

Guidelines for Advertising, etc.

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PART 1 Summary of Laws and Regulations

1. Definitions of Advertisement, etc.

Advertising or similar activities in Article 2 of the Rules on Display of Advertising, etc. and Provision of Gifts (hereinafter referred to as the “Rules”) are defined as follows referring to the Financial Instruments and Exchange Act (Act No. 25 of 1948: Hereinafter referred to as the “FIEA”).

“When advertising the contents of its Financial Instruments Business or performing any similar act specified by Cabinet Office Order(*1), a Financial Instruments Business Operator, etc. must give the following particulars(*2), pursuant to Cabinet Office Order provisions: ” [Article 37 of FIEA]

(* 1) “Advertisement or any other act specified by Cabinet Office Order as being similar thereto” [Article 72 of Cabinet Office Order on Financial Instruments Business, etc. (hereinafter referred to as the “Order on Financial Instruments Business”)]

(1) Advertising

The following acts are considered to be advertising: [“Summary of and Financial Service Agency’s View, on Comments” dated July 31, 2007. I. Financial Instruments and Exchange Act - Regulation of Advertising, etc. [Article 37] (hereinafter referred to as “Public Comment”) Nos. 14-16, 46-51]

- Television commercial
- Radio commercial
- Display of poster
- Publication in newspaper
- Publication in magazine
- Online publishing

(Note) Among the above, it should be noted that TV commercials, radio commercials, and display of posters may fall under the category of “advertising, etc. in which their characteristics need to be taken into consideration” as discussed in (3) below.

(2) Act similar to advertising

Act of providing information of identical content to a large number of people by any of the following means is considered to be an act similar to advertising.

- Mail
- Letter delivery service
- Facsimile transmission
- Electronic mail transmission
- Provision of leaflets or brochure
- Others

However, the following shall not fall into the classification of advertising. [Each item of Article 72 of the Order on Financial Instruments Business]

- (i) distribution of documents prepared in accordance with laws or regulations, or in accordance with the dispositions rendered by administrative agencies under the laws and regulations;
- (ii) Distribution of materials on the analysis and appraisal of the respective companies (analyst report) not intended to be used for solicitation for the conclusion of a contract for financial instruments transaction;
- (iii) Provision of gifts or any other products indicating all of the following information only (so-called novelty products; limited to those with clear and accurate indication of matters listed in subitems (b) through (d) below) (Even if all required matters are not displayed on such gifts or products themselves, it is acceptable if they are provided together with other materials or articles on which such omitted matters are displayed.):
 - (a) Name, issue, or alias of any of the following;
 - Contract for financial instruments transaction or the types thereof;
 - Securities or the types thereof;
 - Invested business or the types thereof; or
 - Information equivalent to those listed above;
 - (b) Trade name, name, or alias of the financial instruments business operator, etc.;
 - (c) The fact to the effect that there is a risk of principal loss or that such loss could exceed the security deposits, etc. (limited to the case where the letters or numerical characters representing such matters are indicated in a size that does not differ substantially from the largest letters or numerical figures used for indicating other matters);
 - (d) Notice to the effect that the recipient thereof should comprehensively read pre-contract documents (or prospectus), etc.

(* 2) Particulars to be indicated in advertising, etc.

The following particulars shall be indicated in advertising, etc. (advertising or performing any similar act):

- (i) The trade name or name of the Financial Instruments Business Operator, etc. [Article 37,

Paragraph 1, item (i) of the FIEA]

- (ii) An indication that it is a Financial Instruments Business Operator, etc., and its registration number; and [Article 37, Paragraph 1, item (ii) of the FIEA]
- (iii) The particulars of the contents of the Financial Instruments Business that the Financial Instruments Business Operator, etc. engages in, which are regarded as material particulars that may have an impact on customers' judgment. [Article 37, Paragraph 1, item (iii) of the FIEA]
- (a) The particulars of fees, remuneration, or any other consideration payable by the customer with regard to a Financial Instruments Transaction Contract; [Article 16, Paragraph 1, item (i) of Order for Enforcement of the Financial Instruments and Exchange Act (hereinafter referred to as the "Enforcement Order.")]
 - The amount of the consideration payable by customers in relation to a Contract for Financial Instruments Transaction irrespective of its name such as fees, remuneration, expenses, or others (excluding the price of the Securities or the Amount of Security Deposit, etc.) itemized by the types of such consideration or the upper limit thereof, or the outline of the method of calculation thereof (including the ratio to the price of the Securities, the amount of the Derivative Transactions, etc., that pertains to the Contract for Financial Instruments Transaction, or the ratio to the profit generating from the Acts of Financial Instruments Transaction); and the total of such amount or upper limit thereof, or the outline of the method of calculation thereof; provided, however, that in cases where these details cannot be indicated, such fact and the reasons therefor are indicated. [Article 74, Paragraph 1 of the Order on Financial Instruments Business]
 - Pertaining to the acquisition of rights to be indicated in investment trust, foreign investment trust, partnership agreement, or foreign partnership agreement, where the properties pertaining to such investment trust beneficial interests, etc. are to be invested in or contributed to, another investment trust beneficial interests, etc. the Fees, etc. are to include a trust fee and any other fees concerned with such investment trust beneficial interests, etc. subject to investment or contribution. Etc. [Article 74, Paragraphs 2, 3, and 4 of the Order on Financial Instruments Business]
- (b) The following particulars, if there is a risk of a loss to arise that has as its direct cause fluctuations in interest rates, foreign exchange rates, quotations on a Financial Instruments Market, or any other indicator, as regards an act that constitutes a financial instruments transaction conducted by a customer; (risk warning) [Article 16, Paragraph 1, item (iv), of the Enforcement Order]
 - Relevant indicator; and
 - Indication of the risk that fluctuations in that indicator could give rise to a loss and the reasons for such loss.
- (c) The facts regarding significant matters on the contract for financial instruments transaction, which would be disadvantageous to the customer; [Article 16, Paragraph 1, item (vii), of the Enforcement Order, and Article 76, item (i) of the Order on Financial Instruments Business]

- (d) If the Financial Instruments Business Operator belongs to any Association (limited to those whose main members are ones engaged in the relevant Financial Instruments Business), such fact and the name of such Association [Article 16, Paragraph 1, item (vii) of the Enforcement Order and Article 76, item (ii) of the Order on Financial Instruments Business] (However, this does not prevent the member company from voluntarily listing the membership of other financial instruments business associations than that of the Financial Instruments Firms Associations, indication of which is a statutory description item. [Summary of FSA Comments dated June 5, 2019 and FSA's Opinion on Comments, Nos. 16, 17])
- (e) In case where the Financial Instruments Business Operator advertises their acts of financial instruments transaction in connection with a Leveraged Index, etc. (meaning a quotation or other index in a Financial Instruments Market which is calculated so that its daily rate of change is obtained by multiplying the daily rate of change of another index (hereinafter referred to as the "Original Index") by a certain ratio; the same shall apply hereinafter), the following matters [Article 16, Paragraph 1, item (vii), of the Enforcement Order, and Article 76, item (iv) of the Order on Financial Instruments Business]
- If there is any risk of diversion between the rate of change of such Leveraged Index and the rate obtained by multiplying the rate of change of the Original Index by a certain ratio, such fact and the reasons therefor
 - If investment in securities related to such Leveraged Index, does not conform to the medium-to-long term investment objectives, such fact and the reasons therefor

(3) Advertising, etc. in which their characteristics need to be taken into consideration

The following particulars shall be indicated if the acts of advertising, etc. are to be carried out by way of broadcasting, using the broadcast equipment of a private broadcaster or any other means specified by Cabinet Office Order as being equivalent thereto(*3); [Article 16, Paragraph 2 of the Enforcement Order]

- (i) Trade name or name of the Financial Instruments Business Operator, etc.;
- (ii) Indication that it is a Financial Instruments Business Operator, etc., and its registration number; and
- (iii) Fact to the effect that there is a risk of a loss arising that has as its direct cause fluctuations in interest rates, foreign exchange rates, quotations on a Financial Instruments Market, or any other indicator, as regards an act that constitutes a financial instruments transaction conducted by a customer; and [Article 16, Paragraph 2, item (i) of the Enforcement Order]
- (iv) Notice to the effect that the recipient should comprehensively read pre-contract documents or prospectus. [Article 16, Paragraph 2(ii) of the Enforcement Order, and Article 77, Paragraph 2 and Article 72, item (iii)(d) of the Order on Financial Instruments Business]

(* 3) Broadcasting through the broadcasting facilities of a general broadcaster or any other method specified by Cabinet Office Order as being equivalent thereto.

- (i) To broadcast using the broadcasting facilities of the following (so-called television commercial or radio commercial): [Article 77, Paragraph 1, item (i) of the Order on Financial Instruments Business, Public Comment Nos. 50 and 51]
 - (a) Cable television broadcasters;
 - (b) Any person who is engaged in wired radio; and
 - (c) Any person who is engaged in broadcasting utilizing telecommunications services.
- (ii) To make available for the customer's inspection the contents of information recorded in the files stored on the computer used by a Financial Instruments Business Operator, etc. or by a person who has accepted entrustment of the service of advertising, etc. to be made by the Financial Instruments Business Operator, etc. (limited to information identical to that provided by means of broadcasting using the broadcasting facilities of a general broadcaster or by the means specified in the preceding item (i)) via telecommunications line (online posting of the contents of television commercial or radio commercial); [Article 77, Paragraph 1, item (ii) of the Order on Financial Instruments Business]
- (iii) To present to the public an indoor or outdoor advertisement regularly or continuously for a fixed period, by means of posting or indicating it on signboards, standing signboards, bills, notices, advertising towers, billboards, buildings, any other structures, or any other methods similar thereto (posters put on signboards, walls or electronic bulletin boards, etc. excluding cases where such a poster is used for distribution as leaflet, electronic bulletin boards). [Article 77, Paragraph 1, item (iii) of the Order on Financial Instruments Business]

(4) Method of Indication of advertising, etc.

In cases where a Financial Instruments Business Operator, etc. intend to conduct advertising or similar acts with regard to the contents of their Financial Instruments Business, they must clearly and accurately indicate the matters listed in (*2) above. [Article 73, Paragraph 1 of the Order on Financial Instruments Business]

In addition, the matters specified in provision (iii)(b) of (*2) above shall be indicated in a font size that does not differ substantially from the size of the largest letters or numerical figures used for indicating other matters than such matters. [Article 73, Paragraph 2 of the Order on Financial Instruments Business]

(5) Prohibition of Misleading Advertising

When advertising the contents of their Financial Instruments Business or engaging in any similar act, a Financial Instruments Business Operator, etc. shall not make a representation that significantly conflicts with the fact of the matter or that could cause a person to have a serious misconception about the prospect of profiting from the performance of an act that constitutes a financial instruments transaction. [Article 37, Paragraph 2 of the FIEA]

- (i) Matters related to cancellation of a Contract for a Financial Instruments Transaction [Article 78, item (i) of the Order on Financial Instruments Business]

- (ii) Matters related to the sharing of all or part of the losses or a guarantee of profit, in connection with a Contract for a Financial Instruments Transaction [Article 78, item (ii) of the Order on Financial Instruments Business]
- (iii) Matters related to agreement for liquidated damages (including penalties) pertaining to the Contract for Financial Instruments Transaction [Article 78, item (iii) of the Order on Financial Instruments Business]
- (iv) Matters related to the financial instruments market or any other market similar thereto located in a foreign state, which pertains to the Contract for Financial Instruments Transaction [Article 78, item (iv) of the Order on Financial Instruments Business]
- (v) Matters regarding financial resources or credit of Financial Instruments Business Operators, etc. [Article 78, item (v) of the Order on Financial Instruments Business]
- (vi) Matters related to the performance of the financial instruments business conducted by the Financial Instruments Business Operator, etc. [Article 78, item (vi) of the Order on Financial Instruments Business]
- (vii) Matters related to the amount of the Fees, etc. payable by customers in connection with a contract for financial instruments transaction or the method of calculation thereof, and the method and timing of the payment of such fees, and the payee of such fees, etc. [Article 78, item (vii) of the Order on Financial Instruments Business]
- (viii) In case of advertising, etc. for acts of financial instruments transaction related to the Leveraged Index, etc., the following matters [Article 78, item (xiv) of the Order on Financial Instruments Business]
 - Nature of the Leveraged Index, etc. or securities relating thereto
 - Matters concerning changes in numerical values of the Leverage Index, etc. or prices of securities relating to such Leverage Index, etc., or prospects thereof

