incurred.</p> <p>* Interest receipt and payment processing is the same as interest payment date processing.</p>
(Buyer)																							
Notional Principal Payable Liability	Corresponding Account of Notional Principal Payable Liability																						
2,000,000,000	2,000,000,000																						
Cash Collateral Received	Securities Received as Customers' Deposits for Cash Collateral Received																						
2,000,000,000	2,000,000,000																						
(Seller)																							
Corresponding Account of Notional Principal Receivable Assets	Notional Principal Receivable Assets																						
2,000,000,000	2,000,000,000																						
Securities Received as Customers' Deposits for Customers' Margin	Customers' Margin Deposits																						
2,000,000,000	2,000,000,000																						
<p>11. Revaluation of Accounts for Settlement No partial cancellation during the period</p>	<p style="text-align: center;">2006/12/10</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">(Buyer)</td> </tr> <tr> <td style="width: 50%;">(Transfer) Notional Principal Payable Liability</td> <td style="width: 50%;">Gains on Futures Transactions, etc.</td> </tr> <tr> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">10,000,000</td> </tr> <tr> <td colspan="2" style="text-align: center;">(Seller)</td> </tr> <tr> <td>Losses on Futures Transactions, etc.</td> <td>(Transfer) Notional Principal Receivable Assets</td> </tr> <tr> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">10,000,000</td> </tr> </table>	(Buyer)		(Transfer) Notional Principal Payable Liability	Gains on Futures Transactions, etc.	10,000,000	10,000,000	(Seller)		Losses on Futures Transactions, etc.	(Transfer) Notional Principal Receivable Assets	10,000,000	10,000,000	<p>(1) (Transfer) Notional Principal Payable Liability = Market Value (- for Buyer's receipt, + for Payment) Amount - Accrued interest = -9,000,000 - 1,000,000 = -10,000,000 yen * In case of 0 or positive values: Loss on Futures Transactions (absolute value) * If negative: Gain on Futures Transaction (absolute value)</p> <p>(2) (Transfer) Notional Principal Receivable Assets = Market Value (+ for Seller's receipt, - for Payment) Amount - Accrued interest = -9,000,000 - 1,000,000 = -10,000,000 yen * In case of 0 or positive value, Gain on Futures Transaction (absolute value) * If negative, Loss on Futures Transactions (absolute value)</p>	<p>* Status at the time of settlement of accounts</p> <ul style="list-style-type: none"> - The balance on the previous day was 2,000,000,000 yen for both receipt and payment, and there was no change in the principal amount. - Market value on the day of closing date = Seller's net payment amount is 9,000,000 yen - Amount equivalent to accrued interest = 1 million yen to be received <p>* Notional Principal Payable Liability after Revaluation (Book Value) = Notional Principal Payable Liability before revaluation + (Transfer) Notional Principal Payable Liability</p> <p>* Notional principal receivable assets after revaluation (book value) = Notional Principal Receivable Assets before revaluation + (Transfer) Notional Principal Receivable Assets</p> <p>* The equivalent amount to accrued interest income is recorded by dividing Recorded Accrued Interest Income by Accrued Interest Income Per Day = $0.0008333 \times 2,000,000,000 \div 100$ = 16,666 Adjusted Amount = $1,000,000 - 16,666 \times 60 \text{ days} = 40$ accrued but the adjusted accrued interest income and expenses are note recorded.</p>								
(Buyer)																							
(Transfer) Notional Principal Payable Liability	Gains on Futures Transactions, etc.																						
10,000,000	10,000,000																						
(Seller)																							
Losses on Futures Transactions, etc.	(Transfer) Notional Principal Receivable Assets																						
10,000,000	10,000,000																						

12. Partial Cancellation after Settlement (Revaluation) When the principal of assets and liabilities before cancellation is not the same amount	2007/1/15		<p>(1) (Withdrawal upon cancellation) Notional Principal Payable Liability = Notional Principal Payable Liability Before Cancellation x Notional Principal Equivalent to Payment Liability on Cancellation (Principal Portion) ÷ Corresponding Account of Notional Principal Payable Liability Before Cancellation = 1,990,000,000 x 1,000,000,000 ÷ 2,000,000,000 = 995,000,000</p> <p>(Realized in one formula. Amounts less than 1 Yen to be rounded down (same as for Notional Principal Receivable Assets))</p> <p>(2) Profit and Loss on Futures Transactions, etc. = Market Value (+ For Buyer Payment, - For Receipt) Amount - Accrued Interest = 10,050,000 - 50,000 = 10,000,000</p> <p>* In case of 0 or positive values: Loss on Futures Transactions (absolute value) * If negative: Gain on Futures Transaction (absolute value)</p> <p>(3) (Withdrawal upon cancellation) The Notional Principal Receivable Assets = The Notional Principal Receivable Assets before cancellation x Notional Principal equivalent to Receivable Assets on Cancellation (principal portion) ÷ The Corresponding Account of Notional Principal Receivable Assets before cancellation</p> <p>(4) Profit and Loss on Futures Transactions, etc. = Market Value (+ for Seller's receipt, - for Payment) Amount - Accrued interest = 10,050,000 - 50,000 = 10,000,000</p> <p>* In case of 0 or positive value, Gain on Futures Transaction (absolute value) * If negative, Loss on Futures Transactions (absolute value)</p>	<p>* Status at the time of cancellation (the first partial cancellation after the revaluation of settlement of accounts in 11 above)</p> <ul style="list-style-type: none"> - Cancellation of 1,000,000,000 yen out of the notional principal of 2,000,000,000 yen - The cancellation amount is the amount equivalent to the principal and the Seller's receiving net amount is 10,050,000 yen - The amount equivalent to accrued interest income is 50,000 yen (Delivery date: January 17). <p>* Accrued interest income and expenses shall be recorded in the balance of the principal before cancellation until the day before the delivery date of partial cancellation.</p> <p>* Handling of partial cancellation delivery date is the same as 7. (The same shall apply to the handling of the customers' margin or the cash collateral received.)</p> <p>* Treatment of accrued interest is the same as 6.</p>		
	(Buyer)					
	(Withdrawal upon cancellation) Notional Principal Payable Liability	995,000,000			Corresponding Account of Notional Principal Payable Liability	1,000,000,000
	Losses on Futures Transactions, etc.	5,000,000			Accounts Payable	10,000,000
(Seller)		<p>Corresponding Account of Notional Principal Receivable Assets</p> <p>1,000,000,000</p> <p>Notional Principal Receivable Assets</p> <p>995,000,000</p> <p>Gains on Futures Transactions, etc.</p> <p>5,000,000</p>				
Accounts Receivable	10,000,000	Gains on Futures Transactions, etc.	10,000,000			

