

Rules for Operations of MMF, etc.

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Chapter 1: General Provisions

Article 1 Purpose

These Rules stipulate the matters concerning operation, valuation of incorporated assets and sales, etc., of money management funds (hereinafter referred to as “MMF”) and the bond investment trust prescribed in Article 25, Item 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Order of the Prime Minister’s Office No. 129, of 2000) (limited to those for which the accounting period is one day), which are acquired or held for an individual who is substantially a natural person and has beneficial interests for the purpose of paying or receiving money in the purchase and sale of Securities or in any other transactions between a Right Holder and a Financial Instruments Business Operator, etc. (hereinafter referred to as “MRF”) (Even if it has been acquired or held by corporations, any funds are included if an individual who is substantially a natural person makes investment judgement on acquirement/partial cancellation thereof.) The Rules aim to bring about a stable operation of MMF and MRF (hereinafter referred to as “MMF, etc.”), thereby protecting investors.

Chapter 2: Special Provisions for MMF

Article 2 MMF Investment Targets

1. Securities which MMF may invest in shall be the following securities:

- (1) National government bonds
- (2) Municipal bonds
- (3) Bonds issued by a corporation under special laws
- (4) Specified corporate bonds prescribed in the Act on the Securitization of Assets (Act No. 105 of 1998) (excluding specified corporate bonds with warrants for new preferred equity and convertible specified corporate bonds in cases where the Asset Securitization Plan does not stipulate that only the warrants for new preferred equity may be transferred.)
- (5) Corporate bonds (excluding corporate bonds with stock warrants, which are a combination of a warrant certificate and a corporate bond, and limited to corporate bonds with stock options, which are specified in

advance that assets stipulated in Article 236, Paragraph 1, Item 3 of the Companies Act (Act No. 86 of 2005) are the corporate bonds with said stock options and such corporate bonds stock options cannot exist independently (including corporate bonds with stock options stipulated in Article 341-3, Paragraph 1, Items 7 and 8 of the Old Commercial Code prior to the enforcement of the Companies Act), and convertible corporate bonds.)

- (6) Commercial Papers (hereinafter referred to as “CP”)
 - (7) Securities or certificates issued by foreign countries or foreign persons that have the characteristics of the securities described in above 6 items.
 - (8) Securities or certificates issued by foreign persons that indicate the beneficiary rights or similar rights of a trust that entrusts the loan claims held by persons engaged in banking business or persons otherwise who lends money as a business (hereinafter referred to as “Foreign Loan Trust Beneficiary Securities”)
 - (9) Certificates of Negotiable Deposit issued by a foreign corporation (hereinafter referred to as “Foreign CD”)
 - (10) Beneficial Interest of Monetary Claims Trust (among beneficiary certificates of trust issuing beneficiary certificates as stipulated in Article 2, Paragraph 1, Item 14 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the “FIEA”) and beneficiary rights of trust as stipulated in Article 2, Paragraph 2, Item 1 of the said Act, refer to a beneficial interest of a trust in which monetary claims of a bank, cooperative structured financial institution defined in Article 2, Paragraph 1 of the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions (Act No. 44 of 1993), and financial institutions listed in the items of Article 1-9 of the Order for Enforcement of the FIEA (Order No. 321 of 1965), or a trust company is entrusted (limited to a trust in which the beneficiary at the time of conclusion of the contract for the trust is the settlor), and securities or certificates issued by foreign countries or foreign persons which have the same characteristics, or which have the same characteristics of rights to foreign persons.)
 - (11) Designated money trust (meaning the beneficiary rights of a money trust with a contract to replenish the principal as stipulated in Article 22, Paragraph 1, Item 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations and with the characteristics of beneficiary certificates of a trust issuing beneficiary certificates as stipulated in Article 2, Paragraph 1, Item 14 of the FIEA or the characteristics of beneficiary rights of a trust as stipulated in Paragraph 2, Item 1 of the same article ; the same shall apply hereinafter)
2. In addition to the securities stipulated in the preceding paragraph, the assets which the MMF may invest in shall be the following assets (hereinafter referred to as “Financial Instruments”):
- (1) Deposits
 - (2) Call Loans
 - (3) Bills to be sold in the bill discount market (hereinafter referred to as “Discounted Bills.”)
3. Transactions for which investment instructions may be given on MMF shall be as follows:
- (1) Loans of securities
 - (2) Bond lending transactions
 - (3) Repurchase agreement

