

Rules on Operations by Officers and Employees, etc. to Trade Shares, etc. on Their Own Accounts

Established on January 16, 2009
Revised on October 15, 2009
Revised on December 20, 2012

Article 1. Purpose

The purpose of these Rules is to prevent conflict of interest transactions and any other inappropriate transactions by providing for internal rules and establishing an internal system to comply with Article 3 of the Rules for Full Members' Business Operations, etc. in connection with transactions of shares, etc. made on their own accounts by officers and employees, etc. involved in the operation and investigation, etc. of shares, etc. of Full Members (meaning the Full Members set forth in Article 7, Paragraph 1, Item 1 of the Articles of Incorporation; the same shall apply hereinafter), thereby contributing to securing the fairness and reliability of business pertaining to investment trusts and protecting investors.

Article 2. Definition

1. "Shares, etc." in these Rules means domestic and foreign shares and rights and corporate bonds, etc. that can be converted into shares including corporate bonds with share warrants or share options.
2. "Officers and Employees, etc. Involved in the Operation and Investigation, etc. of Shares, etc." in these Rules means any officer or employee of Full Members (excluding Full Members who only perform asset management for a real estate investment trust or Real Estate Investment Corporations; the same shall apply hereinafter) who is in charge of the management business of an investment trust property or assets of an investment corporation to be invested in shares, etc. (hereinafter referred to as the "Trust Property, etc."), who is in a position to know such management trends, or who is in a position to know unpublished important information or any other special information (hereinafter referred to as "Important Information") pertaining to issuing companies in the course of duties, or any relative who shares a livelihood with such persons (excluding any person who is a lineal descendant and whose investment decision is not affected by an officer or employee of the investment trust entrustment company).

It should be noted that the term "relative who shares a livelihood" may include not only those who live with such persons (excluding anyone who obviously lives financially independently) but also those who live separately from such persons while also habitually remitting living expenses, school fees, medical expenses, etc.

3. "Proprietary Trading" in these Rules means any of the following transactions pertaining to shares, etc. conducted on one's own account. Provided, however, that these Rules shall not apply to any transaction set forth in the By-laws.
 - (1) Stock trading, margin transactions, futures transactions, option trading, and over-the-counter derivatives transactions
 - (2) Acquisition of shares, etc. through public offering or secondary distribution
 - (3) Acquisition of shares, etc. under Cumulative Investment Contract

- (4) Transaction pertaining to stock mini investment plan.
4. “Fund Manager” in these Rules means any person who selects the issues traded, trading conditions, and volume, etc. of shares, etc. in Trust Property, etc.
 5. “Trader” in these Rules means any person who places orders for the sale and purchase of shares, etc. in Trust Property, etc. with a Type I Financial Instruments Business Operator (meaning a Type I Financial Instruments Business Operator prescribed in Article 28, Paragraph 1 of the Financial Instruments and Exchange Act).
 6. “Analyst” in these Rules means any person engaged in corporate research pertaining to management of Trust Property, etc.
 7. “Valid Period of Approval” in these Rules means the valid period of approval as stipulated in Article 6 (hereinafter referred to as the “Valid Period”) for implementation of proprietary trading.
 8. “Period for Prohibition of Proprietary Trading” in these Rules means the period in which proprietary trading is prohibited for fund managers, traders, and analysts.

* Article 2 of the By-laws

Article 3. Formulation of Internal Rules, etc.

1. Full Members shall provide for the Internal Rules concerning the proprietary trading of shares, etc. conducted by officers and employees, etc. involved in the operation and investigation, etc. of shares, etc., and shall take the necessary measures such as providing regular training, etc. so that officers and employees comply with such rules.

In addition, the matters established in the Internal Rules shall be those established in these Rules and the By-laws.

2. Full Members shall appoint a person in charge of screening the proprietary trading of shares, etc. conducted by officers and employees, etc. involved in the operation and investigation, etc. of shares, etc. (hereinafter referred to as “Person in Charge of Screening for Proprietary Trading”), and have such Person in Charge of Screening for Proprietary Trading examine whether there are any facts that constitute a violation of the Internal Rules.

Multiple persons in charge of screening for proprietary trading may be assigned to divide the screening amongst them.

* Article 3 of the By-laws

Article 4. Prohibited Acts

Officers and employees, etc. involved in the operation and investigation, etc. of shares, etc. shall not engage in any of the acts set forth in the following items:

- (1) Transactions leveraging their professional position or transactions based on Important Information which they have learnt in the course of their duties;
- (2) Transactions solely for the purpose of seeking speculative profits;
- (3) Transactions in priority to customer profits such as front running, etc.;
- (4) Any other transactions prohibited under laws and regulations, etc.