25. Accounting for Forward Rate Agreement (FRA)

Category	Accounting Method
<p>I. Account titles for Forward Rate Agreements</p> <p>II. Accounts</p> <p>III. Forward Rate Purchase Forward Rate Sale</p> <p>IV. Valuation</p> <p>V. Settlement of Accounts</p>	<ol style="list-style-type: none"> 1. No new account titles prescribed in the ministry orders shall be created. 2. The Notional Principal Amount relating to the forward rate contract shall be recorded in the accounts of “Notional Principal Receivable Assets / Corresponding Account of Notional Principal Receivable Assets” and “Notional Principal Payable Liability/Corresponding Account of Notional Principal Payable Liability.” <ol style="list-style-type: none"> (1) To be recorded on the date of conclusion of the contract. (2) Forward Rate Agreements shall, in principle, be evaluated at the market value. (3) For open type investment trusts, revaluation shall be made at the closing date. <ol style="list-style-type: none"> 1. Account Titles for Forward Rate Agreement <ul style="list-style-type: none"> Asset Account... <ul style="list-style-type: none"> Notional Principal Receivable Assets.... Principal on forward rate purchase Corresponding Account of Notional Principal Payable Liability.... Corresponding Account of principal on forward rate sale Liability Account... <ul style="list-style-type: none"> Corresponding Account of Notional Principal Receivable Assets... Corresponding Account of principal on forward rate purchase Notional Principal Payable Liability.... Corresponding Account of commensurate principal on forward rate purchase Loss Account.....Interest Expenses..... Interest paid on forward rate transactions Gain Account.....Interest Income..... Interest received on forward interest transactions <ol style="list-style-type: none"> (1) Amount for account receivable and payable in settlement... Accrued Revenue, Accounts Payable (2) Valuation Gain and Loss.... Gain or Loss on Valuation of Futures Transactions etc. <ol style="list-style-type: none"> 1. Interest on forward rate purchase shall not be recorded as interest income on a daily basis. 2. Interest on forward rate sale shall not be recorded as interest income on a daily basis. <ol style="list-style-type: none"> 1. Valuation shall in principle be conducted on a daily basis. 2. The “Notional Principal Receivable Assets” and the “Notional Principal Payable Liability” shall be valued respectively, and the gain or loss on valuation thereof shall be added to the total amount of net assets as the “Gain or Loss on Valuation of Futures Transactions etc.” <ol style="list-style-type: none"> 1. In the case of an open type investment trust, revaluation shall be made on the closing date. <ul style="list-style-type: none"> The accounts for “Notional Principal Receivable Assets” and “Notional Principal Payable Liability” shall be revalued respectively, and the <ol style="list-style-type: none"> (1) Preparation of Balance Sheets <ul style="list-style-type: none"> The Corresponding Account of Notional Principal Receivable Assets is subtracted from the notional principal receivable asset account, and the Notional Principal Payable Liability Account is subtracted from the Corresponding Account of Notional Principal Payable Liability, and the difference is added to the accounts receivable if it is a positive number, or to the accounts payable if it is a negative number. (2) Attached Documents <ul style="list-style-type: none"> A detailed statement showing the contents of each contract for the balance of forward rate agreements at the end of the fiscal period is attached.

[Journal Entry Example]

Transaction	Account Journal	Description
[Forward Rate Agreements]		
1. Date of Conclusion of Transaction [Purchase]	(1) Notional Principal Receivable Assets	(1) Nominal principal amount to be used for calculation of settlement amount
	Corresponding Account of Notional Principal Receivable Assets	
[Sale]	(1) Corresponding Account of Notional Principal Payable Liability	(1) Transfer of Nominal Principal Amount
	Notional Principal Payable Liability	(2) When the settlement amount is receiving: When the settlement amount is payment:
2. Interest Determination Date [Purchase]	(1) Corresponding Account of Notional Principal Receivable Assets (2) Account Receivable Interest Expenses (3) Losses on Futures Transactions, etc.	(3) When any revaluation, etc. is implemented
	Notional Principal Receivable Assets	
	Interest Income	
	Accounts Payable	
	Gains on Futures Transactions, etc.	
[Sale]	(1) Notional Principal Payable Liability (2) Account Receivable Interest Expenses (3) Losses on Futures Transactions, etc.	
	Corresponding Account of Notional Principal Payable Liability	
	Interest Income	
	Accounts Payable	
	Gains on Futures Transactions, etc.	
3. Transaction Termination Date (Settlement Date) [Purchase]/[Sale]	(1) Call Loans Accounts Payable Gain or Loss on Valuation of Futures Transactions (off-book account)	(1) Receiving of settlement amount Payment of Settlement Amount
	Accounts Receivable	
	Call Loans	
4. Valuation	(1) Notional Principal Receivable Assets (2) Losses on Futures Transactions, etc.	- The position of Notional Principal Receivable Assets or Notional Principal Payable Liability shall be valued, and the total amount of valuation gain or loss shall be added to the total amount of net assets as Valuation Gain or Loss on Futures Transactions.
	Gains on Futures Transactions, etc.	
	Notional Principal Receivable Assets	
	Assets	
5. Revaluation of Accounts for Settlement (Open Type) [Purchase]	(1) Notional Principal Payable Liability (2) Losses on Futures Transactions, etc.	(1) In case of valuation gain: (2) In case of valuation loss:
	Gains on Futures Transactions, etc.	
	Notional Principal Payable Liability	
[Sale]		

