

# **Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations**

(Order of the Prime Minister's Office No. 129 of November 17, 2000)

Pursuant to the provisions of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951) and Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000), and in order to enforce that Act and that Order, the Order of the Prime Minister's Office revising the entire Regulation for Enforcement of the Act on Securities Investment Trusts and Securities Investment Corporations (Order of the Prime Minister's Office and Ministry of Finance No. 30 of 1998) is provided as follows.

Chapter I General Provisions (Article 1 to Article 5)

Chapter II Investment Trusts Managed under Instructions from the Settlor  
(Article 6 to Article 76)

Chapter III Investment Trusts Managed without Instructions from the Settlor  
(Article 77 to Article 93-2)

Chapter IV Foreign Investment Trust (Article 94 to Article 102)

Chapter V Investment Corporations

Section 1 Investment Corporations (Article 103 to Article 212)

Section 2 Registration of Investment Corporations (Article 213 to Article 220)

Section 3 Business of Investment Corporations (Article 220-2 to Article 253)

Section 4 Supervision over Investment Corporations (Article 254 to Article 258)

Chapter VI Foreign Investment Corporations (Article 259 to Article 264)

Chapter VII Miscellaneous Provisions (Article 265 to Article 277)

Supplementary Provisions

## **Chapter I General Provisions**

(Definitions)

Article 1 The terms "investment trust managed under instructions from the settlor", "investment trust managed without instructions from the settlor", "investment trust", "securities investment trust", "securities", "derivatives transaction", "beneficiary certificate", "public offering", "private placement with general investors", "settlor company of an investment trust", "investment corporation", "registered investment corporation", "investment equity", "investment security", "investor", "investment equity subscription right",

"certificate of investment equity subscription rights" "investment corporation bond", "investment corporation bond certificate", "asset management company," "asset custody company", "administrative agent", "foreign investment trust", and "foreign investment corporation" as used in this Order of the Prime Minister's Office means the investment trust managed under instructions from the settlor, investment trust managed without instructions from the settlor, investment trust, securities investment trust, securities, derivatives transaction, beneficiary certificate, public offering, offering," "private placement with general investors, settlor company of an investment trust, investment corporation, registered investment corporation, investment equity, investment security, investor, investment equity option, investment equity option certificate, investment corporation bond, investment corporation bond certificate, asset management company, asset custody company, administrative agent, foreign investment trust, and foreign investment corporation defined in Article 2 of the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Act") respectively, and the terms "private placement with qualified institutional investors" and "private placement with professional investors" means the private placement with qualified institutional investors and private placement with professional investors prescribed in Article 4, paragraph (2), item (xii) of the Act.

(Attaching of Translations)

Article 2 If any document which is to be submitted to the Commissioner of the Financial Services Agency, the Director-General of a Local Finance Bureau, or the Director-General of the Fukuoka Local Finance Branch Bureau (hereinafter collectively referred to as the "Commissioner of the Financial Services Agency, etc."), or to be delivered or submitted to the beneficiaries (including persons who intend to acquire beneficiary certificates; the same applies in the following Article) pursuant to the provisions of the Act, the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Order") or this Order of the Prime Minister's Office cannot be written in Japanese due to special circumstances, a translation of the relevant document must be attached thereto; provided, however that this does not apply to the following documents (limited to those written in English):

- (i) documents to be attached to the notification under Article 58, paragraph (1) of the Act pursuant to paragraph (2) of that Article;
- (ii) documents to be attached to the notification under Article 16 of the Act as applied mutatis mutandis pursuant to Article 59 of the Act pursuant to the provisions of Article 97, paragraph (2) and Article 98, paragraph (2);
- (iii) documents to be attached to the notification under Article 19 of the Act as

- applied mutatis mutandis pursuant to Article 59 of the Act pursuant to Article 101, paragraph (2);
- (iv) documents to be attached to the notification under Article 220, paragraph (1) of the Act pursuant to paragraph (2) of that Article;
  - (v) documents to be attached to the notification under Article 221, paragraph (1) of the Act pursuant Article 220, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 221, paragraph (2) of the Act; and
  - (vi) documents to be attached to the notification under Article 222, paragraphs (1) and (2) of the Act pursuant to Article 264, paragraph (2).

(Conversion of a Foreign Currency)

Article 3 If any document which is to be submitted to the Commissioner of the Financial Services Agency, etc. or to be delivered or submitted to beneficiaries or investors pursuant to the provisions of the Act, the Order, or this Order of the Prime Minister's Office, includes an amount denominated in a foreign currency, the amount converted into Japanese currency from the relevant foreign currency and the standard used for the conversion must be denoted in the document; provided, however, that this does not apply to cases where it is difficult to denote them.

(Requirements for Excluding Qualified Institutional Investors)

Article 4 The cases specified by Cabinet Office Order as referred to in Article 7, paragraph (2) of the Order are the cases where any of the following requirements are satisfied:

- (i) that a statement to the effect that restriction prohibiting the transfer of the relevant beneficiary certificate in cases other the case where transferring to qualified institutional investors (hereinafter referred to as the "restriction on resale" in this Article and Article 5, paragraph (1)) is stated on the beneficiary certificate and that beneficiary certificate is delivered to the acquirer of the beneficiary certificate;
- (ii) that a statement to the effect that a restriction on resale is imposed on the relevant beneficiary certitates are stated in the documents containing the information on the beneficiary certificates which are to be delivered to the acquirer of the beneficiary certificates;
- (iii) that measures which enable the members (meaning the members as prescribed in Article 2, paragraph (3) of the Act on Book-Entry Transfer of Company Bonds and Shares (Act No. 75 of 2001); the same applies in Article 5, paragraph (1), item (iii)) to notice that a restriction on resale is imposed on the relevant beneficiary certificates pursuant to the provisions of that Act; or
- (iv) that the issuer of the relevant beneficiary certificate is not a person who has already issued beneficiary certificates of the same class (meaning

beneficiary certificates of which the issuer and the particulars set forth in Article 10-2, paragraph (1), item (xi), sub-items (a) through (c) of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) are the same as the relevant beneficiary certificates; hereinafter the same applies in this Article, the following Article, and Article 5, paragraph (2), item (i)) as the beneficiary certificates, which fall under any of the items of Article 24, paragraph (1) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of that Act; hereinafter the same applies in this Article and Article 5, paragraph (2), item (i)).

(Beneficiary Certificates of the Same Class)

Article 4-2 The beneficiary certificates specified by Cabinet Office Order as the beneficiary certificates of the same class as the relevant beneficiary certificates as referred to in Article 8, paragraph (1), items (ii) and (iii) of the Order are the beneficiary certificates of the same class.

(Scope of Professional Investors)

Article 4-3 (1) The persons deemed to be professional investors that are specified by Cabinet Office Order as referred to in Article 2, paragraph (9), item (ii) of the Act are the persons deemed to be professional investors pursuant to the provisions of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (including the cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (4) of that Act) and Article 34-3, paragraph (6) of that Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (4) of that Act) with regard to the contracts set forth in Article 53, item (i) of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007) (referred to as the "contract for transaction of securities" in the following paragraph).

(2) The persons deemed to be customers other than professional investors, that are specified by Cabinet Office Order as referred to in Article 2, paragraph (9), item (ii) of the Act are the persons deemed to be customers other than professional investors pursuant to the provisions of Article 34-2, paragraph (5) or (8) of the Financial Instruments and Exchange Act with regard to the contract for transaction of securities.

(Restrictions on Transfer of Beneficiary Certificates)

Article 5 (1) The methods specified by Cabinet Office Order as referred to in Article 8, paragraph (1), item (i) of the Order are those that satisfy any of the

following requirements:

- (i) that a statement to the effect that a restriction on resale is imposed on the relevant beneficiary certificates is stated on the beneficiary certificates and that beneficiary certificates are delivered to the acquirer of the beneficiary certificates;
  - (ii) that a statement to the effect that a restriction on resale is imposed on the relevant beneficiary certificates is stated in the documents containing the information on the beneficiary certificates which are to be delivered to the acquirer of the beneficiary certificates; or
  - (iii) that measures which enable the members to notice that a restriction on resale is imposed on the relevant beneficiary certificates pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares.
- (2) The requirements specified by Cabinet Office Order as referred to in Article 8, paragraph (2), item (ii) of the Order are that the relevant case satisfies all of the following requirements:
- (i) that the beneficiary certificates of the same class as the relevant beneficiary certificates do not fall under the category of securities set forth in the items of Article 24, paragraph (1) of the Financial Instruments and Exchange Act; and
  - (ii) that a solicitation of an application to acquire beneficiary certificates is made where the relevant beneficiary certificates are acquired on the condition that a contract on transfer providing the particulars listed in the following (a) and (b) (in case of the particulars listed in (b), excluding the particulars that the party of the contract decides not to specify) is concluded between the issuer of the relevant beneficiary certificates and the person who intends to acquire the beneficiary certificates in response to the solicitation of an application to acquire beneficiary certificates (hereinafter that person is referred to as the "acquirer" in this item), and between the person who makes the solicitation of an application to acquire beneficiary certificates and the acquirer:
    - (a) that the acquirer who has acquired the relevant beneficiary certificates in response to the solicitation of an application to acquire beneficiary certificates does not transfer the relevant beneficiary certificates to persons other than professional investors, etc. (meaning the professional investors, etc. as prescribed in Article 8, paragraph (2), item (ii) of the Order; the same applies in (b));
    - (b) that, in the following cases, the acquirer who has acquired the relevant beneficiary certificates in response to the solicitation of an application to acquire beneficiary certificates may transfer the relevant beneficiary certificates to persons other than professional investors, etc.:
      - 1. cases where the acquirer transfers the relevant beneficiary certificates

to the issuer of the beneficiary certificates or its officer(s) (meaning directors, company auditors, executive officer, board members or auditors, or persons equivalent thereto) that is a person who holds the voting rights exceeding 50 percent of the voting rights held by all the shareholders, etc. (meaning the voting rights held by all the shareholders, etc. as prescribed in Article 29-4, paragraph (2) of the Financial Instruments and Exchange Act; hereinafter the same applies) (the relevant voting rights includes voting rights pertaining to shares or equity that may not be duly asserted against the issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (including the cases where these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) and Article 276 (limited to the part pertaining to item (ii) of that Act); hereinafter referred to as the "subject voting rights" in this Article) of the issuer in its own name or another person's name (hereinafter the officer is referred to as the "specified officer" in this Article), or the controlled corporation, etc. of the specified officer (excluding the issuer); and

2. cases where the acquirer transfers the relevant beneficiary certificates to a company holding shares or equity pertaining to subject voting rights exceeding 50 percent of the voting rights held by all the shareholders, etc. of the issuer of the relevant beneficiary certificates in its own name or another person's name.
- (3) In cases where the specified officer and its controlled corporation, etc. jointly hold shares or equity pertaining to the subject voting rights exceeding 50 percent of the voting rights held by all the shareholders, etc. of another corporation, etc. (meaning a corporation and other organizations; hereinafter the same applies in this Article) in their own name or another person's name, the relevant other corporation, etc. is deemed to be the controlled corporation, etc. of the specified officer and the provisions of item (ii), (b) 1. of the preceding paragraph and this paragraph apply.
- (4) The term "controlled corporation, etc." as used in paragraph (2), item (ii), (b) 1. and the preceding paragraph means, in cases where a specified officer holds shares or equity pertaining to subject voting rights exceeding 50 percent of the voting rights held by all the shareholders, etc. of another corporation, etc., the relevant other corporation, etc.

## **Chapter II Investment Trusts Managed under Instructions from the Settlor**

(Notification of the Details of the Basic Terms and Conditions of an Investment

Trust)

Article 6 (1) The notification under Article 4, paragraph (1) of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency or other competent official (meaning the Commissioner of the Financial Services Agency in the case of notification related to the authority designated by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 135, paragraph (5) of the Order, and the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office of a financial instruments business operator (meaning the financial instruments business operator as prescribed in Article 2, paragraph (11) of the Act; hereinafter the same applies, except in Article 112, item (viii) and Article 244), trust company or similar institution (meaning the trust company or similar institution as prescribed in Article 47, paragraph (1) of the Act; the same applies hereinafter), or an investment corporation (in cases of a foreign corporation, the principal business office or office in Japan) (in cases where the location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) in the case of notification related to other authority; the same applies hereinafter):

- (i) the name of the investment trust managed under instructions from the settlor pertaining to the relevant basic terms and conditions of the investment trust (meaning the basic terms and conditions of the investment trust defined in Article 4, paragraph (1) of the Act; hereinafter the same applies in this Chapter);
- (ii) whether the relevant investment trust is a unit type (meaning the type of an investment trust where additional amounts may not be added to the principal thereof) or open type (meaning the type of an Investment Trust where additional amounts may be added to the principal thereof);
- (iii) in cases of a securities investment trust, whether the relevant securities investment trust is a bond investment trust (meaning the bond investment trust prescribed in Article 13, item (ii), (a); hereinafter the same applies in this item) or share investment trust (meaning securities investment trust other than the bond investment trust);
- (iv) the following information as those related to the type of assets which are to be the subject of investment:
  - (a) the type of the specified assets (meaning the specified assets defined in Article 2, paragraph (1) of the Act; hereinafter the same applies) which are to be the subject of investment; and
  - (b) the type of the assets other than the specified assets, which are to be the subject of investment;
- (v) the investment policy for the Investment trust property (meaning the

- investment trust property defined in Article 3, item (ii) of the Act; hereinafter the same applies in this Chapter);
  - (vi) the planned amount or the initial planned amount;
  - (vii) establishment date;
  - (viii) trust agreement period;
  - (ix) use of a public offering, private placement with qualified institutional investors, private placement with professional investors, or private placement with general investors;
  - (x) the period of the public offering (meaning the public offering of securities as defined in Article 2, paragraph (3) of the Financial Instruments and Exchange Act; hereinafter the same applies in this and the following Chapters) or private placement (meaning the private placement of securities as defined in that paragraph; the same applies hereinafter);
  - (xi) the trade name or name of the financial instruments business operator, etc. (meaning the financial instruments business operator, etc. as prescribed in Article 34 of the Financial Instruments and Exchange Act; the same applies hereinafter) that handles the dealing in public offering (meaning the dealing in public offering of securities provided in Article 2, paragraph (8), item (ix) of that Act; the same applies hereinafter) or dealing in private placement (meaning the dealing in private placement of securities as provided in that item; the same applies hereinafter);
  - (xii) that the financial instruments business operator carries out public offering or private placement by itself, if this is the case; and
  - (xiii) other particulars found to be the feature of the investment trust managed under instructions from the settlor pertaining to the relevant basic terms and conditions of the investment trust.
- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) a draft of the basic terms and conditions of the investment trust; and
  - (ii) written consent of the trustee company (meaning the trustee company as defined in Article 9 of the Act; the same applies hereinafter).

(Information Required to Be Included in the Basic Terms and Conditions of an Investment Trust)

Article 7 The information specified by cabinet office order as referred to in Article 4, paragraph (2), item (xviii) of the Act is the following information:

- (i) information concerning succession of whole or part of business as a result of split of the settlor or transfer of whole or part of business;
- (ii) information concerning the resignation and dismissal of the trustee, as well as the appointment of a new trustee;
- (iii) information concerning the addition to the principal of a trust in an



- investment trust managed under instructions from the settlor where additional amounts may be added to its principal;
- (iv) information concerning the partial cancellation of an investment trust agreement (meaning the investment trust agreement defined in Article 3 of the Act; hereinafter the same applies in this Chapter);
  - (v) in cases where the settlor entrusts the authority to make orders for investment (including the further entrustment of part of the authority subject to the relevant entrustment; the same applies in item (viii) of the following Article and Article 13, item (i)), the details of the entrustment;
  - (vi) in cases where the person who has accepted the entrustment of authority to make orders for investment from the settlor further entrusts part of the authority, the trade name or name and location of the person to whom the first-mentioned person further entrusts part of its authority to make orders for investment (including an indication that the first-mentioned person is a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act for engaging in the investment management business for qualified investors (meaning the investment management business for qualified investors as prescribed in Article 29-5, paragraph (1) of that Act; hereinafter the same applies), if this is the case);
  - (vii) information concerning the consolidation of investment trusts managed under instructions from the settlor (meaning the consolidation of investment trusts managed under instructions from the settlor as prescribed in Article 16, item (ii) of the Act; the same applies hereinafter);
  - (viii) in cases where there is an agent for a beneficiary, a statement to the effect that an authority to exercise voting rights under the provisions of Article 17, paragraph (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act) and the right to demand purchase of beneficial interest under the provisions of Article 18, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act) is not included in the authority of the agent for the beneficiary in the investment trust agreement; and
  - (ix) information concerning the demand for purchase of beneficial interest under the provisions of Article 18, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act).

(Details of the Information Required to Be Included in the Basic Terms and Conditions of an Investment Trust)

Article 8 The details specified by Cabinet Office Order as referred to in Article 4, paragraph (4) of the Act are as follows according to the category of information

listed in the respective items:

- (i) information listed in Article 4, paragraph (2), item (v) of the Act: the following information:
  - (a) information related to the changes into a registered form or into a bearer form with regard to beneficiary certificates and the procedures for the entry of a name change thereon;
  - (b) information related to the requirements to duly assert against third parties for the transfer of registered beneficiary certificates; and
  - (c) information related to the reissuance of beneficiary certificates and the costs thereof;
- (ii) information listed in Article 4, paragraph (2), item (vi) of the Act: the following information:
  - (a) basic policy for assets investments;
  - (b) type of assets which are to be the subject of investment;
  - (c) in cases of providing a holding ratio or holding restriction for assets which are to be the subject of investment, the details thereof (in cases where the assets which are to be the subject of investment are rights, or where specifying the type and scope of transactions related to the acquisition of the rights and imposing restrictions for the acquisition, the respective details thereof);
  - (d) if loaning the assets acquired by an investment trust property, the details thereof; and
  - (e) that the relevant trust is a securities investment trust, if this is the case;
- (iii) information listed in Article 4, paragraph (2), item (vii) of the Act: in accordance with the type of assets for which the financial instruments business operator gives orders for investment, the respective method, standard and record date for the appraisal therefor;
- (iv) information listed in Article 4, paragraph (2), item (viii) of the Act: the following information:
  - (a) information concerning the method of calculation for the amount of distributable profits;
  - (b) information concerning the timing, method and place of the payment of the amount of profit distribution, amount of redemption, and amount for partial cancellation;
- (v) information listed in Article 4, paragraph (2), item (ix) of the Act: the following information:
  - (a) information concerning the explanation for the grounds for extension of a trust agreement;
  - (b) information concerning the explanation for the grounds for cancellation of a trust agreement; and
  - (c) information concerning the explanation for the treatment of the trust

- agreement in cases of revocation of registration of a settlor or any other case;
- (vi) information listed in Article 4, paragraph (2), item (x) of the Act: information concerning the accounting period and special provisions thereon;
  - (vii) information listed in Article 4, paragraph (2), item (xiii) of the Act: information concerning the purpose, maximum amount, and use of the borrowing, and, that lenders for the borrowings are limited to qualified institutional investors, if this is the case;
  - (viii) information listed in Article 4, paragraph (2), item (xv) of the Act: information concerning the amount of remuneration for entrustment, and the timing and method of payment thereof;
  - (ix) information listed in Article 4, paragraph (2), item (xvii) of the Act: information specified in the following (a) or (b) according to the category of methods of public notice listed in the respective sub-items:
    - (a) the method of giving the public notice by publishing in a daily newspaper that publishes information on current affairs: the name of the daily newspaper that gives the public notice; or
    - (b) electronic public notice (meaning the electronic public notice as prescribed in Article 25, paragraph (1), item (ii) of the Act): the registration address (meaning the registration address defined in Article 2, item (xiii) of the Regulation on Electronic Public Notice (Ministry of Justice Order No. 14 of 2006)); the same applies in Article 79, item (iv), (b)).

