

Guidelines for Operation of Investment Trusts in Case of Emergency

Established May 18, 2007
Revised on December 20, 2012
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I. Purpose

These Guidelines set forth matters serving as guidelines for the investment trust management company (hereinafter referred to as the “Management Company”) to make decisions regarding measures to be taken to ensure the appropriate operation of the investment trust (hereinafter referred to as the “Fund”) in the case of an occurrence of an event such as suspension of trading in the securities market (hereinafter referred to as an “Emergency”) due to the occurrence of an unexpected event such as a natural disaster, terrorist incident, system failure, or large-scale power failure.

II. Measures to be Taken by the Management Company in the Event of an Emergency and the Contents Thereof, etc.

In the event of an Emergency, measures to be taken by the Management Company and the contents thereof, and the requirements for sales companies and financial instruments intermediary service providers (meaning financial instruments intermediary service providers set forth in Article 4, Paragraph 1, Item 1 of the Articles of Incorporation) shall be as follows:

(1) Measures to be taken by the Management Company and the contents thereof

The Management Company shall take measures to suspend acceptance of applications for establishment and cancellation of the Fund (meaning suspension of acceptance of applications for establishment and cancellation of the Fund to be handled at the base value on the application date of the base value stipulated in the contracts of the Fund to be subject to the measure, hereinafter referred to as the “Acceptance Suspension Measure”).

This Acceptance Suspension Measure shall be taken upon receipt of notification of a resolution by the Special Measures Committee of the Association or when the Management Company deems it necessary and appropriate.

(2) Requirements for sales companies in case of taking the Acceptance Suspension Measure

The Management Company shall notify sales companies of the implementation of the Acceptance Suspension Measure and information on the subject Fund, etc. and request the following matters so that the measure can be implemented smoothly.

- (i) Prompt notification of the measure shall be provided to sales offices, etc.
- (ii) Any application for establishment or cancellation that has already been accepted shall be dealt with as cancellation of the order or as an order placed on or after the next day in consideration of the customer’s intention.
- (iii) In order to avoid confusion among investors, sufficient explanation shall be made on how to deal with orders for establishment and cancellation to investors.

III. Development of Internal System, etc.

(1) The Management Company shall establish an internal control system in advance to properly and smoothly implement the Acceptance Suspension Measure due to the occurrence of an emergency. For example, the Management Company shall examine and decide the terms and conditions of any Fund that may be subject to such measures or any Fund that is not subject to such measures based on the “Basic Policy on Suspension of Acceptance of Application for Establishment or Cancellation of Investment Trust in Case of Emergency” (see Appendix) and the following elements:

- (i) Level of the allocation ratio of assets to be affected by the event
- (ii) Status of establishment or cancellation of the Fund, its ratio to the net asset value, and configuration of attributes of beneficiaries, etc.
- (iii) Fairness among beneficiaries and effects on trust property
- (iv) Whether there is an application for establishment or cancellation from an unusual sales form, such as defined contribution pension plans, or regular fixed-amount installment deposit.
- (v) Fund’s product characteristics
- (vi) Others

In addition, a Management Company shall make efforts to review the terms and conditions of the Fund, etc. subject to or not subject to the measure, etc. periodically or as necessary.

(2) In consideration of the establishment of the internal control system described above, the Management Company shall consult and cooperate with sales companies in advance on information considered necessary for smooth implementation of the measure, such as the communication method and the contact point in case of implementation of the Acceptance Suspension Measure, as well as the requirements for a Fund that is assumed to be applicable to or excluded from the measure.

IV. Anticipated Events and Measures to Be Taken upon Occurrence Thereof

1. Suspension of Transactions by Exchange, etc.

(1) Suspension of trading by the Tokyo Stock Exchange and Osaka Exchange (hereinafter referred to as the “Tokyo Stock Exchange, etc.”)

- (i) Decision to implement the measures

At the time of an emergency of suspension of trading at the Tokyo Stock Exchange, etc., the Management Company shall take the Acceptance Suspension Measure upon receipt of notification of a resolution by the Special Measures Committee of the Association or when the Management Company deems it necessary and appropriate.

- (ii) Measures to be taken by the Management Company

The Management Company shall determine the measure in (i) above and the Fund to be covered thereby, and promptly inform sales companies of such decision.

When determining the Fund, it is desirable to ensure compliance with the blind method and to consider and determine effects on the base value of the Fund and effects of the establishment

or cancellation on the trust property, taking into account the following points. Determination of the Fund subject to the measure, etc.