- (4) Borrowing of funds (limited to borrowing of funds for payment of cancellation fees or payment of distributions)
 - (5) Derivative Transactions, etc., stipulated in Article 18, Paragraph 1 of the Rules on Management of Investment Trusts, etc. (limited to cases where such transactions are used for the purpose of hedging)
4. Borrowing of funds specified in Item 4 of the preceding paragraph shall be allowed to be made within the maximum amount, etc. stipulated in the By-laws.

* Article 2 of the By-laws

Article 3 Scope of Incorporated Securities, etc.

1. The scope of securities which MMF may incorporate shall be the following securities among the securities stipulated in Paragraph 1 of the preceding article:
 - (1) Japanese government bonds, government guaranteed bonds and bonds issued by the Bank of Japan (hereinafter referred to as “Government Bonds, etc.”)
 - (2) Securities other than the securities stipulated in the preceding item which at the time of acquisition have received short-term credit ratings equal to or higher than P-2 or A-2 or long-term credit ratings equal to or higher than BBB Flat or Baa2 from two or more credit rating agencies, etc. (meaning the credit rating agencies stipulated in Article 2, Paragraph 36 of the FIEA and specified affiliated corporations stipulated in Article 116-3, Paragraph 2 of the Cabinet Office Ordinance on Financial Instruments Business, etc. The same shall apply hereinafter.)
 - (3) Among securities other than those stipulated in the preceding two items for which credit ratings have been obtained from only one credit rating agency, etc., or for which credit ratings have not been obtained from any credit rating agency, etc., which the investment trust management company (meaning the investment trust management company stipulated in Article 2, Paragraph 11 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951) and hereinafter referred to as the “Management Company”) have deemed as having the same creditworthiness as those specified in the previous item based on the financial condition of the issuer at the time of acquisition.
2. The scope of Financial Instruments which MMF may incorporate shall be the following Financial Instruments among the Financial Instruments stipulated in Paragraph 2 of the preceding article:
 - (1) Financial Instruments stipulated in each item of Paragraph 2 of the preceding article collateralized with securities stipulated in Item 1 of the preceding paragraph or those guaranteed by the Japanese government or the Bank of Japan.
 - (2) Financial Instruments other than those specified in the preceding item that fall under any of the following sub-items:
 - (a) Those with short-term credit ratings equal to or higher than P-2 or A-2 or long-term credit ratings equal to or higher than BBB Flat or Baa2 from two or more credit rating agencies, etc., at the time of acquisition.
 - (b) Among the Financial Instruments other than those stipulated in sub-item (a) those which have obtained credit ratings from only one credit rating agency, etc., or for which credit ratings have not been obtained from a credit rating agency, etc., which the Management Company have deemed as

having the same creditworthiness as those specified in sub-item (a), based on the financial condition of the issuer at the time of acquisition.

Article 4 Scope of Transactions That Can Receive Investment Instructions

The transactions stipulated in Article 2, Paragraph 3 shall be conducted within the scope of business partners or transactions stipulated in the respective items: However, this shall not apply to transactions secured by Japanese Government Bonds, etc., or transactions guaranteed by the government or the Bank of Japan.

(1) Loans of securities shall be made to persons who fall under any of the following:

(a) Those who have received short-term credit ratings equal to or higher than P-2 or A-2 or long-term credit ratings equal to or higher than BBB Flat or Baa2 by two or more credit rating agencies, etc.

(b) Those who have received credit ratings from only one credit rating agency, etc. or who have not received credit ratings from credit rating agencies, etc., and which the Management Company have deemed as having the same creditworthiness as those specified in sub-item (a), based on the financial condition of the issuer at the time of acquisition.

(2) For bond lending transactions, the bonds subject to such transactions fall under any of the securities stipulated in Paragraph 1 of the preceding article or transactions with a person who falls under either sub-item (a) or sub-item (b) stipulated in the preceding item.