(Information Required to Be Given in the Documents Stating the Details of Basic Terms and Conditions of an Investment Trust)

Article 9 The information specified by Cabinet Office Order as referred to in Article 5, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act) is the following information:

- (i) the following information concerning the real property which belongs to the investment trust property (hereinafter referred to as the "real property for investment" in this item):
  - (a) with regard to the real property for investment classified by area, by use, and by for lease or non-lease, the name, location, use, area, structure, whether it is held with ownership or other rights, and the price (meaning the price as appraised by the appraisal method or standard specified in the basic terms and conditions for an investment trust, or appraised and estimated value, posted price, road ratings, published selling price, or other price deemed to be fair in accordance thereto hereinafter the same applies in (b) and (f)), for each property;
  - (b) the appraisal method of the price as well as the name of the appraiser;

- (c) the details of the collateral;
- (d) status of the real property (meaning the structure and current status of the real property, and other information that has a material influence on the price of the real property for investment; the same applies in (e));
- (e) a summary of the results of the investigation on the status of the real property made by a third party (or that the investigation has not been made, if this is the case) as well as the name of the investigator;
- (f) the investment ratio (meaning the ratio of the price of the relevant property to the total of the prices of all of the property) of each property;
- (g) in cases where there is a counterparty with whom a lease contract for the relevant real property for investment has been concluded (hereinafter referred to as the "tenant" in this (g)), the following information (and that some information cannot be stated due to unavoidable circumstances, if this is the case):
  1. the total number of tenants, total lease revenue, total leased area, and total leasable area, as well as the occupancy rates (meaning the rate of the total leased area to the leasable area; the same applies hereinafter) on a fixed day over the most recent five years;
  2. in cases where there is a major property (meaning buildings and facilities pertaining to one piece of land which are found to be used collectively and for which the total lease revenue consists of 10 percent or more of all the lease revenues of all real property for investment), the total number of tenants, total lease revenue, total leased area, total leasable area, and occupancy rates on a fixed day over the most recent five years of each major property; and
  3. in cases where there are major tenants (meaning tenants for which the total leased area is 10 percent or more of the whole leased area of all of the real property for investment), the name and type of business of the tenant, annual lease, leased area, expiration date of the contract, method for renewing the contract, security deposit, and any other information to be noted with regard to the lease contract therefor;
- (ii) the following information concerning a renewable energy power generation facilities for investment (meaning the renewable energy power generation facilities (meaning the renewable energy power generation facility as prescribed in Article 3, item (xi) of the Order; the same applies hereinafter) which belongs to the investment trust property; hereinafter the same applies in this item):
  - (a) with regard to the renewable energy power generation facilities for investment classified by the classification, etc. of facility (meaning the classification, etc. of facility as prescribed in Article 3 of the regulation for enforcement of the Act on Special Measures Concerning Procurement of

Electricity from Renewable Energy Sources by Electricity Utilities (Order of the Ministry of Economy, Trade and Industry No. 46 of 2012); the same applies hereinafter), by area, and by for lease or non-lease: the name, location and structure of each renewable energy power generation facilities, whether it is held with ownership or other rights, and its price (meaning the price as appraised by the appraisal method or standard specified in the basic terms and conditions for an investment trust, or any other price deemed to be fair in accordance thereto; hereinafter the same applies in (b) and (g), and the following item, (a) and (b));

(b) the appraisal method of the price as well as the name of the appraiser;

(c) the details of the collateral;

(d) status of the renewable energy power generation facilities (meaning the information specified according to the cases set forth below; the same applies in (e)):

1. in cases where the renewable energy power generation facilities falls within the category of certified power generation facility (meaning the certified power generation facility as prescribed in Article 2, paragraph (5) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011); the same applies in Article 135, item (v), (d)): the details of the specified contract (meaning the specified contract as prescribed in that paragraph; hereinafter the same applies in (d), Article 22, paragraph (3), item (viii), and Article 135, item (v), (d)) relating to the renewable energy power generation facilities (meaning the name of the certified business operator (meaning the certified business operator as prescribed in Article 2, paragraph (5) of that Act; hereinafter the same applies in this item and Article 135, item (v), (d) and (f)), the name of the electricity utilities (meaning the electricity utilities as prescribed in Article 2, paragraph (1) of that Act; hereinafter the same applies in (d) and Article 135, item (v), (d)) which has concluded the specified contract with the certified business operator, the procurement price (meaning the procurement price as prescribed in Article 3, paragraph (1) of that Act; the same applies in (d) of that item), the procurement period (meaning the procurement period as prescribed in that paragraph; the same applies in (d) of that item), and other important matters concerning the specified contract), the structure and current status of the renewable energy power generation facilities, and other information that has a material influence on the price of the renewable energy power generation facilities for investment; and

2. in cases other than those set forth in 1.: the details of the power

purchase contract regarding the renewable energy power generation facilities (excluding a contract falling within the category of specified contract; hereinafter the same applies in 2., Article 22, paragraph (3), item (viii), and Article 135, item (v), (d)) (meaning the name of the person who intends to produce electricity from renewable energy sources (meaning the electricity from renewable energy sources as prescribed in Article 2, paragraph (2) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities; hereinafter the same applies in 2. and (d) of that item) using the renewable energy power generation facilities) (excluding a person who falls within the category of certified business operator; hereinafter referred to as the "supplier" in 2., (f), and Article 135, item (v), (d), 2. and (f)), the name of the electricity utilities which has concluded the power purchase contract with the supplier, the price of electricity from renewable energy sources per kilowatt to be supplied under the power purchase contract, the contract term, and other material information concerning the power purchase contract), the structure and current status of the renewable energy power generation facilities, and other information that have a material influence on the price of the renewable energy power generation facilities for investment;

- (e) a summary of the results of the investigation on the status of the renewable energy power generation facilities made by a third party (or that the investigation has not been made, if this is the case), as well as the name of the investigator;
- (f) the information concerning the certified business operator and the supplier (the business description, financial conditions, earnings conditions, status of personnel engaged in the operation of the renewable energy power generation facilities, record of the operation of the renewable energy power generation facilities, and other material information concerning the certified business operator's or the supplier's ability to execute business; the same applies in Article 135, item (v), (f));
- (g) the investment ratio of each renewable energy power generation facilities (meaning the ratio of the price of the relevant renewable energy power generation facilities to the total of the prices of all renewable energy power generation facilities); and
- (h) in cases where there is a counterparty with whom a lease contract for the renewable energy power generation facilities for investment has been concluded, the annual lease, expiration date of the contract, method for renewing the contract, security deposit, and any other information to be noted with regard to the lease contract;

- (iii) the following information concerning a right to operate public facility, etc. for investment (meaning the right to operate public facility, etc. (meaning the right to operate public facility, etc. as prescribed in Article 3, item (xii) of the Order; hereinafter the same applies) which belongs to the investment trust property; hereinafter the same applies in this item):
- (a) with regard to the public facility, etc. (meaning the public facility, etc. as prescribed in Article 2, paragraph (1) of the Act on Promotion of Private Finance Initiative (Act No. 117 of 1999); hereinafter the same applies) covered by the right to operate public facility, etc. for investment, classified by type of public facility, etc. and by area: the name, location, operation, etc. (meaning operation and maintenance as well as planning therefor, and including the provision of services to citizens; hereinafter the same applies) of each public facility, etc., and the name of the administrator, etc. of public facility, etc. (meaning the administrator, etc. of public facility, etc. as prescribed in paragraph (3) of that Article; the same applies in Article 135, item (vi), (a) and Article 246, paragraph (10)), as well as the duration and price of the right to operate public facility, etc. for investment;
  - (b) the appraisal method of the price as well as the name of the appraiser;
  - (c) the details of the collateral;
  - (d) status of the right to operate public facility, etc. (meaning the details of the service contract for the operation, etc. of the public facility, etc. (meaning the counterparty to the contract, contract period, service fee, and other information to be noted with regard to the contract; the same applies in Article 135, item (vi), (d)), annual revenue from the facility business, current status of the public facility, etc., and other information that has a material influence on the price of the right to operate public facility, etc. for investment; the same applies in (e));
  - (e) a summary of the results of the investigation on the status of the right to operate public facility, etc. made by a third party (or that the investigation has not been made, if this is the case), as well as the name of the investigator; and
  - (f) information concerning the counterparty to the service contract for the operation, etc. of the public facility, etc. (the business description, financial conditions, earnings conditions, status of personnel engaged in the operation, etc. of the public facility, etc., record of the operation, etc. of the public facility, etc., and other material information concerning the counterparty's ability to execute business; the same applies in Article 135, item (vi), (f)).

(Cases Where Delivery of Documents Stating the Details of Basic Terms and

Conditions for an Investment Trust Is Not Required)

Article 10 The cases specified by Cabinet Office Order as referred to in the proviso to Article 5, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act) are the following cases:

- (i) cases where the solicitation of an application to acquire beneficiary certificates is made through private placement with qualified institutional investors;
- (ii) cases where the solicitation of an application to acquire beneficiary certificates is made through private placement with professional investors, and the information on the details of the basic terms and conditions for an investment trust pertaining to the investment trust agreement to be concluded thereby and on the matters prescribed in the preceding Article, is provided or publicized under the provisions of Article 27-31, paragraph (2) or (4) of the Financial Instruments and Exchange Act as the specified information on securities, etc. prescribed in Article 27-33 of that Act;
- (iii) cases where the person who intends to acquire the beneficiary certificates actually holds the beneficiary certificates of an investment trust managed under instructions from the settlor (an investment trust managed without instructions from the settlor in the case where applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act, and a foreign investment trust in the case where applied mutatis mutandis pursuant to Article 59 of the Act) related to the beneficiary certificate; and
- (iv) cases where a person living with the person who intends to acquire the beneficiary certificates has already received the delivery of documents under Article 5, paragraph (1) of the Act (including the case where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act) or is certainly expected to receive the delivery, and the person who intends to acquire the beneficiary certificates has consented not to receive the delivery of the documents (excluding cases where the consenting person requests the delivery of the documents by the time when the beneficiary certificates are to be acquired).

(Method of Using Information and Communications Technology)

Article 11 (1) The means of using an information and communications technology as specified by Cabinet Office Order as referred to in Article 5, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 13, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act), Article 14, paragraph (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59



of the Act), Article 54, paragraph (1), Article 59, and Article 203, paragraphs (3) and (4) of the Act; the same applies in item (i)) are the following methods:

(i) the methods using an electronic data processing system that are listed in (a) through (d):

(a) the method of transmitting the information required to be given in the documents (hereinafter referred to as the "information required to be given" in this Article) via a telecommunications line that links the computer used by the provider, etc. (meaning the provider (meaning the provider as defined in Article 10, paragraph (1) of the Order; hereinafter the same applies in this (a) and item (i) of the following Article), or a person who keeps a file on the computer managed by the same person under the contract concluded with the provider and provides the file for the use of the other party to whom the information prescribed in Article 5, paragraph (2) of the Act is to be provided (hereinafter referred to as the "recipient" in this Article) or for the use of the provider; hereinafter the same applies in this Article) and a computer used by the recipient, etc. (meaning a recipient or a person who keeps the customer file (meaning a file to be used exclusively by the recipient; hereinafter the same applies in this Article) in a computer managed by the same person, under the contract concluded with a recipient; hereinafter the same applies in this Article), and recording the information required to be given in the customer file stored on the computer used by the recipient, etc. (in cases where the recipient gives consent to receive the provision of the information required to be given by the means provided in Article 5, paragraph (2) of the Act or notifies to the effect that the recipient, etc. will not receive the provision of the information required to be given by that means, the method of recording to that effect in a file stored on the computer used by the provider, etc. that provides the matters prescribed in that paragraph);

(b) the method of offering the information required to be given which is recorded in a file stored on the computer used by the provider, etc. to the recipient for inspection via a telecommunications line and recording the information required to be given in the recipient's customer file which is stored on the computer used by the recipient, etc. (in cases where the recipient gives consent to receive the provision of the information required to be given by the means provided in Article 5, paragraph (2) of the Act or notifies to the effect that the recipient, etc. will not receive the provision of the information required to be given by the means, the method of recording to that effect in a file stored on the computer used by the provider, etc.);

(c) the method of offering the information required to be given which is recorded in the customer file stored on the computer used by the provider,

- etc. to the recipient for inspection via a telecommunications line; or
- (d) the method of offering the information required to be given which is recorded in an inspection file (meaning a file stored on the computer used by the provider, etc. which is for recording the information required to be given therein to offer them to two or more recipients for inspection at the same time; the same applies in the following paragraph) to the recipient for inspection via a telecommunications line;
  - (ii) the method of delivering a file containing the Information required to be given that has been prepared using media which can securely record certain information by magnetic disks, CD-ROMs, or any other means equivalent thereto.
- (2) The methods specified in the items of the preceding paragraph must conform to the following standards:
- (i) that the method is one that enables the recipient to prepare documents by outputting the records in the inspection file or the customer file;
  - (ii) that with regard to the methods specified in item (i), (a), (c), and (d) of the preceding paragraph (excluding the method of recording the information required to be given in the customer file stored on the computer used by the recipient), the method is one in which the recipient is notified that the information required to be given is to be recorded or have been recorded in the customer file or the inspection file; provided, however, that this does not apply to cases where it is confirmed that the recipient has inspected the information required to be given;
  - (iii) that with regard to the method specified in item (i), (c) or (d) of the preceding paragraph, the method is any of the following:
    - (a) that the method is one in which the following information cannot be deleted or altered until five years have elapsed from the day on which the information required to be given was offered to the recipient for inspection (if any complaints related to the information required to be given that have been raised during the time before the expiration date of that period, from such a time until either the expiration date of that period or until the day on which the complaint has been settled, whichever comes later); provided, however, that in cases where the information required to be given which is made available for inspection are to be delivered in writing, where the information is delivered by the method listed in item (i), (a) or (b) of the preceding paragraph or item (ii) of the preceding paragraph with the consent (meaning the consent by the method prescribed in Article 10, paragraph (1) of the Order) of the recipient, or where there are instructions by the recipient to delete the information required to be given, the information required to be given may be deleted:
      1. with regard to the method prescribed in item (i), (c) of the preceding

- paragraph, the information required to be given which is recorded in the customer file; and
2. with regard to the method prescribed in item (i), (d) of the preceding paragraph, the information required to be given which is recorded in the inspection file;
- (b) that, in cases where the information required to be given is to be provided pursuant to the provisions of Article 5, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 14, paragraph (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act), Article 54, paragraph (1) and Article 59 of the Act), the method is one in which the information required to be given is immediately delivered in writing or by the methods listed in item (i), (a) or item (ii) of the preceding paragraph, in cases where requests for the delivery of the information required to be given has been made by the recipient within five years from the day on which the information required to be given has been offered to the recipient for inspection (if any complaints related to the information required to be given that has been raised during the time before the expiration date of that period, from such a time until either the expiration date of that period or until the day on which the complaint has been settled, whichever comes later);
- (iv) that with regard to the method prescribed in item (i), (d) of the preceding paragraph, the method conforms to the following requirements:
- (a) that the method is one in which the information necessary for the recipient to inspect the inspection file is recorded in the customer file;
  - (b) that, in cases where the relevant method satisfies the requirement set forth in (a) of the preceding item, the method is one in which the customer file recording the information necessary for a recipient to inspect the inspection file pursuant to the provisions of (a) and the inspection file are maintained as connectable via a telecommunications line until the period as prescribed in (a) of the preceding item elapses; provided, however, that this does not apply to cases where a recipient who has been given access to the files makes a notification that it is not necessary to maintain the connection.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that links the computer used by the provider, etc. and the computer used by the recipient, etc. or by the provider, etc. on which the customer file is stored via a telecommunications line.

(Types and Details of the Electronic or Magnetic Means)

Article 12 The types and details of the method to be indicated under the provisions of Article 10, paragraph (1) of the Order are the following matters:

- (i) among the methods prescribed in the items of paragraph (1) of the preceding Article, the one to be used by the provider; and
- (ii) the method of recording the matters in the file.

(Information Required to Be Included on Beneficiary Certificates)

Article 13 The information specified by Cabinet Office Order as referred to in Article 6, paragraph (6), item (xi) of the Act is the following information:

- (i) in cases where the settlor entrusts the authority to make orders for investment, the details of the entrustment;
- (ii) with regard to securities investment trusts which are those other than the following, an indication to the effect that even if the value of purchase or redemption provided in the basic terms and conditions for an investment trust falls below the principal of the relevant trust, purchase or redemption is not made at a value exceeding the first-mentioned value:
  - (a) bond investment trust (only for the securities (excluding rights listed in the items of Article 2, paragraph (2) of the Financial Instruments and Exchange Act deemed as securities pursuant to the provisions of that paragraph) listed in the following, meaning a securities investment trust created to be invested (including the transaction listed in Article 28, paragraph (8), item (iii) of the Financial Instruments and Exchange Act concerning standardized instruments set forth in Article 2, paragraph (24), item (v) of that Act which are related to national government bonds or foreign government bonds); the same applies in Article 25, item (ii)):
    - 1. the securities set forth in Article 2, paragraph (1), items (i) through (v) of the Financial Instruments and Exchange Act;
    - 2. the investment corporation bond certificates set forth in Article 2, paragraph (1), item (xi) of the Financial Instruments and Exchange Act, and foreign investment securities set forth in that item which are securities similar to the investment corporation bond certificates;
    - 3. the securities set forth in Article 2, paragraph (1), item (xiv) of the Financial Instruments and Exchange Act which are related to a trust in which loan 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), financial institutions listed in the items of Article 1-9 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965), or a trust company are entrusted (limited to a trust in which the beneficiary at the time of conclusion of the contract for the trust is the settlor) or designated

- money trust;
4. the securities set forth in Article 2, paragraph (1), item (xv) of the Financial Instruments and Exchange Act;
  5. the securities set forth in Article 2, paragraph (1), item (xvi) of the Financial Instruments and Exchange Act;
  6. the securities set forth in Article 2, paragraph (1), item (xvii) of the Financial Instruments and Exchange Act, which have the nature of the securities set forth in the above 1. or 3. through 5.;
  7. the securities set forth in Article 2, paragraph (1), item (xviii) of the Financial Instruments and Exchange Act; and
  8. the securities set forth in Article 1, item (i) of the Order for Enforcement of the Financial Instruments and Exchange Act;
- (b) a mother fund (meaning an investment trust created for the purpose of having its beneficial interest acquired by the trustees of another investment trust).