- a. Non-acceptance date set forth in contracts
- b. Allocation ratio of listed issues (with approximately 20% as a rough standard, at a level deemed appropriate by the Management Company)
- c. Weight of the exchange's futures transactions in the trust property
- d. Recent status of establishment or cancellation of the Fund and its ratio to the net asset value
- e. Discrepancy between the futures market and the spot market
- f. Fund's product characteristics
- g. Others

(2) Suspension of trading on domestic exchanges other than the Tokyo Stock Exchange, etc.

The Management Company shall take measures similar to those in (1) above, according to the status of suspension of trading at the exchange.

(3) Suspension of trading at overseas exchanges (such as those in Europe and the United States of America) that are to start trading after the end of the time for accepting applications in Japan

(i) Measures to be taken by the Management Company

In the event that the Management Company decides to suspend trading all day by noon Japan Time at any overseas exchange where trading starts after the end of the time for accepting applications in Japan, or in the event that the Management Company judges that trading on the previous day has been suspended and that there is no prospect of resuming trading on the day, the Management Company shall take the Acceptance Suspension Measure.

When the overseas exchange is a futures market, it does not matter what kind the underlying assets, such as interest rates, exchange rates, etc. in addition to stocks and bonds, are.

(ii) Implementation of measures and determination of the Fund covered, etc.

The Management Company shall obtain information on suspension of trading at an overseas exchange, examine the measure in (i) above and the Fund that is subject to the measure based on the list prepared in advance, and if they are judged to be appropriate, shall determine the implementation of the measure and promptly inform sales companies of the determination.

When determining implementation of the measure and the Fund covered, it is desirable to consider and determine impact on the base value of the Fund and effects of the establishment or cancellation on the trust property due to that base value, taking into account the following points.

- a. Non-acceptance date set forth in contracts of the Fund
- b. Allocation ratio of listed issues (with approximately 20% as a rough standard, at a level deemed appropriate by the Management Company)
- c. Weight of the exchange's futures transactions in the trust property
- d. Recent status of establishment or cancellation of the Fund and its ratio to the net asset value

- e. Discrepancy between the futures market and the spot market
 - f. Fund's product characteristics
 - g. Others
- (4) Suspension of trading at overseas exchanges (such as those in Asia and Oceania) whose time for accepting applications and the trading time overlap with those in Japan.
- (i) Measures to be taken by the Management Company

If any of the events set forth in the following sub-items (a) through (b) occurs at any overseas exchange (such as those in Asia and Oceania) whose time for accepting applications and the trading time overlap with those in Japan, the Management Company shall take Acceptance Suspension Measure for acceptance on the day in the case of (a) and for application for acceptance on the next day in the case of (b).

 - (a) When trading on the day is suspended and there is no announcement on the resumption of trading by noon Japan Time
 - (b) When trading is suspended after noon Japan Time and the Management Company judges that trading on the next day is unlikely to be resumed
 - (ii) Implementation of measures and determination of the Fund covered, etc.

If the Management Company shall obtain information on the suspension of trading at the overseas exchange, the Management Company shall examine implementation of the measure in (i) above and the Fund that is subject to the measure based on the list prepared in advance, and if they are judged to be appropriate, shall determine the implementation of the measure and promptly inform sales companies of the determination.

When determining implementation of the measure the Fund covered, it is desirable to ensure compliance with the blind method and to consider and determine impact on the base value of the Fund and effects of the establishment or cancellation on the trust property due to that base value, taking into account the following points.

 - a. Non-acceptance date set forth in contracts of the Fund
 - b. Allocation ratio of listed issues (with approximately 20% as a rough standard, at a level deemed appropriate by the Management Company)
 - c. Weight of the exchange's futures transactions in the trust property
 - d. Recent status of establishment or cancellation of the Fund and its ratio to the net asset value
 - e. Discrepancy between the futures market and the spot market
 - f. Fund's product characteristics
 - g. Others
- (5) Suspension of trading at an exchange market
- (a) Basically, it is considered unnecessary to take the Acceptance Suspension Measure. However, this does not preclude taking the Acceptance Suspension Measure or any other measure when the Management Company deems it necessary, for example in the case where the suspension of

trading at an exchange market poses an obstacle to inward remittance of the Fund and the Fund finds it difficult to secure funds for cancellation.

If the Management Company determines implementation of the Acceptance Suspension Measure and the Fund covered, the Management Company shall promptly notify sales companies to that effect and the name of the Fund covered.