(3) A repurchase agreement is one in which the securities or Financial Instruments subject to such transactions fall under any of the securities or Financial Instruments stipulated in Paragraph 1 or 2 of the preceding article, or transactions with a person who falls under either sub-item (a) or sub-item (b) stipulated in Item 1.

Article 4-2 Considerations regarding Rating Criteria

Considering that the rating criteria stipulated in the preceding two articles and the ratings of assets held in accordance with these provisions are only a portion of the factors for determining the creditworthiness of the subject of the rating, the credit rating agency shall refrain from making any mechanical use thereof and shall appropriately manage the creditworthiness and other matters in-house, taking into consideration of comprehensive factors including factors other than the ratings.

Article 5 Remaining Maturity of Incorporated Assets

The period from the date of delivery to the date of redemption or maturity (hereinafter referred to as “Remaining Maturity”) for any assets incorporated into MMF shall not exceed one year.

Article 6 Investment Restrictions

1. Securities issued by the same corporation, etc. (meaning securities stipulated in Article 3, Paragraph 1 (excluding securities stipulated in Item 1) and Financial Instruments stipulated in Paragraph 2 of the same article (excluding Financial Instruments stipulated in Item 1); hereinafter the same shall apply in this article) Alternatively, investment in securities, etc., handled shall be within the scope of the following amounts:

(1) Among securities, etc. which have received short-term credit ratings equal to or higher than P-1 or A-1 or

long-term credit ratings equal to or higher than A3 or A- from two or more credit rating agencies, or which have not received credit ratings from credit rating agencies, etc., the securities etc., which the Management Company have deemed to have the same creditworthiness as the said credit ratings shall be within 5% of the total net assets of such investment trust property (hereinafter referred to as the “Total Net Assets”) at the time of acquisition of such securities, etc.

- (2) The amount of securities, etc. other than those stipulated in the preceding item shall be within 1% of the Total Net Assets at the time of acquisition of such securities, etc.
2. Of the securities, etc., stipulated in Item 1 of the preceding paragraph, investment in securities, etc. issued by the same bank shall be within 10% of the Total Net Assets at the time of acquisition, notwithstanding the provisions of Item 1 of the preceding paragraph. Provided, that the amount of securities, etc., other than CP, short-term company bonds, etc., (meaning short-term company bonds as stipulated in Article 66, Item 1 of the Act on Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001), short-term company bonds as stipulated in Article 61-10, Paragraph 1 of the Insurance Business Act, specified short-term company bonds as stipulated in Article 2, Paragraph 8 of the Act on Securitization of Assets, short-term bonds as stipulated in Article 54-4, Paragraph 1 of the Shinkin Bank Act, short-term agricultural and forestry bonds stipulated in Article 62-2, Paragraph 1 of the Norinchukin Bank Act, and short-term foreign bonds stipulated in Article 38, Paragraph 2 of the Order on Supervision of General Transfer Agencies), CD, call loans, Discounted Bills and deposits shall be within 5% of the Total Net Assets.
3. The total amount of investment in securities, etc. as stipulated in Paragraph 1, Item 2 shall be within 10% of the Total Net Assets at the time of acquisition of such securities, etc.
- 4 Notwithstanding the provisions of Paragraphs 1 through 3, the total amount incorporated for the same trading partner shall be no more than 25% of the Total Net Assets for call loans with a trading period of no more than five business days (excluding call transactions secured by Government Bonds, etc.)
5. Assets which may be incorporated in the investment trust property shall be limited to those which are contracted and settled in Japanese Yen.
6. The Management Company shall not incorporate bonds for which market value is not available.
7. The Management Company shall not incorporate securitization related products and structured bonds, etc. for which redemption amount, etc. is uncertain at the time of acquisition, as specified in the By-laws.

* Article 3 of the By-laws

Article 7 Average Remaining Maturity of Incorporated Assets

The average Remaining Maturity of the WAL method for the assets incorporated in the MMF (the period calculated in accordance with the By-laws.) shall not exceed 90 days.