(6) Treatment of Professional Investors

Provisions in Article 37 of the FIEA shall not apply to advertising, etc. intended for professional investors. [Article 45, Item (i) of the FIEA]

2. Outline of other regulations of the Financial Instruments and Exchange Act

(1) Other reference materials than prospectus

If any of the documents, drawings, sounds, or other materials than prospectus are used for the purpose of a public offering or secondary placement of securities, it is prohibited for any person to make a false or misleading representation in such materials. [Article 13, Paragraph 5 of the FIEA]

(2) Other Considerations (Summary of Laws and Regulations)

- (i) Financial Instruments Business Operator, etc. or officers or employee thereof shall not engage in providing a customer with false information in connection with the conclusion of a financial instruments transaction contract or solicitation thereof. [Article 38, item (i) of the FIEA]

- (ii) Financial Instruments Business Operator, etc. or officers or employee thereof shall not engage in providing a customer with a conclusive assessment of a matter that is uncertain or with information that could mislead the customer into believing that such uncertain matter is certain, thereby soliciting the customer to conclude a financial instruments transaction contract. [Article 38, item (ii) of the FIEA]
- (iii) Financial Instruments Business Operator, etc. or officers or employee thereof shall not engage in supplying a customer with a credit rating that has been determined by a person who is engaged in such services but not registered as credit rating agency, without informing the relevant customer of the fact that such person giving the credit rating is not registered under the FIEA and the significance, etc. of such registration, thereby soliciting the customer to conclude a financial instruments transaction contract. [Article 38, item (iii) of the FIEA]
- (iv) Financial Instruments Business Operator, etc. or officers or employee thereof shall not engage in making any false representation or any representation that is likely to cause any misunderstanding on significant matters in connection with the conclusion of or solicitation for, a financial instruments transaction contract. [Article 38, item (ix) of the FIEA and Article 117, Paragraph 1, item (ii) of the Order on Financial Instruments Business]

* In addition to the above prohibitions imposed on the Financial Instruments Business Operators, etc., it should be noted that the Article 168 (Prohibition on Issuing Public Notice of False Quotations), Article 169 (Restriction on the Receipt of Consideration for Presenting an Opinion in Newspaper), Article 170 (Prohibition on Representing a Purchase as Advantageous), and Article 171 (Prohibition on Representations of Fixed Amount Dividends) of the FIEA provide for generally prohibited acts.

3. Necessity of Internal Inspection

The internal inspection by the Full Members as provided for in Article 5 of the Rules (the Full Members as stipulated in Article 6 of the Articles of Incorporation; the same shall apply hereinafter.) shall be performed as follows:

- (1) Even for advertising, etc. that is not subject to an examination pursuant to Article 5, Paragraph 1 of the “Rules for, etc. Display and Provision of Gift, etc.,” if the content of such advertising, etc. falls under the prohibited acts provided in Article 4 of the Rules, it amounts to a violation of the Rules. Therefore, it is necessary for a person who creates the advertising, etc. or a person who uses such advertising, etc. to confirm that the said advertising, etc. does not amount to any violation. In addition, when an inspection is required by the internal rules, it is necessary to comply with such internal regulations.
- (2) If reference materials created for professional investors without examination are used for other persons than professional investors without appropriate screening by a person in charge of advertisement materials, such act shall be a violation of the Rules. (It is not considered to constitute advertising, etc. where provision of information is intended for a single customer when such

information is tailored for the customer.) [Public comment No. 66]

4. Internal Inspection System

The internal inspection as provided in Article 5 of the Rules and the development of the internal control system as provided in Article 6 of the Rules concerned with Full Members shall be performed as follows:

- (1) Person in charge of screening advertisements shall be appointed by each member company in consideration of their organizational structure, business operation, etc. Multiple persons may be appointed in charge of screening advertisements.
- (2) The appointment of person(s) in charge of screening advertisements need not be notified to the Association.
- (3) When a person in charge of screening advertisements examines advertising, etc. made by oneself, it is necessary to establish a system to properly review and control such advertisement, etc. in accordance with “5. Inspection Standards” and “6. Safekeeping of Advertising, etc.” below.

5. Inspection Standards

Advertising, etc. conducted by Full Members must not fall under or be likely to fall under the provisions of Article 4 of the Rules, and the person in charge of screening advertisements must also pay attention to the following matters:

- (1) With regard to advertising, etc. to be prepared by a member company, such inspection shall be made to ascertain that there is no issue in light of Article 4 of the Rules in addition to paying attention to the provisions in the “Part 2. Considerations for Preparing Advertisement, etc. for Investment Trusts.”
- (2) With regard to advertising, etc. where the items to be indicated have been prescribed in advance, such as the term sheet for bond issues and the required items, including issue name, terms, etc. are to be entered in the form, examination of such form may be required without needing to inspect individual advertising, etc. (Inspection of prototypes alone will be sufficient.)
- (3) When any of the materials produced by other companies are used for its own advertising, etc., the content thereof cannot usually be modified. Therefore, in light of Article 4 of the Rules, the inspection shall be made concerning whether or not such materials can be used for the relevant member’s own advertising, etc., after taking necessary measures (such as providing a separate document describing the statutory description items to customers simultaneously with the concerned advertisement) to indicate the statutory description items under the FIEA, which include the company or trade name, the fact that it is a Financial Instruments Business Operator, etc., its registration number, and the name of the industry associations to which the Company belongs (limited to those whose members or a majority of such members are engaged in the Financial Instruments Business). (However, this does not prevent the company from voluntarily listing the membership of other financial instruments business associations than that of the Financial Instruments Firms Associations, indication of which is a statutory description item. [Summary of FSA Comments dated June 5, 2019 and FSA’s Opinion on Comments, Nos. 16, 17])

6. Safekeeping of Advertising, etc.

With regard to the safekeeping system provided for in Article 6 of the Rules, each company shall determine

the period, method, etc. relevant to such safekeeping.

<Reference>

Applicability of Advertising, etc.

Subjects of regulation under the Regulations of Advertising, etc. (Article 37 of the FIEA), are those advertising and acts similar to advertising conducted by the Financial Instruments Business Operators, etc. on their financial instruments business. (excluding advertising, etc. to professional investors.)

Therefore, the following are main points in determining whether or not a certain act is subject to the Regulations of Advertising, etc.

- (i) Whether or not the act is regarded as “advertising” or “acts similar to advertising”:
- (ii) Whether or not such act is concerned with the Financial Instruments Business:
- (iii) Whether or not such act is deemed as advertising, etc. or falls under the category of advertising, etc., which is excluded from the application of the restrictions on advertising, etc.

1. Applicability of definition; “Advertisement” or “Act Similar to Advertising”

- (1) “Advertising” in general is intended to inform (including the intention for publicity) the wider public of a certain matter at all times or on a continuing basis, and the following acts are considered to be advertising: [Public comment Nos. 14-16, 46-49]
 - (i) TV commercial and radio commercial
 - (ii) Display of poster
 - (iii) Publication in newspaper or magazine
 - (iv) Online posting
- (2) “Acts Similar to Advertising” are considered to be acts of providing a large number of people with information of identical content by any of the following methods:
 - (i) Mail
 - (ii) Letter delivery service
 - (iii) Facsimile transmission
 - (iv) Electronic mail transmission
 - (v) Provision of leaflets or brochure
 - (vi) Others
- (3) “Provision of information intended for a single customer when such information is tailored for the customer” is not considered as advertising, etc. because such an act is considered to be an act of individual marketing or solicitation. [Public comment No. 66]

2. Whether or not the act is concerned with the Financial Instruments Business:

- (1) “Financial Instruments Business” means the contents of business as provided for in the respective item of Article 2, Paragraph 8 of the FIEA. For example, if the following contents are indicated, it is

generally considered that such indication is made as a means of soliciting for the relevant products. Accordingly, it will be classified as contents of the Financial Instruments Business. [Public comment Nos. 19-21, 29, 34, 53, etc.]

- (i) Names of products relating to Financial Instruments Business (names of investment trusts, etc.)
- (ii) Type of products (investment trust, etc. excluding those that do not refer to specific financial instruments but merely introduce their product line-up.)
- (iii) Means of transaction and names of services
- (iv) List of products and services provided by the relevant Financial Instruments Business Operator, etc.
- (v) Information on the structure of financial instruments
- (vi) Information on the structure, scheme, advantage, and disadvantage of financial instruments transaction

(2) Representation such as the following is not considered to concern Financial Instruments Business.

[Public comment Nos. 29, 33, 36, 37]

- (i) Information that is limited to guidance on tax system or explanation of laws and systems
- (ii) Communication as to relocation of a branch office or something like that
- (iii) Display limited to business hours or hours of operation
- (iv) Expression akin to a catch phrase that does not indicate any outline or details of a financial instrument product, including those texts such as “Stocks, Government Bonds, Public Debentures, Investment Trusts,” “XX Securities Company for Investment Trusts,” or “XX Securities Company for Government Bonds for Individual Investors.”

3. Whether or not such act is deemed as advertising, etc. or falls under the category of advertising, etc., which is excluded from the application of the restrictions on advertising, etc.

(1) The following are legally not considered to be advertising, etc.: [Article 72 of Order on Financial Instruments Business, Public comment Nos. 40-45, 53]

- (i) Distribution of documents prepared in accordance with laws and regulations, or in accordance with the dispositions rendered by administrative agencies under the laws and regulations; (statutory public notice, company public notice, prospectus, foreign securities information, investment report of investment trust, etc.)
- (ii) Distribution of materials on the analysis and appraisal of the respective companies (analyst report) not intended to be used for solicitation for the conclusion of a contract for financial instruments transaction;
- (iii) Provision of gifts or other products (so-called novelty products such as notepads, ballpoint pens, saving boxes, etc.) that indicate all of the following items only:
 - (a) Name, issue, or alias of any of the following:
 - Contract for financial instruments transaction or the types thereof;
 - Securities or the types thereof;

- Invested business or the types thereof; or
- Information equivalent to those listed above;
- (b) Trade name, name, or alias of the financial instruments business operator, etc.;
- (c) The fact to the effect that there is a risk of principal loss or that such loss could exceed the security deposits, etc. (limited to the case where the letters or numerical characters representing such matters are indicated in a size that does not differ substantially from the largest letters or numerical figures used for indicating other matters);
- (d) Notice to the effect that the recipient thereof should comprehensively read pre-contract documents (or prospectus), etc.

(Note 1) Gifts and other products as prescribed in (iii) above shall be limited to those that clearly and accurately indicate the matters listed in (b) through (d) above.

(Note 2) Regarding the provision as prescribed in (iii) above, even if all required matters are not displayed on such gifts or products themselves, it is acceptable if they are provided together with other materials or articles on which such omitted matters are displayed. However, they should indicate only matters concerned with (a) through (d) above.

(2) Restrictions on advertising, etc. are not applied to advertising, etc. intended for professional investors.

4. Others

(1) When a Financial Instruments Business Operator, etc. use an advertisement, etc. prepared by another company as in the following manners, such an advertisement is also deemed to be advertising, etc.:
[Public comment Nos. 54, 55, 258]

- (i) Act of affixing posters on investment trust created by the investment trust management company or distributing leaflets thereof
- (ii) Act of affixing posters on Japanese government bonds or local government bonds intended for individual investors created by the Ministry of Finance or local governments or distributing leaflets thereof

(2) The following acts are not considered to be advertising, etc. in general. [Public comment No. 53, “Answering the Questions on the Financial Instruments and Exchange Act,” Q6]

- (i) Distribution of press release materials exclusively to the press
- (ii) Act of providing newspapers and magazines (economic magazines, money magazines, quarterly corporate handbook, etc.) themselves.
- (iii) Act of purely providing information by providing materials that contain individual product name but do not contain any wording for direct solicitation, product summary, or details in relation to the relevant product without any intention of soliciting investment into such product.

For example, any of the followings acts that satisfies these requirements:

- (a) Act of sending an invitation solely for the purpose of informing of such seminar or putting

up posters to that effect;

(b) Act of sending an information request form (postcard format) to be used by customers or questionnaire to customers;

(c) Act of distributing disclosure magazines and annual reports;

(d) Act of providing IR materials, etc. for the purpose of explaining the contents of the financial statements; and others

* It should be noted that “List of our Investment Products” cannot be said to be “not for the purpose of inducing purchase of individual products” in general.