26. Accounting for Forward Exchange Agreement (FXA)

Category	Accounting Method
<p>I. Account Titles for Forward Exchange Agreement</p> <p>II. Accounts</p> <p>III. Forward Exchange Purchase Forward Exchange Sale</p> <p>IV. Valuation</p> <p>V. Settlement of Accounts</p>	<ol style="list-style-type: none"> 1. No new account titles prescribed in the ministry orders shall be created. 2. The notional amount of the principal relating to the forward exchange agreement shall be recorded in the accounts of “Notional Principal Receivable Assets and Corresponding Account of Notional Principal Receivable Assets” and “Notional Principal Payable Liability and Corresponding Account of Notional Principal Payable Liability.” <ol style="list-style-type: none"> (1) To be recorded on the date of conclusion of the contract. (2) Forward exchange agreements shall, in principle, be market value. (3) For open type investment trusts, revaluation shall be made at the closing date. <ol style="list-style-type: none"> 1. Accounts for Forward Exchange Agreements <ul style="list-style-type: none"> Asset Account.... <ul style="list-style-type: none"> Notional Principal Receivable Assets.... Principal on forward exchange purchase Corresponding Account of Notional Principal Payable Liability... Corresponding Account of Principal on forward exchange sale Liability Account... <ul style="list-style-type: none"> Corresponding Account of Notional Principal Receivable Assets.... Corresponding Account of Principal on forward exchange purchase Notional Principal Payable Liability... Principal on forward exchange sale Loss Account.....Interest Expenses..... The amount of interest paid on forward exchange transactions Profit Account.....Interest Income..... The amount of interest received on forward exchange transactions <ol style="list-style-type: none"> (1) Amount of receivable and payable in settlement... Accounts Receivable, Accounts Payable (2) Valuation Gain and Loss.... Gain or Loss on Valuation of Futures Transactions etc. <ol style="list-style-type: none"> 1. Interest on forward exchange purchase shall not be recorded as interest income on a daily basis. 2. Interest on forward exchange sale shall not be recorded as interest income on a daily basis. <ol style="list-style-type: none"> 1. Valuation shall in principle be conducted on a daily basis. 2. The “Notional Principal Receivable Assets” and the “Notional Principal Payable Liability” shall be valued respectively, and the gain or loss on valuation thereof shall be added to the total amount of net assets as the “Gain or Loss on Valuation of Futures Transactions etc.” <ol style="list-style-type: none"> 1. In the case of an open type investment trust, revaluation shall be made on the closing date. The accounts for “Notional Principal Receivable Assets” and “Notional Principal Payable Liability” shall be revalued respectively, and the gain on valuation shall be transferred to “Gain on Transaction of Futures Transactions” and the loss on valuation shall be transferred to “Loss on Transaction of Futures Transactions.” 2. Account Settlement Report <ol style="list-style-type: none"> (1) Preparation of Balance Sheets <ul style="list-style-type: none"> The Corresponding Account of Notional Principal Receivable Assets is subtracted from the notional principal receivable asset account, and the Notional Principal Payable Liability Account is subtracted from the Corresponding Account of Notional Principal Payable Liability, and the difference is added to the accounts receivable if it is a positive number, or to the accounts payable if it is a negative number. (2) Attached Documents <ul style="list-style-type: none"> The detailed statement showing the contents of each contract for the balance of forward exchange transactions at the end of the calculation period shall be attached.

[Journal Entry Example]

Transaction	Account Journal		Description
[Forward exchange agreement]			
1. Date of Conclusion of Transaction [Purchase]	(1) Notional Principal Receivable Assets	Corresponding Account of Notional Principal Receivable Assets	(1) Nominal principal amount to be used for calculation of settlement amount
[Sale]	(1) Corresponding Account of Notional Principal Payable Liability	Notional Principal Payable Liability	
2. Interest Determination Date [Purchase]	(1) Corresponding Account of Notional Principal Receivable Assets (2) Account Receivable Interest Expenses (3) Losses on Futures Transactions, etc.	Notional Principal Receivable Assets Interest Income Accounts Payable Gains on Futures Transactions, etc.	(1) Transfer of Nominal Principal Amount (2) When the settlement amount is receiving: When the settlement amount is payment: (3) When any revaluation, etc. is implemented
[Sale]	(1) Notional Principal Payable Liability (2) Account Receivable Interest Expenses (3) Losses on Futures Transactions, etc.	Corresponding Account of Notional Principal Payable Liability Interest Income Accounts Payable Gains on Futures Transactions, etc.	
3. Transaction Termination Date (Settlement Date) [Purchase]/[Sale]	(1) Call Loans Accounts Payable	Accounts Receivable Call Loans	(1) Receiving of settlement amount Payment of Settlement Amount
4. Valuation	Gain or Loss on Valuation of Futures Transactions (off-book account)		- Value the position of the Notional Principal Receivable Assets or the Notional Principal Payable Liability and add the total amount of the valuation gains or losses to the total amount of net assets as the Valuation Gain or Loss on Exchange.
5. Revaluation of Accounts for Settlement (Open Type) [Purchase]	(1) Notional Principal Receivable Assets (2) Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc. Notional Principal Receivable Assets	(1) In case of valuation gain: (2) In case of valuation loss:
[Sale]	(1) Notional Principal Payable Liability (2) Losses on Futures Transactions, etc.	Gains on Futures Transactions, etc. Notional Principal Payable Liability	

27. Accounting for a Non-Deliverable Forward (NDF)

- Summary - Settlement and transaction on balance shall be made through over-the-counter trading.
 Account titles for a Non-Deliverable Forward The notional amount of the principal for a non-deliverable forward shall be included in the accounts of “Notional Principal Receivable Assets / Corresponding Account of Notional Principal Receivable Assets” and “Notional Principal Payable Liability / Corresponding Account of Notional Principal Payable Liability.”
- (1) Recorded on the date of conclusion of the contract
 - (2) In principle, valued at market value
 - (3) For open type investment trusts, revaluation shall be made at the closing date.
- Others
- Recorded in the currency of settlement.
 - Contract for difference
 - Valuation of individual balance at market value

[Journal Entry Example]

Transaction	Account Journal	Description
1. Date of Conclusion of Transaction		
[Purchase]	(1) Notional Principal Receivable Assets	(1) Nominal principal amount to be used for calculation of settlement amount
[Sale]	Corresponding Account of Notional Principal Receivable Assets	
	(1) Corresponding Account of Notional Principal Payable Liability	- Value the position of “Notional Principal Receivable Assets” or “Notional Principal Payable Liability,” and add the total amount of the valuation gain or loss to the total amount of net assets as Gain or Loss on Valuation of Futures Transactions etc.
	Notional Principal Payable Liability	
2. Valuation	(2) Gain or Loss on Valuation of Futures Transactions etc. (off-book account)	(3) Transfer of Nominal Principal Amount
3. Closing Date		(4) When the settlement amount is profit: When the settlement amount is loss:
[Purchase]	(3) Corresponding Account of Notional Principal Receivable Assets	(5) When any revaluation, etc. is implemented
	(4) Account Receivable	
	(4) Losses on Futures Transactions, etc.	
	(5) Losses on Futures Transactions, etc.	
	Gains on Futures Transactions, etc.	
[Sale]	(3) Notional Principal Payable Liability	
	(4) Account Receivable	
	(4) Losses on Futures Transactions, etc.	
	(5) Losses on Futures Transactions, etc.	
	Corresponding Account of Notional Principal Payable Liability	
	Gains on Futures Transactions, etc.	
	Accounts Payable	
	Gains on Futures Transactions, etc.	

