

Rules on Full Members' Business Operations, etc.

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Revised on September 19, 2008
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Article 1. Purpose

The purpose of these Rules is to provide for matters necessary for proper business operations, etc. pertaining to investment trusts and investment corporations, etc. of Full Members (meaning a Full Member as defined in Article 7, Paragraph 1, Item 1 of the Articles of Incorporation; the same shall apply hereinafter.)

Article 2. Exercise of Voting Rights

1. The investment trust management member companies, etc. (meaning the investment trust management company as defined in Article 2, Paragraph 11 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951) (hereinafter referred to as the "Investment Trust Management Member Companies") and the Full Members who are asset management companies as defined in Paragraph 21 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter) shall give instructions as to the exercise of voting rights pertaining to shares held as investment trust property as set forth in the following items:

- (1) Instructions to exercise voting rights pertaining to shares held as investment trust property by investment trust management member companies, etc. shall be given in writing. However, this shall not apply to cases where the investment trust management member companies, etc. previously enter into terms of use, etc. with the operating organization (meaning the organization operating the system for exercising voting rights by electromagnetic means) and the trustee company, and exercise voting rights by electromagnetic means.
- (2) The investment trust management member companies, etc. shall clearly indicate to the trustee the following declarations of intent with respect to each proposal stated in the notice to convene a general meeting of shareholders:
 - (a) To be in favor of the proposal;
 - (b) To be opposed to the proposal;
 - (c) To give an Investment Trust Management Company unconditional authority as an agent; or
 - (d) To abstain from voting.

2. The investment trust management member companies, etc. shall establish provisions concerning the basic concept of exercising voting rights and authority for decision making, etc. prescribed in the preceding paragraph.

3. The investment trust management member companies, etc. shall give instructions for the exercise of voting rights pertaining to foreign shares held as investment trust property in accordance with the circumstances of the relevant country.

Article 3. Prohibited Acts for Officers and Employees

A Full Member must prevent any person who is an officer or employee of the Full Member from using their position in the course of duties to sell or purchase securities based on trends in the management of the trust property, etc. or important non-public information pertaining to issuing companies obtained in connection with their business, or other special information obtained in the course of their duties, or solely for the purpose of pursuing speculative profits.

Article 4. Measures to Be Taken Against Offenders

1. If any officers or employees of a Full Member commits any of the acts listed in the preceding article, such Full Member shall take strict measures against the relevant person who commits such act.
2. If a Full Member has taken the measures prescribed in the preceding paragraph, such Full Member shall submit a written report to the Association that describes the entirety of the act and measures taken.

Article 5. Development of Insider Trading Control Systems

1. To prevent insider trading, Full Members shall endeavor to develop insider trading control systems, such as establishing internal rules for the management of unpublished, important information pertaining to the issuing company which has been acquired by the officers or employees of a Full Member in connection with their business.
2. The internal rules provided in the preceding paragraph shall be as set forth by the Self-Regulation Committee.

* Committee Resolution 1

Article 5-2. Development of an Internal System for Determining Distributions

1. Investment Trust Management Member Companies shall develop an operation manual, etc. that contains the matters listed below in order to conduct distribution in accordance with the distribution policy, such as determining distribution amounts based on a conservative assessment of the source of distribution and remaining capacity of distribution, for investment trusts premised on stable and continuous distribution (meaning Monthly Distribution Type Investment Trusts and Bimonthly Distribution Type Investment Trusts (those with monthly and bimonthly settlement frequency)).
 - (1) Process to determine distributions;
 - (2) Matters to be considered in the review of distributions; and
 - (3) Basic concept for determining distributions.
2. Investment Trust Management Member Companies shall endeavor to ensure the rigorous implementation of operations based on the operation manuals, etc., provided in the preceding paragraph.
3. The development, etc. of the operation manual, etc. and thorough implementation of operations based

thereon set forth in the preceding two paragraphs shall be as determined by the Self-Regulation Committee.