* With respect to the invitation to a seminar as stipulated in (a) above, where information of identical content is provided to a large number of people such as the Financial Instruments Business conducted by the Financial Instruments Business Operator, etc. and the explanation on individual products or services provided by such Business Operator, etc. in addition to the invitation, such an act is considered to be advertising, etc. Furthermore, where investment solicitation for a financial instruments product is conducted (including a specific product explanation for the purpose of solicitation) at the seminar, it is considered necessary to clearly indicate that the purpose of such a seminar includes solicitation for a financial instrument transaction regardless of whether such an act falls under the category of advertising, etc. [Public Comment No. 25]

(iv) Act of providing customers with information materials, etc. that contain individual product name but do not contain any wording for direct solicitation, the product summary, or details in relation to the relevant product without any intention of soliciting investment into such product (such as those deemed to be part of after-sales services)

For example, the following satisfy the provision.

- Act of providing the base value, etc. of an investment trust

- Act of providing timely disclosure materials (investment reports) prepared by the investment management company as prescribed in Article 18 of the Rules on Investment Reports, etc. Pertaining to Investment Trusts and Investment Corporations by the Investment Trust Association

- Act of providing reports on economy, exchange rates, etc.

- Act of providing press release materials and documents to notify customers of the occurrence of any important event (such as delisting, merger, redemption, stock split, or any other corporate action) concerned with their securities.

- Act of providing statistical data containing only objective facts

* In order to be recognized as a part of after-sales services, it is considered necessary that the provision of such after-sales services be limited to the existing investors of the relevant products (in case of publishing on a website, etc., such after-sales service information shall not be published on any page that can be easily accessed by any person other than the holders of the relevant products), that such materials to be provided shall not include any indication, etc. recommending any additional purchase or disposal, and that information or descriptions relating

to other products or transactions shall not be provided as an integral part. Furthermore, it is advisable to add such statements as “this information is provided as part of after-sales service to the customer holding xx (product/issue name)” or “this is for the purpose of providing information on xx and should not be deemed any recommendation thereto.” However, it should be noted that these wordings alone are not sufficient to determine whether the relevant act is a part of after-sales service.

Part 2. Considerations for Preparing Advertisement, etc. for Investment Trusts, etc.

I. General Provisions

1. Basic Matters regarding Representation

When advertisement, etc. is displayed, the requirements described in the Part 1. Summary of Laws and Regulations; 1. Definitions of Advertising, etc. of the Guidelines must be satisfied. In addition, the following matters and the provisions described in Paragraphs 2 through 15 shall be taken into account:

- (i) Whether or not the matters to be indicated as stipulated in the FIEA are clearly and accurately indicated.
- (ii) Whether or not there is any misleading representation that could give rise to a customer's misunderstanding that the commissions, fees, other payments, or expenses payable by the customer are free or substantially less than the actual amount.
- (iii) With regard to any of the matters to be indicated as stipulated in the FIEA, whether or not such matters are indicated in advertising, etc. in a manner to make them unjustly difficult to notice in terms of the font size, font, and color in terms of the characters used.
- (iv) In the event that there is a risk of loss arising directly from the fluctuations in indicators related to interest rates, market, etc., whether or not the index concerned, the fact that a loss could be incurred, the reasons therefor, and other matters concerning risk are indicated in a size not substantially different from the largest letters or numerical figures used for the advertisement, etc.
- (v) Whether or not only the advantages of the contract are emphasized while making the indication concerning the disadvantages thereof conspicuously less visible.
- (vi) When advertising, etc. is made on the image screen, whether or not there is a sufficient display time secured to read all required matters as stipulated in the FIEA.

* When displaying advertising, etc., it should be noted to make it easy to understand by using graphs, drawings, plain words, etc. as much as possible, so as not to cause investors any misunderstanding. Especially with regard to matters related to risks and expenses, attention should be paid to making them clear and easy-to-understand in addition to their layout, font size, color scheme, etc.

2. Considerations regarding Misleading Advertisement, etc.

(1) Considerations

When advertising, etc. is displayed, it is necessary to pay attention to the following items so as to avoid misleading advertisement.

- (i) Whether or not the advertisement makes definitive predictions on the future movements of the prices and other numerical features of securities and other financial instruments as well as rewards to be received; whether or not such advertisement unduly stimulates customers' investment appetites by using descriptions that could lead them to erroneously believe that profits are guaranteed.
- (ii) Whether or not there is any representation to indicate the yield guarantee or compensation for a loss in whole or in part, or mislead investors into believing that such guarantee for yield or

compensation is available.

- (iii) When any expression such as “select” is used for describing an issue, whether or not such expression is used to mislead investors into believing that such issue is significantly superior to other securities or issues. *
- (iv) When an offering period, the number of applicants, etc. are not limited, whether or not there is any indication that may mislead investors into believing that such limitation exists.
- (e) Whether or not there is any representation to mislead investors into believing that the Prime Minister, the Commissioner of the Financial Services Agency, or any other public agency has recommended the Financial Instruments Business Operator, etc. or guaranteed the contents of advertising, etc. by indicating such Operator is legally registered.
- (vi) Whether or not the relevant indication is in violation or likely to be in violation of the prefectural ordinances and other laws and regulations pursuant to the Act Against Unjustifiable Premiums and Misleading Representations and the Outdoor Advertisement Act.
- (vii) Whether or not the advertisement is so marked as to attract public criticism as excessive advertising.

*For REIT and infrastructure fund, refer to the corresponding sections of “III. ETF (Exchange Traded Fund), REIT (Real Estate Investment Trust) and Infrastructure Fund, 7. Considerations regarding REIT and Infrastructure Fund” when using the expression such as “Select Issues” and so on.

(2) Comparative Advertising

When a Full Member makes a comparison with other Full Member(s) with respect to their fees, or actual performance of financial instruments products (so-called comparative advertisement; this does not include a list of one’s product line-up.), such comparison must satisfy all of the following requirements from (i) through (iii) regardless of the concerned advertising medium, size of such advertisement, or other factors. For example, it should be noted that if all of the requirements in (i) through (iii) are not met while claiming “the lowest level in the industry” or “our commission is the lowest,” or if any of the representations made is false, such an advertisement shall be regarded as a Misleading Advertisement. Furthermore, in the case of comparative advertisement, it is necessary to pay attention to clearly specifying the scope of comparison, selection criteria, etc. in order to avoid any misunderstanding by investors.

- (i) The contents claimed in the comparative advertisement have been objectively verified.

For example, the following may not be deemed to be objectively verified:

- To display
 - and compare figures based on theoretical (imaginary) calculation as if they were actual or definitive figures.
- To present and compare the actual operating performance, etc. of other company’s products as if such performance, etc. were its own.

- To present and compare the ratings and evaluation by a very small number of customers (including the survey results) as if they were general (majority) opinions.
- (ii) Accurate and proper reference of verified figures and facts.
- For example, the following may not be considered an accurate and appropriate reference:
- To present and compare investment performance, commission rates, etc. in an arbitrary manner without sufficient investigation despite the existence of products with better investment performance or more favorable commission rates.
 - To present and compare results or findings based on specific conditions as if they were applicable under all conditions.
 - To present and compare actual figures relevant to a very limited period of time or results extracted from a very small number of samples.
 - To present and compare matters which differ from the actual facts at present even if such matters were accurate and proper at the specified time of the investigation.
- * It is considered desirable to check the underlying data to confirm that the figures are accurately and properly quoted in the inspection of the comparative advertisement and to keep records thereof as appropriate.

(iii) The method of comparison shall be fair.

For example, the following may not be considered a fair comparison:

- To compare two different types of things (for example, management performance of investment trusts which have different product attributes such as investment policies, investment assets, etc.) without any reasonable grounds and present one's own products superior.
- For example, to present and compare ratings or subjectively selected assessment that are provided by oneself or those commissioned by such person (e.g., affiliate, listing operator, advertising agencies, etc.) in a review site, affiliate site, listing advertisement, etc., as if they were objective assessment by third parties.
- To place one's own advertisements on a comparative website, knowing that such a website subjects its ranking according to the amount of fees received from an advertiser.

* See also Section "14. Advertising, etc. on the Internet," (6) and (7)

(*) Refer to "Interpretation of Act Against Unjustifiable Premiums and Misleading Presentations Regarding Comparative Advertising" (April 21, 1987, Fair Trade Commission).

3. Matters Regarding Public Offering or Secondary Placement

(1) Prohibition of solicitation before submission of securities registration statements

Under the provisions of Article 4, Paragraph 1 of the FIEA, with respect to solicitation for a public offering or secondary placement of securities to which the provisions of Chapter II Disclosure of Corporate Affairs of the FIEA are applicable, except for cases specified by the Cabinet Order or for a secondary placement of foreign securities, solicitation for investment or any other act similar thereto shall not be conducted unless the issuer has submitted the securities registration statements regarding

such public offering or secondary placement to the Prime Minister.

(2) Reference materials, etc. to be delivered to customers

(i) Delivery of prospectus

After submitting the securities registration statements, a Full Member may make solicitation for a public offering or secondary placement by using a prospectus or a provisional prospectus produced by the issuer of the concerned securities. In addition, in case of soliciting the investor to acquire the securities through such offering or secondary placement, the prospectus shall be delivered to the investors concerned in advance or at the same time of solicitation.

The use of a prospectus is classified as the “distribution of documents prepared pursuant to the laws and regulations” and therefore, does not fall under the category of advertising, etc. [Article 72, Item (i) of the Order on Financial Instruments Business, Public Comment No. 53]

(ii) Preparation and delivery of marketing materials (other materials than the prospectus)

As a result of the revision of the Securities and Exchange Law in December 2004, the definition of prospectus was reviewed. Consequently, the “summary prospectus”, which summarizes the contents of the prospectus, and so-called “tombstone advertisement” for informing investors of the place where the prospectus is to be delivered and other matters, are classified as documents, drawings, sound or other materials (marketing materials *) rather than the prospectus, and are subject to the regulations which prohibit any false or misleading representation when such materials are used. (Article 13; Paragraph 5 of the Act)

* Legal positions, etc. of marketing materials

- Marketing materials are considered to be “documents, drawings, sound, and other materials than the prospectus” as stipulated in Article 13, Paragraph 5 of the FIEA.

Marketing materials may be used before the delivery of the prospectus.

- The act of providing information of the identical contents to a large number of persons using marketing materials is considered to be advertising, etc. [Public comment No. 18]

Since marketing materials (other materials than the prospectus) must not contain any false or misleading representation, it is necessary to comprehensively examine the whole of such representation and make sure not to lack investor protection in light of the following points, among others:

- (a) Any inconsistency between the representation of such documents and those of the prospectus;
- (b) Any inconsistency concerned with the underlying assumptions between the representations of such documents (e.g., analysis) and those of the prospectus;
- (c) Where any assumption used for the representation of such documents (e.g., analysis) is not clearly indicated or such assumption is unreasonable;
- (d) Where any representation of such documents is arbitrarily distorted;
- (e) Where the process leading to the representation of such documents is arbitrarily distorted;
- (f) When any significant matter is not stated in such documents while emphasizing only the

advantageous points; etc.

Whether or not any of the above items is applicable to the marketing materials (materials other than the prospectus) to be provided at the time of individual solicitation shall be determined individually and specifically according to the nature of such materials. However, it is considered highly probable that such materials constitute a false or misleading representation if any of the above items (a) through (f) is applicable.

4. Representation of Significant Matters under the Act on Provision of Financial Services

A Full Member shall refer to the “Guidelines on Accountability of Investment Trust Management Company pursuant to the Financial Instruments Sales Act” stipulated by the Association, as well as the Act on Provision of Financial Services (Act No. 101 of 2000; hereinafter referred to as the “Financial Service Provision Act”) and the Enforcement Order thereof, when describing in advertising, etc. any of the Significant Matters as provided for in the Financial Service Provision Act.

5. Tax Indication

- (1) In connection with the purchase, sale, or other transactions of investment trusts, etc., it is desirable to indicate the method of taxation on distributions, profit, or loss on transfer, etc.
- (2) In connection with the purchase, sale, or other transactions of investment trusts, etc., there shall be no representation that implies or is liable to be misunderstood to be implying, exemption from taxation on distributions, profit or loss on transfer, or inheritance tax, gift tax, etc.

6. Obligation to Display Total Price with Tax pursuant to Consumption Tax Law

When prices of products and services are indicated in advertising, etc., it is obligatory to display the total price with tax (display of price including the total amount of consumption tax and local consumption tax).
[Article 63 of Consumption Tax Law]

* As a result of the change in the consumption tax rate, during the period up to March 31, 2021, there was a special provision in the Consumption Tax Law that enabled the prices excluding taxes to be displayed on the premise that necessary measures are taken in order to prevent any misunderstanding that the prices displayed are inclusive of taxes. However, it should be noted that such special provision has not been applied since April 1, 2021, and the total amount is required to be displayed.