<p>4. Closing Date [Purchase]/[Sale]</p>	<p>(6) Call Loan (if settlement is in yen) or Deposit (if settlement is in foreign currency) (6) Accounts Payable</p>	<p>Accounts Receivable Call Loan (if settlement in yen) or Deposit (if settlement in foreign currency)</p>	
<p>Revaluation of Accounts for Settlement (Open Type) [Purchase]</p>	<p>(7) Notional Principal Receivable Assets (8) Losses on Futures Transactions, etc.</p>	<p>Gains on Futures Transactions, etc. Notional Principal Receivable Assets</p>	<p>(7) In case of valuation gain: (8) In case of valuation loss:</p>
<p>[Sale]</p>	<p>(7) Notional Principal Payable Liability (8) Losses on Futures Transactions, etc.</p>	<p>Gains on Futures Transactions, etc. Notional Principal Payable Liability</p>	

28. Accounting for Mortgage Securities

Category	Account Journal	Description												
1. Purchase Contract Date	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Mortgage Securities</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Accounts Payable</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> </table>	Mortgage Securities	xxx	Accounts Payable	xxx	* <u>Mortgage Securities..... New Accounts</u>								
Mortgage Securities	xxx	Accounts Payable	xxx											
2. Purchase Delivery Date	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Accounts Payable</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Call Loans</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> </table>	Accounts Payable	xxx	Call Loans	xxx	- Interest income for mortgage securities transactions shall be recorded on a per diem basis.								
Accounts Payable	xxx	Call Loans	xxx											
3. Recording of Accrued Interest Income	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Accrued Interest Income</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Interest Income</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> </table>	Accrued Interest Income	xxx	Interest Income	xxx	- Compensation for early cancellation will be charged at around 1.2%. *Other expenses..... Early cancellation compensation fee (commission)								
Accrued Interest Income	xxx	Interest Income	xxx											
4. Interest Deposit Date	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Call Loans</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Accrued Interest Income</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> <tr> <td></td> <td></td> <td style="border-left: 1px solid black;">Interest Income</td> <td style="text-align: center;">xxx</td> </tr> </table>	Call Loans	xxx	Accrued Interest Income	xxx			Interest Income	xxx					
Call Loans	xxx	Accrued Interest Income	xxx											
		Interest Income	xxx											
5. Early Cancellation Date	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Accounts Receivable</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Mortgage Securities</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> <tr> <td>Other Expenses</td> <td style="text-align: center;">xxx</td> <td style="border-left: 1px solid black;"></td> <td style="text-align: center;">xxx</td> </tr> </table>	Accounts Receivable	xxx	Mortgage Securities	xxx	Other Expenses	xxx		xxx					
Accounts Receivable	xxx	Mortgage Securities	xxx											
Other Expenses	xxx		xxx											
6. Delivery Date for Early Cancellation	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Call Loans</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Mortgage Securities</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> <tr> <td></td> <td></td> <td style="border-left: 1px solid black;">Accrued Interest Income</td> <td style="text-align: center;">xxx</td> </tr> <tr> <td></td> <td></td> <td style="border-left: 1px solid black;">Interest Income</td> <td style="text-align: center;">xxx</td> </tr> </table>	Call Loans	xxx	Mortgage Securities	xxx			Accrued Interest Income	xxx			Interest Income	xxx	
Call Loans	xxx	Mortgage Securities	xxx											
		Accrued Interest Income	xxx											
		Interest Income	xxx											
7. Maturity Date	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Call Loans</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; border-left: 1px solid black; border-bottom: 1px solid black;">Mortgage Securities</td> <td style="width: 10%; text-align: center;">xxx</td> </tr> <tr> <td></td> <td></td> <td style="border-left: 1px solid black;">Accrued Interest Income</td> <td style="text-align: center;">xxx</td> </tr> <tr> <td></td> <td></td> <td style="border-left: 1px solid black;">Interest Income</td> <td style="text-align: center;">xxx</td> </tr> </table>	Call Loans	xxx	Mortgage Securities	xxx			Accrued Interest Income	xxx			Interest Income	xxx	
Call Loans	xxx	Mortgage Securities	xxx											
		Accrued Interest Income	xxx											
		Interest Income	xxx											

29. Accounting for Investment Trust Beneficiary Certificates and Investment Securities

Category	Account Journal	Description							
1. Purchase Contract Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Investment Trust Beneficiary Certificates</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Payable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Investment Trust Beneficiary Certificates	×××	Accounts Payable	×××	- In the case of investment securities, investment securities shall be deemed to be investment trust beneficiary certificates.			
Investment Trust Beneficiary Certificates	×××								
Accounts Payable	×××								
2. Purchase Delivery Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Payable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Call Loans</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Accounts Payable	×××	Call Loans	×××				
Accounts Payable	×××								
Call Loans	×××								
3. Ex-dividend Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Accrued Dividends Receivable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Dividend income</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Accrued Dividends Receivable	×××	Dividend income	×××				
Accrued Dividends Receivable	×××								
Dividend income	×××								
4. Dividend Deposit Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Call Loans</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Accrued Dividends Receivable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Call Loans	×××	Accrued Dividends Receivable	×××				
Call Loans	×××								
Accrued Dividends Receivable	×××								
5. Sale Contract Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Receivable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Loss on Securities Transactions</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Investment Trust Beneficiary Certificates</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Accounts Receivable	×××	Loss on Securities Transactions	×××	Investment Trust Beneficiary Certificates	×××		
Accounts Receivable	×××								
Loss on Securities Transactions	×××								
Investment Trust Beneficiary Certificates	×××								
6. Sale Delivery Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Call Loans</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Receivable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Call Loans	×××	Accounts Receivable	×××				
Call Loans	×××								
Accounts Receivable	×××								
7. Reimbursement Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Receivable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Loss on Securities Transactions</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Investment Trust Beneficiary Certificates</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Gain on Securities Transactions</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Accounts Receivable	×××	Loss on Securities Transactions	×××	Investment Trust Beneficiary Certificates	×××	Gain on Securities Transactions	×××
Accounts Receivable	×××								
Loss on Securities Transactions	×××								
Investment Trust Beneficiary Certificates	×××								
Gain on Securities Transactions	×××								
8. Reimbursement Delivery Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Call Loans</td> <td style="width: 50%; text-align: right;">×××</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Accounts Receivable</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Call Loans	×××	Accounts Receivable	×××				
Call Loans	×××								
Accounts Receivable	×××								
9. Valuation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Loss or Gain on Valuation of Securities</td> <td style="width: 50%; text-align: right;">×××</td> </tr> </table>	Loss or Gain on Valuation of Securities	×××						
Loss or Gain on Valuation of Securities	×××								
10. Revaluation of Accounts for Settlement (Open Type)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">Investment trust beneficiary certificates (valuation gain)</td> <td style="width: 50%; text-align: right;">Gains on securities transactions (valuation gain)</td> </tr> <tr> <td style="width: 50%; border-right: 1px solid black;">Loss on securities transactions (valuation loss)</td> <td style="width: 50%; text-align: right;">Investment trust beneficiary certificates (valuation loss)</td> </tr> </table>	Investment trust beneficiary certificates (valuation gain)	Gains on securities transactions (valuation gain)	Loss on securities transactions (valuation loss)	Investment trust beneficiary certificates (valuation loss)				
Investment trust beneficiary certificates (valuation gain)	Gains on securities transactions (valuation gain)								
Loss on securities transactions (valuation loss)	Investment trust beneficiary certificates (valuation loss)								

30. Accounting, etc., for Foreign Income Tax Deductions for Investment Trusts

- (1) At the time of settlement of accounts at the end of the period, investment trusts that have paid foreign income taxes abroad during the calculation period shall calculate information on any deduction for foreign income taxes necessary for the withholding agent, etc. to properly calculate taxes in the following manner, whether through private placement, public offering, stock investment trusts, bond investment trusts (excluding baby bond investment trusts in the form of family funds, MMFs and funds for a comprehensive securities account):

(a) Accounting on the closing date

(i) Ratio of assets denominated in foreign currencies

The amount obtained by dividing the amount of net assets denominated in foreign currencies at the end of the period by the total amount of net assets of trust property at the end of the period. The upper limit shall be 1 and the integer value shall have a maximum of 1 digit and after the decimal point shall be up to 4 digits and the remainder shall be rounded down. The lower limit shall be 0.