- (b) When trading at an exchange market is suspended, as for the exchange rate used for evaluation of the trust property, the Association shall make responses in accordance with the Rules of the Association and notify the Management Company of the exchange rate.

2. Market Turmoil such as Collapse

Basically, it is considered unnecessary to take the Acceptance Suspension Measure. However, this does not preclude taking the Acceptance Suspension Measure or any other measure when the Management Company deems it necessary and appropriate, for example in the case where indicative price quotations continue due to collapse for consecutive days, etc. or where liquidity of assets could be affected.

In this case, it is desirable that the Management Company considers and determines impact on the base value of the individual Fund, effects of the establishment or cancellation on the trust property due to that base value, financing for the cancellation, etc., taking into account the following points.

- a. Discrepancy between indicative price quotations and actual price as a result of the continuation of the indicative price quotations
- b. Asset mix of the Fund and recent status of cancellation (financing)

If the Management Company determines implementation of the Acceptance Suspension Measure and the Fund covered, the Management Company shall promptly notify sales companies to that effect and the name of the Fund covered.

3. Failure of Market Infrastructure

In the event that it becomes impossible to obtain market information due to a disaster such as a large-scale earthquake or the suspension of the exchange distribution system or the settlement mechanism, and consequently it becomes difficult to calculate the base value or such an event has a significant impact on liquidity of assets, the Management Company shall implement the Acceptance Suspension Measure.

In this case, it is desirable that the Management Company considers and determines implementation of the measure and the Fund subject to the measure, taking into account the following points.

- a. Impact of the allocation ratio of securities listed on the stock exchange on which market information has become difficult to obtain
- b. Whether or not there is a possibility of calculating the base value

4. Others

Even in the event of any event other than those set forth in 1 through 3 above, this shall not preclude taking the Acceptance Suspension Measure when the Management Company judges it necessary and appropriate to take the Acceptance Suspension Measure for the Fund in consideration of securing compliance with the

blind method, impact on the base value, etc.

V. Notification of Implementation of Measures, etc. to Sales Company

The Management Company shall inform the contact point of sales companies of the contents of each item described in the prescribed form as information necessary for implementation of measures, such as measures decided by the Special Measures Committee or measures decided by the Management Company, which have been communicated by the Association, and the name of the Fund that is subject to those measures, using the prescribed form or other method.

VI. Publication of Base Value on the Implementation Date of the Acceptance Suspension Measure

The Management Company shall calculate the base value on the day when the Acceptance Suspension Measure are implemented in accordance with the Rules of the Association, and shall publicize the base value in principle;

Provided, however, that in any of the following cases, the Management Company may refrain from disclosing the base value if the company considers it appropriate not to disclose the base value after conducting an examination from the viewpoint that disclosing the base value may cause misunderstanding for the investment decision of Investors.

- a. When the subject Exchange is closed for a long period of time
- b. When the market as a whole is disrupted by, for example, a limit-low or stop-high of indicative prices of many issues at the market, and this situation continues to exist

VII. Date of Implementation, etc.

1. These Guidelines shall come into effect from May 18, 2007, and the Association and its members shall establish internal systems such as communication systems as soon as possible after the implementation date.
2. The “Temporary Measures in Connection with the Suspension of Trading by the Tokyo Stock Exchange (Resolution of the Special Task Force dated January 19, 2006)” shall be repealed on May 18, 2007.

Supplementary Provision

The amendments shall come into effect on January 4, 2013.

Supplementary Provision

This amendment shall come into effect on July 15, 2021.

Basic Policy on Suspension of Acceptance of Application for Establishment or Cancellation of Investment
Trust in Case of Emergency

[Premise]

With regard to the implementation of measures to suspend the acceptance of applications for establishment or cancellation of investment trusts from investors or beneficiaries at the time of an emergency, regardless of the reason for such suspension, an investment trust management company shall decide whether or not to implement such measures and which investment trusts are to be implemented based on the provisions of individual investment trust contracts.

[Basic Concept]

When an investment trust management company takes any measure to suspend the acceptance of application for establishment or cancellation of an investment trust, the investment trust Management Company shall pay attention to the following points with regard to the same Investment Trust.

- Handling conditions shall not differ depending on sales companies.
 - There shall be no inequity between investors applying for establishment or cancellation and remaining beneficiaries.
 - The blind point of view shall be maintained.
- etc.