(1) Example of displaying total price with tax (Tax rate at 10%)

- 11,000 yen
- 11,000 yen (including tax)
- 11,000 yen (10,000 yen excluding tax)
- 11,000 yen (including 1,000 yen as tax)
- 11,000 yen (10,000 yen excluding tax, 1,000 yen as tax)
- 10,000 yen (11,000 yen including tax)

- (2) Display example of base value and commission rates subject to the obligation to display total price with tax

When indicating a base value of product or services, commission rates, etc., the obligations to display the total price with tax include any price display that is practically indicating a price, although such price does not represent the final transaction price itself (e.g., sales commissions rate and trust fees concerned with investment trust investment).

[Examples of displaying commission rates at public offering and trust fees] (Tax rate at 10%)

1.10% (Including tax)

1.10% (1.00% before tax)

1.10% (including 0.10% as tax)

1.10% (1.00% before tax, 0.10% as tax)

1% fee rate per annum plus consumption tax and local consumption tax, resulting in the total rate of 1.10% per annum

7. Display of Catch Phrase

If the contents of display do not include any description of product outline or details but are limited to a so-called catch-all phrase such as “XX Company for Specified Account” together with the company name, its address, and contact details, such display is not necessarily described as an unmistakable solicitation for any individual financial product, and therefore, not considered to be classified as advertising, etc. However, it is necessary to note not to use any arbitrary or excessively subjective expression that may cause misunderstanding by investors, such as exaggerating only certain parts of the product characteristics or extracting a limited part of the actual investment performance concerned with the relevant investment trust.

[Public comment No. 33]

8. Reproduction of copies of articles, illustrations of a likeness, statistical data, and others

- (1) Unauthorized reproduction of any newspaper and magazine articles, etc. are prohibited.

(Note) When any of these articles, etc. are used, the consent of the copyright holder shall be required, except in cases where the use of such articles, etc. by quote is permitted under the Copyright Act.

(Reference)

In order for any quote to be permitted without the consent of the copyright holder pursuant to the Copyright Act, the work must be quoted consistent with fair practices and within a scope that is justified for the purpose of news reporting, critique, study, or other place in which the work is quoted. (Article 32, Paragraph 1 of the Copyright Act). In order to correspond to the definition of “quote” in the same Article, it is interpreted necessary to satisfy the following requirements: (i) the materials, etc. to be quoted have already been published; (ii) the “master-servant relationship” between the quoted part and the other part can be clearly identified; (iii) the “quoted part” can be easily distinguished from the other part by the use of parentheses, etc.; and (iv) such quote must not appear to injure the personal rights of the author. Furthermore, quotes

of works pursuant to the Article must clearly indicate their source of origin (Article 48 of the Copyright Act), and in some cases, it is necessary to specify the author's name of the work quoted, the name of the publication in which the quoted work is originally published, and location of such quotation (such as the page numbers).

- (2) The considerations discussed in the section above shall apply to cartoons and illustrations among others.
- (3) When an article, etc. contain a photograph of an individual or information that can identify an individual, it is necessary to take appropriate actions from the viewpoint of protecting portrait rights and personal information of the concerned.
- (4) When statistical materials and others produced by any national or local government agency, incorporated administrative agency, or local incorporated administrative agency for the purpose of making them known to the public are used as explanatory materials in the member's own publication or other advertising, etc., such materials may be reproduced by specifying their source thereof.

Statistical materials, etc. produced by a person other than national or local government agencies, incorporated administrative agencies, or local incorporated administrative agencies shall be treated in the same manner as described in items (1) through (3) above.

9. Tie-up Articles, etc.

When an article, opinion, etc. is published by a third party based on a tie-up arrangement with such third-party media (e.g., TV, radio, newspaper, magazine) or an Internet site, etc. operated by another company, organization, or person (regardless of whether or not any consideration is paid or received), it is necessary to pay attention to the following points:

- (1) Whether or not such article or opinion falls under the category of advertising, etc. concerned with the Financial Instruments Business.

Based on the fact that persons who have not been registered with the Prime Minister shall not engage in the Financial Instruments Business, it is essential to examine whether or not such article or opinion constitutes advertisements, etc. concerned with the Financial Instruments Business, and if confirmed as advertising, etc. for our Full Member regarding their Financial Instruments Business as a result of such examination, the Required Representations for such advertisement as provided for in laws and regulations, etc. shall be indicated.

- (2) Whether or not the contents of the article, etc. are correct and proper.

Where a tie-up article or the like is deemed to be advertising, etc. concerning the Financial Instruments Business, it is imperative to confirm that the contents of such article are correct and proper in light of "Part 2. Considerations for Preparing Advertisement, etc. for Investment Trusts; I. General Provisions." When the contents of such article, etc. are found to be inappropriate after publication, it is necessary for the member concerned to take necessary actions, such as requesting correction or deletion thereof.

10. IR Materials

- (1) When the IR materials (including videos and explanatory images) prepared by a listed company other

than Full Members are posted on a Full Member's home page, etc. as an independent page for other purpose than solicitation for a financial instruments transaction (securities transaction, etc.), such publication is not considered to be advertising, etc. In such a case, in order to prevent any arbitrary provision of information that may be judged, in effect, to be a recommendation of a specific issue, criteria and policy shall be established in advance with regard to the selection method of the companies and the type of materials to be published, and then such selection and publication shall be made in accordance with the criteria and policy established. Moreover, in order to prevent investors from regarding them mistakenly as advertising, etc. by a Full Member, the following measures may be taken.

(i) When publishing the relevant materials on the homepage of a Full Member, it is recommended to put the title such as "Company IR Corner" etc. and make such a page independent from the Full Member's own homepage by developing a separate window where viewers reach by clicking the banner advertisement or tab, etc.

(ii) The explanatory text as to the following matters shall be included in an eminent manner.

- The published materials were produced by the company for the benefit of investors and not by the member company. (or materials produced by such company for the purpose of their IR activities).
- The purpose of publication is to provide information and not to solicit investment in the securities.
- Member company does not warrant the accuracy of their content.
- Information provided may change without notice in future or may not be up-to-date.

(iii) Statements such as the following shall not be made on the concerned pages.

- Description to encourage investment ("Time to buy now," "Recommended issue," "Select issue," etc.)
- Any description that may influence the investment decision by investors (such as "Undervalued company," "Company with earnings upgrade trend," "Peak profit company," etc.)
- Stock price and dividend yield of the relevant company; rating, opinions, underwriting experiences, and other comments by a Full Member concerned with the relevant company.

(iv) It should be noted that the placement order of those IR materials on the relevant page should be based on a random or objective standard according to, e.g., a Japanese alphabetical order of company names, order of company code numbers, or date of production or publication of such IR materials.

(2) When IR materials (including videos and explanatory images) prepared by a listed company, etc. other than Full Members are published on such Full Member's website, etc. for the purpose of soliciting the conclusion of a financial instruments transaction contract (securities transactions), such publication is considered to be advertising, etc. In such a case, the following points should be noted:

(i) The area for advertising, etc. including the IR materials shall be clearly defined, and in such area, the investment company shall place eminently explanatory description to the effect that this area is for the purpose of publishing IR materials of the issuer companies for the purpose of xx (text such as "reference information for your investment decision").

(ii) The section prepared by the issuer company and one written by a Full Member shall be clearly distinguishable.

(iii) The statutory description items concerning advertising, etc. under the FIEA (investment risk,

commission rates, etc. in relation to investment in stocks or bonds) shall be specified in the said area.

- (iv) Although investment recommendation, etc. may be included, the Considerations regarding advertising, etc. for share investments etc. as stipulated in the “Guidelines for Advertising, etc.” shall be observed.

11. Opinions, etc. of Third Parties

In advertising, etc. conducted by a Full Member, when a third party has expressed an opinion relevant to an investment decision and such third party has been paid or is promised to be paid for his/her opinion, such fact shall be disclosed in accordance with the provisions of Article 169 of the FIEA. Provided that, however, such third party displays such opinion as an “advertisement” in exchange for the advertising fee (in the event that such content is clearly viewed as advertisement at a glance), such disclosure is considered unnecessary.

12. Advertising, etc. for Professional Investors

When the recipient of advertising, etc. is limited to professional investors, the advertising restrictions of the FIEA do not apply, and therefore, there is no obligation to inspect advertising under the Rules. However, it is necessary to ascertain that no false or misleading representation concerning the significant matters are made and that laws and regulations are properly complied with.

13. Precaution for Preventing Misidentification with Deposits, etc.

In advertising, etc. related to the sale of investment trusts, etc. to be made by a Full Member company who also engages in deposit-taking business, it is desirable to include a warning to prevent any misidentification of such investment product with deposit.

14. Notice on Financial Instruments Intermediary Service Provider

Concerning the advertising, etc. related to sales of investment trusts, etc. by a financial instrument intermediary service provider, it is desirable to indicate that such Financial Instrument Intermediary Service Provider is to handle the sales.

15. Advertising, etc. on the Internet

- (1) Any excessively subjective expression that may cause misunderstanding by investors shall not be made for any “Banner Advertisement” or “Text Advertisement” on websites or any advertisement utilizing limited space such as in Twitter (hereinafter collectively referred to as “Banner Advertisement, etc. ”).

* In order to avoid any excessively subjective indication that may cause misunderstanding by investors, in the Banner Advertisement, etc. for complicated investment trusts similar to over-the-counter derivatives transactions (e.g., investment trusts whose principal is secured only under certain conditions) where it is prohibited to use representation such as “(conditional) principal-secured type,” wording like “principal-secured type” shall not be used even as a catch phrase, etc. When the indication like “principal-secured type” is presented in the detailed

explanation on the linked page, the definition of and conditions for the principal security may be described in an easily understandable manner, and the risk of failure to satisfy such conditions may be clearly explained in such a page.

(2) In case of conducting Banner Advertisement, etc. for an individual product or describing the individual product on Twitter, if Required Representations as stipulated by laws and regulations (hereinafter referred to as the “Required Representation” in Article 14 below) are displayed on a separate page that is recognized by the customers to be integral to the page where the relevant advertisement is placed, it is considered to have complied with the regulations on advertising, etc. Incidentally, it is considered that the unity will be recognized from the customers’ perspective if such customers can easily move from the Banner Advertisement, etc. to another page on which the Required Representations are displayed. However, it is highly unlikely that the unity is recognized by the customers for those that require many clicks to transition to another page on which the Required Representations are displayed or for those that require a long scroll down to reach the section in another page where such Required Representations are displayed. When a video (limited to the one with the identical content as a television commercial, etc.) is displayed on the website, corresponding measures to those applicable for a television commercial shall be taken. However, when another video, explanatory materials, or Banner Advertisement, etc. are to be displayed one after another in turn, it is necessary to display the Required Representation for each display or to display them on a separate but integral location as described above.

[Public comment Nos. 93-95]

(3) If, on a member company’s website, (i) the list of products and services is displayed on the first page; (ii) various products or services are displayed; and (iii) the contents of individual products and services are displayed at the end, and the contents of such individual products and services are displayed, when the contents of individual products and services as described in (iii) are displayed with the “fees, etc.” or “risk warning” that are statutory description items on the pages for the contents of individual products and services, then such display on such website is considered to be basically in compliance with the restrictions on advertising, etc. [Public comment No. 95]

When only a part of the product attributes (yield, investment benefits, etc.) of an individual product is displayed in addition to its product name by using the product logo, other captions, diagrams, or pictures on the Full Member’s website, it is possible to display Required Representation in a prominent place of the same page (including in the form of electronic files such as PDF) in order to inform the customers of their integrity with the relevant product, or to create a link or tag with explanation such as “Details are here” or “Explanation about risk” in a prominent place so that users can easily reach the page where such Required Representations are displayed. Therefore, such a response is generally considered to comply with the restrictions on advertising, etc. It is necessary to pay attention to the size of letters with respect to risk warning text.