Article 5. Limitation of Holding Period

In order to prevent transactions for the purpose of seeking speculative profits or other unfair transactions prescribed in Item 2 of the preceding article, Full Members shall establish in their Internal Rules a period of 6 months or more as the holding period (i.e. lock-up period) of shares, etc.

However, that if the applicant and a relative who shares a livelihood with such applicant acquire the same issue more than once, the date of the last acquisition shall be regarded as the initial date of reckoning. In the case of acquisition of shares, etc. under a Cumulative Investment Contract, the date of the first acquisition shall be regarded as the initial date of reckoning.

Article 6. Prior Application

Officers and employees, etc. involved in the operation and investigation, etc. of shares, etc. shall apply in advanced in writing (including by electromagnetic means) to the Person in Charge of Screening for Proprietary Trading and obtain approval for such proprietary trading in performing any proprietary trading of shares, etc. However, application and approval for the acquisition of shares, etc. under the Cumulative Investment Contract shall be made in accordance with the procedures set forth in the By-laws.

* Article 4 of the By-laws

Article 7. Screening

1. The Person in Charge of Screening for Proprietary Trading who has received the prior application under the preceding article shall screen the matters set forth in the following items:

- (1) The limitation of holding period prescribed in Article 5 is met. Provided, however, that this shall not apply to cases approved by the Person in Charge of Screening for Proprietary Trading as an unavoidable circumstance for the applicant (e.g. cases where the applicant and a relative who shares a livelihood with such applicant become unable to earn a living due to illness, etc.).
- (2) If the applicant is any of the following persons (including applications for transactions by a relative who shares a livelihood with such applicant), the application shall not be for the shares, etc. set forth in the following. Provided, however, that this shall not apply to cases where shares, etc. are acquired under a Cumulative Investment Contract or to cases approved by the Person in Charge of Screening for Proprietary Trading as an unavoidable circumstance (e.g. cases where acquired shares, etc. are sold and appropriated for the payment of inheritance tax due to succession to the estate, etc.).

(A) Fund Manager

Shares, etc. traded or scheduled to be traded during the Period for Prohibition of Proprietary Trading concerning the Trust Property, etc. which the applicant is responsible for managing at the time of the application (excluding the Trust Property, etc. aimed at investment performance linked to a representative stock price index on the market; hereinafter the same shall apply in the following article);

(B) Trader (including a person who also serves as a fund manager)

Shares, etc. traded or scheduled to be traded during the Period for Prohibition of Proprietary Trading

based on the instructions for purchase orders received by the applicant from the fund manager for determining a part of the execution of trading at the time of application;

(C) Analysts (including fund managers or traders who conduct corporate research through company tours, etc.)

Shares, etc. issued by any company (including affiliated companies) which the applicant researched or intends to research during the Period for Prohibition of Proprietary Trading as part of such applicant's duties at the time of application.

2. Full Members shall establish in their Internal Rules the periods set forth in the following items as the Period for Prohibition of Proprietary Trading for the persons set forth in the Item 2 of the preceding paragraph:

(1) Period for Prohibition of Proprietary Trading for the persons set forth in (A) and (B): A period from 3 business days or more before the previous business day of the scheduled transaction date (hereinafter referred to as "Base Date") until 3 business days or more after the next business day of the Base Date as established by Full Members.

However, if a period of 2 days or more is established as the Valid Period, the Base Date shall be the first day of such Valid Period, and the period shall be from 3 business days or more before the previous business day of such date until 3 business days or more after the next business day of the final day of the Valid Period as established by Full Members.

(2) Period for Prohibition of Proprietary Trading for any of the persons set forth in (C): A period from 1 month or more before the Base Date until the Base Date as established by Full Members.

However, if the Valid Period is established, a period from 1 month or more before such Base Date until the final day of the Valid Period as established by Full Members.

Article 8. Confirmation in Trading of Trust Property, etc. After Application Date

1. If the applicant is a fund manager and trades shares, etc. pertaining to the application for the Trust Property, etc. which such applicant is responsible for managing within a fixed period from application until after the proprietary trading contract, such applicant shall obtain prior confirmation from the Person in Charge of Screening for Proprietary Trading.

Provided, however, that this shall not apply to cases where the proprietary trading by the applicant is a transaction provided for in the By-laws (hereinafter the same shall apply in the following article).

2. Full Members shall establish in their Internal Rules a period of 3 business days or more for the fixed period specified in the preceding paragraph.

* Articles 3 and 5 of the By-laws

Article 9. Report, etc.

When a proprietary trading of shares, etc. has taken place, the applicant shall report to the Person in Charge of Screening for Proprietary Trading without delay.

* Article 3 of the By-laws

Article 10. Retention of Records

1. Full Members shall retain records concerning prior applications, the details of screenings, and the contents of any violations and the status of corrective measures therefor and other related records.
2. Full Members shall establish in their Internal Rules a period of 5 years or more as the retention period in the preceding paragraph.