However, the average Remaining Maturity for the WAM method (the period calculated in accordance with the By-laws) shall not exceed 60 days.

* Article 4, Article 4-2 of the By-laws

* Committee Resolution 1

Article 8 Deleted

Article 9 Deleted

Article 10 Deleted

Article 11 Deleted

Article 12 Deleted

Article 13 Valuation of Incorporated Bonds, etc.

1. As a general rule, the value of incorporated bonds shall be valued based on the market value, and the market value shall be the value adopted from one of the following values by the Management Company for each issue of the incorporated bond.

(1) Reference statistics (average value) for OTC trading published by the Japan Securities Dealers Association.

(2) Financial Instruments Business Operator, etc. (Type I Financial Instruments Business Operator (meaning a person engaged in financial instruments business as stipulated in Article 28, Paragraph 1 of the FIEA; the same shall apply hereinafter) and a person who resembles a corporation established in accordance with foreign laws and regulations (excluding the selling price) presented by banks, etc.)

(3) Value provided by price information companies

2. Other securities, etc. shall be valued according to the Rules Concerning Valuation and Accounting of Investment Trust Properties.

Article 14 Valuation by Amortized Cost Method

1. The following bonds may be valued using the amortized cost method:

(1) The following bonds with Remaining Maturity of not more than one year:

(a) Government Bonds, etc.

(b) Bonds with short-term credit ratings equal to or higher than A-2 or P-2 or long-term credit ratings equal to or higher than A3 or A- obtained from credit rating agencies, etc.

(c) Those which the Management Company have deemed to have the same creditworthiness as that stipulated in sub-item (b) based on the financial condition of the issuer.

2. The amortized cost method stipulated in the preceding paragraph shall, assuming the book value obtained on the day that the bond purchase was entered or the one obtained on the previous date of the previous year's corresponding date of the resumption day (If the corresponding date falls on public holidays, the business date after the holiday) as the acquisition values, values the bonds by calculating the difference between the book value and redemption value (As for discounted bonds, the price including tax (The price including the amount of taxes withheld to the nominal value.) ;the same shall apply hereinafter in Article 27) and prorate the difference on a daily basis through the duration and adding or subtracting the prorated difference on the book value.

The added or subtracted value shall be included in trading profit or loss.

3. In the event that there is a substantial discrepancy between the market value and the appraised value of bonds valued by the amortized cost method due to the reduction in the rating, etc., and if the total amount of discrepancy between the market value and the appraised value exceeds 25 basis points of the Total Net Assets, such discrepancy shall be reported to the Board of Directors, etc. of the Management Company. In addition, if the total amount of such discrepancy exceeds 50 basis points of the Total Net Assets, the Management Company shall, in consultation with the audit corporation or a certified accountant, start appropriate measures and report it to the supervisory authorities.

Article 15 Matters Regarding Sales

1. The Management Company shall consult with the companies selling such investment trusts, such as Type I Financial Instruments Business Operators and registered financial institutions, etc. (hereinafter referred to as the “Sales Company”) and strive to observe the following matters:
 - (1) Strive to sell MMF mainly to individual investors.
 - (2) At the time of selling to large volume applicants, the company shall fully explain the importance of funds management for MMF, and shall receive notice from the vendors no less than four business days prior to the contract date of any cancellation exceeding a certain amount when handling cancellation requests from large volume customers.
 - (3) The Management Company shall appropriately manage funds in cooperation with the Sales Company according to the liquidity needs of the beneficiary.
2. The Management Company shall determine the daily cancellation acceptance limit of the customer and the fixed amount specified in Item 2 of the preceding paragraph in consultation with the Sales Company.