(4) In the event that materials prepared by another company that do not contain any statutory description

items or Required Representations (e.g., place of prospectus to be delivered) are published on our member company's website as the member's own advertising, etc. (including the case where the member company's website has a link to the materials posted on another company's websites so as to make them available for perusal), it may be recommended to display such statutory description items or Required Representations on the same page containing the relevant advertising, etc. (page of the member company where such link is pasted) so as to clarify their integrity for customers. Accordingly, such a response is generally considered to comply with the restrictions on advertising, etc. and the Guidelines. [Public comment Nos. 94, 95]

(5) When the contents of the financial instruments business are indicated on social media (*) like details of a specific product, such indication is considered to be equivalent to advertising, etc. In this case, refer to (2) above as to how to present the Required Representation. In addition, although comments made by third parties such as retweets and follows are generally not considered to be advertisements, etc. made by a Full Member, if such comments are recognized to be a part of representation made by such Full Member, they may fall into the classification of advertising, etc. by the relevant Full Member. [Public comment Nos. 15, 16]

* In the Guidelines, "social media" means SNS (social network service) such as Facebook and Mixi, and Twitter.

(6) Affiliate advertisement (*) is not made by Financial Instruments Business Operators, etc. themselves and in principle is not considered to be advertising, etc. as defined by the FIEA. However, in order to prevent inappropriate affiliate advertising relating to Financial Instruments Business Operators, etc. themselves or their products and services from being placed, due consideration should be paid to the matters set forth in (i) or (ii) below respectively.

* In the Guidelines, the term "affiliate advertisement" means that a blog or website operator (hereinafter referred to as "Affiliate") other than Full Members as advertiser (hereinafter referred to as the "Full Member" in the paragraph (6)) publishes on their sites Banner Advertisement, etc. of products or services provided by such Full Member, where the success fee pursuant to the predetermined terms and conditions is paid to such Affiliate by the Full Member in the event that viewers of the site click such Banner Advertisement, and access the website of the Full Member via the Banner Advertisement to purchase or make a purchase application for their product or services. However, when an advertising distribution network (hereinafter referred to as "Network") is formed by an advertisement distribution agency by assembling multiple websites serving as advertising media, this shall not apply to Internet advertising in which Banner Advertisement, etc. selected from those received from the advertisers by the Network program are placed in the vacant space (advertising space) of the relevant websites of the Network members.

(i) Case where a Full Member concludes a contract directly with an Affiliate (Direct contract)

When a Full Member conducts an affiliate advertisement after concluding a contract directly with an Affiliate (including the case where a fee is paid for an affiliate advertisement containing a

product ranking, etc. in accordance with the contents of such advertisement), such advertisement shall be handled as follows as being similar to one's own advertising, etc.:

- (a) Prior to the publication of any affiliate advertisement, a Full Member shall take appropriate measures such as conducting the same examination applicable to advertising, etc. produced by the member company themselves, concerned with the contents of website on which such member places their Banner Advertisement, etc. (hereinafter referred to as "Contents").
- (b) At the time of examining such Contents, if any Content is judged to be "inappropriate" in light of their own examination standards, the Full Member shall request the Affiliate to amend or delete such inappropriate Content. If any improvement is not made thereafter, the Full Member shall take appropriate actions including terminating the contract with such Affiliate.
- (c) To develop a link to a landing page by clicking the company's Banner Advertisement, etc. pasted on the affiliate advertisement page, and on such landing page, it should be clearly stated to the effect that "the website you are viewing has not been created by our Company" and that "impressions and comments posted on this page are those of the author and not of our Company." On this occasion, it is necessary to ascertain that such warning is clearly described and placed at an eminent position where it is easy for investors to find.
- (d) Endeavor to indicate the Required Representation (such as summary of Financial Instruments Business Operator, etc. and risk items) as provided for in the FIEA. In this case, the Required Representation may be published on a landing page linked to the Banner Advertisement, etc.

In the event that a Financial Instruments Business Operator, etc. is deemed to be practically engaged in Affiliate advertising, for example, by giving specific instructions to an Affiliate regarding the content of such advertisement, such affiliate advertising may be regarded as the "Operator's own advertising, etc. (commission of advertisement production)". For this reason, what may be recognized as "Operator's own advertising, etc." shall be subject to the same inspection applicable to other advertising, etc. in accordance with the procedures and standards established by the member company.

- (ii) Case where a Full Member concludes a contract with an Affiliate through ASP (Indirect contract)

When a Full Member conducts an affiliate advertisement through an affiliate service provider (hereinafter referred to as "ASP") (where a separate contract is entered into between a Full Member and ASP, and between ASP and an Affiliate), the following actions may be taken.

- (a) With regard to the Contents subject to remuneration payment from a Full Member to ASP (regardless of whether or not any remuneration to be actually paid from the ASP to an Affiliate; the same shall apply hereinafter), such Contents shall be reviewed after the event at the time of such remuneration payment.

If Contents can be checked before the placement of the affiliate advertisement, such Contents may be checked in advance.

- (b) When any Content is recognized as inappropriate at the time of checking, a Full Member shall promptly request an Affiliate directly or via ASP to modify or delete such inappropriate Content. If any improvement is not made after the request, the member company shall take appropriate

actions that include requesting the ASP to terminate their contract with such Affiliate (*).

* Termination of a contract means that a contract between the ASP and the Affiliate be terminated, or that the ASP prohibits such Affiliate from posting Banner Advertisement, etc. provided by the Full Member.

(c) To develop a link to a landing page by clicking the company's Banner Advertisement, etc. pasted on the affiliate advertisement page, and on such landing page, it should be clearly stated to the effect that "the website you are viewing has not been created by our Company" and that "impressions and comments posted on this page are those of the author and not of our Company." On this occasion, it is necessary to ascertain that such warning is clearly described and placed at an eminent position where it is easy for investors to find.

(d) Endeavor to indicate the summary of Financial Instruments Business Operator, etc. and risk items on the landing page that is linked to the Banner Advertisement, etc.

(Note) For the practical treatment of affiliate advertising, refer to the "Q&A on Affiliate Advertising" by the Japan Securities Dealers Association.

(7) In the event that a Full Member posts or causes a third party (including employees of such Full Member and their families) to post any "review (Kuchikomi)" information on any "review (Kuchikomi)" site regardless of whether or not the Full Member bears any advertising expenses or pays rewards, the Full Member should bear in mind that any display of such "review" information may be deemed to be their advertising, etc. Such review site includes any site on the Internet that publishes so-called "reviews" such as reputation or rumors relating to specific companies, their products and services, etc., including those intended for the exchange of the reviews, those developed by companies themselves intended to provide review information on their products and services, and blogs written by individuals among others. When such review information is regarded as advertising, etc., it is necessary to add the Required Representation, as well as to comply with the provisions discussed in Part 2. Considerations for Preparing Advertisement, etc. for Investment Trusts; I. General Provision).

* This does not include acts of employees or their families, etc. of a Full Member who conduct such act privately without receiving any instruction or request to the effect from the Full Member. However, based on the fact that it is prohibited for an individual employee to make any advertising, etc. on the financial instruments business conducted by a Full Member without examination by the person in charge of advertisement (as defined as Person in charge of screening advertisements pursuant to Article 5 of the "Rules for Display of Advertisement, etc. and Gifts"), it is necessary to provide its employees with proper education, etc. and to take actions such as having the inappropriate display deleted or corrected if any inappropriate display is identified.

Moreover, it should be noted that not only websites on the Internet but also publications or documents containing similar "review" information, even if they are processed or edited in part, may be regarded as advertising, etc. by the Full Member.

For example, the following indications may be considered to be advertising, etc. by the Full Member when made by themselves or by a third party at their request (whether or not any expense

or reward for such “review” is paid).

- Any indication that is considered to give a favorable rating on the value of such Full Member’s products, etc.

(“XX of YY (name of such Full Member) is an attractive product to invest in emerging country ZZ,” etc.)

- Any indication that is considered to induce purchase, sale, or any other transaction concerned with such Full Member’s products, etc.

(“You must buy XX of YY Company.,” etc.)

- Any representation that may be mistaken as a rating made by a third party with respect to the products or services provided by such Full Member;

(“No. 1 ranking in the ease of its use for transaction screen: YY Company!”, etc.)

As described above, it is also important to note that, in addition to the act of a Full Member granting high ratings on their own products, etc., any act of causing low evaluation information on such Full Member themselves or their products, etc. to be deleted or act of assigning low evaluation to another Full Member or their products, may be regarded as a misleading advertisement and violate laws and regulations subject to its substance as the act of so-called stealth marketing.

(Note) Refer to the “Issues and Considerations regarding the Act on Unjustifiable Premiums and Misleading Representations in relation to Consumer Transactions on Internet” (partially Revised on May 9, 2012; Consumer Affairs Agency).

16. Considerations for Advertising, etc. on NISA Accounts

When preparing advertising, etc. for general NISA accounts, junior NISA accounts, and NISA saving accounts, it is necessary to describe consideration matters(*), etc. based on the system design and objectives of each account in an easy-to-understand manner so as not to cause customers any misunderstanding.

* Refer to the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.; IV-3-1-2 (8) Considerations regarding Solicitation for Transactions Utilizing NISA; (i) Development of system for providing explanations to customers; (b) Explanation on NISA system.

Incidentally, brochures, etc. that describe only the details of NISA system such as “NISA Guide on Tax” and “NISA Guide on Laws and Systems” do not correspond to the contents of financial instruments business and therefore, are not regarded to be advertising, etc.

(Note 1) In these Guidelines, Nippon individual savings account for adults (General NISA), Nippon individual savings account for minors (Junior NISA), and Nippon individual savings account specially designed for installment investment by adults (Saving or Tsumitate NISA) are collectively referred to as the “NISA System.”

(Note 2) In these Guidelines, the account for General NISA (General NISA account), the account for Junior

NISA (Junior NISA account), and the account for Saving NISA (Saving NISA account) are collectively referred to as “NISA accounts.”

II. Investment Trusts, etc.

1. Consideration in Preparing Marketing Materials

(1) Required Representations

In making advertising, etc. for an investment trust, etc., the following items shall always be stated:
With regard to private placement of investment trusts, each member company shall refer to the provisions of this section “II. Investment Trusts, etc.” in their handling.

(i) Statutory description items

(a) With regard to fees, etc. among the statutory description items, in addition to purchase or redemption fees (including switching fees), following should be described (hereinafter collectively referred to as the "Fees, etc."):

- Operation and administration expenses (trust fees)
- Amount retained in trust property
- Other expenses and fees

When listing Fees, etc. for fund of funds, it is considered necessary to also state Fees, etc. required for investing in the subject funds (the maximum amount of Fees, etc. payable or summary of the calculation method thereof may be indicated), and to have the customers understand the actual expenses to be borne by them in an easy-to-understand manner.

* With regard to the description of Fees, etc. in the list of multiple investment trust product names without detailed explanations of individual products (those based on which investment decisions cannot be made), it is considered appropriate to state to the effect that “for the products in the list, you may be charged the Fees, etc. including investment or liquidation fees (maximum X.X%), and management and administration expenses (trust fees, etc.) as set forth for each product.” [Public comment No. 155]

(b) With regard to losses due to fluctuations in the relevant index among the statutory description items, following should be included. - Text on price fluctuation risk

- In case of investment trusts denominated in foreign currencies, text on exchange rate risk

* With regard to price fluctuations, price fluctuation factors of invested assets (shares, yen-denominated public and corporate bonds, etc.) relevant to the concerned investment trust shall be specifically indicated.

* With regard to the description of risk warning in the list of multiple investment trust product names without detailed explanations of individual products (those based on which investment decisions cannot be made), it is considered appropriate to state to the effect that “the products in the guide may cause you loss due to fluctuations in prices, etc. ”

* In the case of investment trusts with currency selection, even if it is denominated in yen, it is necessary to indicate the exchange rate risk. (The same shall apply not only for the investment

trusts with currency selection, but also for those whose main investment targets are assets denominated in foreign currency where the exchange rate fluctuations have a possibly direct effect on the base value of the relevant investment fund.)

- (c) With regard to the "statement that there is a risk of diversion between the rate of change of such Leveraged Index and the rate obtained by multiplying the rate of change of the Original Index by a certain ratio and the reasons therefor" among the statutory description items pertaining to the acts of financial instruments transaction in relation to the Leveraged Index, etc., it is advisable to state such matters in an easy-to-understand manner by using charts or the like as necessary; for example, when stating that "during a period of two or more business days, the rate of increase or decrease of the Leveraged Index does not generally correspond to the certain factor of the rate of increase or decrease of the Original Index for the same period. If such situation continues for a long period of time, the expected investment return may not be achieved. "

In addition, with regard to the "statement that investment in securities related to such Leveraged Index, may not conform to the medium-to-long term investment objectives and the reasons therefor", it is conceivable to state, for example; "for the reasons described above, such investment may not be suitable for long-term investment as it is designed for capturing return by the movements of market prices in a relatively short period of time".