(ii) Foreign Income Tax per 1 yen of revenue

The amount obtained by dividing the amount of dividends from profit (excluding the dividends from the account for revenue adjustment, hereinafter the same shall apply) by the amount available for dividends from profit at the end of calculating period (excluding the dividends from the account for revenue adjustment, hereinafter the same shall apply), multiplying the amount of foreign income tax during the period, and dividing this amount by the dividends from profit. The upper limit shall be 1 and the integer value shall have a maximum of 1 digit and after the decimal point shall be up to 10 digits and the remainder shall be rounded down. The lower limit shall be 0.

However, when the ratio of assets denominated in foreign currencies is 0, the amount of foreign income tax per 1 yen of revenue shall also be 0.

(iii) Domestic Income Tax per 1 yen of revenue

The amount obtained by dividing the amount of domestic income taxes at the end of the period by the amount available for dividends from profit at the end of the period. The integer values shall be up to 1 digit, 10 digits to the right of the decimal point, and remainder shall be rounded down.

(b) Special Treatment for Baby Fund of Family Fund

(i) Amount of net assets denominated in foreign currencies at the end of the period

The amount of net assets of foreign currency-denominated assets in a baby fund of a family fund at the end of the period shall be the sum of the amount of net assets of foreign currency-denominated assets at the end of the period directly invested by such baby fund and the amount of net assets of foreign currency-denominated assets at the end of the period (the amount obtained by multiplying the amount of net assets of foreign currency-denominated assets held by the mother fund at the end of the period, in which such baby fund invest, by the number obtained by dividing the number of units of beneficial interest of the mother fund held by such

baby fund at the end of the period by the total number of units of beneficial interest of the mother fund at the end of the period) indirectly invested by such baby fund through each mother fund.

(ii) Amount of foreign income taxes during the period

The amount of foreign income taxes during the period on a baby fund of a family fund shall be obtained by adding the total amount of foreign income taxes calculated at the end of each month for each mother fund in which such baby fund invests, using the method in accordance with the Attached Form 1 (2), Statement of Dividend Income for Mother Fund, prescribed in the Article 11 of the By-law of the rules on Valuation and Accounting of Investment Trust Properties, to the amount of foreign income taxes directly paid by such child fund during the period.

(2) With respect to the information for deduction of foreign income tax calculated under (1) above, the communication shall be as follows:

(a) Unlisted Investment Trust

The data calculated in accordance with (1) shall be communicated to the sales company together with other closing data on the closing date.

(b) Listed Investment Trust

The data calculated in accordance with (1) shall be converted into a csv file and communicated to the sales company along with other closing data on the closing date. In this case, the starting date for payment of dividends shall be the day after the expiration of 15 business days from the closing date.

(3) The csv file pertaining to the listed investment trust calculated under (2) (b) above and transmitted to the sales company shall be posted on its website at the closing date.

31. Accounting for Pre-tender Transactions (Pre-issuance Date Transactions) of Government Bonds

[Transaction Terms]

Issue	Japanese Government Bonds with Interest Rate of 10 Years Issued in April 200X	Tender Announcement Issue Date	200X, March 28 April 20
Date of Tender	April 5		
Redemption Period	201X, April 20		
Date of Original Purchase Contract	200X, March 28	Delivery Date (= Issue Date)	200X, April 20
Face Value of Transaction	10,000,000 yen	Provisional Coupon	0.9% (with previous bond coupon)
Yield on purchases of Pre-tender Transactions	0.89% (Same Purchase Price @ 100.095)	Pre-Tender Transaction Closing Quotation	0.85% (Unit Price @ 100.478)
Pre-Tender Transaction Closing Quotation on the End of Fiscal Period (March 31)	0.85% (Unit Price @ 100.478)		
Date of Sale Agreement	200X, March 28	Delivery Date (= Issue Date)	200X, April 20
Face Value of Transaction	10,000,000 yen	Provisional Coupon	0.9% (with previous bond coupon)
Yield on Sales of Pre-Tender Transactions	0.89% (Same Sales Price @ 100.67)		
Conditions for Determination of Date of Tender	Issue: YYY Issue Bond Coupon: 0.8%		

* The contract method for pre-tender transaction is not based on the unit price but the semi-annual compounded yield and the spread α against the base interest rate. For this purpose, the purchase and sale unit price and the valuation unit price on the materials are calculated in accordance with the formula shown in the (Appendix).