Article 16 Matters regarding Disclosure

1. The Management Company shall prepare investment reports on MMF based on the Rules for investment reports, etc., for investment trusts and investment corporations (hereinafter referred to as the “Rules for Investment Management Reports”). In this case, the Management Company shall disclose such matters in an easy-to-understand and careful manner as much as possible in such ways as indicating unclear issues for structured bonds.
2. The Management Company shall prepare a monthly report based on the Rules for Investment Management Reports at least once a month and make it available to the beneficiaries by any of the following methods:
 - (1) Posting on the website of the said Management Company
 - (2) Storefront of the Sales Company

* Article 13 of the Rules for Investment Management Reports

Article 16-2 Matters regarding Liquidity

For the purpose of securing liquidity in the operation of MMF, the Management Company shall hold no less than 30% of the Total Net Assets of such MMF with respect to Japanese government bonds, government guaranteed bonds with a Remaining Maturity of not more than 60 days, credits issued by the Bank of Japan and

other investment target assets with maturity of not more than five business days, and shall confirm the contents of such investment target assets within approximately five business days.

Article 16-3 Matters to Be Stated concerning Partial Cancellation in Basic Terms and Conditions of Investment Trust

In order to respond to sudden changes in the market in the operation of MMF, etc., the Management Company shall state matters concerning “partial cancellation of investment trust contract” in the investment trust contract of MMF by referring to the following words:

“When there are other unavoidable circumstances such as suspension of transactions in the financial instruments exchange (meaning the market where the purchase and sale of securities or transactions under Article 28, Paragraph 8, Item 3 or Item 5 of the Financial Instruments and Exchange Act are conducted and in which such market is established among the financial instruments exchanges as stipulated in Article 2, Paragraph 16 of the Financial Instruments and Exchange Act, and the foreign financial instruments markets stipulated in Article 2, Paragraph 8, Item 3 (b) of the Financial Instruments and Exchange Act), the settlor may suspend the acceptance of the request under Paragraph ○ (and may cancel any claims already accepted). ”

The above “other unavoidable circumstances” shall include cases where the fairness cannot be guaranteed for the beneficiary due to suspension of the settlement function, unexpected cancellation, etc.

Article 16-4 Conducting Stress Tests, etc.

The Management Company shall conduct stress tests at a frequency of once every quarter, and if any specific vulnerability (credit risk, market risk, liquidity risk, etc.) is discovered as a result of the stress test, take appropriate measures such as implementing measures to eliminate such vulnerability.

Article 17 Establishment of Internal Rules

1. The Management Company shall establish guidelines for the following matters and appropriately respond thereto:
 - (1) Guidelines in the case where the Management Company deems to have the same creditworthiness as the securities defined in Article 3, Paragraph 1, Item 2, which is stipulated in Item 3 of the same paragraph, and where the Management Company deems to have the same creditworthiness as the Financial Instruments defined in Article 3, Paragraph 2, Item 2 (a), which is stipulated in Item 2 (b) of the same paragraph
 - (2) Guidelines for cases where the rating criteria stipulated in Article 3 are no longer met
 - (3) Guidelines for when a significant discrepancy as stipulated in Article 14, Paragraph 3 is determined
2. When creating the guidelines stipulated in Item 1 of the preceding paragraph, the Management Company shall stipulate the guidelines separately for each type of asset category.
3. In the event that the Management Company has established guidelines based on the provisions of Paragraph 1, it shall notify the Association of such guidelines.

Article 18 Miscellaneous Provisions

1. In the event of an urgent situation regarding MMF which is not stipulated in Chapter 2, measures shall be taken by a resolution of the Self-regulation Committee each time.
2. In the event that there are circumstances that temporarily make it difficult to comply with the provisions of Chapter 2 due to handling of payment to customers, the Management Company shall notify the Association to that effect and shall respond after receiving confirmation from the Association.

Chapter 3: Special Provisions for MRF

Article 19 MRF Investment Targets, etc.