- (ii) Name of the investment trust
- (iii) Method and place of obtaining the prospectus
- (iv) Principal party of preparing such marketing materials and the statement to the effect that "when applying for an investment, please make sure to read the prospectus to be delivered and make your own decision."
- (v) If a closed period is established for the relevant investment trust, the statement to the effect that "during the closed period, liquidation of your investment shall not be allowed."
- (vi) If there are any other restrictions applicable for investment or liquidation, statement to that effect.

(2) Matters desirable to be indicated

- (i) Outline of fund
- (ii) Matters regarding the offer
- (iii) Matters regarding redemption
- (iv) Matters related to cancellation (buy-back) (date of redemption, application procedures, etc. for cancellation (buy-back))
- (v) Matters related to taxation

(3) Specific Considerations

Specific considerations when making advertising, etc. investment trusts, etc. are as follows:

- (i) Indicating method and place of obtaining the prospectus

Even if there are multiple parties to provide the prospectus, it is not necessary to indicate the

company names, etc. of all parties. Company name, etc. of only a single party is required.

In this case, it is possible to indicate such information as “Contact XX company for prospectus” or “Company xx for any inquiry.”

(ii) Evaluation by third party

When presenting an evaluation of such investment trust, etc. made by a third-party organization such as a rating agency and others, the name of such organization and the date for evaluation shall be stated, together with a statement to the effect that “such evaluation is based on an analysis of past performance over a certain period of time and does not guarantee any future performance or else.”

(iii) Reference to report by a third-party organization, etc.

(a) When preparing a document quoting an evaluation, analysis, comment, or others on the relevant investment trust, etc. produced by a third-party organization as marketing materials, the name of such organization, the production date of such document, and subject period over which the relevant evaluation, etc. was made shall be stated, together with the statement to the effect that “such evaluation, etc. do not guarantee any future performance, etc.”.

(b) In the case of using, as marketing materials, a document and others containing the evaluation, analysis, etc. concerned with the relevant investment trust, etc. prepared by a third-party organization, an indication shall be made to the effect that “such evaluation is based on an analysis of past performance over a certain period of time and does not guarantee any future performance, etc.”

(iv) Presentation of evaluation, analysis, etc. on market environment, etc.

When presenting an evaluation, analysis, etc. of the market environment, etc. related to the investment subjects of the relevant investment trust, etc. obtained from a research institution, the objective facts, data, and others that are the basis for the evaluation or analysis by such institution shall be presented, together with the name, etc. thereof, in addition to paying attention to expressing the contents in an objective manner. In addition, a statement to the effect that “future investment performance, etc. are not guaranteed.” shall be included.

(v) Presentation of investment method, etc.

When explaining price fluctuation factors, etc. caused by the management method or assets subject to investment concerned with such investment trust, etc., objective and plain expressions shall be used. Furthermore, when model, etc. are to be displayed, the calculation examples and others on which such model is based shall be added for the purpose of objectivity, and any representation that might cause misunderstanding by investors shall not be used.

(vi) Presentation of investment performance, etc.

(a) To indicate the data for a period lasting not less than the preceding three (3) years (for a product with track record less than three years after its establishment, application of the continuous period after its establishment), and refrain from making any indication that could give rise to misunderstanding by investors by emphasizing a specific part of the investment performance. In this case, together with the calculation period of such performance, a statement to the effect that

such historical performance is not to guarantee any future performance shall be made. Incidentally, the annualized return of an investment trust, etc. with less than six (6) months of track record after its initial establishment shall not be indicated.

- (b) When indicating an investment performance of an open-type bond investment trust that distributes daily based on actual performance or investment trusts of similar management style despite not conducting daily distribution, the annualized yield based on the performance of preceding seven days (or based on monthly average performance) shall be indicated. In such cases, together with the calculation period of the said performance, the fact shall be indicated to the effect that such performance has been obtained in the past and does not guarantee any future performance, etc.
 - (c) When presenting actual investment performance, etc., it is necessary to clarify whether such investment performance, etc. are before or after tax. In addition, when any fees, etc. are payable at the time of cancellation, it is necessary to clarify whether such investment performance, etc. are before or after such fees payable.
 - (d) When presenting actual investment performance, etc. for investment trusts denominated in foreign currencies, the currency pertaining to such investment performance, etc. shall be disclosed. When such performance is presented in yen, the exchange rate applied shall be disclosed.
 - (e) When comparing the past investment performance with the market index, etc., the name of such index, etc. shall be disclosed. When an original synthetic index, etc. is used, its calculation formula and the basis for such calculation shall also be disclosed.
- (vii) Indication of distributions
- (a) It should be noted that some part or all of the distribution may constitute a partial refund of the principal.
 - * When indicating on special distribution in advertising, etc. to be produced after the enforcement of the partial revision to the “Rules on Investment Reports, etc. Pertaining to Investment Trusts and Investment Corporations” (after June 1, 2012), it is desirable to describe “special distribution” or “principal refund (special distribution)” as is the case with the description in investment management reports and prospectus for delivery.
 - (b) When indicating distribution, considering the movements of the base value inclusive of such distribution during the calculation period subject to distribution, due attention should be paid so that the investors can appropriately judge the actual investment performance of such investment trust.
 - *Refer to the section (xiii) Indication on monthly distribution type and currency selection type of investment trusts when indicating for the monthly distribution type of trust.
 - (c) To expressly indicate whether such distribution amount is before or after tax.
 - (d) It should be noted so as not to cause the investors misunderstanding that the indicated distribution of the past is also to be received in future by emphasizing excessively the past record of distribution payment.

For example, a notice shall be given to the effect that “depending on the operational results, the distribution amount may change or the distribution may be suspended.”

(viii) Presentation of investment policy, etc.

When presenting the future investment policy, etc. of the fund manager of such investment trust, etc., objective data, etc. with the sources thereof on which the judgment of such fund manager is based shall be indicated while taking note to refrain from making excessively arbitrary expression, as well as giving a caution to the effect that such investment policy may change due to change in the future market environment, etc.

(ix) Indication of name, etc. of investment trust, etc.

The name of such investment trust, etc. as mentioned in the securities registration statements shall be indicated. When using any nickname of the investment trust, etc., use of such nickname shall be limited to the one mentioned in the securities registration statements.

(x) Indication of investment trust with security for principal (excluding complex investment trusts similar to over-the-counter derivative transactions)

For an investment trust that indicates the security of investment principal in the prospectus (excluding complex investment trusts similar to over-the-counter derivative transactions), attention shall be paid so as not to mislead customers with respect to such security of principal, for example, by describing the definition and conditions of such security.

(xi) Indication on complex investment trusts similar to over-the-counter derivative transactions

When making representation regarding investment trusts as provided for in Article 2 of the Rules on Complex Investment Trusts Similar to Over-the-Counter Derivatives Transactions, it should be noted that the representations shall comply with the provisions of the said Rules and their by-laws so as not to cause customers any misunderstanding as to the safety of the principal.

(xii) Representations of leveraged investment trusts

In relation to the leveraged investment trust as prescribed in Article 4, Paragraph 3 of the Regulations for Direct Offering, etc. of Beneficiary Certificates, etc., when a Full Member needs to receive a “Confirmation Letter” and advertising, etc. is prepared as explanatory material for such “Confirmation Letter,” the necessary matters shall be indicated by referring to Article 6 of the Rules on Complex Investment Trusts Similar to Over-the-Counter Derivatives Transactions.

(xiii) Indication on monthly distribution type and currency selection type of investment trusts

When indicating for a monthly distribution type of investment trust or a currency selection type of investment trust, respecting objectives of the Notices of the Japan Securities Dealers Association, “Development of system for providing explanations at time of sales and solicitation of investment trusts” dated July 22, 2011, and “Provision of reference materials in brochure for monthly distribution type or currency selection type of investment trusts” dated August 2, 2011, the following matters shall be considered from the perspective of enhancing the provision system of explanations.

(a) Explanatory description regarding distribution of monthly distribution type of investment trust

When making an explanation about distribution of a monthly distribution type of investment

trust, it is desirable to indicate the following matters in accordance with the contents of the concerned advertising, etc. so as not to mislead the investors into believing that such distributions are the same as interest earned on deposits with reference to the Considerations on Distribution stipulated in the prospectus. At the time of display, attention should be paid to make the display as easy to understand as possible by using charts, tables, graphs, etc.

- Unlike interest earned on deposits and savings, distributions are paid out of the net assets of the investment trust.
- Distribution may be paid in excess of income generated during the relevant accounting period.
- Depending on the purchase price by a beneficiary, part or all of the distribution could be a partial repayment of the principal for all practical purposes.

Explanatory description regarding income of currency selection type of investment trust

When presenting an explanation of income concerned with a currency-selection type of investment trust, it is desirable to indicate the following matters in accordance with the contents of the concerned advertising, etc. regarding the instances where income, loss, or cost may be incurred with reference to the descriptions in the prospectus. At the time of display, attention should be paid to make the display as easy to understand as possible by using charts, tables, graphs, etc.

- Management structure of currency selection type of investment trusts (image of fund flow)
- Relationship between profit and loss due to an increase or decrease in prices of investment assets, premium (profit arising from interest rate difference), or cost (expense due to interest rate difference), and foreign exchange gain or loss

(c) Indication concerning sales commissions

When indicating on the sales commissions for monthly distribution type and currency selection type of investment trusts, it is desirable to indicate as much as possible in a manner easy for customers to understand in accordance with the contents of such advertising, etc. by not only indicating the commission rate but also the method of collecting such commissions and examples of actual commissions to be paid according to the investment amounts.

(4) Display of product classification graph based on risk return profile

When a Full Member or a distribution company uses a product classification graph based on a risk return profile produced by the member company or distribution company of such investment trust, etc., since such classification is not an evaluation obtained from a third-party organization such as a rating agency, etc., in order to avoid misunderstanding of its objectivity, indication such as follows shall be required: "This classification graph has been produced by us (or XXX Company) based on the scope of investment instructions stated in the investment trust contract and will not guarantee any future investment performance, etc. "

When using a product classification graph based on a risk return profile prepared by another company, approval as to its use shall be obtained from such company.

When creating a product classification graph based on a risk return profile, a Full Member shall

follow the specific procedures set forth in the section IV of the Guidelines.

(5) Indication as to the provision of gift, etc.

When indicating the provision of gift, etc., it should be noted that such indication shall not cause any misunderstanding on the product attributes of the investment trust or be excessively inciting for investment thereof.

2. Considerations for using marketing materials, etc.

(1) Medium to be used

There are no restrictions on the medium in which the marketing materials may be used.

(2) Use of explanatory materials, etc.

Reference materials, etc. to be used in explanatory meetings, etc. for investors, may also be categorized as marketing materials depending on the contents or method of use thereof.

(3) Use after submission of securities registration statements

Marketing materials may be used after the submission of securities registration statements regardless of the effective date concerned with such statements.

(4) Use of management reports, etc. of an investment trust prepared by a Full Member

When delivering to customers a management report, etc. of an investment trust prepared by a Full Member as advertising, etc., that does not indicate any of the Required Representations, it is considered that such Required Representations are indicated if the said report, etc. is delivered together with other materials indicating such Required Representations. [Public comment Nos. 53, 258]

(5) Use of explanatory materials on monthly distribution type and currency selection type of investment trusts

Any indications shall not be regarded advertising, etc. as long as such indications are made within the scope as described in the “Provision of reference materials in brochure for monthly distribution type or currency selection type of investment trusts” dated August 2, 2011, by the Japan Securities Dealers Association. However, it should be noted that when incorporated in other materials or used with additional contents, such indication may amount to advertising, etc. [Public comment No. 53, “Answering the Questions on the Financial Instruments and Exchange Act,” Q6]

3. Considerations when displaying rankings

When ranking is displayed in advertising, etc. for investment trusts, it is necessary to pay attention to the following matters so as to avoid any misunderstanding:

(1) Selection Criteria

To display the selection criteria of the sample products as to the ranking with attention paid to the following points:

- (i) When displaying the ranking title, avoid using a misleading title as to the selection criteria thereof.
- (ii) To indicate the scope of selection for such ranking. In particular, if any investment trust is excluded from the ranking list despite being within the scope of selection criteria, such fact shall be clearly indicated.
(Example) The selection range for the purchase-amount ranking is all investment trusts provided by us. However, some investment trusts such as MRF are excluded from the ranking.
- (iii) To indicate the period of time to which the ranking is relevant.