(1) Handling of Purchase Agreement

Transaction	Account Journal		Description								
1. Purchase Contract Date	<p><u>March 28</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">National Government Bond Certificates</td> <td style="width: 50%; text-align: right;">Accounts Payable</td> </tr> <tr> <td style="text-align: right;">10,009,500</td> <td style="text-align: right;">10,009,500</td> </tr> </table>		National Government Bond Certificates	Accounts Payable	10,009,500	10,009,500	<p>1. Purchase unit price is calculated using provisional coupon of 0.9% and purchase yield of 0.89%. Shall be dealt with in the same manner as ordinary interest-bearing debt acquisitions. (Appendix) Calculation formula $\rightarrow = 100.095$ (Contract Price) $10,000,000 \times 100.095/100 = 10,009,500$</p>				
National Government Bond Certificates	Accounts Payable										
10,009,500	10,009,500										
2. Valuation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Loss or Gain on Valuation of Securities</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: right;">38,300</td> <td></td> </tr> </table>		Loss or Gain on Valuation of Securities		38,300		<p>2. Valuation shall in principle be made on a daily basis. The valuation unit price was calculated using provisional coupons of 0.9% and the closing quotation of 0.85% on the same day. (Appendix) Calculation formula $\rightarrow = 100.478$ (Valuation loss or gain) $10,000,000 \times 100.478/100 - 10,009,500 = 38,300$</p>				
Loss or Gain on Valuation of Securities											
38,300											
3. Revaluation of Accounts for Settlement	<p><u>March 31</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">National Government Bond Certificates</td> <td style="width: 50%; text-align: right;">Gain on Securities Transactions</td> </tr> <tr> <td style="text-align: right;">38,300</td> <td style="text-align: right;">38,300</td> </tr> </table>		National Government Bond Certificates	Gain on Securities Transactions	38,300	38,300	<p>3. Valuation unit price is calculated using provisional coupon of 0.9% and the closing quotation of 0.85%. (Appendix) Calculation formula $\rightarrow = 100.478$ (Valuation loss or gain) $10,000,000 \times 100.478/100 - 10,009,500 = 38,300$</p>				
National Government Bond Certificates	Gain on Securities Transactions										
38,300	38,300										
4. Tender Date	<p><u>April 5</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Accounts Payable</td> <td style="width: 50%; text-align: right;">National Government Bond Certificates</td> </tr> <tr> <td style="text-align: right;">10,009,500</td> <td style="text-align: right;">10,047,800</td> </tr> <tr> <td style="text-align: right;">Loss on Securities Transactions</td> <td></td> </tr> <tr> <td style="text-align: right;">38,300</td> <td></td> </tr> </table>		Accounts Payable	National Government Bond Certificates	10,009,500	10,047,800	Loss on Securities Transactions		38,300		<p>4. On the date of tender, the pre-tender transaction position on the initial purchase contract date (March 28) is offset by the initial purchase price.</p> <p>The purchase unit price is calculated from the coupon of 0.8% announced on the date of the tender and the initial yield on purchase of 0.89% and recorded again. (Appendix) Calculation formula $\rightarrow = 99.14$ (Contract Price) $10,000,000 \times 99.14/100 = 9,914,000$</p>
Accounts Payable	National Government Bond Certificates										
10,009,500	10,047,800										
Loss on Securities Transactions											
38,300											
5. Delivery Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">National Government Bond Certificates</td> <td style="width: 50%; text-align: right;">Accounts Payable</td> </tr> <tr> <td style="text-align: right;">9,914,000</td> <td style="text-align: right;">9,914,000</td> </tr> </table> <p><u>April 20</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Accounts Payable</td> <td style="width: 50%; text-align: right;">Call Loans</td> </tr> <tr> <td style="text-align: right;">9,914,000</td> <td style="text-align: right;">9,914,000</td> </tr> </table>		National Government Bond Certificates	Accounts Payable	9,914,000	9,914,000	Accounts Payable	Call Loans	9,914,000	9,914,000	
National Government Bond Certificates	Accounts Payable										
9,914,000	9,914,000										
Accounts Payable	Call Loans										
9,914,000	9,914,000										

(2) Handling of Sales Agreement

Transaction	Account Journal		Description												
1. Purchase Contract Date	<p><u>March 28</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">National Government Bond Certificates</td> <td style="width: 50%; text-align: right;">Accounts Payable</td> </tr> <tr> <td style="text-align: right;">10,009,500</td> <td style="text-align: right;">10,009,500</td> </tr> </table>		National Government Bond Certificates	Accounts Payable	10,009,500	10,009,500	<p>1. Purchase unit price is calculated using provisional coupon of 0.9% and purchase yield of 0.89%. Shall be dealt with in the same manner as ordinary interest-bearing debt acquisitions. (Appendix) Calculation formula $\rightarrow = 100.095$ (Contract price) $10,000,000 \times 100.095/100 = 10,009,500$</p>								
National Government Bond Certificates	Accounts Payable														
10,009,500	10,009,500														
2. Valuation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Loss or Gain on Valuation of Securities</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: right;">38,300</td> <td></td> </tr> </table>		Loss or Gain on Valuation of Securities		38,300		<p>2. Valuation shall in principle be made on a daily basis. The valuation unit price was calculated using provisional coupons of 0.9% and the closing quotation of 0.85% on the same day. (Appendix) Calculation formula $\rightarrow = 100.478$ (Valuation Gain or Loss) $10,000,000 \times 100.478/100 - 10,009,500 = 38,300$</p>								
Loss or Gain on Valuation of Securities															
38,300															
3. Revaluation of Accounts for Settlement	<p><u>March 31</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">National Government Bond Certificates</td> <td style="width: 50%; text-align: right;">Gain on Securities Transactions</td> </tr> <tr> <td style="text-align: right;">38,300</td> <td style="text-align: right;">38,300</td> </tr> </table>		National Government Bond Certificates	Gain on Securities Transactions	38,300	38,300	<p>3. Valuation unit price is calculated using provisional coupon of 0.9% and the closing quotation of 0.85%. (Appendix) Calculation formula $\rightarrow = 100.478$ (Valuation Gain or Loss) $10,000,000 \times 100.478/100 - 10,009,500 = 38,300$</p>								
National Government Bond Certificates	Gain on Securities Transactions														
38,300	38,300														
4. Sale Agreement Date	<p><u>April 2</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Accounts Receivable</td> <td style="width: 50%; text-align: right;">National Government Bond Certificates</td> </tr> <tr> <td style="text-align: right;">10,067,000</td> <td style="text-align: right;">10,047,800</td> </tr> <tr> <td></td> <td style="text-align: right;">Gain on Securities Transactions</td> </tr> <tr> <td></td> <td style="text-align: right;">19,200</td> </tr> </table>		Accounts Receivable	National Government Bond Certificates	10,067,000	10,047,800		Gain on Securities Transactions		19,200	<p>4. Unit selling price is calculated using provisional coupon of 0.9% and yield on sales of 0.83%. Shall be treated in the same manner as an ordinary sale of interest-bearing government securities. (Appendix) Calculation formula $\rightarrow = 100.670$ (Contract price) $10,000,000 \times 100.670/100 = 10,670,000$ (Trading profit or loss) $10,067,000 - 10,047,800$ (after revaluation) = 19,200</p>				
Accounts Receivable	National Government Bond Certificates														
10,067,000	10,047,800														
	Gain on Securities Transactions														
	19,200														
5. Tender Date	<p><u>April 5</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Accounts Payable</td> <td style="width: 50%; text-align: right;">Accounts Payable</td> </tr> <tr> <td style="text-align: right;">10,009,500</td> <td style="text-align: right;">9,914,000</td> </tr> <tr> <td style="text-align: right;">Accounts Receivable</td> <td style="text-align: right;">Accounts Receivable</td> </tr> <tr> <td style="text-align: right;">9,971,000</td> <td style="text-align: right;">10,067,000</td> </tr> <tr> <td style="text-align: right;">Loss on Securities Transactions</td> <td></td> </tr> <tr> <td style="text-align: right;">500</td> <td></td> </tr> </table>		Accounts Payable	Accounts Payable	10,009,500	9,914,000	Accounts Receivable	Accounts Receivable	9,971,000	10,067,000	Loss on Securities Transactions		500		<p>5. Based on the coupon of 0.8% announced on the date of the tender, the unit purchasing price shall be calculated from the initial yield on purchases of 0.89%, and the unit selling price shall be calculated from the yield on sales of 0.83% for revision. [Purchase] (Appendix) Calculation formula $\rightarrow = 99.14$ (Contract price) $10,000,000 \times 99.14/100 = 9,914,000$ [Sale] (Appendix) Calculation formula $\rightarrow = 99.71$ (Contract price) $10,000,000 \times 99.71/100 = 9,971,000$</p>
Accounts Payable	Accounts Payable														
10,009,500	9,914,000														
Accounts Receivable	Accounts Receivable														
9,971,000	10,067,000														
Loss on Securities Transactions															
500															
6. Delivery Date	<p><u>April 20</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Accounts Payable</td> <td style="width: 50%; text-align: right;">Call Loans, etc.</td> </tr> <tr> <td style="text-align: right;">9,914,000</td> <td style="text-align: right;">9,914,000</td> </tr> <tr> <td style="text-align: right;">Call Loans, etc.</td> <td style="text-align: right;">Accounts Receivable</td> </tr> <tr> <td style="text-align: right;">9,971,000</td> <td style="text-align: right;">9,971,000</td> </tr> </table>		Accounts Payable	Call Loans, etc.	9,914,000	9,914,000	Call Loans, etc.	Accounts Receivable	9,971,000	9,971,000	<p>Based on such revised unit prices (Purchase Unit Price 99.14, Sale Unit Price 99.71), the trading profit or loss recorded on the sale contract date shall be revised.</p>				
Accounts Payable	Call Loans, etc.														
9,914,000	9,914,000														
Call Loans, etc.	Accounts Receivable														
9,971,000	9,971,000														