1. The securities which MRF may invest in shall be those listed below:
 - (1) National government bonds
 - (2) Municipal bonds
 - (3) Bonds issued by a corporation under special laws
 - (4) Specified corporate bonds stipulated in the Act on Securitization of Assets (excluding specified corporate bonds with subscription rights for new preferred equity and convertible specified corporate bonds in cases where the Asset Securitization Plan does not stipulate that only the subscription rights for new preferred equity may be transferred.)
 - (5) Corporate bonds (excluding corporate bonds with stock subscription rights which are a combination of stock subscription rights securities and corporate bonds, corporate bonds with stock options, and convertible corporate bonds.)
 - (6) CP
 - (7) Securities issued by a foreign country or foreign corporation which have the characteristics of the securities stipulated in Item 6 above.
 - (8) Foreign Loan Trust Beneficiary Securities
 - (9) Foreign CD
 - (10) Loan trust beneficiary rights
 - (11) Designated money trusts
2. The provisions of Article 2, Paragraph 2 shall apply mutatis mutandis to the Financial Instruments in which MRF may invest. In this case, the term “MMF” in the same paragraph shall be replaced with “MRF.”
3. The transactions for which investment instructions may be given on MRF shall be as follows:
 - (1) Loans of securities
 - (2) Bond lending transactions
 - (3) Repurchase agreement
 - (4) Borrowing of funds
4. The borrowing of funds as stipulated in Item 4 of the preceding paragraph shall be allowed within the maximum amount specified by the By-laws.

* Article 2 of the By-laws

Article 20 Scope of Securities, etc. to Be Incorporated

1. The scope of securities that can be incorporated into MRF shall be the following securities among the securities stipulated in Paragraph 1 of the preceding article:
 - (1) Japanese government bonds, government guaranteed bonds and bonds issued by the Bank of Japan
 - (2) Securities other than those stipulated in the preceding item, which have received long-term credit ratings equal to or higher than A- or short-term credit ratings equal to or higher than A-2 from one or more credit rating agencies, etc.
 - (3) Among securities other than the securities stipulated in the preceding two items which have not received credit ratings from credit rating agencies, etc., those which the Management Company have deemed to have the same creditworthiness as those specified in the preceding item based on the financial condition of the issuer.
2. The scope of Financial Instruments which MRF may incorporate shall be the following Financial Instruments among the ones prescribed in Article 2, Paragraph 2 as applied mutatis mutandis pursuant to Paragraph 2 of the preceding article:
 - (1) Financial Instruments stipulated in each item of Article 2, Paragraph 2, that have been deposited with collateral or any other assets from the other party to the transaction.
 - (2) Financial Instruments other than those specified in the preceding item that fall under any of the following sub-items:
 - (a) Those with long-term credit ratings equal to or higher than A- or short-term credit ratings equal to or higher than A-2 from one or more credit rating agencies, etc.
 - (b) Among securities which have not received a credit rating from credit rating agencies, etc., but those which the Management Company has deemed to have the same creditworthiness as those specified in sub-item (a) based on the financial condition, etc. of the issuer.

Article 21 Scope of Transactions That Can Receive Investment Instructions

The transactions stipulated in Article 19, Paragraph 3 shall be conducted within the scope of the following business partners or transactions:

- (1) Loans of securities shall be made to persons who fall under any of the following:
 - (a) Those with long-term credit ratings equal to or higher than A- or short-term credit ratings equal to or higher than A-2 from one or more credit rating agencies, etc.
 - (b) Those who have not received a credit rating from credit rating agencies, etc., but who are recognized by the Management Company as having the same creditworthiness as the persons specified in sub-item (a) based on their financial condition thereof
- (2) In bond lending transactions, the bond certificate subject to such transactions shall fall under any of the securities stipulated in Article 20, Paragraph 1.
- (3) As for the repurchase agreement, the securities and Financial Instruments subject to such transactions fall under any of the securities or Financial Instruments stipulated in Article 20, Paragraph 1 or 2.

Article 21-2 Considerations regarding Rating Criteria

Considering that the rating criteria stipulated in the preceding two articles and the ratings of assets held in

accordance with these provisions are only a part of the factors for determining the creditworthiness of the subject of the rating, the credit rating agencies shall refrain from making any mechanical use thereof and shall appropriately manage the creditworthiness and other matters in-house, taking into consideration comprehensive factors including factors other than credit ratings.