(Information Required to Be Included in Beneficial Interest Holder Register)

- Article 14 (1) The information specified by Cabinet Office Order as referred to in Article 186, item (i) of the Trust Act (Act No. 108 of 2006) as applied *mutatis mutandis* pursuant to Article 6, paragraph (7) of the Act is the name of the investment trust managed under instructions from the settlor.
- (2) The information specified by Cabinet Office Order as referred to in Article 186, item (v) of the Trust Act as applied *mutatis mutandis* pursuant to Article 6, paragraph (7) of the Act is the following information:
- (i) the day of cancellation, kind, number of issuance and number of units of issuance, and number of cancellation and number of units of cancellation as well as the number of remaining and number of units of remaining, of the beneficiary certificates;
  - (ii) when there is a trust supervisor, the following information:
    - (a) the trade name, name, and location or address;
    - (b) when there are provisions as prescribed in the proviso to Article 132, paragraph (1) of the Trust Act or the proviso to paragraph (2) of that Article, the details of the relevant provisions;
  - (iii) when there is an agent for a beneficiary, the following information:
    - (a) the trade name, name, and location or address;
    - (b) when there are provisions as prescribed in the proviso to Article 139, paragraph (1) of the Trust Act or the proviso to paragraph (3) of that Article, the details of the relevant provisions;
  - (iv) when an administrator of a beneficial interest holder register as prescribed in Article 188 of the Trust Act has been specified, the trade name, name, and location or address thereof; and

(v) beyond what is listed in the preceding items, the information required to be included in the basic terms and conditions for an investment trust.

(Method of Indicating Information Recorded in an Electronic or Magnetic Record)

Article 15 The method specified by Cabinet Office Order as referred to in Article 190, paragraph (2), item (ii) of the Trust Act as applied mutatis mutandis pursuant to Article 6, paragraph (7) of the Act is the method of indicating the information recorded in an electronic or magnetic record (meaning the electronic or magnetic record as prescribed in Article 17, paragraph (10) of the Act; the same applies hereinafter) under that item on paper or on a computer screen.

(Inclusion of Information Required to Be Included in Beneficial Interest Holder Register Not by the Request of Beneficiaries)

Article 16 In the cases listed in the items of Article 197, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 6, paragraph (7) of the Act, a settlor of an Investment trust managed under instructions from the settlor must include or record the information required to be included in the beneficial interest holder register related to the beneficiaries of the beneficial interest set forth in those items.

(Request of Inclusion of Information Required to Be Included in Beneficial Interest Holder Register)

Article 17 The cases specified by Cabinet Office Order as referred to in Article 198, paragraph (2) of the Trust Act as applied mutatis mutandis pursuant to Article 6, paragraph (7) of the Act are the cases where a beneficial interest acquirer (meaning a person who has acquired the beneficial interest of an investment trust managed under instructions from the settlor from a person other than the settlor of an investment trust managed under instructions from the settlor (excluding the relevant settlor)) makes the request by presenting the beneficiary certificates.

(Electronic Signature)

Article 18 (1) The measures in lieu of signing or affixing names and seals specified by Cabinet Office Order as referred to in Article 202, paragraph (3) of the Trust Act as applied mutatis mutandis pursuant to Article 6, paragraph (7) of the Act are electronic signature.

(2) The term "electronic signature" as used in the preceding paragraph means measures implemented for information which can be recorded in an electronic or magnetic record, that satisfy all of the following requirements:

- (i) that the measure is for indication that the relevant information has been prepared by the person who implemented the relevant measure; and
- (ii) that the measure is one that enables to confirm as to whether the relevant information has been altered or not.

(Exclusion from Application of Prohibition on Investment Trusts Managed under Instructions from the Settlor Which Is Other Than a Money Trust)

Article 19 (1) The indicators specified by Cabinet Office Order as referred to in Article 12, item (i) of the Order are those designated by the financial instruments exchange (meaning the financial instruments exchange defined in Article 2, paragraph (16) of the Financial Instruments and Exchange Act; the same applies hereinafter) which intends to list the beneficiary certificates of an investment trust related to the relevant indicator on the financial instruments exchange market (meaning the financial instruments exchange market defined in Article 2, paragraph (17) of that Act; the same applies hereinafter) established thereby, or by the authorized financial instruments firms association (meaning the authorized financial instruments firms association defined in Article 2, paragraph (13) of that Act; the same applies hereinafter) which intends to have the beneficiary certificate sold and purchased on the over-the-counter securities market (meaning the over-the-counter securities market defined in Article 67, paragraph (2) of that Act; the same applies hereinafter) as those satisfying all of the following requirements, pursuant to the provisions of their rules:

- (i) that the calculation method of the indicator is objective and does not lack fairness;
- (ii) that, in the case of indicator related to the price of securities (limited to the specified securities, etc. defined in Article 163, paragraph (1) of the Financial Instruments and Exchange Act), the indicator is one that comprehensively shows the price level of a number of issues of securities;
- (iii) that, in the case of an indicator related to the price of securities or other assets, and for which there is a possibility of changes to the constituents (meaning the issue, or class or type of the relevant securities or other assets; the same applies hereinafter) thereof, the requirement for and method of the changes does not lack fairness;
- (iv) that the indicator and the calculation method thereof are publicized;
- (v) that, in the case of indicator related to the price of securities or other assets, the constituents (in cases where a possibility of changes thereto exists, including the criteria and method thereof) thereof is publicized; and
- (vi) that, in the case of an indicator related to the price of securities or commodities (meaning the commodity as defined in Article 2, paragraph (1) of the Commodity Derivatives Act (Act No. 239 of 1950); the same applies

hereinafter), the relevant indicator is composed of issues or classes for which a smooth sale and purchase of securities or commodities that is necessary to make the volatility of the amount of net assets per unit of investment trust property of the relevant investment trust correspond to the volatility of the relevant indicator is expected (limited to cases where the relevant investment trust is invested into the securities or commodity that are the constituents of the indicator).

- (2) The investment trusts specified by Cabinet Office Order as referred to in Article 12, items (i) and (ii) of the Order are, in light of the contents of the beneficiary certificates thereof, those other than the investment trust for which measures to ensure sufficient liquidity that is necessary for having the market price of the beneficiary certificates formed by properly reflecting the fluctuations in the underlying indicator (meaning an indicator for having the volatility of the amount of net assets per unit of the investment trust property correspond to its volatility; the same applies in Article 94 and Article 259, item (i) or any other measures are necessary but has not been taken.
- (3) The assets specified by Cabinet Office Order as referred to in Article 12, item (i), (a) of the Order are as follows:
  - (i) the following securities, or the securities listed in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act (excluding those falling under the category of securities listed in the following sub-items) which indicate the rights pertaining to the following securities:
    - (a) the securities listed on a financial instruments exchange or a foreign financial instruments market (meaning the foreign financial instruments market defined in Article 2, paragraph (8), item (iii), (b) of the Financial Instruments and Exchange Act; the same applies hereinafter);
    - (b) over-the-counter traded securities (meaning the over-the-counter traded securities defined in Article 2, paragraph (8), item (x) of the Financial Instruments and Exchange Act; the same applies hereinafter);
    - (c) the securities other than those listed in sub-item (a) or (b), which are as follows:
      1. the securities set forth in Article 2, paragraph (1), items (i) through (v) of the Financial Instruments and Exchange Act (including the securities set forth in item (xvii) of that paragraph which have the nature of those securities);
      2. among the securities set forth in Article 2, paragraph (1), item (ix) of the Financial Instruments and Exchange Act (including the securities set forth in item (xvii) of that paragraph which have the nature of those securities), those of which the price is publicized based on the rules of an Authorized Financial Instruments Firms Association or an organization incorporated in a foreign state which has a nature similar



thereto; and

3. the securities set forth in Article 2, paragraph (1), item (x), (xi) or (xix) of the Financial Instruments and Exchange Act;
  - (ii) a commodity listed on a commodity market (meaning the commodity market defined in Article 2, paragraph (9) of the Commodity Derivatives Act; the same applies hereinafter) or foreign commodity market (meaning foreign commodity market defined in paragraph (12) of that Article; the same applies hereinafter) (limited to a commodity for which a sale and purchase transactions promising the delivery and receipt of the commodity or the consideration therefor may be conducted on the commodity market or foreign commodity market).
- (4) The exchange of beneficiary certificates with securities or a commodity belonging to the investment trust property thereof as referred to in Article 12, item (i), (a) of the Order is to be made by satisfying all of the following requirements:
- (i) that the securities belonging to the relevant investment trust property are to be exchanged with a certain number of units of beneficiary certificates equivalent thereto, based on the appraised value of the securities; provide, however, that in the cases listed in the following sub-item (a), only the part prescribed therein may be returned by beneficiary certificates and in the cases listed in the following (b), money may be delivered only for the part prescribed therein:
    - (a) if the appraised value of the relevant securities or commodity is less than the appraised value of the relevant certain number of units of beneficiary certificates: the part equivalent to the difference thereof; or
    - (b) if the relevant securities include securities for which beneficiary certificates are to be transferred in response to the application for exchange after they have become ex-dividends or ex-rights on the day on which the person who is entitled to the dividends or rights is fixed (limited to share certificates or investment securities; hereinafter the same applies in sub-item (b)): the part equivalent to the appraised value of the securities for which beneficiary certificates are to be transferred;
  - (ii) that, if the beneficiary requests the exchange, the settlor of the relevant investment trust orders the trustee to exchange the beneficiary certificates subject to the request with the securities belonging to the investment trust property thereof which are equivalent to the equity in the investment trust property.
- (5) The acquisition of beneficiary certificates provided in Article 12, item (ii), (b) of the Order is to be made by satisfying all of the following requirements:
- (i) that the acquisition of beneficiary certificates is to be made by the certain number of units of beneficiary certificates (hereinafter referred to as the

"certain number of units of beneficiary certificates" in this paragraph and the following paragraph) equivalent to the beneficiary certificates designated by a settlor company of an investment trust which gives orders for investment, as the securities or commodity of each issue or class composed of the ratio equivalent to the composition ratio of the number of each issue or class of the securities or commodity which are to be the subject of the investment (hereinafter referred to as "securities of each issue, etc."); provided, however, that in the cases listed in the following (a) or (b), the acquisition of the beneficiary certificates may be made by the money prescribed respectively therein:

- (a) in cases where the relevant securities of each issue, etc. include securities for which beneficiary certificates are to be transferred in response to the application for acquisition after they have become ex-dividends or ex-rights on the day on which the person who is entitled to the dividends or rights is fixed or on the immediately preceding business day (limited to share certificates or investment securities; hereinafter the same applies in (a)): money equivalent to the securities for which beneficiary certificates are to be transferred (limited to those calculated by the appraised value) and money equivalent to the expenses necessary for acquiring the securities for the relevant investment trust property; and
  - (b) in cases where the relevant securities of each issue, etc. includes shares issued by a person who responds to the public offering or shares issued by its parent company (meaning the parent company defined in Article 2, item (iv) of the Companies Act (Act No. 86 of 2005); the same applies in item (i), (a) of the following paragraph): money equivalent to the relevant shares (limited to those calculated by the appraised value) and money equivalent to the expenses necessary for acquiring the shares for the relevant investment trust property;
  - (ii) that, with regard to the relevant securities of each issue, etc., the acquisition of beneficiary certificates are to be made by acquiring the certain number of units of beneficiary certificates equivalent thereto, based on the appraised value thereof; provided, however, that in cases where the appraised value of the securities of each issue, etc. are less than the appraised value of the certain number of units of beneficiary certificates, only the part equivalent to the difference therein may be appropriated by money.
- (6) The exchange of beneficiary certificates with the securities or commodity belonging to the investment trust property thereof as provided in Article 12, item (ii), (c) of the Order is to be made by satisfying all of the following requirements:
- (i) that the securities or commodity belonging to the relevant investment trust

property are to be exchanged with a certain number of units of beneficiary certificates equivalent thereto, based on the appraised value thereof; provided, however, that in the cases listed in the following (a) or (b), only the parts prescribed respectively therein may be returned by beneficiary certificates and in the cases listed in the following (c), money may be delivered only for the part prescribed therein:

- (a) cases where the securities belonging to the relevant investment trust property includes shares issued by the beneficiary which conducts the exchange thereof or shares issued by the parent company thereof: the part equivalent to the relevant shares; or
  - (b) cases where the appraised value of the relevant securities or commodity is less than the appraised value of the relevant certain number of units of beneficiary certificates: the part equivalent to the difference therein;
  - (c) in cases where the relevant securities include securities for which beneficiary certificates are to be transferred in response to the application for exchange after they have become ex-dividends or ex-rights on the day on which the person who is entitled to the dividends or rights is fixed (limited to share certificates or Investment securities; hereinafter the same applies in (c)): the part equivalent to the appraised value of the securities for which beneficiary certificates are to be transferred;
- (ii) that, if the beneficiary requests the exchange, the settlor of the relevant investment trust orders the trustee to exchange the beneficiary certificates subject to the request with the securities or commodity belonging to the investment trust property which are equivalent to the equity in the investment trust property.
- (7) The acquisition of beneficiary certificates provided in Article 12, item (iv), (a) of the Order is to be made by acquiring the certain number of units of beneficiary certificates equivalent to money and the listed securities, etc. (meaning the listed securities, etc. defined in the item (i), (a) of that Article; the same applies in the following paragraph) which are to be the subject of the investment, based on the sum of the amount of money and the appraised value of the listed securities, etc.
- (8) The exchange of beneficiary certificates with money or listed securities, etc. belonging to the investment trust property thereof as referred to in Article 12, item (iv), (b) of the Order is to be made by satisfying all of the following requirements:
- (i) that money or listed securities, etc. belonging to the relevant investment trust property are to be exchanged with a certain number of units of beneficiary certificates equivalent thereto, based on the sum of the amount of money and the appraised value of such listed securities, etc.; and
  - (ii) that, if the beneficiary requests the exchange, the settlor of the relevant

investment trust orders the trustee to exchange the beneficiary certificates subject to the request with money or listed securities, etc. belonging to the investment trust property thereof which are equivalent to the equity in the investment trust property.

- (9) The term "appraised value" as used in the preceding five paragraphs is the value calculated based on the closing price publicized at the time specified in the basic terms and conditions for an investment trust or the value calculated by a reasonable method equivalent thereto.
- (10) The acquisition of beneficial interest of an investment trust provided in Article 12, item (iii) of the Order is to be made by satisfying all of the following requirements:
- (i) that the settlor of the relevant investment trust is to, with the value calculated based on the closing price publicized on the immediately preceding day with regard to the securities or commodity used for the acquisition of beneficial interest of the investment trust or the value calculated by the reasonable method equivalent thereto, give orders for acquisition of the number of units of beneficiary certificates of the investment trust equivalent to that value;
  - (ii) that the relevant investment trust and another investment trust which intends to acquire the beneficial interest of the relevant investment trust is identical in the information concerning the investment as referred to in Article 4, paragraph (2), item (vi) of the Act in their basic terms and conditions for the investment trust.

(Acquisition Ratio of Shares Issued by One Corporation)

Article 20 The ratio specified by Cabinet Office Order as referred to in Article 9, item (ii) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 54, paragraph (1) of the Act) is fifty-hundredths.

(Shareholders' Rights to Be Exercised by Order)

- Article 21 (1) The rights of shareholders specified by Cabinet Office Order as referred to in Article 10, paragraph (1) of the Act are the rights of shareholder based on the provisions of Article 116, paragraph (1), Article 210, Article 241, paragraph (2), Article 247, Article 785, paragraph (1), Article 797, paragraph (1), and Article 806, paragraph (1) of the Companies Act and the rights to assert invalidity of the acts listed in Article 828, paragraph (1), items (iv) through (xii) of that Act based on that paragraph.
- (2) The rights of investors specified by Cabinet Office Order as referred to in Article 14, item (i) of the Order are the rights based on the provisions of Article 141, paragraph (1), Article 149-3, paragraph (1), Article 149-8, paragraph (1), Article 149-13, paragraph (1) of the Act, and Article 210 of the Companies Act

as applied mutatis mutandis pursuant to Article 84, paragraph (1) of the Act and the right to assert the invalidity of the acts listed in Article 828, paragraph (1), items (iv), (v), (vii), and (viii) of the Companies Act based on the provisions of Article 828, paragraph (1) of the Companies Act (limited to the part pertaining to item (iv)) as applied mutatis mutandis pursuant to Article 88-23, paragraph (1) of the Act, the provisions of Article 828, paragraph (1) of the Companies Act (limited to the part pertaining to item (v)) as applied mutatis mutandis pursuant to Article 142, paragraph (6), and the provisions of Article 828, paragraph (1) of the Companies Act (limited to the part pertaining to items (vii) and (viii)) as applied mutatis mutandis pursuant to Article 150 of the Act.

- (3) The rights of preferred equity investors specified by Cabinet Office Order as referred to in Article 14, item (ii) of the Order are the rights based on the provisions of Article 22, paragraph (5) of the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions (limited to the parts pertaining to items (i) and (ii)), and the provisions of Article 210 of the Companies Act as applied mutatis mutandis pursuant to Article 14, paragraph (1) of the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions.
- (4) The rights of preferred equity members specified by Cabinet Office Order as referred to in Article 14, item (iii) of the Order are the rights based on the provisions of Article 153, paragraph (1) of the Act on Securitization of Assets (Act No. 105 of 1998; hereinafter referred to as the "Asset Securitization Act"), and the provisions of Article 210 of the Companies Act as applied mutatis mutandis pursuant to Article 42, paragraph (5) of the Asset Securitization Act, as well as the rights to assert the invalidity of the acts listed in Article 828, paragraph (1), item (v) of the Companies Act based on that paragraph (limited to the part pertaining to item (v)) as applied mutatis mutandis pursuant to Article 112 of the Asset Securitization Act.

(Appraisal of Real Property Pertaining to Specified Assets)

Article 21-2 An appraisal of real property under Article 11, paragraph (1) of the Act is to be assigned to a real estate appraiser who does not fall under any of the following:

- (i) an interested person or other close affiliate of the settlor company of the relevant investment trust (meaning the interested person or other close affiliate as prescribed in Article 11, paragraph (1) of the Act);
- (ii) an interested person or other close affiliate of the trustee company (meaning the interested person or other close affiliate as prescribed in Article 18 of the Order);
- (iii) an officer of the settlor company of the relevant investment trust or the

trustee company (if an officer is a corporation, its employee; the same applies in Article 85-2, item (ii) and Article 244-2, item (iii)) or employee of the same;  
or

- (iv) a person who is, pursuant to the provisions of the Act on Real Estate Appraisal (Act No. 152 of 1963), unqualified to engage in the business concerning an appraisal of real property under Article 11, paragraph (1) of the Act.