(2) Other Considerations

Any other matters requiring attention shall be indicated as necessary.

III ETF (Exchange Traded Fund), REIT (Real Estate Investment Trust), and Infrastructure Fund

1. General Introduction

Unlike other investment trusts, investments in ETF (Exchange Traded Fund), REIT (Real Estate Investment Trust), and infrastructure fund are normally made by trading on Financial Instruments Exchange, etc. like shares instead of by offering or placement. Considerations for advertising, etc. for ETF, REIT, and infrastructure fund by Full Members are as follows:

Advertising, etc. at the time of offering or secondary placement shall be made through the aforementioned procedures in the section “II Investment Trust, etc.” for ETF while such advertising, etc. for REIT and infrastructure fund shall comply with the provisions of the following “2. Advertising, etc. for offering or secondary placement of REIT and Infrastructure Fund.”

2. Advertising, etc. for offering or secondary placement of REIT and Infrastructure Fund

(1) Required Representations

When making advertising, etc. for public offering or secondary placement of a REIT or infrastructure fund using marketing materials, the following items shall always be indicated:

(i) Statutory description items

With regard to losses due to fluctuations in the relevant index among the statutory description items (refer to the Part 1. Summary of Laws and Regulations; 1. Definitions of Advertising, etc. (* 2) “Particulars to be indicated in advertising, etc.”; the same shall apply hereinafter.), following should be indicated:

- Text on price fluctuation risk
- Text on exchange rate risk in case of securities denominated in foreign currencies

(ii) Name of the investment corporation

(iii) Method and place of obtaining the prospectus (only when such prospectus is produced)

(iv) Statement to the effect that investment decisions should be made after the perusal of the prospectus (only when such prospectus is prepared)

(2) Matters desirable to be indicated

(i) Matters concerning the application guidelines (secondary placement) in the prospectus (limited to the instance when producing the prospectus)

(3) Specific Considerations

(i) Indicating method and place of obtaining the prospectus

Even if there are multiple parties to provide the prospectus, it is not necessary to indicate the company names, etc. of all parties. Company name, etc. of only a single party is required.

In this case, it is possible to indicate such information as “Contact XX company for prospectus” or “Company xx for any inquiry.”

(ii) Indication of earnings forecast, etc. disclosed by the issuer of such investment securities

In the event that the issuer of such investment securities presents, as advertising, etc., earning forecasts disclosed pursuant to the regulations of the relevant Financial Instruments Exchange and an Authorized Financial Instruments Firms Association, such issuer shall also state to the effect that the concerned performance forecasts are disclosed by the issuer themselves, together with the assumptions that constitute a basis for the relevant forecasts (e.g., summary of accounts or press release dated DD/MM/YY), as well as the fact that such forecasts do not guarantee any future price performance, etc.

(iii) Evaluation or analysis by a member company or a third party

Not to present the valuation or analysis of the relevant investment securities by the member company or any third party.

(iv) Advertising, etc. for the provision of gift, etc.

No representation shall be made as to the offering of any gifts, etc. (including a prize competition) for any individual investment securities.

(4) Introduction of specific examples

An advertisement that indicates the following items without error (including so-called tombstone advertisement) by extracting the relevant descriptions from the prospectus shall not be deemed to be a false or misleading indication in general. However, it should be noted that if any other description than those listed in (i) and (ii) below is combined in the indication or subject to the font size, etc. of the letters used, such an advertisement may be classified as a false or misleading indication.

When preparing so-called “tombstone advertising,” refer to the items listed in (i) and (ii) below. Separately, when preparing the “Application Guidelines” to be used for a secondary placement that does not require the production of a prospectus, pertinent matters shall be selected from those listed in (i) and (ii) below and indicated.

(i) Required Representations

(a) Statutory description items

With respect to losses caused by index fluctuations among the statutory description items, following should be indicated:

- Text on price fluctuation risk
- Text on exchange rate risk in case of securities denominated in foreign currencies

- (b) Name of the investment corporation
- (c) Method and place of obtaining the prospectus (if the prospectus is not to be produced, address and telephone number, etc. of the relevant business office)
- (d) Statement to the effect that investment decisions should be made after the perusal of the prospectus (only when such a prospectus is prepared)
- (e) Statement to the effect that a prospectus is not produced (limited to the instance where the prospectus is not to be produced)
- (ii) Examples of additional indications other than (i) above
 - (a) Product code;
 - (b) Relevant Exchange;
 - (c) minimum unit required for investment;
 - (d) book building (declaration of investment intention) period;
 - (e) Date of determining provisional conditions,
 - (f) Offer price (possibly provisional price);
 - (g) Number of units on offer;
 - (h) Offer period;
 - (I) Scheduled date of listing or delivery date (commencement date of trading);
 - (j) Underwriting syndicate members;
 - (k) Use of funds raised;
 - (l) Explanation regarding any lock-up provision; and
 - (m) Description of book building procedures and considerations thereof.

3. Representation concerned with ETF

(1) Required Representations

(a) When preparing any advertising, etc. for ETF, the following items shall always be indicated:

(i) Statutory description items

With respect to losses caused by index fluctuations among the statutory description items, following should be indicated:

- Text on price fluctuation risk of such ETF itself
- Text on exchange rate risk in case of securities denominated in foreign currencies

* With regard to the price fluctuation risk, it is considered desirable to state that there is a price fluctuation risk due to the movements of the associated index, etc. in addition to the price fluctuations of relevant ETF itself.

Where it is difficult to identify financial indicators such as stock prices, interest rates, foreign exchange rates, commodity prices, etc., that are likely to affect the relevant index from the product name or the name of linked index, it is considered desirable to state the type of relevant index (e.g., stock index, interest rate index, bond index, exchange rate index, commodity price index, etc.).

* When referring in advertising, etc. to the product attributes of an ETF whose underlying assets are bonds, it is considered desirable to state the pertinent credit risk as appropriate.

(b) With regard to the "statement that there is a risk of diversion between the rate of change of such Leveraged Index and the rate obtained by multiplying the rate of change of the Original Index by a certain ratio and the reasons therefor" among the statutory description items pertaining to the acts of financial instruments transaction in relation to the Leveraged Index, etc., it is advisable to state such matters in an easy-to-understand manner by using charts or the like as necessary; for example, when stating that "during a period of two or more business days, the rate of increase or decrease of the Leveraged Index does not generally correspond to the certain factor of the rate of increase or decrease of the Original Index for the same period. If such situation continues for a long period of time, the expected investment return may not be achieved. "

In addition, with regard to the "statement that investment in securities related to such Leveraged Index, may not conform to the medium-to-long term investment objectives and the reasons therefor", it is conceivable to state, for example; "for the reasons described above, such investment may not be suitable for long-term investment as it is designed for capturing return by the movements of market prices in a relatively short period of time".

- (ii) Fund name (If there is a product with a similar name, state the fund code, etc. in order to avoid any confusion.)
- (iii) Name of the index etc. to be linked (If the name of the linked index etc. is obvious by the fund name, it may be omitted.)
- (iv) In case of a physical commodity-based ETF, such fact shall be indicated.

(2) Matters desirable to be indicated

- (i) Financial Instruments Exchange or Foreign Financial Instruments Exchange on which the ETF is listed
- (ii) Investment Policy
- (iii) Details of linked Index, etc.
- (iv) Affiliated corporation of the fund (Management Company, Trustee Company, etc.);
- (v) Distribution policy
- (vi) Matters regarding expenses of the fund (trust fees, etc.)
- (vii) Matters regarding taxation

4. Considerations concerning ETF

(1) Considerations concerning the representations of ETFs that invest in linked bonds and OTC derivative transactions

An ETF investing in linked bonds and OTC derivative transactions has a credit risk related to the issuers of the linked bonds and the counterparty of the derivative transactions in which such ETF invests, as well as a price fluctuation risk arising from fluctuations in the price of such ETF itself and the linked Index.

Since the homepage, etc. of the Financial Instruments Exchange on which such ETF is listed has an explanatory page regarding credit risk (hereinafter referred to as the "Explanatory Page"), it is desirable to display a useful information (such as the URL address of the Explanatory Page), when making advertising, etc. for explaining the product attributes of such ETF.

(2) Considerations regarding the representations of ETFs linked to an enhanced index, leveraged index, or inverse index

If investment is made without investors' full understanding of the product attributes and risks in relation to the ETFs linked to the enhanced index, leveraged index, or inverse index, such investors may experience unexpected loss or fail to gain expected return as a result of the price fluctuations unanticipated by them.

In creating advertising, etc. describing the product attributes of such ETFs, in addition to the indication explaining the product attributes of the relevant ETF in such advertisement, it should be considered to introduce Explanatory Pages, etc. (its URL address, etc.) provided on the homepage, etc. of the financial instruments exchange on which such ETF is listed.

In case of advertising an ETF linked to the leveraged or inverse index, it should be noted that the matters set forth in (b) of "3. Representation concerned with ETF; (1) Required Representation, (i) Statutory Description Items" must be stated as statutory description items.

5. Representation concerned with REIT

(1) Required Representations

(i) Statutory description items

With respect to losses due to index fluctuations among the statutory description items, following should be indicated:

- Text on price fluctuation risk

With regard to the price fluctuation risk, it is required to state that there is a risk of damage to the investment principal due to the price and/or profitability fluctuations of the real estate assets under investment in addition to the price fluctuation risk of relevant REIT itself.

(ii) Name of investment corporation

(iii) Type of main investment object (e.g., office buildings, commercial facilities, etc.)

(2) Matters desirable to be indicated

- (i) Financial Instruments Exchange or Foreign Financial Instruments Exchange on which the ETF is listed
- (ii) Investment Policy
- (iii) Details of the investment objects
- (iv) Details of risk
- (v) Affiliated entities of the trust (Asset Management Company, Administrative Agent, Custodian, etc.)
- (vi) Distribution policy
- (vii) Matters regarding expenses of trust (management fees, etc.)
- (viii) Matters concerning taxation

6. Representation concerned with infrastructure fund

(1) Required Representations

(i) Statutory description items

With respect to losses due to index fluctuations among the statutory description items, following should be indicated:

- Text on price fluctuation risk

With regard to the price fluctuation risk, it is required to state that there is a risk of damage to the investment principal due to the price and/or profitability fluctuations of the infrastructure assets under investment in addition to the price fluctuation risk of the relevant infrastructure fund itself.

(ii) Name of fund

(iii) Type of main investment objects (e.g., renewable energy power generation facilities, right to operate public facilities, etc.)

(2) Matters desirable to be indicated

- (i) Financial Instruments Exchange or Foreign Financial Instruments Exchange on which the ETF is listed
- (ii) Investment Policy
- (iii) Form of holding assets by investment corporation (direct holding, indirect holding)
- (iv) Details of investment assets
- (v) Details of risk
- (vi) Affiliated entities of the fund (Asset Management Company, Operator, Administrative Agent, Custodian, etc.)
- (vii) Distribution Policy
- (viii) Matters regarding expenses of fund (management fees, etc.)
- (ix) Matters regarding taxation (*)

* Under the taxation system as of November 2015, with respect to the infrastructure fund where the

investment corporation directly owns renewable energy power generation facilities, this item shall include matters related to the application of corporate taxation system to the fund, including the fact that tax on the investment corporation may be applied in the future due to the temporary measures applicable to the conduit investments.

7. Considerations for REIT and Infrastructure Fund

(1) Indication of “Select Issue,” etc.

When conducting advertising, etc. for REITs or infrastructure funds in regular publications, pamphlets, leaflets, websites, etc. as “Select Issue” selected by the member company, the indication of “Select Issue,” etc. shall be made with reference to the provisions of “Guidelines for Advertising, etc.; II. Shares 2. Advertising, etc. on Secondary Market, (1) Introduction of individual companies, (iii) Considerations regarding the expression of the Select Issues, etc., (a) Large-volume sales recommendation, etc.” by the Japan Securities Dealers Association so as not to fall under the category of Large-volume sales recommendation or “uniform and intensive recommendation of specific securities by providing subjective or arbitrary information” as prescribed in Article 12, Paragraph 1 of the “Rules Concerning Solicitation for Investment and Management of Customers, etc. by Association Members” by the Japan Securities Dealers Association. The same shall apply to advertising, etc. regarding distribution.

(* <Reference>

By Japan Securities Dealers Association, “Guidelines for Advertising, etc.;

II. Shares 2. Advertising, etc. on Secondary Market; (1) Introduction of individual companies (iii) Considerations regarding the expression of the Select Issues,” etc.

(a) Large-volume sales recommendation, etc.