Article 11. By-laws

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

Article 12. Others

Any matters not provided for in these Rules regarding proprietary trading by officers and employees, etc. involved in the operation and investigation, etc. of shares, etc. may be decided by a resolution of the Board of Directors.

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 come into effect on January 16, 2009.
2. "Considerations in Preparing Internal Rules for Transactions of Shares, etc. by Officers and Employees, etc. on Their Own Accounts (November 17, 2006)" shall be repealed as of January 16, 2009.

Supplementary Provisions

1. This amendment shall come into effect on October 15, 2009.
However, the provisions of Articles 3, Article 4, Article 7 and Article 8 after amendment shall apply from January 18, 2010.
2. Notwithstanding the foregoing proviso 1. above, Full Members shall not be precluded from operating under the provisions of Article 3, Article 4, Article 7 and Article 8 after the amendment before the date of such application.

Supplementary Provision

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

<Reference>

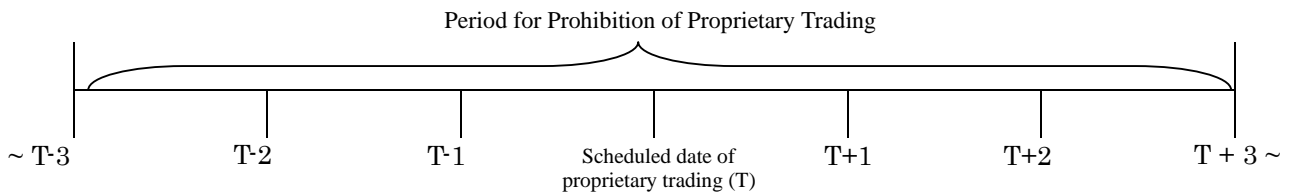
Rules on Operations by Officers and Employees, etc. to Trade Shares, etc. on Their Own Accounts
 Period for Prohibition of Proprietary Trading Prescribed in Article 7, Paragraph 2

Article 7, Paragraph 2 of the Rules stipulates the Period for Prohibition of Proprietary Trading for fund managers, etc., and this period is illustrated as follows.

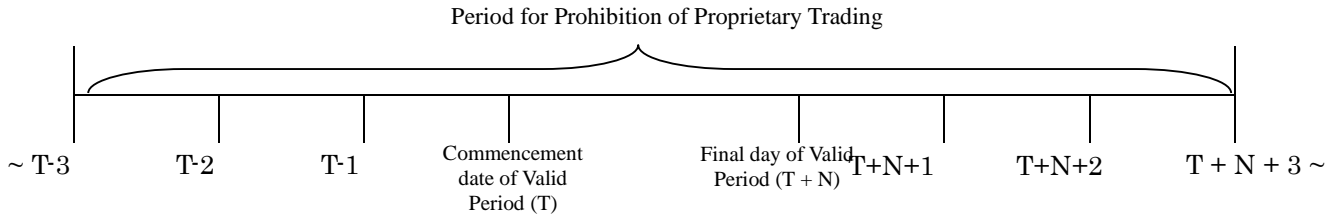
The Period for Prohibition of Proprietary Trading is required to be stipulated based on the following information in the Internal Rules concerning the proprietary trading of shares, etc. conducted by officers and employees, etc. involved in the operation and investigation, etc. of shares, etc.

1. Period for Prohibition of Proprietary Trading for Fund Managers and Traders (Article 7, Paragraph 2, Item 1 of the Rules)

(1) Period set forth in the main clause of Item 1



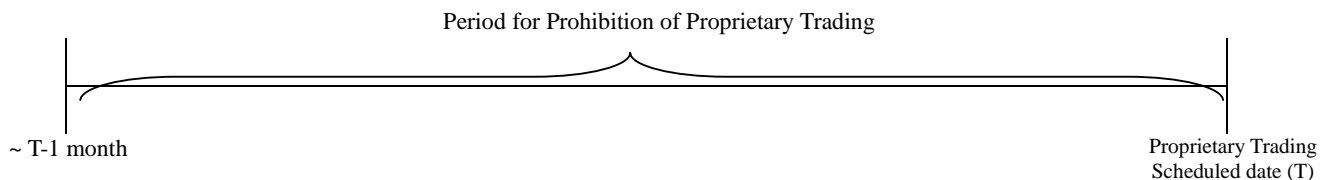
(2) Period set forth in the proviso to Item 1



* The Valid Period of Approval is for N days (the same shall apply to 2. (2)).

2. Period for Prohibition of Proprietary Trading for Analysts (Article 7, Paragraph 2, Item 2 of the Rules)

(1) Period set forth in the main clause of Item 2



(2) Period set forth in the proviso to Item 2