(Designated Assets)

Article 22 (1) The assets specified by Cabinet Office Order as referred to in Article 11, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act) are as follows:

- (i) the following securities, and the securities set forth in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act (excluding those falling under the category of securities listed in the following sub-items) which indicate the rights pertaining to the following securities:
  - (a) the securities listed on a financial instruments exchange or foreign financial instruments market;
  - (b) over-the-counter traded securities;
  - (c) the securities other than those listed in (a) and (b), which are as follows:
    1. the securities set forth in Article 2, paragraph (1), items (i) through (v), (xii), (xiii), (xv) of the Financial Instruments and Exchange Act (including the securities set forth in item (xvii) of that paragraph which have the nature of those securities);
    2. among the securities set forth in Article 2, paragraph (1), item (ix) of the Financial Instruments and Exchange Act (including the securities set forth in item (xvii) of that paragraph which have the nature of those securities), those of which the price is publicized based on the rules of an authorized financial instruments firms association or an organization incorporated in a foreign state which has a nature similar thereto;
    3. the securities set forth in Article 2, paragraph (1), item (x), (xi) or (xix) of the Financial Instruments and Exchange Act; and
    4. the securities set forth in Article 1, item (i) of the Order for Enforcement of the Financial Instruments and Exchange Act;
- (ii) a beneficial interest of a money trust for which a contract for compensating the principal is concluded pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by a Financial Institution (Act No. 43 of 1943) (excluding those falling under the category listed in the preceding item);

- (iii) rights pertaining to market transactions of derivatives (meaning the market transactions of derivatives defined in Article 2, paragraph (21) of the Financial Instruments and Exchange Act);
  - (iv) rights pertaining to over-the-counter derivatives transactions (meaning the over-the-counter derivatives transactions referred to in Article 2, paragraph (22) of the Financial Instruments and Exchange Act; limited to those whose terms and conditions are the same as the terms and conditions of transactions prescribed in the rules of a financial instruments exchange or the business rules of a financial instruments clearing organization (meaning the financial instruments clearing organization defined in paragraph(29) of that Article));
  - (v) rights pertaining to foreign market derivatives transactions (meaning the foreign market derivatives transactions defined in Article 2, paragraph (23) of the Financial Instruments and Exchange Act);
  - (vi) monetary claim (meaning those listed in Article 3, item (vii) of the Order, and limited to those pertaining to call loans, those indicated by negotiable certificates of deposit, and those pertaining to deposits or savings made to a bank or the financial institutions listed in Article 112, items (i) through (vii));
  - (vii) a commodity listed on a commodity market or foreign commodity market (limited to a commodity for which a sale and purchase transaction promising the delivery and receipt of the commodity or the consideration therefor may be conducted on the commodity market or foreign commodity market); and
  - (viii) rights pertaining to transactions of commodities investment, etc. (meaning the transactions of commodities investment, etc. as prescribed in Article 3, item (x), (a) of the Order, and limited to transactions made on a commodity market or foreign commodity market; the same applies hereinafter).
- (2) The acts specified by Cabinet Office Order as referred to in Article 11, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act) are the following acts:
- (i) acquisition and transfer as well as lending and borrowing of securities (excluding those listed in Article 16-2, item (ii) of the Order and items (i) and (ii) of the preceding paragraph; the same applies in item (i) of the following paragraph);
  - (ii) over-the-counter transactions of derivatives (meaning the over-the-counter transactions of derivatives referred to in Article 2, paragraph (22) of the Financial Instruments and Exchange Act and excluding those listed in item (iv) of the preceding paragraph; the same applies in item (ii) of the following paragraph);

- (iii) acquisition and transfer of promissory notes (meaning those listed in Article 3, item (vi) of the Order; the same applies hereinafter);
  - (iv) acquisition and transfer of monetary claims (meaning those listed in Article 3, item (vii) of the Order, and excluding those listed in item (vi) of the preceding paragraph; the same applies in item (iv) of the following paragraph);
  - (v) acquisition and transfer of equity in investment in a silent partnership (meaning the equity in investment in a silent partnership defined in Article 3, item (viii) of the Order; the same applies hereinafter);
  - (vi) acquisition and transfer of commodities (excluding those listed in item (vii) of the preceding paragraph; the same applies in item (vi) of the following paragraph);
  - (vii) transactions related to commodities investment, etc. (meaning the transactions related to commodities investment, etc. as prescribed in Article 3, item (x) of the Order and excluding the transactions related to commodities investment set forth in item (viii) of the preceding paragraph; the same applies in item (vii) of the following paragraph);
  - (viii) acquisition and transfer of a renewable energy power generation facilities; and
  - (ix) acquisition and transfer of a right to operate public facility, etc.
- (3) The matters specified by Cabinet Office Order as referred to in Article 11, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act) are the matters specified in the following matters according to the category of specified assets set forth in the respective items:
- (i) securities: matters necessary to specify the issue, volume, and trust property pertaining to the trust and other matters related to the contents of the security;
  - (ii) rights pertaining to over-the-counter transactions of derivatives: the name of the counterparty to the transaction, issue, the agreed figure (meaning the agreed figure defined in Article 2, paragraph (21), item (ii) of the Financial Instruments and Exchange Act; the same applies in Article 246, paragraph (1), item (ii), (c)), kind of financial instrument (meaning the financial instruments defined in Article 2, paragraph (24) of that Act) or financial indicator (meaning the financial indicator defined in paragraph (25) of that Article), information as to whether it is a put option (meaning options whereby the party acquires the position as a seller by the exercise of rights; the same applies in item (vii)) or a call option (meaning options whereby the party acquires the position as a buyer by the exercise of rights; the same applies in item (vii)), the exercise price, exercise period, transaction period and other matters related to the contents of the relevant over-the-counter



- transactions of derivatives;
- (iii) promissory notes: the obligor on the promissory note, the state of establishment of the guarantee, and other matters related to the contents of the relevant promissory note;
  - (iv) monetary claims: the type of monetary claim, the names and addresses of the creditor and debtor, the state of establishment of the collateral, and other matters related to the contents of the relevant monetary claims;
  - (v) equity in investment in a silent partnership: the matters listed in the preceding items, item (viii) and item (ix) related the business property of the silent partnership agreement as well as the matters related to the contents of the silent partnership agreement and the business operator thereof;
  - (vi) commodity: the type, volume, and other matters related to the contents of the relevant commodity;
  - (vii) rights pertaining to transactions related to commodities investment, etc.: the name of the counterparty to the transaction, issue, contract price (meaning the contract price defined in Article 2, paragraph (3), item (ii) of the Commodity Derivatives Act; the same applies in Article 246, paragraph (6)) or agreed figure (meaning the agreed figure defined in Article 2, paragraph (3), item (iii) of that Act; the same applies in Article 246, paragraph (6)), types of commodity or commodity index (meaning the commodity index defined in Article 2, paragraph (2) of that Act; the same applies in Article 246, paragraph (6), item (i)), information on as to whether it is a put option or call option, exercise price, exercise period, transaction period and other matters related to the contents of the transactions related to commodities investment, etc.;
  - (viii) a renewable energy power generation facilities: the name of the counterparty to the transaction, location and parcel number of the land used for the renewable energy power generation facilities, classification, etc., of the renewable energy power generation facilities, and other details of the renewable energy power generation facilities, as well as the details of the specified contract or power purchase contract relevant to the renewable energy power generation facilities; and
  - (ix) a right to operate public facility, etc.: the name of the counterparty to the transaction, location and parcel number of the public facility, etc. covered by the right to operate public facility, etc., and other details of the public facility, etc., as well as the details of the service contract for the operation, etc. of the public facility, etc.

(Deliver of Documents to Beneficiaries When Conflict of Interests Is Likely to Occur)

Article 23 (1) The delivery of documents in relation to the transactions listed in

the items of Article 13, paragraph (1) of the Act as referred to in that paragraph must be made by the documents containing the following information:

- (i) the name of the investment trust managed under instructions from the settlor related to the relevant transaction;
  - (ii) the reasons for delivering the document (including the relationship between the counterparty to the relevant transactions and the relevant settlor company of an investment trust);
  - (iii) the reasons for conducting the transaction;
  - (iv) the details of the transaction (type, issue (other information necessary for specifying the specified assets), and number of the specified assets for which a transaction has been conducted, as well as the price and method of transaction, and the date on which the transaction was conducted);
  - (v) the results of the appraisal under Article 11, paragraph (1) of the Act or the investigation under paragraph (2) of that Article;
  - (vi) the date of delivery of the document; and
  - (vii) other information that will serve as a reference.
- (2) When the transactions listed in the items of Article 13, paragraph (1) of the Act has been conducted, a settlor company of an investment trust must deliver the documents containing the information listed in the items of the preceding paragraph without delay.
- (3) If solicitation of applications to acquire beneficiary certificates pertaining to the investment trust property is done by public offering, a settlor company of an investment trust may, in lieu of preparing a document containing the information listed in the items of paragraph (1) and delivering it to the beneficiaries provided in Article 13, paragraph (1) of the Act (excluding those provided in Article 19, paragraph (1) of the Order; hereinafter the same applies in this paragraph), give public notice of the information promptly after any of the transactions listed in the items of Article 13, paragraph (1) of the Act has been carried out and deliver the investment report provided in Article 14, paragraph (1) of the Act containing the information pertaining to the first preparation date (meaning the preparation date defined in Article 14, paragraph (1) of the Act; hereinafter the same applies in Article 25-3 and Article 248, paragraph (3)) arrived after the transaction is carried out to the beneficiaries provided in Article 13, paragraph (1) of the Act.

(Customers to Whom Documents Are Required to Be Delivered When Conflict of Interest Is Likely to Occur)

Article 24 (1) The customers specified by Cabinet Office Order as referred to in Article 19, paragraph (4), item (v) of the Order are as follows:

- (i) the counterparty to the transactions in cases where the settlor company of

an investment trust conducts sale or purchase of housing land or building of the investment trust property, or provides agent or intermediary service therefor;

- (ii) in cases where the settlor company of an investment trust gives advice with regard to the investment related to the specified assets of an investment trust property, the counterparty to the transaction of the specified assets to be conducted based on the advice.
- (2) The securities specified by Cabinet Office Order as referred to in Article 19, paragraph (5), item (i) of the Order are securities other than those set forth in Article 22, paragraph (1), items (i) and (ii).
- (3) The financial institutions specified by Cabinet Office Order as referred to in Article 19, paragraph (5), item (iv) of the Order are those set forth in Article 112, items (i) through (vii).
- (4) The commodities specified by Cabinet Office Order as referred to in Article 19, paragraph (5), item (vi) of the Order are Commodities other than those set forth in Article 22, paragraph (1), item (vii).
- (5) The transactions specified by Cabinet Office Order as referred to in Article 19, paragraph (5), item (vii) of the Order are transactions related to commodities investment, etc. (meaning the transactions related to commodities investment, etc. as prescribed in Article 3, item (x) of the Order; the same applies hereinafter) other than the transactions set forth in Article 22, paragraph (1), item (viii).

(Cases Where Delivery of Investment Reports Is Not Required)

Article 25 The cases specified by Cabinet Office Order as referred to in Article 14, paragraph (1), item (iii) of the Act are the following cases:

- (i) cases where the beneficiary certificates are listed on a financial instruments exchange (excluding cases where the beneficiary certificates are specified listed securities defined in Article 2, paragraph (33) of the Financial Instruments and Exchange Act);
- (ii) cases where the relevant investment trust property is one of which the accounting period is one day, and is related to the bond investment trust which specifies all of the following matters in the basic terms and conditions for an investment trust:
  - (a) that the assets which are to be the subject of investment of the investment trust property are the following assets (hereinafter referred to as the "securities, etc." in this item):
    1. the securities set forth in Article 13, item (ii), (a) 1. through 4., 7., and 8.;
    2. the securities set forth in Article 2, paragraph (1), item (xvii) of the Financial Instruments and Exchange Act which have the nature of the

- securities set forth in Article 13, item (ii), (a) 1., 3., or 4.;
3. 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, and financial institutions listed in the items of Article 1-9 of the Order for Enforcement of the Financial Instruments and Exchange Act, 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);
  4. rights which are claimable against a foreign national which have the nature of the beneficial interest listed in 3. above;
  5. designated money trust;
  6. deposits;
  7. negotiable instrument (excluding those falling under the category of securities listed in 1. above); or
  8. call loans;
- (b) that the securities, etc. which are to be the subject of investment of the investment trust property are those for which the period until the redemption or maturity (referred to as the "remaining period" in (c)) is no longer than one year;
- (c) that the average remaining period (meaning the period obtained by dividing the total of the amounts obtained by multiplying the remaining period of each security, etc. by its amount to be incorporated, by the total amount to be incorporated of the relevant securities, etc.) of the securities, etc. which are to be incorporated into the investment trust property does not exceed 90 days;
- (d) that, with regard to the value of the securities, etc. (excluding national government bonds, government guaranteed bonds (meaning bond certificates for which the government guarantees the redemption of the principal and the payment of interest thereof), and call loans of which the period of repayment (excluding days on which the trustee company providing loans is closed) is within five days (such call loans are referred to as the "specified call loans" in (e))) issued or handled by a single corporation or other organizations (collectively referred to as the "corporation, etc." in the following (e)) which has been the basis for the calculation of the total amount of investment trust property, the ratio of such value to the total amount is five-hundredths or less;
- (e) that, with regard to the value of the specified call loan handled by a single corporation, etc. which has been the basis for the calculation of the total amount of the investment trust property, the ratio of such value to the total amount is twenty-five-hundredths or less;

(iii) cases where the beneficiary certificates falls under the category of securities for professional investors (meaning the securities for professional investors defined in Article 4, paragraph (3) of the Financial Instruments and Exchange Act; the same applies in Article 88, item (ii)), and the information related to the information required to be given in the investment reports are provided or publicized under Article 27-32, paragraph (1) or (2) of the Financial Instruments and Exchange Act as the issuer's information defined in paragraph (1) of that Article (limited to cases where it is provided to the effect that provision or publication of the information is made in lieu of the delivery of investment reports in the basic terms and conditions for an investment trust).

(Electronic or Magnetic Means)

Article 25-2 (1) The methods using an electronic data processing system and other information and communications technology as specified by Cabinet Office Order as referred to in Article 14, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act; hereinafter the same applies in item (i), sub-item (a)) are the following methods:

(i) the methods using an electronic data processing system that are listed in (a) through (d):

(a) the method of transmitting the information required to be given via a telecommunications line that links the computer used by the provider, etc. (meaning the provider (meaning a person who is to provide the matters to be stated in the investment reports (hereinafter referred to as "information required to be given" in this Article) referred to in Article 14, paragraph (1) of the Act pursuant to the provisions of paragraph (2) of that Article; hereinafter the same applies in this article), or a person who keeps a file on the computer managed by the same person under the contract concluded with the provider and provides the file for the use of the recipient (meaning the other party to whom the information required to be given is to be provided; hereinafter the same applies in this Article) or for the use of the provider; hereinafter the same applies in this Article) and a computer used by the recipient, etc. (meaning a recipient or a person who keeps the customer file (meaning a file to be used exclusively by the recipient; hereinafter the same applies in this Article) in a computer managed by the same person, under the contract concluded with a recipient; hereinafter the same applies in this Article), and recording the information required to be given in the customer file stored on the computer used by the recipient, etc.;

(b) the method of offering the information required to be given which is

- recorded in a file stored on the computer used by the provider, etc. to the recipient for inspection via a telecommunications line and recording the information required to be given in the recipient's customer file which is stored on the computer used by the Recipient, etc.;
- (c) the method of offering the information required to be given which is recorded in the customer file stored on the computer used by the provider, etc. to the recipient for inspection via a telecommunications line; or
  - (d) the method of offering the information required to be given which is recorded in an inspection file (meaning a file stored on the computer used by the provider, etc. which is for recording the information required to be given therein to offer them to two or more recipients for inspection at the same time; the same applies in the following paragraph) to the recipient for inspection via a telecommunications line;
  - (ii) the method of delivering a file containing the information required to be given that has been prepared using media which can securely record certain information by magnetic disks, CD-ROMs, or any other means equivalent thereto.
- (2) The methods specified in the items of the preceding paragraph must conform to the following standards:
- (i) that the method is one that enables the recipient to prepare documents by outputting the records in the inspection file or the customer file;
  - (ii) that with regard to the methods specified in item (i), (a), (c), and (d) of the preceding paragraph (excluding the method of recording the information required to be given in the customer file stored on the computer used by the recipient), the method is one in which the recipient is notified that the information required to be given is to be recorded or have been recorded in the customer file or the inspection file; provided, however, that this does not apply to cases where it is confirmed that the recipient has inspected the information required to be given;
  - (iii) that with regard to the method specified in item (i), (c) or (d) of the preceding paragraph, the method is any of the following:
    - (a) that the method is one in which the following matters cannot be deleted or altered until five years have elapsed from the day on which the information required to be given was offered to the recipient for inspection (if any complaints related to the information required to be given that has been raised during the time before the expiration date of such period, from such a time until either the expiration date of such period or until the day on which such complaint has been settled, whichever comes later); provided, however, that in cases where the information required to be given which is made available for inspection are to be delivered in writing, cases where the information is delivered by the method listed in item (i),

- (a) or (b) of the preceding paragraph or item (ii) of the preceding paragraph, or where there are instructions by the recipient to delete the information required to be given, the information required to be given may be deleted:
1. with regard to the method prescribed in item (i), (c) of the preceding paragraph, the information required to be given which is recorded in the customer file; and
  2. with regard to the method prescribed in item (i), (d) of the preceding paragraph, the information required to be given which is recorded in the inspection file;
- (b) that the method is one in which the information required to be given is immediately delivered in writing or by the methods listed in item (i), (a) or item (ii) of the preceding paragraph, in cases where requests for the delivery of the information required to be given have been made by the recipient within five years from the day on which the information required to be given has been offered to the recipient for inspection (if any complaints related to the information required to be given that have been raised during the time before the expiration date of the relevant period, from such a time until either the expiration date of the relevant period or until the day on which that complaint has been settled, whichever comes later);
- (iv) that with regard to the method prescribed in item (i), (d) of the preceding paragraph, the method conforms to the following requirements:
- (a) that the method is one in which the information necessary for the recipient to inspect the inspection file is notified to the recipient in writing or recorded in the customer file; and
  - (b) that, in cases where the relevant method satisfies the requirement set forth in (a) of the preceding item, the method is one in which the computer used by a recipient to inspect the inspection file and the inspection file are maintained as connectable via a telecommunications line until the period as prescribed in (a) of the preceding item elapses; provided, however, that this does not apply to cases where a recipient who has been given access to the files makes a notification that it is not necessary to maintain such connection.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that links the computer used by the provider, etc. and the computer used by the recipient, etc. or by the provider, etc. on which the customer file is stored via a telecommunications line.