Article 22 Investment Restrictions

1. Among Securities, etc. (meaning securities as stipulated in Article 20, Paragraph 1 (including bonds subject to repurchase agreement and loaned bond pertaining to bond lending transactions) and Financial Instruments stipulated in Paragraph 2 of the same article (including Financial Instruments subject to repurchase agreement.)); hereinafter the same shall apply in this article), the amount of investment in securities, etc. other than those with long-term credit ratings equal to or higher than AA- or short-term credit ratings equal to or higher than A-1 from two or more credit rating agencies, etc., and those that have not received credit ratings from credit rating agencies, etc., but deemed by the Management Company as having the same creditworthiness, shall be within 5% of the Total Net Assets.
2. The total amount of investment in Securities, etc. issued or handled by the same corporation, etc. shall be within the following amounts:
 - (1) The amount of securities with long-term credit ratings equal to or higher than AA- or short-term credit ratings equal to or higher than A-1 from two or more credit rating agencies, etc., or of those that have not received credit ratings from credit rating agencies, etc., but deemed by the Management Company as having the same creditworthiness shall be within 5% of the Total Net Assets.
 - (2) The amount of Securities, etc. other than those stipulated in the preceding item shall be within 1% of the Total Net Assets.
3. The provisions of the preceding two paragraphs shall not apply to securities stipulated in Article 20, Paragraph 1, Item 1.
4. Notwithstanding the provisions of Paragraphs 1 and 2, the provisions of Article 6, Paragraph 4 shall apply to call loans with a transaction period of five business days or less. However, Paragraph 1 and Paragraph 2 shall not apply to a call loan with a transaction period of five business days or less and for which collateral or other assets have been deposited by the other party to the transaction.
5. Assets which may be incorporated in the investment trust property shall be limited to those which are contracted and settled in Japanese yen.
6. No instruction shall be made on investment in securities issued through private placements (meaning private placements as stipulated in Article 2, Paragraph 3 of the FIEA.) (excluding short-term corporate bonds, etc. (meaning short-term corporate bonds as stipulated in Article 66, Item 1 of the Act on Transfer of Company Bonds, Shares, etc., short-term corporate bonds as stipulated in Article 61-10, Paragraph 1 of the Insurance Business Act, specified short-term corporate bonds as stipulated in Article 2, Paragraph 8 of the Act on Securitization of Assets, short-term bonds as stipulated in Article 54-4, Paragraph 1 of the Shinkin Bank Act, short-term agricultural and forestry bonds as stipulated in Article 62-2, Paragraph 1 of the Norinchukin Bank Act, and short-term foreign bonds as stipulated in Article 38, Paragraph 2 of the Order on Supervision of General Transfer Agencies.)), in securitization related products and structured bonds, etc. whose redemption

amount, etc., is uncertain at the time of acquisition, as stipulated in the By-laws, and on investment management through derivatives such as futures contract involving securities and financial futures trading, etc.

7. No short sale of bonds by the investment trust property shall be made.

Article 23 Remaining Maturity of Assets Incorporated in the Investment Trust Property

1. The Remaining Maturity of single Securities, etc., (excluding deposits (other than CD)) to be incorporated in the Investment Trust Property shall not exceed one year.
2. The Remaining Maturity of Securities, etc., concerning repurchase transactions or the transaction period of repurchase transactions and bond lending transactions shall not exceed one year.

Article 24 Average Remaining Maturity of Assets Incorporated in the Investment Trust

The provisions of Article 7 shall apply mutatis mutandis to the average Remaining Maturity of the MRF.

* Article 4, Article 4-2 of the By-laws

* Committee Resolution 1

Article 25 Other Restrictions

The period from the contract date (meaning the date the investment trust property is recorded) for the acquisition of securities to the delivery date shall not exceed 10 business days.

Article 26 Adjustments When the Investment Limit Ratio Is Exceeded

In the event the ratio specified in Article 22, Paragraph 1 and Paragraph 2, Items 1 and 2 is exceeded due to unavoidable circumstances, the Management Company shall make adjustments so that the ratio is brought within the scope of percentage within five business days including the business day on which the ratio is exceeded.