* Committee Resolution 2

Article 6. Acquisition or Disposition of Beneficiary Certificates of Investment Trusts or Investment Securities of Investment Corporations for Which Management, etc. Is Conducted by a Full Member

1. A Full Member shall not acquire or dispose of (hereinafter referred to as “Acquisition, etc.”) beneficiary certificates of an investment trust or investment securities of an investment corporation which the Full Member conducts management, etc. of as their own assets (hereinafter referred to as “Investment Trust Beneficiary Certificates Issued In-House, etc.”)
2. The provisions of the preceding paragraph shall not apply to cases where a Full Member makes Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc. (excluding REIT, etc. as defined in Article 3, Paragraph 1 of the Rules on Real Estate Investment Trusts and Real Estate Investment Corporations and beneficiary certificates of Infrastructure Investment Trusts, etc. or investment securities as defined in Article 3, Paragraph 3 of the Rules on Infrastructure Investment Trusts and Infrastructure Investment Corporations; the same shall apply in Article 6-2) necessary for ordinary operations such as temporary Acquisition, etc. associated with the settlement of accidents.

Article 6-2. Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc. Except for REIT, etc. and Infrastructure Investment Trusts, etc.

1. Notwithstanding the provision of Paragraph 1 of the preceding article, a Full Member may conduct Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc. that falls under any of the following items:
 - (1) Acquisition, etc. at the time of initial establishment or initial operation;
 - (2) Acquisition, etc. to adequately maintain product attributes; or
 - (3) Acquisition, etc. for management of company assets.
2. The Acquisition, etc., to adequately maintain product attributes as set forth in Item 2 of the preceding paragraph shall be as follows:
 - (1) Acquisition, etc. of an investment trust, etc. to aim for investment performance linked to a specific stock price index, etc. (meaning index fund) to the extent necessary to maintain a portfolio distinctive to such investment trust;
 - (2) Acquisition, etc. to the extent necessary in an investment trust group comprised of several investment trusts in which conducting switchover between the investment trusts that comprise the investment trust group is permitted when there is a risk of not being able to maintain the operation of the investment trust group due to decrease in the balance of the specific investment trust; and
 - (3) Any other Acquisition, etc., which is deemed necessary by the Board of Directors to maintain the product attributes of the investment trust.

Article 6-3 Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc. That Are REIT, etc. and Infrastructure Investment Trusts, etc.

1. Notwithstanding the provision of Paragraph 1 of Article 6, a Full Member may conduct Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc., that are REIT, etc. and Infrastructure Investment Trusts, etc., if the conditions of the following items are satisfied:
 - (1) The Investment Trust Beneficiary Certificates Issued In-House, etc. are beneficiary certificates and investment securities of REIT, etc. and Infrastructure Investment Trusts, etc.;
 - (2) Internal procedures for Acquisition, etc. are stipulated in the internal rules beforehand;
 - (3) The company's Board of Directors has resolved the matters to be stipulated in the By-laws regarding the implementation of Acquisition, etc.; and
 - (4) The Acquisition, etc. satisfies the requirements set forth in the By-laws.
2. When a resolution of the Board of Directors set forth in Item (3) of the preceding paragraph is made, a Full Member shall promptly publicize the matters provided for in the By-laws.
3. In the event that a Full Member conducts Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc., that are REIT, etc. and Infrastructure Investment Trusts, etc. in accordance with the resolution of the Board of Directors set forth in Paragraph 1, Item 3, such Full Member must promptly publicize the matters set forth in the By-laws.

*Articles 2 and 3 of the By-laws

Article 6-4. Conducting Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc. That Are REIT, etc. and Infrastructure Investment Trusts, etc.

1. A Full Member shall not conduct Acquisition, etc., until the day on which 5 days have passed from the day of the resolution of the Board of Directors provided in Paragraph 1, Item 3 of the preceding article.
2. Notwithstanding the provision of the preceding paragraph, in the event that a Full Member is expected to publicize any important facts which may have a material impact on the acquisition price or investment decision of investors with regard to REIT, etc., and Infrastructure Investment Trusts, etc., such Full Member shall not conduct Acquisition, etc. until 7 days have passed from the day of publication of such fact.
3. If a Full Member becomes unable to conduct an Acquisition, etc. resolved by the Board of Directors pursuant to the provision in the preceding paragraph, such Full Member must conduct Acquisition, etc. after a resolution is made at the Board of Directors as provided in Article 6-3, Paragraph 1, Item 3 for a second time, except for cases where the Board of Directors has made a resolution to respond to such situation in advance.

Article 6-5. Disclosure in the Case of Acquisition, etc. of Investment Trust Beneficiary Certificates Issued In-House, etc.

When a Full Member has made any Acquisition, etc., as set forth in Article 6-2 or Article 6-3, such Full Member shall make disclosures in the investment report or asset management report in accordance with the Rules on Investment Reports, etc. for Investment Trusts and Investment Corporations prescribed separately.