(Delivery of a Document Including Material Information That Is Required to Be Given in the Investment Report)

Article 25-3 The preparation and the delivery of a document including material information among the information required to be given in the investment report as prescribed in Article 14, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act) pursuant to the provisions of Article 14, paragraph (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 54, paragraph (1) and Article 59 of the Act) are to be done on each preparation date pertaining to the investment report.

(Books and Documents Concerning Investment Trust Property)

Article 26 (1) The books and documents to be prepared by a settlor company of an investment trust pursuant to the provisions of Article 15, paragraph (1) of the Act are as follows:

- (i) a trust account ledger;
- (ii) the book on the description of distributed profits;
- (iii) the book on the description of investment trust property;
- (iv) the description of profit from real property;
- (v) the description of profit from the renewable energy power generation facilities;
- (vi) the description of profit from the right to operate public facility, etc.;
- (vii) a table of the status of amortization of deferred assets;
- (viii) beneficial interest holder register;
- (ix) the book of the constant value of beneficiary certificates;
- (x) written instructions for investment in investment trust property;
- (xi) the book of value for partial cancellation (limited to the case of an investment trust managed under instructions from the settlor which is to accept the partial cancellation by the value other than the constant value);  
and
- (xii) documents concerning the results of the investigation, etc. of the value, etc. of the specified assets.

(2) The books and documents listed in the items of the preceding paragraph must be prepared using Appended Table No. 1, and preserved for ten years after the end of the accounting period of the investment trust property or after the end of the trust agreement period.

(3) In cases of a settlor company of an investment trust which is a foreign corporation, the books and documents listed in the items of paragraph (1) must be prepared and preserved by the principal business office or office in Japan.

(Notification of Details of Revisions to Basic Terms and Conditions of Investment Trusts)

Article 27 (1) The notification under Article 16 of the Act (limited to the part



pertaining to item (i)) must be made by submitting the notification containing the following particulars to the Commissioner of the Financial Services Agency or other competent official:

- (i) the name of the investment trust managed under instructions from the settlor pertaining to the relevant basic terms and conditions for an investment trust;
  - (ii) the details of and reasons for the revisions to the basic terms and conditions for an investment trust;
  - (iii) the day on which the revisions to the basic terms and conditions for an investment trust becomes effective;
  - (iv) when conditions for cancellation of revisions to basic terms and conditions for an investment trust are to be provided, such conditions; and
  - (v) when a written resolution is to be adopted, the particulars listed in Article 17, paragraph (1), items (i) and (iii) of the Act and the particulars listed in Article 31, items (ii) through (vii).
- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) a draft of the revisions to the basic terms and conditions for an investment trust;
  - (ii) a written consent of the trustee company;
  - (iii) when a written resolution is to be adopted, the following documents:
    - (a) in cases where giving the public notice under Article 17, paragraph (5) of the Act, the documents stating the contents of the public notice; and
    - (b) the reference documents for a written resolution defined in Article 33.

(Notification of Consolidation of Investment Trusts Managed under Instructions from the Settlor)

Article 28 (1) The notification under Article 16 of the Act (limited to the part pertaining to item (ii)) must be made by submitting the notification containing the following particulars to the Commissioner of the Financial Services Agency or other competent official:

- (i) the name of each investment trust managed under instructions from the settlor pertaining to the consolidation of the relevant investment trusts managed under instructions from the settlor;
- (ii) the name of the investment trust managed under instructions from the settlor after the consolidation of investment trusts managed under instructions from the settlor;
- (iii) the contents of and reasons for the consolidation of investment trusts managed under instructions from the settlor;
- (iv) the day on which the consolidation of investment trusts managed under instructions from the settlor becomes effective;

- (v) when conditions for the termination of consolidation of investment trusts managed under instructions from the settlor are to be provided, such conditions; and
  - (vi) when a written resolution is to be adopted, the particulars listed in Article 17, paragraph (1) of the Act, items (i) and (iii) and the particulars listed in Article 31, items (ii) through (vii).
- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) a draft of the basic terms and conditions for an investment trust after the consolidation of investment trusts managed under instructions from the settlor;
  - (ii) a written consent of the trustee company;
  - (iii) when a written resolution is to be adopted, the following documents:
    - (a) in cases where giving the public notice under Article 17, paragraph (5) of the Act, the documents stating the contents of the public notice; and
    - (b) the reference documents for a written resolution defined in Article 33.

(Material Revisions to the Details of the Basic Terms and Conditions for an Investment Trust)

Article 29 The revisions to the details of the basic terms and conditions for an investment trust specified by Cabinet Office Order as being material as referred to in Article 17, paragraph (1) of the Act are the revisions to the information listed in Article 4, paragraph (2), items (i), (ii), (v) through (xi) and (xiii) through (xv) of the Act and the items of Article 7, so as to change the basic characteristics as a financial instrument of the investment trust managed under instructions from the settlor related to the relevant basic terms and conditions for an investment trust.

(Consolidation of Investment Trusts Managed under Instructions from the Settlor That Has Only a Minor Influence on Beneficiaries' Interests)

Article 29-2 (1) The cases which fall under those specified by Cabinet Office Order where the consolidation of investment trusts managed under instructions from the settlor has only a minor influence on beneficiaries' interests as provided in Article 17, paragraph (1) of the Act are the cases where the consolidation of investment trusts managed under instructions from the settlor satisfies all of the following requirements:

- (i) that the property that is to belong to the investment trust managed under instructions from the settlor after the consolidation is found not to contradict the investment policy for investment trust property that is stated in the basic terms and conditions of an investment trust before the consolidation;
- (ii) that there is no change in the basic characteristics as a financial

- instrument of the investment trust managed under instructions from the settlor before and after the consolidation; and
- (iii) that the total amount of net assets of the investment trust property of the investment trust managed under instructions from the settlor is at least five times as much as the total amount of net assets of the investment trust property of the other investment trust managed under instructions from the settlor which is to effect the consolidation; provided, however, that this does not apply to cases where the investment trust property of the investment trust managed under instructions from the settlor is found to be substantially identical to the investment trust property of the relevant other investment trust managed under instructions from the settlor.
- (2) The total amount of net assets referred to in item (iii) of the preceding paragraph is calculated on the day on which the consolidation is decided (in cases where another record date for calculation that is different from the day of the decision is specified by the decision (limited to any day falling within the period after the day on which the decision is made until immediately before the consolidation becomes effective), such other day)).

(Electronic or Magnetic Means)

- Article 30 (1) The methods using an electronic data processing system and other information and communications technology as specified by Cabinet Office Order as referred to in Article 17, paragraph (1), item (iii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) are the following methods:
- (i) among the method using an electronic data processing system, the method of transmitting information via a telecommunications line that links the computer used by the sender and the computer used by the recipient and recording such information in the file stored on the computers used by the recipient;
- (ii) the method of delivering a file containing the information that has been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto.
- (2) The methods set forth in the items of the preceding paragraph must be one that enables the recipient to prepare documents by outputting the records in the file.

(Particulars Decided for a Written Resolution)

- Article 31 The particulars specified by Cabinet Office Order as referred to in Article 17, paragraph (1), item (iv) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54,

paragraph (1) of the Act) are the following particulars:

- (i) the particulars to be stated in the reference documents for a written resolution defined in Article 33;
- (ii) the time limit for exercising voting rights in writing (limited to the time which is before the day of written resolution but after the day on which two weeks have passed from the day when the notice under Article 17, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act; the same applies in item (v), sub-item (a)) was sent);
- (iii) in cases where a single beneficiary has redundantly exercised its voting right for a single proposal, and the facts of the exercise of voting right for the single proposal differ, if particulars concerning the handling of such exercise of voting right by the beneficiary are provided, such particulars;
- (iv) in cases where a voting form (meaning the voting form defined in Article 110, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act; hereinafter the same applies in this Article); the same applies hereinafter) lacking an entry in the column under Article 36, paragraph (1), item (i) has been submitted to a settlor company of an investment trust or a trust company or similar institution, or where the particulars provided to the settlor company of an investment trust or trust company or similar institution by electronic or magnetic means pursuant to the provisions of Article 116, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act lacks the matters to be stated in that column, if the handling of that voting form or matters as to whether it is an indication of manifestation of agreement, dissent, or abstention for each proposal is provided, the details of such handling;
- (v) in cases where the particulars listed in Article 17, paragraph (1), item (iii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) are specified, the following particulars:
  - (a) the time limit for exercising voting rights by electronic or magnetic means (limited to the time which is before the day of written resolution but after the day on which two weeks have passed from the day when the notice under Article 17, paragraph (2) of the Act was sent);
  - (b) with regard to beneficiaries who have given the consent under Article 17, paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act), that voting forms under Article 110, paragraph (1) of the

- Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act are to be delivered (including the provision of voting forms by electronic or magnetic means under Article 110, paragraph (2) of the Trust Act made in lieu of the delivery thereof) when requested by such beneficiaries under Article 36, paragraph (2), if this is the case;
- (vi) when the method of notice under Article 117, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act is to be specified, such method;
  - (vii) particulars concerning the details and procedures for the purchase demand of beneficial interest under the provisions of Article 18, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act) (excluding the cases falling under the investment trust managed under instructions from the settlor provided in Article 18, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act; the same applies in the following item));
  - (viii) in the case of an investment trust managed under instructions from the settlor provided in Article 18, paragraph (2) of the Act, a statement to the effect that the purchase demand provided in the preceding item cannot be made.

(Electronic or Magnetic Means Concerning the Order for Enforcement of the Act on Investment Trusts and Investment Corporations)

Article 32 The types and details of the electronic or magnetic means to be indicated pursuant to the provisions of Article 20, paragraph (1) or Article 22, paragraph (1) of the Order are as follows:

- (i) among the following methods, those used by the sender:
  - (a) the methods using an electronic data processing system which are as follows:
    1. the method of transmitting information via a telecommunications line that links the computer used by the sender and the computer used by the recipient and recording such information in the file stored on the computer used by the recipient;
    2. the method of offering the details of the information which are recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line, and recording the information in the file stored on the computer used by the person who receives the provision of the information;
  - (b) the method of delivering a file containing the information that has been prepared using media which can securely record certain information by

- magnetic disks, or any other means equivalent thereto;
- (ii) the method of recording the information in the file.

(Reference Documents for a Written Resolution)

Article 33 Beyond what is provided for in the following Article, Article 35, Article 42, Article 92, and Article 93, the information required to be given in the documents containing the information that will serve as a reference with regard to the exercise of voting rights, which are to be delivered pursuant to the provisions of Article 110, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) may include the information which is found to serve as a reference with regard to the exercise of voting rights by beneficiaries.

(Proposals for the Revisions to the Basic Terms and Conditions for an Investment Trust)

Article 34 The following information must be given in the reference documents for a written resolution related to the proposal for the revisions to the basic terms and conditions for an investment trust:

- (i) a draft of the revisions to the basic terms and conditions for an investment trust;
- (ii) when changes are to be made to the details of the beneficial interest specified in the basic terms and conditions for an investment trust, or where it is likely that the changes have a material impact on the value of the beneficial interest, the information related to the contents and appropriateness of such changes or impact;
- (iii) the day on which the revisions to the basic terms and conditions for an investment trust becomes effective;
- (iv) when conditions for cancellation of revisions to basic terms and conditions for an investment trust are to be provided, such conditions;
- (v) the reasons for revising the basic terms and conditions for an investment trust; and
- (vi) the facts that may be disadvantageous to beneficiaries with regard to the information concerning revising the basic terms and conditions for an investment trust.

(Proposals for the Consolidation of Investment Trusts Managed under Instructions from the Settlor)

Article 35 The following information must be given in the Reference documents for a written resolution related to the proposal for the consolidation of

investment trusts managed under Instructions from the settlor:

- (i) the details of the basic terms and conditions for an investment trust after the consolidation of investment trusts managed under instructions from the settlor;
- (ii) in cases where changes are to be made to the details of the beneficial interest specified in the basic terms and conditions for an investment trust, the details thereof and the reasons for the changes;
- (iii) in cases money and other property are to be delivered to the beneficiaries upon the consolidation of investment trusts managed under instructions from the settlor, the following information:
  - (a) the details and value of the relevant property, as well as the information concerning the adequacy of the provisions for such information;
  - (b) the information concerning money or any other property to be delivered to beneficiaries, and information concerning the adequacy of the provisions for such information;
- (iv) the day on which the consolidation of investment trusts managed under Instructions from the settlor becomes effective;
- (v) when conditions for cancellation of consolidation of investment trusts managed under instructions from the settlor are to be provided, such conditions;
- (vi) the following information concerning the other investment trust managed under instructions from the settlor which is to effect the consolidation of investment trusts managed under instructions from the settlor, and any other information necessary for specifying the other investment trust managed under instructions from the settlor:
  - (a) the trade names or names and addresses of the settlor and trustee;
  - (b) the day of conclusion of the investment trust agreement; and
  - (c) the details of the basic terms and conditions for an investment trust;
- (vii) the contents of the property status disclosure materials, etc. (meaning the documents or electronic or magnetic records under Article 37, paragraph (2) of the Trust Act to be prepared pursuant to the provisions of that paragraph; the same applies hereinafter) which have been prepared immediately before the consolidation of investment trusts managed under instructions from the settlor, by each investment trust managed under instructions from the settlor which effects the consolidation (or that the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, if this is the case);
- (viii) with regard to each investment trust managed under instructions from the settlor which effects the consolidation of investment trusts managed under instructions from the settlor, when a disposition of property belonging to an important investment trust property, or assumption of a material

obligation assumed by the trustee under the trust property has been made, or any other event that may have a significant influence on the status of the investment trust property has occurred after preparing the property status disclosure materials, etc. (in cases where the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, after the time when the investment trust managed under Instructions from the settlor has been established), the details thereof;

- (ix) the reasons for effecting a consolidation of investment trusts managed under instructions from the settlor; and
- (x) the information that may be disadvantageous to beneficiaries with regard to the matters concerning the consolidation of investment trusts managed under instructions from the settlor.

(Voting Forms)

Article 36 (1) The information required to be included in the voting forms which is to be delivered pursuant to the provisions of Article 110, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act; hereinafter the same applies in this Article), or the information required to be included in the voting forms which is to be provided by electronic or magnetic means pursuant to the provisions of Article 111, paragraph (1) or (2) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act is the following information:

- (i) a column in which the agreement or dissent (in cases of providing a column for abstention, including abstention) for each proposal is to be stated;
  - (ii) when the particulars listed in Article 31, item (iii) are provided, such particulars;
  - (iii) when the particulars listed in Article 31, item (iv) are provided, the details of the handling prescribed in that item;
  - (iv) the time limit for exercising voting rights; and
  - (v) the names of the beneficiaries who are to exercise the voting rights as well as the number or ratio of voting rights exercisable by such beneficiaries.
- (2) In cases where specifying the particulars listed in Article 17, paragraph (1), item (iii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act), when the particulars listed in Article 31, item (v), (b) are provided, a settlor company of an investment trust or a trust company or similar institution must deliver the voting forms under Article 110, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the provision of voting forms by electronic or magnetic means under



Article 110, paragraph (2) of the Trust Act made in lieu of the delivery) to the beneficiary who has given the consent under Article 17, paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) when requested by such beneficiary.

(Time Limit for Exercising Voting Rights in Writing)

Article 37 The time specified by Cabinet Office Order as referred to in Article 115, paragraph (2) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) is the time limit for exercising voting rights provided in Article 31, item (ii).

(Time Limit for Exercising Voting Rights by Electronic or Magnetic Means)

Article 38 The time specified by Cabinet Office Order as referred to in Article 116, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) is the time limit for exercising voting rights provided in Article 31, item (v), (a).

(Minutes of a Written Resolution)

Article 39 (1) The preparation of written resolution under Article 120 of the Trust Act as applied mutatis mutandis pursuant to Article 17, paragraph (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) is as provided in this Article.

- (2) The minutes of a written resolution must be prepared in writing or in the form of an electronic or magnetic record.
- (3) The minutes of a written resolution must include the following particulars:
  - (i) the day on which the written resolution was adopted;
  - (ii) the result of the written resolution; and
  - (iii) the name of the person who carried out the duties pertaining to the preparation of minutes.

(Electronic or Magnetic Records)

Article 40 The electronic or magnetic record specified by Cabinet Office Order as referred to in Article 17, paragraph (10) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 20, paragraph (1) and Article 54, paragraph (1) of the Act) is that recording information in a file that has

been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto.

(Investment Trusts Managed under Instructions from the Settlor to Which Dissenting Beneficiaries' Demand for the Purchase of Their Beneficial Interest Does Not Apply)

Article 40-2 Those specified by Cabinet Office Order as those in which it is unlikely that the protection of beneficiaries will be compromised as provided in Article 18, paragraph (2) of the Act are those investment trusts managed under instructions from the settlor wherein a request made by a beneficiary for redemption of the whole or part of the principal of the investment trust with respect to the beneficial interest during the trust agreement period is responded to by the partial cancellation of the investment trust agreement by a settlor company of an investment trust and such redemption is granted to the beneficiary at a fair price of the beneficiary interest.

(Notification of Cancellation of an Investment Trust Agreement)

- Article 41 (1) The notification under Article 19 of the Act must be made by submitting a notification containing the following information to the Commissioner of the Financial Services Agency or other competent official:
- (i) the name of the investment trust managed under instructions from the settlor pertaining to the relevant investment trust agreement;
  - (ii) the reasons for the cancellation of the investment trust agreement;
  - (iii) the day on which the cancellation of the investment trust agreement becomes effective;
  - (iv) when conditions for suspension of cancellation of an investment trust agreement are to be provided, such conditions; and
  - (v) when a written resolution is to be adopted, the particulars listed in Article 17, paragraph (1), items (i) and (iii) of the Act as applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act and the particulars listed in Article 31, items (ii) through (vii).
- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) a written consent of the trustee company;
  - (ii) when a written resolution is to be adopted, the following documents:
    - (a) in cases of giving the public notice under Article 17, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act, a document stating the contents of the public notice; and
    - (b) the reference documents for a written resolution defined in Article 33.

(Proposal for the Cancellation of an Investment Trust Agreement)

Article 42 The following information must be given in the reference documents for a written resolution related to the proposal for the cancellation of an investment trust agreement:

- (i) information concerning the adequacy of the cancellation of an investment trust agreement;
- (ii) the day on which the cancellation of an investment trust agreement becomes effective;
- (iii) when conditions for suspension of cancellation of an investment trust agreement are to be provided, such conditions;
- (iv) the details of the property status disclosure materials, etc. prepared immediately before the cancellation (or that the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, if this is the case);
- (v) when a disposition of property belonging to an important investment trust property or assumption of a material obligation assumed by the trustee under the trust property has been made, or any other event that may have a significant influence on the status of investment trust property has occurred after the preparation of the property status disclosure materials, etc. (in cases where the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, after the time when the investment trust managed under instructions from the settlor has been established), the details thereof;
- (vi) the reasons for canceling the investment trust agreement; and
- (vii) the facts that will be disadvantageous to beneficiaries with regard to the information concerning the cancellation of an investment trust agreement.