When conducting advertising, etc. for REITs or infrastructure funds in regular publications, pamphlets, leaflets, websites, etc. as “Select Issue” selected by the member company, it shall be made with consideration that the formation of fair prices shall not be impaired by the large-scale purchase of such specific securities, resulting in a Large-volume sales recommendation as defined in Article 117, Paragraph 1, item (xvii) or (xviii) of the Order on Financial Instruments Business, which regulates excessive recommendation to be made to an unspecified and large number of people for a small number of specific products, or “uniform and intensive recommendation of specific securities by providing subjective or arbitrary information” as prescribed in Article 12, Paragraph 1 of the “Rules for Solicitation of Investment by Association Members, Customer Management, etc.” (hereinafter referred to as “Rules for Investment Solicitation) by the Japan Securities Dealers Association. In particular, when it is considered highly probable that the definition of large-volume sales recommendation or uniform and intensive recommendation is relevant in light of the medium and the period of time (size of prospective audience), contents of the display (whether or not such indication contains only objective facts or subjective opinion as well), the number of securities to be advertised and their liquidity, the number of people who

provide advertising, etc., the expression like “Select Issue” shall not be used.

For example, advertisement in newspaper, radio, and television will be displayed to an extremely large number of people, and in consideration of the space and time for such display, it is considered inappropriate to use an expression such as “Select Issue,” etc. In addition, with regard to print media such as magazines, etc., when it is considered highly probable that the definition of large-volume sales recommendation or uniform and intensive recommendation is relevant in light of the number of copies in circulation, publication period, display space, and so on, expressions such as “Select Issue” shall not be used.

Similarly, with regard to websites, etc. on the Internet (including those available only for specific members), taking into account the location and period of publication, the number of users, the ease of access, contents of the display, etc., when it is considered highly probable that the definition of large-volume sales recommendation or uniform and intensive recommendation is relevant, expressions such as “Select Issue” shall not be used.

The same shall apply to advertising, etc. regarding the shareholder benefit plan.

When using the expression “Select Issue” and the like in advertising, etc., considering the media used and the number of target audience for such advertisement, it is recommended to indicate in the relevant advertisement, etc. in a plain language that the final investment decision should be made by investors themselves as appropriate in addition to stating the reason and criteria for selecting such “Select Issue.”

(2) Confirmation of existence of any sensitive and undisclosed corporate information, etc.

Advertising, etc. shall not be conducted unless the Sales Inspection Division has confirmed in advance the existence of sensitive and undisclosed corporate information.

(3) Prohibition of providing gifts, etc. in relation to individual fund/trust

No representation shall be made as to the offering of any gifts, etc. (including a prize competition) for any individual REIT or infrastructure fund.

(4) Representation concerned with yields

When indicating the distribution yield of a REIT or an infrastructure fund, such yield shall be indicated pursuant to the “Guidelines for Advertising, etc.; II. Shares 2. Advertisement, etc. on Secondary Market; (1) (ii) (e) *Considerations” by the Japan Securities Dealers Association.

* Corresponding part of the “Guidelines for Advertising, etc.” of Japan Securities Dealers Association

(e) Matters regarding the indication, etc. of distribution

- Displayed in monetary amount (yen) per share (distribution ratio may also be indicated).
- In case of displaying the distribution ratio, the relevant share price and distribution amount as the basis for such calculation shall be included.

- If such distribution amount is as expected, that fact and the person who calculated such estimate (e.g., issuer company, etc.) shall be indicated.

(Note) Regarding the shareholder benefit plan, any benefit shall not be combined with the distribution so as to include such benefits in calculating the distribution ratio. In addition, the monetary amount derived from monetizing such benefits and the distribution amount shall not be combined for an indication.

(Example) “Meal voucher of 2000 yen per 1,000 shares”; permitted

“xx% per annum when converting a meal voucher of 2000 yen into the yield”;
not permitted

IV Preparation of Product Classification according to Risk Return Profile of Investment Trusts, etc.

In soliciting for offering, etc. of investment trusts, etc., from the viewpoint of assisting investors to understand that the investment trusts, etc. are risk products and that the degree of risk varies depending on the type of products, the investment trust management company, etc. may, at its own responsibility, produce a product classification chart as the supplementary material to a prospectus according to the following procedures and indicate to the investors the relevant classification of its investment trust, etc. subject to such solicitation for offering, etc.

When preparing such a classification chart, the following texts shall be included: “The positioning of each investment trust described in the chart indicates the degree of risk inherent to such investment trust, etc., that is anticipated by the investment trust management company in its management thereof, and does not guarantee any future performance or else” and “This material is prepared for marketing purposes and the prospectus must be perused prior to any investment decision.”

For the purpose of preventing investors from misunderstanding, any product classification chart shall not summarize in a single chart various investment trusts, etc. managed by multiple investment trust management companies, etc.

(1) Preparation procedures

Specific procedures for creating a product classification chart based on risk return profile of investment trust, etc.

(i) Name and description of each group

Investment Trusts, etc. are classified into the following five groups (see Attachment).

Group I: Focus on Stable Yield Income

Fund managed with the aim of securing stable yield. Accordingly, fluctuation in the base value of the fund is extremely limited despite no guarantee provided for the principal.

Group II: Pursuit of Yield Income

Fund managed with the aim of pursuing higher yield. Accordingly, fluctuation in the base

value of the fund is limited.

Group III: Balanced Pursuit of Capital Gain and Yield Income

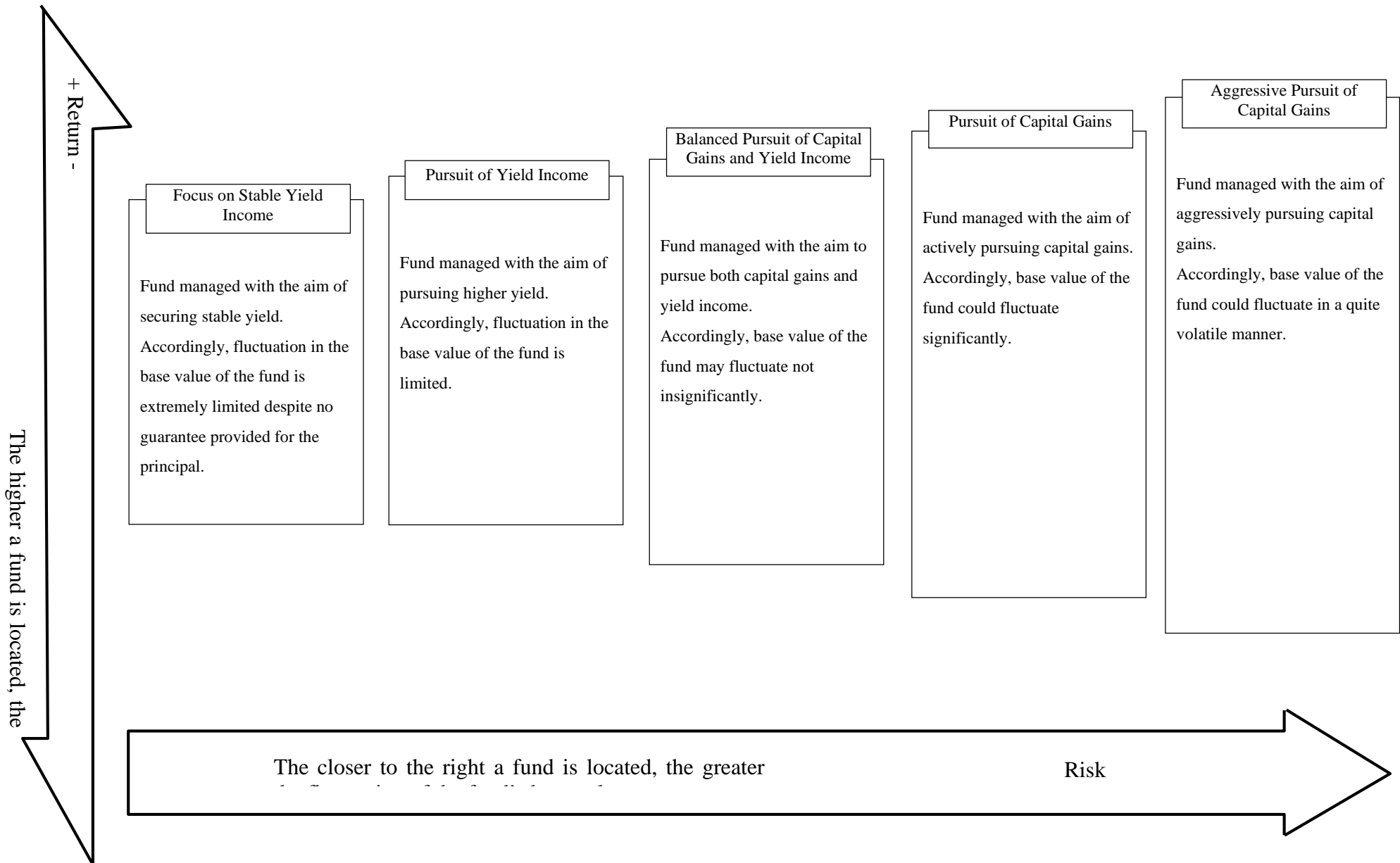
Fund managed with the aim to pursue both capital gains and yield income. Accordingly, base value of the fund may fluctuate not insignificantly.

Group IV: Pursuit of Capital Gains

Fund managed with the aim of actively pursuing capital gains. Accordingly, base value of the fund could fluctuate significantly.

V Group: Aggressive Pursuit of Capital Gains

Fund managed with the aim of aggressively pursuing capital gains. Accordingly, base value of the fund could fluctuate in a quite volatile manner.



Supplementary Provision

The revised Guidelines shall come into effect on May 1, 2004.

Supplementary Provisions

1. This amendment shall come into effect on October 13, 2006.
2. Advertising, etc. to which the revised provisions are applicable shall be those newly planned and produced after our member companies have promptly established the internal structure according to such revision.

Supplementary Provision

This amendment shall come into force on 17 May, 2012.

Supplementary Provision

This amendment shall come into effect on February 21, 2013.

Supplementary Provision

This amendment shall come into effect on December 12, 2013.

Supplementary Provision

This amendment shall come into effect on July 15, 2014.

* The amended provisions are as follows:

- (1) Amendment to heading of Part 2. I. Article 2. (1) and establishment of paragraph (2).
- (2) Amendment to Part 2, I. Article 6(1) and (2), and the heading of Article 8.
- (3) Previous provisions of Part 2. I. Article 9 have been amended and incorporated in 8 (4), and Article 9 has been newly established.
- (4) Amendment to Part 2. I. Article 14 (2), (6) (i) (c), and (ii) (c), and establishment of paragraph (7).

Supplementary Provision

This amendment shall come into force on 12 November, 2015.

* The amended provisions are as follows:

- (1) Establishment of Part 2, I. Article 2(1) (iii). Moving down previous item numbers (iii) through (vi). Addition to reference. Establishment of Article 15.
- (2) Establishment of Part 2, II. Article 3.
- (3) Amendment to heading of Part 2, III. Amendment of 1 and 2. Establishment of Article 6.
Previous Article 6 is renumbered and the heading revised. Amendment of (1), (3) and (4) of 7.

Supplementary Provision

This amendment shall come into effect on January 14, 2016.

* The amended provisions are as follows:

- (1) Articles 1 and 15 of Part 2, I. have been amended.

Supplementary Provision

This amendment shall come into effect on December 13, 2018.

* The amended provisions are as follows:

- (1) Amendment to Part 2, I., 2, (iii), 6 and 15.

Supplementary Provision

This amendment shall come into effect on September 9, 2021.

* The amended provisions are as follows:

- (1) Amendment to Part 1, Articles 1(iii)(d), 2(iv), 5 (3) and 6. Amendment to the <Reference>, Article 4 (2)(iii) and (iv):
Applicability of Advertising, etc.
- (2) Amendment to Part 2, I. Article 6. Establishment of Article 10. Previous Articles 10 through 16 have been renumbered.
- (3) Amendment to Part 2, III. Article 7(1).

Supplementary Provision

This amendment shall come into effect on January 24, 2022.

* The amended provisions are as follows:

- (1) Establishment of (2) (*2) (iii)(e) and (5) (viii) of Part 1; Article 1
- (2) Amendment to Part 2, I. Article 4.
- (3) Establishment of Part 2, II. Article 1 (1) (i) (c).
- (4) Establishment of Article 3 (1) (i) (b) and Amendment to Article 4 (2), of Part 2, III.