Article 6-6. Prohibition of Securities, Rights, and Transactions of Which REIT, etc., Are Underlying Assets
A Full Member shall not invest in securities, rights, or transactions of which on REIT, etc. and Infrastructure Investment Trusts, etc. managed by the Full Member are the sole underlying assets.

Article 7. Valid Period of Securities Registration Statement, etc.

The Securities Registration Statement and Prospectus for public offering of domestic beneficiary certificates of investment trusts and domestic investment securities shall be valid for no more than 16 months.

Article 8. Time Limit for Acceptance of Applications for Purchase and Cancellation of Stock Investment Trusts

Investment Trust Management Member Companies shall observe the following matters with regard to stock investment trusts:

- (1) To require that the sales company complies with the requirement that acceptance of purchase and cancellation by customers (including buy-back; the same shall apply hereinafter) be closed by 3 p.m. at the latest; and
- (2) To fix the number of units of additional establishment or cancellation related to the customer's purchase and cancellation transactions on the business day and promptly notify the trustee bank of such number of units.

Article 9. Selling to Large Volume Applicants

1. Investment Trust Management Member Companies shall decide with the sales company, for open type investment trusts, the maximum amount that will be accepted for cancellation and the predetermined amount for which prior notification is required per application by large volume applicants for each investment trust. In this case, sufficient consideration shall be given to the size and product attributes of the investment trust, and the amount shall be an amount that will not hinder the operation of the investment trust.
2. The Investment Trust Management Company Member shall request the sales company to notify the Investment Trust Management Company Member of any cancellation exceeding the predetermined amount provided in the preceding paragraph by 12:30 p.m. on the contract date.

Article 10 Payment of Distributions

Investment Trust Management Member Companies shall require that the sales company comply with commencing the payment of distributions or redemption money related to the investment trust to customers, in principle, within 5 business days after the closing date or the redemption date of the investment trust (hereinafter referred to as "Closing Date, etc." and if such Closing Date, etc. is a holiday, the next business day).

Article 11 Notice of Refund of Subscription Fees and Consumption Tax for Investment Trusts with Commission Included

In the event that the sales company returns the investor all or part of the subscription fees (including consumption tax) for an investment trust with commission included, Investment Trust Management Member Companies shall have the sales company notify the Investment Trust Management Member Companies of the total amount equivalent to the consumption tax to be returned to the investor on the date of conclusion of the

trust agreement.

Article 12 Handling of Money Arising after Termination of the Trust for an Investment Trust Property

1. If there are amounts that can be estimated of the accounts receivable related to the investment trust at the time of termination of an investment trust, in principle, Investment Trust Management Member Companies shall transfer the amount to investment trust property.

The trustee shall make transfer to investment trust property on behalf of the Investment Trust Management Member Companies.

2. If any money not transferred as prescribed in the preceding paragraph arises after the termination of the trust, in principle, Investment Trust Management Member Companies shall return such money to the beneficiary at the time of termination of the trust.

In returning such money to the beneficiary, the expenses involved in such return may be deducted.

Article 13 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, the contents of any decisions made by the Self-Regulation Committee with respect to any matters delegated thereto (limited to decisions deemed necessary by the Board of Directors.).

Supplementary Provisions

1. These Rules shall be implemented from the date of approval by the competent government agency for amendments to the Operational Rules (March 31, 2008).

2. The Board of Directors resolution (established on March 16, 2004) regarding the operation, etc. of investment trusts shall be abolished as of the date of approval by the competent government agency for amendments of the Operational Rules (March 31, 2008).

Supplementary Provisions

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

2. The Rules for public offering or sales of investment trusts, and the By-laws for the rules for public offering or sales of investment trusts shall be abolished as of October 1, 2008.

Supplementary Provision

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

Supplementary Provision

This amendment will come into effect on December 30, 2009.

Supplementary Provisions

1. This amendment shall come into effect on May 1, 2012.
2. Notwithstanding 1. above, this shall not preclude Full Members from operating under the amended provisions up to the effective date.

Supplementary Provision

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

Supplementary Provision

This amendment shall come into effect on June 13, 2013.

Supplementary Provision

This amendment shall come into effect on July 18, 2013.

Supplementary Provision

This amendment shall come into effect on July 16, 2015.

* The amended Articles are as follows:

Article 6, Paragraph 2, Headings of Article 6-2, Headings of Article 6-3 and the main clause of Paragraph 1 of the same Article and Item 1 of the same paragraph, Paragraph 3 of the same Article, Headings of Article 6-4 and Paragraph 2 of the same Article, Article 6-6