(Cases Where a Notification for Cancellation of an Investment Trust Agreement Is Not Required)

Article 43 The cases specified by Cabinet Office Order as referred to in Article 20, paragraph (2) of the Act are the following cases:

- (i) cases where a truly unavoidable circumstance has occurred in light of the status of the investment trust property for which the investment trust agreement is intended to be cancelled, and where it is difficult to carry out the procedures for the cancellation of the investment trust agreement under Article 17 of the Act as applied *mutatis mutandis* pursuant to Article 20, paragraph (1) of the Act;
- (ii) cases where it is provided for, in advance, in the basic terms and conditions for an investment trust to the effect that the investment trust agreement is cancelled when certain conditions are met, and the cancellation of the investment trust agreement is made by satisfying the certain conditions.

(Application for Approval of Continuance of an Investment Trust Agreement)  
Article 44 (1) A settlor company of an investment trust which intends to obtain the approval under Article 23, paragraph (4) of the Act must submit a written application for approval containing the following information to the Commissioner of the Financial Services Agency or other competent official:

- (i) the name of the investment trust managed under instructions from the settlor pertaining to the relevant investment trust agreement;
- (ii) the reasons for continuing the investment trust agreement; and
- (iii) the duration period of the investment trust agreement.

(2) The documents stating the investment status of the investment trust property pertaining to the relevant investment trust agreement must be attached to the application under the preceding paragraph.

Article 45 Deleted

Article 46 Deleted

Article 47 Deleted

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### **Chapter III Investment Trusts Managed without Instructions from the Settlor**

(Notification of the Details of the Basic Terms and Conditions for an Investment Trust)

Article 77 (1) The notification under Article 49, paragraph (1) of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency or other competent official:

- (i) the name of the investment trust managed without instructions from the settlor pertaining to the relevant basic terms and conditions for an investment trust (meaning the basic terms and conditions for an investment trust defined in Article 49, paragraph (1) of the Act; hereinafter the same applies in this Chapter);
  - (ii) whether the relevant investment trust is a unit type (meaning the type of an investment trust where the total amount of principal of a trust which is to be jointly invested may not be increased) or open type (meaning the type of an investment trust where the total amount of the principal of a trust which is to be jointly invested may not be increased);
  - (iii) the following information as those related to the type of assets which are to be the subject of investment:
    - (a) the type of specified assets which are to be the subject of investment; and
    - (b) the type of assets other than the specified assets, which are to be the subject of investment;
  - (iv) the investment policy for the investment trust property (meaning the investment trust property defined in Article 48 of the Act; hereinafter the same applies in this Chapter);
  - (v) the planned principal of a trust which is to be invested jointly or the initial planned principal;
  - (vi) the establishment date;
  - (vii) the trust agreement period;
  - (viii) use of a public offering, private placement with qualified institutional investors, private placement with professional investors, or private placement with general investors;
  - (ix) the period of public offering or private placement;
  - (x) the trade name or name of the financial instruments business operator, etc. that handles the dealing in public offering or private placement;
  - (xi) that the trust company or similar institution. carries out public offering or private placement by itself, if this is the case; and
  - (xii) other information found to be the feature of the investment trust managed without instructions from the settlor pertaining to the relevant basic terms and conditions for an investment trust.
- (2) A draft of the basic terms and conditions for an investment trust must be attached to the notification under the preceding paragraph.

(Information Required to Be Included in the Basic Terms and Conditions for an Investment Trust)

Article 78 The information specified by Cabinet Office Order as referred to in Article 49, paragraph (2), item (xix) of the Act is the following information:

- (i) information concerning the resignation and dismissal of the trustee, as well as the appointment of a new trustee;
- (ii) information concerning the addition to the principal of a trust in investment trusts managed without instructions from the settlor in which the total amount of the principal of a trust which is to be jointly invested may be increased and;
- (iii) information concerning the cancellation of an investment trust agreement (meaning the investment trust agreement defined in Article 47, paragraph (1) of the Act; hereinafter the same applies in this Chapter);
- (iv) in cases where the trustee entrusts the authority to make orders for investment (including the further entrustment of part of the authority subject to the relevant entrustment; the same applies in item (viii) of the following Article and Article 80, item (i)), the details of the entrustment;
- (v) in cases where the person who accepted the entrustment of authority to make orders for investment from the trustee further entrusts part of the authority, the trade name or name and location of the person to whom the first-mentioned person further entrusts part of its authority to make orders for investment (including an indication that the first-mentioned person is a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act for engaging in the investment management business for qualified investors, if this is the case);
- (vi) information concerning the consolidation of investment trusts managed without instructions from the settlor (meaning the consolidation of investment trusts managed without instructions from the settlor as prescribed in Article 16, item (ii) of the Act as applied *mutatis mutandis* pursuant to Article 54, paragraph (1) of the Act; the same applies hereinafter);
- (vii) in cases where there is an agent for a beneficiary, a statement to the effect that the authority to exercise voting rights under Article 17, paragraph (6) of the Act as applied *mutatis mutandis* pursuant to Article 54, paragraph (1) of the Act, and the right to demand purchase of beneficial interest under Article 18, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 54, paragraph (1) of the Act is not included in the authority of the agent for the beneficiary in the investment trust agreement; and
- (viii) information concerning the demand for purchase of beneficial interest under Article 18, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 54, paragraph (1) of the Act.

(Details of the Information Required to Be Included in the Basic Terms and

Conditions for an Investment Trust)

Article 79 The details specified by Cabinet Office Order as referred to in Article 49, paragraph (4) of the Act are those specified in the following items according to the category of information listed in the respective items:

- (i) information listed in Article 49, paragraph (2), item (iii) of the Act: the following information:
  - (a) information concerning the changes into a registered form or into a bearer form with regard to beneficiary certificates and the procedures for the entry of a name change thereon;
  - (b) information related to the requirements to duly assert against third parties for the transfer of registered beneficiary certificates; and
  - (c) information concerning the reissuance of beneficiary certificates and the cost therefor;
- (ii) the information listed in Article 49, paragraph (2), item (v) of the Act: the following information:
  - (a) basic policy for assets investments;
  - (b) the type of assets which are to be the subject of investment;
  - (c) in cases of providing a holding ratio or holding restriction for assets which are to be the subject of investment, the details thereof (in cases where the assets which are to be the subject of investment are rights, or where specifying the type and scope of transactions pertaining to the acquisition of such right and imposing restrictions for that acquisition, the respective details thereof);
  - (d) in cases where loaning the assets acquired by an investment trust property, the details thereof; and
- (iii) information listed in Article 49, paragraph (2), item (vi) of the Act: in accordance with the type of assets to be invested, the respective method, standard and record date for the appraisal therefor;
- (iv) information listed in Article 49, paragraph (2), item (vii) of the Act: the following information:
  - (a) information concerning the method of calculation for the amount of distributable profits;
  - (b) information concerning the timing, method and place of the payment of the amount of profit distribution, amount of redemption, and amount for partial cancellation;
- (v) information listed in Article 49, paragraph (2), item (x) of the Act: the following information:
  - (a) information concerning the explanation for the grounds for extension of a trust agreement;
  - (b) information concerning the explanation for the grounds for cancellation of a trust agreement; and



- (c) information concerning the explanation of handling of rescission of authorization of a trustee or of any other case;
- (vi) information listed in Article 49, paragraph (2), item (xi) of the Act: information related to the accounting period and special provisions thereon;
- (vii) information listed in Article 49, paragraph (2), item (xiv) of the Act: information concerning the purpose, maximum amount, and use of the borrowing, and, that the lenders for the borrowings are limited to qualified institutional investors, if this is the case;
- (viii) information listed in Article 49, paragraph (2), item (xvi) of the Act: information concerning the amount of remuneration for entrustment, and the timing and method of payment thereof;
- (ix) information listed in Article 49, paragraph (2), item (xviii) of the Act: information specified in the following (a) or (b) according to the category of methods of public notice listed in the respective sub-items:
  - (a) the method of giving the public notice by publishing in a daily newspaper that publishes information on current affairs: the name of the daily newspaper that gives the public notice; or
  - (b) electronic public notice (meaning the electronic public notice as prescribed in Article 57, item (ii) of the Act): the registration address.

(Information Required to Be Included on Beneficiary Certificates)

Article 80 The information specified by Cabinet Office Order as referred to in Article 50, paragraph (2), item (xi) of the Act is the following information:

- (i) if the trustee entrusts the authority to make orders for investment, the details of such entrustment;
- (ii) an indication to the effect that even if the value of purchase or redemption provided in the basic terms and conditions for an investment trust falls below the principal of the relevant trust, purchase or redemption is not made at a value exceeding the first-mentioned value.

(Information Required to Be Included in Beneficial Interest Holder Register)

Article 81 (1) The information specified by Cabinet Office Order as referred to in Article 186, item (i) of the Trust Act as applied mutatis mutandis pursuant to Article 50, paragraph (4) of the Act is the name of the investment trust managed without instructions from the settlor.

(2) The information specified by Cabinet Office Order as referred to in Article 186, item (v) of the Trust Act as applied mutatis mutandis pursuant to Article 50, paragraph (4) of the Act is the following information:

- (i) the trade name or name, and location of the trustee of the relevant investment trust managed without instructions from the settlor;
- (ii) when there is a trust supervisor, the following information:

- (a) the trade name or name, and location or address;
- (b) when there are provisions as prescribed in the proviso to Article 132, paragraph (1) of the Trust Act or the proviso to paragraph (2) of that Article, the details of such provisions;
- (iii) when there is an agent for a beneficiary, the following information:
  - (a) the trade name, name, and location or address;
  - (b) when there are provisions as prescribed in the proviso to Article 139, paragraph (1) of the Trust Act or the proviso to paragraph (2) of that Article, the details of such provisions;
- (iv) when an administrator of a beneficial interest holder register as prescribed in Article 188 of the Trust Act has been specified, the trade name, name, and location or address thereof; and
- (v) beyond what is listed in the preceding items, information required to be included in the basic terms and conditions for an investment trust.

(Method of Indicating Information Recorded in an Electronic or Magnetic Record)

Article 82 The method specified by Cabinet Office Order as referred to in Article 190, paragraph (2), item (ii) of the Trust Act as applied mutatis mutandis pursuant to Article 50, paragraph (4) of the Act is the method of indicating the information recorded in an electronic or magnetic record under that item on paper or on a computer screen.

(Inclusion of Information Required to Be Included in Beneficial Interest Holder Register Not by the Request of Beneficiaries)

Article 83 In the cases listed in the items of Article 197, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 50, paragraph (4) of the Act, a trustee of an investment trust managed without instructions from the settlor must state or record as to whether the relevant beneficial interest belong to its own property, another investment trust property, or an investment trust property of the investment trust managed without instructions from the settlor as the information required to be included in the beneficial interest holder register.

(Request of Inclusion of Information Required to Be Included in Beneficial Interest Holder Register)

Article 84 The cases specified by Cabinet Office Order as referred to in Article 198, paragraph (2) of the Trust Act as applied mutatis mutandis pursuant to Article 50 paragraph (4) of the Act are the case where a beneficial interest acquirer (meaning a person who has acquired the beneficial interest of an investment trust managed without instructions from the settlor from a person

other than the trustee of an investment trust managed without instructions from the settlor (the trustee is excluded from the first-mentioned person)) makes the request by presenting the beneficiary certificates.

(Electronic Signature)

Article 85 (1) The measures in lieu of signing or affixing names and seals specified by Cabinet Office Order as referred to in Article 202, paragraph (3) of the Trust Act as applied mutatis mutandis pursuant to Article 50, paragraph (4) of the Act are electronic signature.

- (2) The term "electronic signature" as used in the preceding paragraph means measures implemented for information which can be recorded in an electronic or magnetic record, that satisfy all of the following requirements:
- (i) that the measure is for indication that the information has been prepared by the person who implemented the measures; and
  - (ii) that the measure is one that enables to confirm as to whether the information has been altered or not.

(Appraisal of Real Property Pertaining to Specified Assets)

Article 85-2 An appraisal of real property under Article 11, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act is to be assigned to a real estate appraiser who does not fall under any of the following:

- (i) an interested person or other close affiliate of the relevant trust company or similar institution (meaning the interested person or other close affiliate as prescribed in Article 11, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act);
- (ii) an officer or employee of the relevant trust company or similar institution;  
or
- (iii) a person who is, pursuant to the provisions of the Act on Real Estate Appraisal, unqualified to engage in the business concerning an appraisal of real property under Article 11, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act.

(Deliver of Documents to Beneficiaries When Conflict of Interests Is Likely to Occur)

Article 86 (1) The delivery of documents in relation to the transactions listed in the items of Article 13, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act must be made by the documents containing the following information:

- (i) the name of the investment trust managed without instructions from the settlor pertaining to the relevant transaction;

- (ii) the reasons for delivering the document (including the relationship between the counterparty to the relevant transactions and the relevant trust company or similar institution);
  - (iii) the reasons for conducting the transaction;
  - (iv) the details of the transaction (the type, issue (other information necessary for specifying the specified assets), and number of the specified assets for which a transaction has been conducted, as well as the price and method of transaction, and the date on which the transaction was conducted);
  - (v) the results of the appraisal under Article 11, paragraph (1) of the Act or the investigation under paragraph (2) of that Article, as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act;
  - (vi) the date of delivery of the document; and
  - (vii) other information that will serve as a reference.
- (2) When the transactions listed in the items of Article 13, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act has been conducted, a trust company or similar institution must deliver the documents containing the information listed in the items of the preceding paragraph without delay.

(Customers to Whom Documents Are Required to Be Delivered When Conflict of Interest Is Likely to Occur)

Article 87 The customers specified by Cabinet Office Order as referred to in Article 29, item (iv) of the Order are as follows:

- (i) the counterparty to the transactions in cases where the trust company or similar institution conducts sale or purchase of housing lands or buildings of the investment trust property, or provides an agent or intermediary service therefor;
- (ii) in cases where the trust company or similar institution gives advice with regard to the investment related to the specified assets of an investment trust property, the counterparty to the transaction of the specified assets to be conducted based on the advice.

(Cases Where Delivery of Investment Reports Is Not Required)

Article 88 The cases specified by Cabinet Office Order as referred to in Article 14, paragraph (1), item (iii) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act are the following cases:

- (i) cases where the beneficiary certificates is listed on a financial instruments exchange (excluding cases where the beneficiary certificates falls under the category of specified listed securities defined in Article 2, paragraph (33) of the Financial Instruments and Exchange Act);
- (ii) cases where the beneficiary certificates falls under the category of

securities for professional investors, and the information related to the particulars required to be given in the investment reports is provided or publicized under Article 27-32, paragraph (1) or (2) of the Financial Instruments and Exchange Act as the issuer's information defined in paragraph (1) of that Article (limited to cases where it is provided to the effect that provision or publication of the information is made in lieu of the delivery of investment reports in the basic terms and conditions for an investment trust).

(Notification of the Details of Revisions to Basic Terms and Conditions of Investment Trusts)

Article 89 (1) The notification under Article 16 of the Act (limited to the part pertaining to item (i)) as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency or other competent official:

- (i) the name of the investment trust managed without instructions from the settlor pertaining to the relevant basic terms and conditions for an investment trust;
- (ii) the details of and reasons for the revisions to the basic terms and conditions for an investment trust;
- (iii) the day on which the revisions to the basic terms and conditions for an investment trust becomes effective;
- (iv) when conditions for cancellation of revisions to basic terms and conditions for an investment trust are to be provided, such conditions; and
- (v) when a written resolution is to be adopted, the particulars listed in Article 17, paragraph (1), items (i) and (iii) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act, and the particulars listed in Article 31, items (ii) through (vii).

(2) The following documents must be attached to the notification under the preceding paragraph:

- (i) a draft of the revisions to the basic terms and conditions for an investment trust;
- (ii) when a written resolution is to be adopted, the following documents:
  - (a) in cases where giving the public notice under Article 17, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act, the documents stating the contents of the public notice; and
  - (b) the reference documents for a written resolution defined in Article 33.

(Notification of Consolidation of Investment Trusts Managed without Instructions from the Settlor)

Article 90 (1) The notification under Article 16 of the Act (limited to the part pertaining to item (ii)) as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency or other competent official:

- (i) the name of each investment trust managed without instructions from the settlor pertaining to the consolidation of the relevant investment trusts managed without instructions from the settlor;
  - (ii) the name of the investment trust managed without instructions from the settlor after the consolidation of investment trusts managed without instructions from the settlor;
  - (iii) the contents of and reasons for the consolidation of investment trusts managed without instructions from the settlor;
  - (iv) the day on which the consolidation of investment trusts managed without instructions from the settlor becomes effective;
  - (v) when conditions for cancellation of the consolidation of investment trusts managed without instructions from the settlor are to be provided, such conditions; and
  - (vi) when a written resolution is to be adopted, the particulars listed in Article 17, paragraph (1), items (i) and (iii) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act, and the particulars listed in Article 31, items (ii) through (vii).
- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) a draft of the basic terms and conditions for an investment trust after the consolidation of investment trusts managed without instructions from the settlor;
  - (ii) when a written resolution is to be adopted, the following documents:
    - (a) in cases where giving the public notice under Article 17, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act, the documents stating the contents of the public notice; and
    - (b) the reference documents for a written resolution defined in Article 33.

(Material Revisions to the Details of the Basic Terms and Conditions for an Investment Trust)

Article 91 The revision to the details of the basic terms and conditions for an investment trust specified by Cabinet Office Order as being material as referred to in Article 17, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act are the revisions to the information listed in Article 49, paragraph (2), items (i), (iii) through (xii) and (xiv) through (xvi) of the Act, and the information listed the items of Article 78,

so as to change the basic characteristics as a financial instrument of the investment trust managed without instructions from the settlor related to the relevant basic terms and conditions for an investment trust.

(Consolidation of Investment Trusts Managed without Instructions from the Settlor That Has Only a Minor Influence on Beneficiaries' Interests)

Article 91-2 (1) The cases which fall under those specified by Cabinet Office Order where the consolidation of investment trusts managed without instructions from the settlor has only a minor influence on beneficiaries' interests as provided in Article 17, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) of the Act are the cases where the consolidation of Investment trusts managed without instructions from the settlor satisfies all of the following requirements:

- (i) that the property that is to belong to the investment trust managed without instructions from the settlor after the consolidation is found not to contradict the investment policy for investment trust property that is stated in the basic terms and conditions of an investment trust before the consolidation;
  - (ii) that there is no change in the basic characteristics as a financial instrument of the investment trust managed without instructions from the settlor before and after the consolidation; and
  - (iii) that the total amount of net assets of the investment trust property of the investment trust managed without instructions from the settlor is at least five times as much as the total amount of net assets of the investment trust property of the other investment trust managed without instructions from the settlor which is to effect the consolidation; provided, however, that this does not apply to cases where the investment trust property of the investment trust managed without instructions from the settlor is found to be substantially identical to the investment trust property of the relevant other investment trust managed without instructions from the settlor.
- (2) The total amount of net assets referred to in item (iii) of the preceding paragraph is calculated on the day on which the consolidation is decided (in cases where another record date for calculation that is different from the day of the decision is specified by the decision (limited to any day falling within the period after the day on which the decision is made until immediately before the consolidation becomes effective), such other day)).