[Scope of Specific Exemption from Application]

Even if an investment trust management company has implemented any measure to suspend the acceptance of application for establishment or cancellation of an investment trust, basically from the above viewpoint, it is considered that the adverse effects of accepting the application for any of the following cases as an exception to such measures will be small.

In this case, however, it should be noted that the investment trust management company must share necessary information with sales companies regarding the terms and conditions, channels, etc. of the investment trust that will be an exception to the measure.

(Cases Considered to Have Few Adverse Effects)

- Establishment, cancellation, and replacement of a defined contribution pension plan
- Establishment of regular, fixed-amount purchase for cumulative investment contracts, accumulation investment contracts, etc.
- Establishment of distribution reinvestment
- Establishment and cancellation under variable pension insurance contracts

List of Funds for Which Establishment or Cancellation Has Been Suspended

Date: MM DD, YYYY

	Application date of the Acceptance Suspension Measure	Investment Trusts Association Code	ISIN Code	Fund Code (i)	Fund Code (ii)	Fund Code (iii)	Name of the Investment Trust Company	Official Fund Name	Abbreviations or Nicknames	Regular, Fixed-Amount Category	Distribution Reinvestment Category	DC Category	VA Category	Application date of the base value
Description	yyyy/mm/dd	8 digits		Nomura Research Institute	Daiwa Institute of Research	Others				If neither establishment nor cancellation is suspended, enter 1. If establishment only is not suspended, enter 2. If cancellation only is not suspended, enter 3	If nothing is suspended, enter 1.	If neither establishment nor cancellation is suspended, enter 1. If establishment only is not suspended, enter 2. If cancellation only is not suspended, enter 3	If nothing is suspended, enter 1.	1: On the day 2: On the next day 3: Two days later 4: Others
Required items	○	○	○	△	△	△	○	○	△	△	△	△	△	○
1														
2														
3														
4														
5														
6														

Precautions for description

1. Application date of Acceptance Suspension Measure

Enter the date. Required items. Enter the application date of the Acceptance Suspension Measure.

2. Investment Trusts Association Code

An eight digit number. Required items.

3. ISIN Code

12 digit alphanumeric characters. Required items.

4. Fund Code (i)

Optional Items. Left blank if not applicable. When Nomura Research Institute's system is used, the fund code for the system may be entered.

5. Fund Code (ii)

Optional Items. Left blank if not applicable. When Daiwa Institute of Research's system is used, the fund code for the system may be entered.

6. Fund Code (iii)

Optional Items. Left blank if not applicable. When any system other than the above fund codes (i) and (ii) is used, the fund code for the system may be entered.

7. Investment Trust Company

Required items. Enter the name of the investment trust company.

8. Official Fund Name

Required items. Enter the official name of the fund.

9. Abbreviations or Nicknames

Optional Items. Enter the fund's abbreviation or nickname.

10. Regular, Fixed-Amount Category

Optional Items. Enter 1-3 if applicable. Left blank if not applicable. If neither establishment nor cancellation is suspended for regular, fixed-amount installment deposit, enter 1.

If only establishment is suspended and cancellation is suspended for regular, fixed-amount installment deposit, enter 2.

If establishment is suspended and only cancellation is not suspended for regular, fixed-amount installment deposit, enter 3. In the case where operations including regular, fixed-amount installment deposit are suspended, and other cases, it is left blank.

11. Distribution Reinvestment Category

Optional Items. Enter 1 if applicable. Left blank if not applicable. If distribution reinvestment is not suspended, enter 1.

In the case where there is no category for distribution reinvestment, the case where operations including distribution reinvestment are suspended, or other cases, it is left blank.

12. DC Category

Optional Items. Enter 1 if applicable. Left blank if not applicable. Neither establishment nor cancellation is suspended, enter 1 for DC.

If only establishment is not suspended and cancellation is suspended for DC, enter 2. If establishment is suspended and only cancellation is not suspended for DC, enter 3.

In the case where there is no DC category, the case where operations including DC is suspended, or other cases, it is left blank.

13. VA Category

Optional Items. Enter 1 if applicable. Left blank if not applicable. If nothing is suspended for VA, enter 1.

In the case where there is no VA category, the case where operations including the VA category are suspended, or other cases, it is left blank.

14. Date on which the unit price is applied

Required items. If the application date of the base value is the day, enter 1. Enter 2 if the application date is the next day, or enter 3 if the application date is the day after next.

In the case where the application date is three days later, or the case where the application date of the base value is applied is different between establishment and cancellation, or other cases, enter 4.