(3) Handling When the Suspension of Tendering and Issuance is Announced by the Date of Tender

Transaction	Account Journal		Description												
1. Purchase Contract Date	<p><u>March 28</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">National Government Bond Certificates</td> <td style="width: 20%; text-align: right;">10,009,500</td> <td style="width: 20%;">Accounts Payable</td> <td style="width: 20%; text-align: right;">10,009,500</td> </tr> </table>		National Government Bond Certificates	10,009,500	Accounts Payable	10,009,500	<p>1. Purchase unit price is calculated using provisional coupon of 0.9% and purchase yield of 0.89%. Shall be dealt with in the same manner as ordinary interest-bearing debt acquisitions. (Appendix) Calculation formula -> = 100.095 (Contract price)10,000,000 × 100.095/100 = 10,009,500</p>								
National Government Bond Certificates	10,009,500	Accounts Payable	10,009,500												
2. Valuation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Loss or Gain on Valuation of Securities</td> <td style="width: 20%; text-align: right;">38,300</td> <td></td> <td></td> </tr> </table>		Loss or Gain on Valuation of Securities	38,300			<p>2. Valuation shall in principle be made on a daily basis. The valuation unit price was calculated using provisional coupons of 0.9% and the closing quotation of 0.85% on the same day. (Appendix) Calculation formula -> = 100.478 (Valuation Gain or Loss)10,000,000 × 100.478/100 - 10,009,500 = 38,300</p>								
Loss or Gain on Valuation of Securities	38,300														
3. Revaluation of Accounts for Settlement	<p><u>March 31</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">National Government Bond Certificates</td> <td style="width: 20%; text-align: right;">38,300</td> <td style="width: 20%;">Gain on Securities Transactions</td> <td style="width: 20%; text-align: right;">38,300</td> </tr> </table>		National Government Bond Certificates	38,300	Gain on Securities Transactions	38,300	<p>3. Valuation unit price is calculated using provisional coupon of 0.9% and the closing quotation of 0.85%. (Appendix) Calculation formula -> = 100.478 (Valuation Gain or Loss)10,000,000 × 100.478/100 - 10,009,500 = 38,300</p>								
National Government Bond Certificates	38,300	Gain on Securities Transactions	38,300												
4. Announcement Date of Suspension of Issuance	<p><u>April 2</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Loss on Securities Transactions</td> <td style="width: 20%; text-align: right;">38,300</td> <td style="width: 20%;">National Government Bond Certificates</td> <td style="width: 20%; text-align: right;">38,300</td> </tr> <tr> <td>Accounts Payable</td> <td></td> <td>National Government Bond Certificates</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">10,009,500</td> <td></td> <td style="text-align: right;">10,009,500</td> </tr> </table>		Loss on Securities Transactions	38,300	National Government Bond Certificates	38,300	Accounts Payable		National Government Bond Certificates			10,009,500		10,009,500	<p>4. Cancellation of pre-tender transaction position and revaluation.</p>
Loss on Securities Transactions	38,300	National Government Bond Certificates	38,300												
Accounts Payable		National Government Bond Certificates													
	10,009,500		10,009,500												

(Appendix)

(1) Interest-Bearing Government Bonds

$$P = \frac{\frac{C}{2}}{\left(1 + \frac{r}{200}\right)^{\frac{2F}{365}}} + \frac{C \times 100}{r} \times \left\{ \frac{1}{\left(1 + \frac{r}{200}\right)} - \frac{1}{\left(1 + \frac{r}{200}\right)^N} \right\} + \frac{100}{\left(1 + \frac{r}{200}\right)^N} - \frac{C}{2} \times \frac{2A}{365}$$

P: Price

C: Base rate of the previous bond (% per annum)

A: Unissued period (days)

r: compounded yield (%)

N: Number of times of payment of interest

F: 182.5 - A

(Published by JSDA)

(1) In the course of calculation, rounded off to the nearest 10 decimal places.

(2) P is rounded down to the nearest three decimal places.

(2) Floating Rate Government Bonds

$$P = \frac{\frac{K - \alpha f}{2} + \frac{(K - \alpha f) \times 100}{K - \alpha t}}{1 + \frac{K - \alpha t}{200}} \times \left\{ \frac{1}{1 + \frac{K - \alpha t}{200}} - \frac{1}{1 + \frac{K - \alpha t}{200}^N} \right\} + \frac{100}{1 + \frac{K - \alpha t}{200}} - \frac{K - \alpha f}{2} \times \frac{2A}{365}$$

P: Price

K: 10-year government bond base rate (%)

αf: α (%) decided on tender

αt: α (%) agreed in WI transactions

A: Unissued period

N: Number of times of payment of interest

F: 182.5 - A

(1) In the course of calculation, rounded off to the nearest ten decimal places.

(2) P shall be rounded down to the nearest three decimal places.

However, when αf = αt, P = 100.