(Proposals for the Revisions to the Basic Terms and Conditions for an Investment Trust)

Article 92 The following information must be given in the reference documents for a written resolution related to the proposal for the revisions to the basic terms and conditions for an investment trust:

- (i) a draft of the revisions to the basic terms and conditions for an investment trust;
- (ii) when changes are to be made to the details of the beneficial interest specified in the basic terms and conditions for an investment trust, or where it is likely that the changes have a material impact on the value of the beneficial interest, the information related to the details and appropriateness of such changes or impact;
- (iii) the day on which the revisions to the basic terms and conditions for an investment trust become effective;
- (iv) when conditions for cancellation of revisions to basic terms and conditions for an investment trust are to be provided, such conditions; and
- (v) the reasons for revising the basic terms and conditions for an investment trust; and
- (vi) the facts that may be disadvantageous to beneficiaries with regard to the information concerning revising the basic terms and conditions for an investment trust.

(Proposals for the Consolidation of Investment Trusts Managed without Instructions from the Settlor)

Article 93 The following information must be given in the reference documents for a written resolution related to the proposal for the consolidation of Investment trusts managed without instructions from the settlor:

- (i) the details of the basic terms and conditions for an investment trust after the consolidation of investment trusts managed without instructions from the settlor;
- (ii) in cases where changes are to be made to the details of the beneficial interest specified in the basic terms and conditions for an investment trust, the details thereof and the reasons for the changes;
- (iii) in cases money and other property are to be delivered to the beneficiaries upon the consolidation of investment trusts managed without instructions from the settlor, the following information:
  - (a) the details and value of the relevant property, as well as the information concerning the adequacy of the provisions for such information;
  - (b) information concerning money or any other property to be delivered to beneficiaries, and the information concerning the adequacy of the provisions for such information;
- (iv) the day on which the consolidation of investment trusts managed without Instructions from the settlor becomes effective;
- (v) when conditions for cancellation of consolidation of investment trusts managed without instructions from the settlor are to be provided, such conditions;



- (vi) the following information concerning the other investment trust managed without Instructions from the settlor which is to effect the consolidation of investment trusts managed without instructions from the settlor, and any other information necessary for specifying the other investment trust managed without instructions from the settlor:
  - (a) the trade name or name and address of the trustee;
  - (b) the day of conclusion of the investment trust agreement; and
  - (c) the details of the basic terms and conditions for an investment trust;
- (vii) the contents of the property status disclosure materials, etc. which have been prepared immediately before the consolidation of investment trusts managed without instructions from the settlor by each investment trust managed without instructions from the settlor which effects the consolidation (or that the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, if this is the case);
- (viii) with regard to each investment trust managed without instructions from the settlor which effects the consolidation of investment trusts managed without instructions from the settlor, when a disposition of property belonging to an important investment trust property, or assumption of a material obligation assumed by the trustee under the trust property has been made, or any other event that may have a significant influence on the status of the investment trust property has occurred after preparing the property status disclosure materials, etc. (in cases where the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, after the time when the investment trust managed without instructions from the Settlor has been established), the details thereof;
- (ix) the reasons for effecting a consolidation of investment trusts managed without instructions from the settlor; and
- (x) the facts that may be disadvantageous to beneficiaries with regard to the information concerning the consolidation of investment trusts managed without instructions from the settlor.

(Investment Trusts Managed without Instructions from the Settlor to Which Dissenting Beneficiaries' Demand for the Purchase of Their Beneficial Interest Does Not Apply)

Article 93-2 Those specified by Cabinet Office Order as those in which it is unlikely that the protection of beneficiaries will be compromised as provided in Article 18, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 54, paragraph (1) are those investment trusts managed without instructions from the settlor wherein a settlor may cancel part of the investment trust agreement and redemption is thereby granted to the beneficiary at a fair price of the beneficiary interest.

## Chapter IV Foreign Investment Trust

(Scope of Beneficiary Certificates for Which a Notification of a Foreign Investment Trust Is Not Required)

Article 94 The beneficiary certificates of a foreign investment trust specified by Cabinet Office Order as referred to in Article 30, item (ii) of the Order are beneficiary certificates of a foreign investment trust that is similar to the investment trust listed in Article 12, item (ii) of the Order (limited to investment trusts invested in shares included in the constituents of the underlying indicator).

(Acts for Which a Notification of a Foreign Investment Trust Is Not Required)

Article 94-2 The acts specified by Cabinet Office Order as referred to in Article 30, item (iii) of the Order are the following acts related to the beneficiary certificates of a foreign investment trust (excluding those provided in the preceding Article; hereinafter the same applies in this Article) which is listed on a foreign financial instruments market, conducted by a person engaged in Type I financial instruments business (meaning the type I financial instruments business as prescribed in Article 28, paragraph (1) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Article and Article 259-2) with a qualified institutional investor as the other party thereof, or on behalf of the qualified institutional investor:

- (i) an intermediary, brokerage or agency service for the sale and purchase on a foreign financial instruments market (in cases of intermediary, brokerage or agency service for purchase on a foreign financial instruments market, limited to the intermediary, brokerage or agency service provided on the condition that the qualified institutional investor promises not to make sales of the beneficiary certificates of the foreign investment trust in cases other than the case where sold on a foreign financial instruments market or sold to the relevant person engaged in type I financial instruments business);
- (ii) an intermediary, brokerage, or agency service for the entrustment of sale and purchase on a foreign financial instruments market (in cases of intermediary, brokerage or agency service for the entrustment of purchase on a foreign financial instruments market, limited to the intermediary, brokerage or agency service provided on the condition that the qualified institutional investor promises not to make sales of the beneficiary certificates of the foreign investment trust in cases other than the case where sold on a foreign financial instruments market or sold to the relevant person engaged in type I financial instruments business);
- (iii) an intermediary, brokerage, or agency service for sales or purchases

(except for those listed in item (i), limited to the intermediary, brokerage or agency service provided on the condition that the qualified institutional investor promises not to make sales of the beneficiary certificates of the foreign investment trust in cases other than the case where selling on a foreign financial instruments market or to the relevant person engaged in type I financial instruments business);

(iv) purchase from the person who has acquired the beneficiary certificates of the foreign investment trust through the acts listed in the preceding three items conducted by the person engaged in type I financial instruments business.

(Agent of an Issuer of Beneficiary Certificates of a Foreign Investment Trust)

Article 95 In cases where an issuer of beneficiary certificate of a foreign investment trust makes the notification under Article 58, paragraph (1) of the Act, or the provisions of Article 16 and Article 19 of the Act as applied mutatis mutandis pursuant to Article 59 of the Act, such issuer must specify a person who has an address in Japan and who has the authority to represent the issuer for any acts concerning the notification.

(Notification of a Foreign Investment Trust)

Article 96 (1) The notification under Article 58, paragraph (1) of the Act must be made by submitting the notification concerning a foreign investment trust that has been prepared using appended form No. 1 to the Commissioner of the Financial Services Agency.

(2) The information specified by Cabinet Office Order as referred to in Article 58, paragraph (1), item (v) of the Act is the following information:

(i) information concerning whole or part of succession of the business as a result of split of the settlor (limited to cases where the relevant foreign investment trust is one similar to an investment trust managed under instructions from the settlor), or whole or part of transfer of business by the settlor;

(ii) information concerning the resignation and dismissal of the trustee, as well as the appointment of a new trustee;

(iii) in cases where the settlor entrusts the authority to make orders for investment to other persons (limited to cases where the relevant foreign investment trust is one similar to an investment trust managed under instructions from the settlor), or where the trustee entrusts the authority to make orders for investment to other persons (limited to cases where the relevant foreign investment trust is one similar to an investment trust managed without instructions from the settlor) the details of the entrustment;

- (iv) the name of the financial instruments business operator, etc. that handles the dealing of public offering, etc. as prescribed in Article 58, paragraph (1) of the Act in Japan.
- (3) The documents specified by Cabinet Office Order as referred to in Article 58, paragraph (2) of the Act are the following documents:
- (i) a document proving that the representative person stated in the notification concerning the relevant foreign investment trust is a person who has legitimate authority with regard to the notification under Article 58, paragraph (1) of the Act;
  - (ii) a document proving that the issuer of the beneficiary certificate of the relevant foreign investment trust has granted a person who has an address in Japan the authority to represent the issuer for any acts concerning the notification under Article 58, paragraph (1) of the Act for the Foreign Investment Trust;
  - (iii) in cases where an approval, authorization, permission, notification or the equivalent thereto has been made with regard to the establishment of the relevant foreign investment trust based on laws and regulations of the state in which the foreign investment trust was established, a copy of the written approval, written authorization, written permission, notification or documents equivalent thereto;
  - (iv) a legal opinion letter by legal experts stating that the establishment of the relevant foreign investment trust is legal as well as relevant provisions of the relevant laws and regulations set forth in the legal opinion letter; and
  - (v) in cases where a person who has the authority for the investment of the relevant foreign investment trust (including the orders therefor; hereinafter the same applies in this item) has entrusted the authority to another person and has this person invest the foreign investment trust, a document disclosing the contents of the entrustment.

(Notification of the Details of the Revisions to the Basic Terms and Conditions for a Foreign Investment Trust)

Article 97 (1) The notification under Article 16 of the Act (limited to the part pertaining to item (i)) as applied mutatis mutandis pursuant to Article 59 of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency:

- (i) the name of the foreign investment trust pertaining to the relevant basic terms and conditions for a foreign investment trust or documents similar thereto (hereinafter referred to as the "basic terms and conditions for a foreign investment trust, etc.");
- (ii) the details and reasons for the revisions to the basic terms and conditions for a foreign investment trust, etc.;

- (iii) the day on which the revisions to the basic terms and conditions for a foreign investment trust, etc. becomes effective.
- (2) The following documents must be attached to the notification under the preceding paragraph:
  - (i) a draft of the revisions to the basic terms and conditions for a foreign investment trust, etc.;
  - (ii) in cases where the relevant foreign investment trust is similar to an investment trust managed under instructions from the settlor, a written consent of the trustee company or substitute documents therefor;
  - (iii) in cases where giving the public notice under Article 17, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act, the documents stating the contents of the public notice; and
  - (iv) documents equivalent to the documents related to the provisions of paragraph (3), items (i) through (iv) of the preceding Article related to the revisions to the basic terms and conditions for a foreign investment trust, etc.

(Notification of Consolidation of Foreign Investment Trusts)

- Article 98 (1) The notification under Article 16 of the Act (limited to the part pertaining to item (ii)) as applied mutatis mutandis pursuant to Article 59 of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency:
- (i) the name of each foreign investment trust pertaining to the consolidation of foreign investment trusts (meaning the consolidation of foreign investment trusts as prescribed in Article 16, item (ii) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act; hereinafter the same applies in this Chapter);
  - (ii) the name of the foreign investment trust after the consolidation of foreign investment trusts;
  - (iii) the contents of and reasons for the consolidation of foreign investment trusts;
  - (iv) the day on which the consolidation of foreign investment trusts becomes effective.
- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) a draft of the basic terms and conditions for a foreign investment trust, etc. after the consolidation of foreign investment trusts;
  - (ii) in cases where the relevant foreign investment trust is similar to an investment trust managed under instructions from the settlor, a written consent of the trustee company or substitute documents therefor;
  - (iii) in cases where giving the public notice under Article 17, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act, the

documents stating the contents of the public notice; and  
(iv) documents equivalent to the documents related to the provisions of Article 96, paragraph (3), items (i) through (iv) concerning the consolidation of foreign investment trusts.

(Material Revisions to the Details of the Basic Terms and Conditions for a Foreign Investment Trust)

Article 99 The revisions to the details of the basic terms and conditions for an foreign investment trust specified by Cabinet Office Order as being material as referred to in Article 17, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act are the revisions to the information required to be included in the relevant basic terms and conditions for a foreign investment trust, etc., so as to change the basic characteristics as a financial instrument of the foreign investment trust related to the basic terms and conditions for a foreign investment trust, etc.

(Consolidation of Foreign Investment Trusts That Has Only a Minor Influence on Beneficiaries' Interests)

Article 99-2 (1) The cases which fall under those specified by Cabinet Office Order where the consolidation of foreign investment trusts has only a minor influence on beneficiaries' interests as provided in Article 17, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act are the cases where the consolidation of foreign investment trusts satisfies all of the following requirements:

- (i) that the property that is to belong to the foreign investment trust after the consolidation is found not to contradict the investment policy for trust property of the foreign investment trust that is stated in the basic terms and conditions for a foreign investment trust, etc. before the consolidation;
- (ii) that there is no change in the basic characteristics as a financial instrument of the foreign investment trust before and after the consolidation; and
- (iii) that the total amount of net assets of the trust property of the foreign investment trust is at least five times as much as the total amount of net assets of the trust property of the other foreign investment trust which is to effect the consolidation; provided, however, that this does not apply to cases where the trust property of the foreign investment trust is found to be substantially identical to the trust property of the relevant other foreign investment trust.

(2) The total amount of net assets referred to in item (iii) of the preceding paragraph is calculated on the day on which the consolidation is decided (in cases where another record date for calculation that is different from the day of

the decision is specified by the decision (limited to any day falling within the period after the day on which the decision is made until immediately before the consolidation becomes effective), such other day)).

(Information Decided for Material Revisions to the Basic Terms and Conditions)

Article 100 The information specified by Cabinet Office Order as referred to in Article 17, paragraph (1), item (iv) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act is the following information:

- (i) in cases of revising the basic terms and conditions for an investment trust for a foreign investment trust:
  - (a) the basic terms and conditions for a foreign investment trust, etc. after revision;
  - (b) when the details of the beneficial interest provided in the basic terms and conditions for a foreign investment trust, etc. are to be changed, or it is likely that the changes have a material impact on the value of the beneficial interest, the information related to the details and appropriateness of such changes or impact;
  - (c) the day on which the revisions to the basic terms and conditions for a foreign investment trust, etc. become effective;
  - (d) the reasons for revising the basic terms and conditions for a foreign investment trust, etc.; and
  - (e) the facts that may be disadvantageous to beneficiaries with regard to the information related to the revisions to the basic terms and conditions for a foreign investment trust, etc.;
- (ii) in cases of consolidating foreign investment trusts:
  - (a) the details of the basic terms and conditions for a foreign investment trust, etc. after the consolidation of foreign investment trusts;
  - (b) in cases where changes are to be made to the details of the beneficial interest specified in the basic terms and conditions for a foreign investment trust, etc., the details thereof and the reasons for the changes;
  - (c) in cases money and other property are to be delivered to the beneficiaries upon the consolidation of foreign investment trusts, the following information:
    - 1. the details and value of the relevant property, as well as the information concerning the adequacy of the provisions for such information;
    - 2. information concerning money or any other property to be delivered to beneficiaries and the information concerning the adequacy of the provisions for such information;
  - (d) the day on which the consolidation of foreign investment trusts becomes effective;

- (e) the following information concerning the other foreign investment trust operated which is to effect the consolidation of foreign investment trusts, and any other information necessary for specifying the other foreign investment trust:
  - 1. the trade name or name and address of the settlor and trustee;
  - 2. the day of conclusion of a trust agreement for a foreign investment trust;  
and
  - 3. the details of the basic terms and conditions for a foreign investment trust, etc.;
- (f) the contents of the property status disclosure materials, etc. (including documents equivalent thereto or electronic or magnetic records; hereinafter the same applies in this Article and Article 102) which have been prepared immediately before the consolidation of foreign investment trusts by each foreign investment trust which effects the consolidation (or that the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, if this is the case);
- (g) with regard to each foreign investment trust which effects the consolidation of foreign investment trusts, when a disposition of property belonging to an important trust property of a foreign investment, or assumption of a material obligation assumed by the trustee under the trust property has been made, or any other event that may have a significant influence on the status of the trust property of a foreign investment trust has occurred after preparing the property status disclosure materials, etc. (in cases where the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, after the time when the foreign investment trust has been established), the details thereof;
- (h) the reasons for effecting a consolidation of foreign investment trusts; and
- (i) the facts that may be disadvantageous to beneficiaries with regard to the information concerning the consolidation of foreign investment trusts.

(Notification of Cancellation of a Trust Agreement for a Foreign Investment Trust)

Article 101 (1) The notification under Article 19 of the Act as applied mutatis mutandis pursuant to Article 59 of the Act must be made by submitting a notification containing the following information to the Commissioner of the Financial Services Agency:

- (i) the name of the foreign investment trust;
- (ii) the reasons for the cancellation of the trust agreement for a foreign investment trust; and
- (iii) the day on which the cancellation of the trust agreement for a foreign investment trust becomes effective.



- (2) The following documents must be attached to the notification under the preceding paragraph:
- (i) in cases where the relevant foreign investment trust is one similar to an investment trust managed under instructions from the settlor, a written consent of the trustee or substitute documents therefor;
  - (ii) in cases of giving the public notice under Article 17, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act, a document stating the contents of the public notice; and
  - (iii) documents equivalent to the documents related to the provisions of Article 96, paragraph (3), items (i) through (iv) with regard to the cancellation of the trust agreement for a foreign investment trust.

(Information Decided for Cancellation of a Trust Agreement for a Foreign Investment Trust)

Article 102 The information specified by Cabinet Office Order as referred to in Article 17, paragraph (1), item (iv) of the Act as applied mutatis mutandis pursuant to Article 20, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 59 of the Act is the following information:

- (i) information concerning the adequacy of the cancellation of a trust agreement for a foreign investment trust;
- (ii) the day on which the cancellation of a trust agreement for a foreign investment trust becomes effective;
- (iii) the details of the property status disclosure materials, etc. prepared immediately before the cancellation (or that the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, if this is the case);
- (iv) when a disposition of property belonging to an important trust property of a foreign investment trust or assumption of a material obligation assumed by the trustee under the trust property has been made, or any other event that may have a significant influence on the status of trust property of a foreign investment trust has occurred after the preparation of the property status disclosure materials, etc. (in cases where the time at which the property status disclosure materials, etc. should be prepared has yet to arrive, after the time when the foreign investment trust has been established), the details thereof;
- (v) the reasons for canceling the trust agreement for a foreign investment trust; and
- (vi) information that may be disadvantageous to beneficiaries with regard to the matters concerning the cancellation of a trust agreement for a foreign investment trust.