Article 27 Valuation of Bonds, etc. Incorporated into MRF

1. The provisions of Article 13, Article 14, Paragraphs 1 and 3 shall apply mutatis mutandis in this article.
2. The amortized cost method stipulated in Article 14, Paragraphs 1 and 3 as applied mutatis mutandis in the preceding paragraph shall value the bonds incorporated into MRF by calculating the difference between the acquisition price and the redemption price from the purchase settlement date and the day before the redemption date of the MRF incorporated the bonds, and prorating the difference on a daily basis through the duration, adding or subtracting the prorated price on or from the book value on a daily basis. The book value shall be used to value between acquisition date and the day before settlement date.
- 3 The CP incorporated by the MRF shall be valued at acquisition cost regardless of the provisions of the preceding paragraph, and the discount fee for the CP shall be recorded daily as interest income.

Article 27-2 Matters Regarding Sales

The Management Company shall appropriately manage funds in cooperation with the Sales Company

according to the liquidity needs of the beneficiary.

Article 27-3 Matters regarding Disclosure

The provisions of Article 16, Paragraph 2 shall apply mutatis mutandis to the monthly disclosure of the MRF.

Article 27-4 Matters regarding Liquidity

The provisions of Article 16-2 shall apply mutatis mutandis to matters regarding the liquidity of the MRF. In this case, the term “MMF” in the same article shall be replaced with “MRF”.

Article 27-5 Matters to Be Stated concerning Partial Cancellation in Basic Terms and Conditions of Investment Trust

The provisions of Article 16-3 shall apply mutatis mutandis to matters regarding partial cancellation as described in the investment trust contracts of the MRF. In this case, the term “MMF” in the same article shall be replaced with “MRF”.

Article 27-6 Conducting Stress Tests, etc.

The provisions of Article 16-4 shall apply mutatis mutandis to the implementation of MRF stress tests, etc.

Chapter 4: Miscellaneous Provisions

Article 28 By-laws

Necessary matters for the enforcement of these Rules shall be stipulated in the By-laws.

Article 29 Others

Any matters regarding the operation of MMF, etc. not stipulated for in these Rules (excluding those provided for in Article 18.) may be stipulated by a resolution of the Board of Directors.

Article 30 Delegation to Competent Committee

1. The Board of Directors shall be entitled to delegate to the Self-regulation Committee the authority to amend any By-laws relating to these Rules.
2. The Self-regulation Committee shall promptly report to the Board of Directors any decision(s) made (limited to those deemed necessary by the Board of Directors) concerning any delegated matters.

Supplementary Provisions

1. These Rules shall come into effect on April 1, 2004.
2. With regard to the application of provisory clause of the supplementary provisions 1 of the former council

resolution “Management of MMFs, etc.”, the provisions then in force shall remain applicable.

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on May 24, 2006.

Supplementary Provision

This amendment shall come into effect on June 19, 2006.

Supplementary Provisions

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

However, the revised Article 27-2 shall apply from the new accounting period to be started after the implementation date.

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provision

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

Supplementary Provisions

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

However, short-term commercial and industrial bonds stipulated in Article 38 of the Supplementary Provisions of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007) shall be deemed to be short term corporate bonds, etc. stipulated in Article 9, Item 18.

Supplementary Provision

This amendment shall come into effect on January 1, 2011.

Supplementary Provision

This amendment shall come into effect on January 4, 2013.

Supplementary Provisions

This amendment shall come into effect on December 1, 2016.

However, the amended Article 1 shall come into effect on December 1, 2017.

* The amended provisions are as follows:

(1) Amendment

Article 1; Article 2, Paragraph 1, Item 11; Article 7; Article 14, Paragraph 3; Former Article 17, Paragraph 1, Item 3; Article 19, Paragraph 1, Item 4;

Article 22, Paragraphs 3 and 4 and Article 24.

(2) Newly established Articles

Article 4-2; Article 15, Paragraph 1, Item 3; Article 16-2; Article 16-3; Article 16-4; Article 21-2;

Article 27, Paragraph 1 (Former Paragraphs 1 and 2 have been deferred); Article 27-2 (Former Article 27-2 has been deferred), Article 27-4; Article 27-5; Article 27-6

(3) Deleted

Article 5, Paragraph 2; Article 6, Paragraph 4 (former Paragraphs 5 through 8 have been moved forward); Articles 8, 9, 10, and 11;

Article 12; Article 14, Paragraph 1, Item 2; Article 17, Paragraph 1, Item 2 (former Items 3 and 4 have been moved forward)