32. Accounting for Inflation-Indexed Bonds

Category	Accounting Method
1. Interlock Factor	<p>“Applicable index as of month ‘m’ and day ‘n’ ÷ the applicable index as of the date of issue” (rounded off to the three decimal places) * Applicable index is the national consumer price index (general index excluding fresh food; Hereinafter referred to as “CPI”) shall be used. (1) Applicable index for month ‘m’ day ‘n’ (if n = 10) = (m - 3) month CPI (2) Applicable index for month ‘m’ day ‘n’ (if n <10)</p> $= (m - 4) \text{ Month CPI} + \frac{\text{The number of days from Month (m - 1) on the 11th to Month m Day n}}{\text{Number of Days in Month (m - 1)}} \times \{(m - 3) \text{ Month CPI} - (m - 4) \text{ Month CPI}\}$ <p>(3) Applicable index for month ‘m’ day ‘n’ (if n > 10)</p> $= (m - 3) \text{ Month CPI} + \frac{\text{Number of Days in (n - 10)}}{\text{Number of Days in month ‘m’}} \times \{(m - 2) \text{ Month CPI} - (m - 3) \text{ Month CPI}\}$ <p>(Example) In the case of June, the CPI for March shall be the applicable index for June 10.</p>
2. Notional Principal	Face Value at Issue x Interlock Factor
3. Accrued Interest Income	<p>Accrued Interest Income @ = (Coupon rate ÷ 365) x Notional principal on the date of recording of interest * To clear off and re-enter on a day-to-day basis (Amount of accrued interest income up to the previous day shall be canceled, and the amount of accrued interest income from the next day of the previous interest payment or the date of delivery to the day shall be recorded).</p>
4. Redemption Amount	Notional Principal at Redemption Date
5. Appraised Value	Notional Principal on Valuation Date x Valuation Unit Price (without considering interlock factor)
6. Face Value Unification	<p>When the face value is unified on the interest payment date, the weighted average purchase interlock factor and the unit book value are calculated using the following formula: Weighted average purchase interlock factor = Total notional principal amount at the time of purchase ÷ Total face value Unit Book Value = Total Book Value ÷ Total Notional Principal Amount at the Time of Purchase</p>

[Journal Entry Example]

Transaction	Account Journal		Description
1. Purchase Agreement	<u>September 1 (Contract Date)</u>		- Contract date: September 1 Delivery Date: September 6
	National Government Bond	Accounts Payable	- Face value 100,000,000 Contract unit price 99.110
	Certificates		- Interest rate 1.2% Interest Payment Date 06/10, 12/10 twice a
	99,407,330	99,407,330	year
	<u>September 6 (delivery date)</u>		- Redemption Date 06/10/2013 (Issue Date 06/10/2003)
	Accounts Payable	Call Loans	- Applicable Index 98.1129 (09/06) 97.80 (06/10) - - - Issue Index
	99,407,330	99,697,513	[Interlock Factor]98.1129 ÷ 97.8 = 1.003
	Prepaid Expenses		[Notional Principal]100,000,000 × 1.003 = 100,300,000
	290,183		[Contract Amount]100,300,000 × 99.11/100 = 99,407,330
			[Accrued Interest]100,300,000 × 1.2 × 88/365 = 290,183
	<u>September 7</u>		- Applicable index 98.1097(09/07) 98.1065 (09/08)
	Accrued Interest Income	Interest Income	[Interlock Factor]98.1097 ÷ 97.8 = 1.003
	3,297	3,297	[Notional Principal]100,000,000 × 1.003 = 100,300,000
			[Accrued Interest Income @](1.2 ÷ 365) × 100,300,000 = 3,297
	<u>September 8</u>		[Interlock Factor]98.1065 ÷ 97.8 = 1.003
	Accrued Interest Income	Interest Income	[Notional Principal]100,000,000 × 1.003 = 100,300,000
	-3,297	-3,297	[Accrued Interest Income @](1.2 ÷ 365) × 100,300,000 = 3,297
	(09/07)	Interest Income	
	Accrued Interest Income	6,594	
	6,594		
	(09/07 to 09/08)		

Transaction	Account Journal		Description
3. Upon Redemption	<u>June 10 (2013)</u>		
	Call Loans 100,400,000	National Government Bond Certificates 99,407,330	- Applicable Index 98.20 (06/10/2013) [Interlock Factor] $98.2 \div 97.8 = 1.004$ [Notional Principal] $100,000,000 \times 1.004 = 100,400,000$
4. Valuation		Gain on Securities Transactions 992,670	
	<u>September 1</u>		
	Loss or Gain on Valuation of Securities 10,030		- Valuation unit price to be valued (without considering interlock factor) 99.120 (09/01) 99.09 (09/02) - Applicable index $98.1290(09/01) 98.1258$ (09/02) [Interlock Factor] $98.1290 \div 97.8 = 1.003$ [Notional Principal] $100,000,000 \times 1.003 = 100,300,000$ [Appraised Value] $100,300,000 \times 99.12/100 = 99,417,360$ [Valuation gain or loss] $99,417,360 - 99,407,330 = 10,030$
	<u>September 2</u>		
	Loss or Gain on Valuation of Securities -20,060		[Interlock Factor] $98.1258 \div 97.8 = 1.003$ [Notional Principal] $100,000,000 \times 1.003 = 100,300,000$ [Appraised Value] $100,300,000 \times 99.09/100 = 99,387,270$ [Valuation gain or loss] $99,387,270 - 99,407,330 = -20,060$

33. Accounting for Establishment of Exchange Traded Funds When There Is Debt Guarantee by the Japan Securities Clearing Corporation

(In-Kind Type)

- The Day of Establishment	
Stock certificates	Principal
Accounts Receivable	
(Loss on Additional Subscriptions)	(Gain on Additional Subscriptions)
- The Day the Establishment Amount is Deposited	
Money Trust	Accounts Receivable

(Money Trust Type)

- The Day of Establishment	
Accounts Receivable	Principal
(Loss on Additional Subscriptions)	(Gain on Additional Subscriptions)
- The Day the Establishment Amount is Deposited	
Money Trust	Accounts Receivable

Supplementary Provision

This Sub-Committee resolution shall come into effect on April 1, 2004.

Supplementary Provision

This amendment shall come into effect on July 16, 2004.

Supplementary Provision

This amendment shall come into effect on November 19, 2004.

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provision

This amendment shall take effect on May 31, 2006 and shall apply to share splits with a record date on or after that date.

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 November 1, 2006.

Supplementary Provision

This amendment shall come into effect on October 12, 2006.

Supplementary Provisions

This amendment shall be implemented from the newly recorded accrued dividend receivable from July 1, 2007.

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

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on March 9, 2007.

Supplementary Provision

This amendment shall come into effect on June 14, 2007.

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on October 1, 2008.

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on January 21, 2010.

Supplementary Provision

This amendment shall come into effect on April 14, 2011.

Supplementary Provision

This amendment shall come into effect on January 1, 2020 and shall apply to investment trusts from which beneficiaries receive dividends on or after such date.

* Deleted items 5 30 (1) - (2) and newly added items (1) - (3).

Supplementary Provision

This amendment shall come into effect on April 5, 2021.

* Amended items 3 and 4.

Supplementary Provision

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

* Newly added 5 33.