**Chapter V Investment Corporations**  
**Section 1 Investment Corporations**

(Electronic or Magnetic Records)

Article 103 The electronic or magnetic record specified by Cabinet Office Order as referred to in Article 66, paragraph (2) of the Act is that recording information in a file that has been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto.

(Electronic Signature)

Article 104 (1) The measures in lieu of signing or affixing names and seals specified by Cabinet Office Order as referred to in the following provisions are electronic signature:

- (i) Article 66, paragraph (2) of the Act;
- (ii) Article 369, paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 115, paragraph (1) of the Act;
- (iii) Article 682, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act;
- (iv) Article 695, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act; and
- (v) Article 369, paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 154-3, paragraph (2) of the Act.

(2) The electronic signature as referred to in the preceding paragraph is a measure taken for the information which may be recorded in an electronic or magnetic record (meaning the electronic or magnetic record as prescribed in Article 66, paragraph (2) of the Act; the same applies hereinafter), that satisfy all of the following requirements:

- (i) the measure is one for indicating that the relevant information has been prepared by the person who has taken the measure; and
- (ii) the measure is one that enables to confirm as to whether the relevant information has been altered or not.

(Details of the Information Required to Be Included in the Certificate of Incorporation)

Article 105 The details specified by Cabinet Office Order as referred to in Article 67, paragraph (5) of the Act are those specified in the following items according to the category of information listed in the respective items:

- (i) information listed in Article 67, paragraph (1), item (vii) of the Act: the following:

- (a) the basic policy for assets investments;
- (b) the type, purpose, and scope of the specified assets which are the subject of assets investments;
- (c) the type of assets other than specified assets which are the subject of assets investments;
- (d) with regard to the assets which are the subject of the assets investments, in cases of imposing limitation on the amount for holding the assets for each type, issue or currency, or on the holding ratio thereof, limitation for the scope of issue of assets which may be acquired, or any other limitation on investments, the details thereof;
- (e) that the investment corporation has the purpose of investing the assets mainly into securities (excluding rights listed in the items of Article 2, paragraph (2) of the Financial Instruments and Exchange Act deemed as securities pursuant to that paragraph; hereinafter the same applies in (e)) (including the transactions of securities-related derivatives defined in Article 28, paragraph (8), item (vi) of that Act conducted for securities), if this is the case;
- (f) that the investment corporation has the purpose of investing the assets mainly into real property and other assets (meaning real property, rights of lease of real property, superficies rights, renewable energy power generation facilities or right to operate public facility, etc., beneficial interests of trusts in which only these assets are entrusted, or issued shares of a corporation provided in Article 221-2, paragraph (1) (hereinafter referred to as "foreign real property holding corporation") (limited to cases where the number of the issued shares to be acquired exceeds the number obtained by multiplying the total number of the issued shares (excluding shares in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221)), if this is the case;
- (g) in cases of loaning incorporated assets, the purpose thereof as well as the scope; and
- (h) that, in the cases referred to in Article 116-2 of the Order, the number or the amount of issued shares or equity in a foreign real property holding corporation to be acquired exceeds the number or the amount obtained by multiplying the total number or the total amount of the issued shares or equity (excluding shares or equity in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221, if this is the case;
- (ii) information listed in Article 67, paragraph (1), item (viii) of the Act; the following according the category of assets listed in the following:
  - (a) securities: a statement to the effect that the investment is made at the

- value calculated based on the publicized closing price, or the value calculated by a reasonable method as being equivalent thereto; and
- (b) assets other than securities: the fair and appropriate method for appraisal of assets for each type of the relevant assets;
- (iii) information listed in Article 67, paragraph (1), item (ix) of the Act: the following:
- (a) the method of calculation of the total amount of money to be distributed to investors;
  - (b) in cases of distributing money in excess of profits (meaning the profits as prescribed in Article 136, paragraph (1) of the Act), an indication of this and the method of calculating the money to be allocated for distribution; and
  - (c) other information especially specified as the policy of distribution of money;
- (iv) the matters listed in Article 67, paragraph (1), item (xii) of the Act: with regard to executive managing officers, supervisory officers and a financial auditor, the concrete amount of remuneration, the method of calculation thereof, and the timing of payment provided respectively;
- (v) information listed in Article 67, paragraph (1), item (xiii) of the Act: the concrete amount of asset investment fees to be paid to an asset management company and the method of calculation and timing of payment thereof;
- (vi) information listed in Article 67, paragraph (1), item (xiv) of the Act: the following listed respectively for all of the persons who are to become the administrative agent, asset management company, and asset custody company at the time of establishment of the investment corporation:
- (a) the names (including an indication that the relevant person who is to become the asset management company is a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act for engaging in the investment management business for qualified investors, if this is the case) and addresses;
  - (b) among the information to be specified in the contract to be concluded with the above-mentioned persons, the contents of the business to be entrusted, contract period, information concerning the cancellation of contract during the period, information related to the changes to the contents of the contract, the amount of remuneration of fees to be paid to the persons (the concrete amount or the method of calculation thereof), the timing for the payment thereof, and any other material information (in cases where provisions concerning the partial re-entrustment of the authority for assets investments are stipulated in the contract to be concluded with the person who is to become an asset custody company at the time of establishment, including the details of the provisions (including an indication that it is

stipulated in the contract that the authority for asset investments is partially re-entrusted to a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act for engaging in the investment management business for qualified investors, if this is the case));

- (vii) information listed in Article 67, paragraph (1), item (xv) of the Act: the following:
- (a) information concerning the purpose, maximum amount, and use of the borrowing, and that the lenders for the borrowing are limited to qualified institutional investors, if this is the case; and
  - (b) information concerning the purpose of issuing investment corporation bonds, the maximum amount for issuing investment corporation bonds, the use of funds procured from the issuance of investment corporation bonds.

(Method of Indicating Information Recorded in an Electronic or Magnetic Record)

Article 106 The method specified by Cabinet Office Order as referred to in the following provisions is the method of indicating the information recorded in the electronic or magnetic record under the following provisions on paper or on a computer screen:

- (i) Article 31, paragraph (2), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 67, paragraph (7) of the Act;
- (ii) Article 74, paragraph (7), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act;
- (iii) Article 76, paragraph (5) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act;
- (iv) Article 81, paragraph (3), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act;
- (v) Article 82, paragraph (3), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act;
- (vi) Article 125, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 77-3, paragraph (3) of the Act;
- (vii) Article 182-2, paragraph (2), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act;
- (viii) Article 182-6, paragraph (3), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act;
- (ix) Article 252, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 88-5, paragraph (2) of the Act;
- (x) Article 92-2, paragraph (5) of the Act;
- (xi) Article 310, paragraph (7), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act;

- (xii) Article 318, paragraph (4), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act;
- (xiii) Article 371, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 115, paragraph (1) of the Act;
- (xiv) Article 396, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 115-2, paragraph (4) of the Act;
- (xv) Article 128-3, paragraph (1), item (ii) of the Act;
- (xvi) Article 442, paragraph (3), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 132, paragraph (2) of the Act;
- (xvii) Article 684, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act;
- (xviii) Article 731, paragraph (3), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act;
- (xix) Article 149, paragraph (2), item (iii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 149-6, paragraph (2), Article 149-10, paragraph (3), Article 149-11, paragraph (2), or Article 149-16, paragraph (3) of the Act); and
- (xx) Article 371, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 154-3, paragraph (2) of the Act.

(Notification of Incorporation of an Investment Corporation)

Article 107 When making the notification under Article 69, paragraph (1) of the Act, an organizer must submit an original copy and two duplicate copies of the notification of incorporation of an investment corporation prepared using appended form No. 2 to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office of the investment corporation intended to be incorporated (in cases where the location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau).

(Documents to Be Attached to the Notification of Incorporation of an Investment Corporation)

Article 108 (1) Three copies of the certificate of incorporation referred to in Article 69, paragraph (2) of the Act (in cases where the certificate of incorporation is prepared in the form of an electronic or magnetic record, one set of electronic or magnetic record prescribed in the following Article) must be attached to the notification of incorporation of an investment corporation under the preceding Article.

(2) The documents specified by Cabinet Office Order as referred to in Article 69, paragraph (2) of the Act are the following documents (in cases of documents certified by public agencies, limited to those prepared within three months

before the date of application):

- (i) extracts of the residence certificates of the organizer(s) (in cases where the organizer is a corporation, the officer of the corporation as well as the employee who carries out the duties as an organizer; the same applies in the following item and item (iv)) and the candidate(s) for an executive managing officer at incorporation (meaning the executive managing officer at incorporation as prescribed in Article 69, paragraph (1) of the Act; the same applies hereinafter) (in cases where the relevant organizer(s) or candidate for the executive managing officer at incorporation is a foreign national and has a residence in Japan, a copy of the residence card (meaning the residence card as prescribed in Article 19-3 of the Immigration Control and Refugee Recognition Act (Cabinet Order No. 319 of 1951); the same applies in Article 215, item (iv)), a copy of the special permanent resident certificate (meaning the special permanent resident certificate as prescribed in Article 7, paragraph (1) of the Special Act on the Immigration Control of, Inter Alia, Those Who Have Lost Japanese Nationality Pursuant to the Treaty of Peace with Japan (Act No. 71 of 1991); the same applies in Article 215, item (iv)), or an extract of the residence certificate), or the certificate of registered information thereof, or substitute documents therefor;
- (i)-2 in cases where the name of an organizer(s) or a candidate(s) for an executive managing officer that was used before marriage is stated together with the current name of the organizer(s) or the candidate(s) for an executive managing officer in the notification of incorporation of an investment corporation under the preceding Article, and the documents listed in the preceding item are not documents certifying the name of the organizer(s) or the candidate(s) for an executive managing officer used before marriage, a document certifying the name before marriage;
- (ii) a certificate issued by a public agency providing to the effect that the organizer(s) (excluding cases where the organizer is a corporation; the same applies in the following item and item (vi)) and candidate(s) for an executive managing officer at incorporation does not fall under the category of persons listed in Article 98, items (ii) and (iii) of the Act (excluding cases where the relevant organizer(s) or candidate(s) for an executive managing officer at incorporation is a foreign national);
- (iii) a document pledging that the organizer(s) or candidate(s) for an executive managing officer at incorporation does not fall under any of the category of persons listed in Article 98, items (iv) and (v) of the Act (in cases where the relevant organizer(s) or candidate(s) for an executive managing officer at incorporation is a foreign national, items (ii) through (v) of that Article) which has been prepared using appended form No. 3;
- (iv) a resume(s) or history of the organizer(s) and candidate(s) for an executive

managing officer at incorporation which has been prepared using appended form No. 4 or No. 5;

- (v) in cases where the organizer is a corporation, a document stating the names of the major shareholders or equity investors of the corporation, the number of voting rights held thereby, and other matters which has been prepared using appended form No. 6, as well as the articles of incorporation and certificate of registered information of the corporation, or substitute documents therefor;
- (vi) in cases where the organizer is a person listed in Article 66, paragraph (3), item (ii) of the Act (excluding those listed in Article 54, paragraph (2), item (i) of the Order), a document proving that the organizer is the person which has been prepared using appended form No. 7, and documents which form the basis therefor; and
- (vii) in cases where there are two or more organizers, when a specific person among such organizers makes the notification for the incorporation of an investment corporation, a document proving that the specific person has been granted by other organizers with the authority for any acts concerning the notification.

(Electronic or Magnetic Record to Be Attached to the Notification of Incorporation of an Investment Corporation)

Article 108-2 (1) The electronic or magnetic record specified by Cabinet Office Order as referred to in Article 69, paragraph (3) of the Act is one that falls under either of the following structures:

- (i) a 90 mm flexible disk cartridge in conformity with Japanese Industrial Standards (hereinafter referred to as "JIS") X6223 under the Industrial Standardization Act (Act No. 185 of 1949); or
  - (ii) a 120 mm-diameter optical disc in conformity with JIS X0606 and X6282.
- (2) Entry of information to the electronic or magnetic record under item (i) of the preceding paragraph must be completed in accordance with the following specification:
- (i) with regard to the track format, the specification designated by JIS X6225; and
  - (ii) with regard to the volume and file configuration, the specification designated by JIS X0605.
- (3) The following information must be indicated on the electronic or magnetic record set forth in paragraph (1):
- (i) the trade name of the applicant; and
  - (ii) the application filing date.

(Acceptance of Notification for Incorporation of Investment Corporations)



Article 109 When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau (hereinafter collectively referred to as the "Director-General of a Local Finance Bureau, etc.") accepts a notification of incorporation of an investment corporation, the Director-General must, after affixing the seal of acceptance on each one duplicate copy of the notification of incorporation of an investment corporation and certificate of incorporation (in cases where the certificate of incorporation is prepared in the form of an electronic or magnetic record, one set of the documents stating the information recorded in the electronic or magnetic record), and entering the acceptance number therein, return the duplicate copy and certificate of incorporation to the person who submitted the notification.

(Notification In Cases of Failure of Establishment of an Investment Corporation)

Article 110 (1) In cases where an investment corporation has failed to be established, an organizer(s) must immediately submit a notification concerning the failure of establishment of an investment corporation which has been prepared using appended form No. 8 to the Director-General of the Local Finance Bureau, etc., who has accepted the notification of incorporation of an investment corporation for the relevant investment corporation.

(2) When making the notification under the preceding paragraph, an organizer must attach a document clarifying the reasons for the failure of establishment of the investment corporation.

(Information to Be Notified to Persons Who Intend to File Applications)

Article 111 The information specified by Cabinet Office Order as referred to in Article 71, paragraph (1), item (x) of the Act is the following information:

(i) the dates of birth and careers of the candidates for an executive managing officer at incorporation, and, in cases where such person has assumed the office of the executive managing officer at incorporation of the relevant investment corporation and there are facts pertaining to such candidates which fall under a concurrent holding of important posts as provided in Article 74, item (vi) of the Regulation on Accountings of Investment Corporations (Cabinet Office Order No. 47 of 2006), such facts;

(ii) a statement as to whether the candidate for an executive managing officer at incorporation has any special interest with the person with whom an entrustment contract referred to in Article 188, paragraph (1), item (iv) of the Act (hereinafter referred to as the "entrustment contract for assets investment") is to be concluded at the time of establishment, and the details thereof, if any;

(iii) the dates of birth and careers of the candidates for supervisory officers at

- incorporation (meaning the supervisory officers at incorporation as prescribed in Article 71, paragraph (1), item (vi) of the Act; the same applies hereinafter), and in cases where that person has assumed the office of the supervisory officers at incorporation of the relevant investment corporation and there are facts pertaining to these candidates which fall under a concurrent holding of important posts as provided in Article 74, item (v) of the Regulation on Accountings of Investment Corporations, such facts;
- (iv) with regard to candidates for a financial auditor at incorporation (meaning the financial auditor at incorporation as prescribed in Article 71, paragraph (1), item (vi) of the Act; the same applies hereinafter), in cases where these candidates are a certified public accountant, the date of birth and career thereof, as well as the location of the office to which the candidates belong, and in cases where the relevant candidates are an auditing firm, the location of the principal office and the history thereof;
  - (v) information on as to whether there are any fees to be paid by the person who filed an application for subscription of investment equity for subscription at incorporation (meaning the investment equity for subscription at incorporation as prescribed in Article 70-2, paragraph (1) of the Act; the same applies hereinafter), and the details thereof, if any;
  - (vi) that the public offering of investment securities related to the relevant investment equity for subscription at incorporation falls under the case set forth in Article 2, paragraph (3), item (i) of the Financial Instruments and Exchange Act, if this is the case; and
  - (vii) information specified in the certificate of incorporation (excluding the information set forth in Article 71, paragraph (1), items (i) through (ix) of the Act and the preceding items), which are those for which the person who intends to file an application to subscribe the investment equity for subscription at incorporation request the organizer to notify the person.

(Institution for Payments)

Article 112 The institutions specified by Cabinet Office Order as referred to in Article 71, paragraph (2) of the Act are as follows:

- (i) the agricultural cooperatives or federations of agricultural cooperatives engaged in the business under Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
- (ii) the fisheries cooperatives, federations of fisheries cooperatives, fishery processing cooperatives, or federations of fishery processing cooperatives engaged in the business under Article 11, paragraph (1), item (iv), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or Article 97, paragraph (1), item (ii) of the Fisheries Cooperatives Act (Act No. 242 of 1948);

- (iii) the credit cooperatives, or the federation of cooperatives engaged in the business set forth in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
- (iv) Shinkin Banks or federation of Shinkin Banks;
- (v) labor banks or federation of labor banks;
- (vi) Norin Chukin Bank;
- (vii) a financial instruments business operator (meaning the financial instruments business operator as defined in Article 2, paragraph (9) of the Financial Instruments and Exchange Act, and limited to those engaged in the securities, etc. management business defined in Article 28, paragraph (5) of that Act); and
- (viii) Shoko Chukin Bank Limited.

(Details of the Information to Be Notified to Persons Who Intend to File Applications)

Article 113 The details specified by Cabinet Office Order as referred to in Article 71, paragraph (3) of the Act are those specified in the following items according to the category of persons listed in the respective items:

- (i) a candidate for an executive managing officer at incorporation: the name, and in cases where the relevant candidate falls under the category of persons listed in the following sub-items, the matters according to the category listed in the respective sub-items:
  - (a) a relative(s) of the organizer (limited to the spouse thereof and the relatives by blood or affinity within the second degree of kinship; the same applies hereinafter): the name of the organizer as well as the details of the family relationship;
  - (b) in cases where the organizer is a corporation, the officer or employee thereof (hereinafter collectively referred to as the "officer, etc." in this Article): the name of the relevant organizer as well as the final title and the period of assuming the office at the corporation which is the organizer;
  - (c) in cases where the organizer is a corporation, the major shareholder (meaning shareholders or equity investors who hold shares or equity pertaining to voting rights of 10 percent or more of the voting rights held by all the shareholders, etc. in their own name or another person's name (including a fictitious name)) thereof: the name of the relevant organizer as well as the number of voting rights held thereby;
  - (d) the officers, etc. of the parent company (meaning a stock company which holds a majority of voting rights held by all the shareholders, etc. of the corporation; hereinafter the same applies in (d)) of the organizer: the name of the relevant organizer and the parent company thereof as well as the final title and period of assuming office at the parent company;

- (e) the officers, etc. of a subsidiary company (meaning a stock company whose majority of voting rights (meaning the voting rights referred to in Article 100, item (iii) of the Act) of all shareholders are held by a corporation; the same applies hereinafter): the name of the relevant organizer and the subsidiary company thereof as well as the final title and period of assuming office at the subsidiary company; and
- (ii) candidates for supervisory officers at incorporation or a financial auditor at incorporation: the names and addresses.

(Electronic or Magnetic Means)

Article 114 (1) The method using an electronic data processing system and other information and communications technology as specified by Cabinet Office Order as referred to in Article 71, paragraph (5) of the Act is the following means:

- (i) the method using an electronic data processing system that are listed in (a) or (d):
    - (a) the method of transmitting information via a telecommunications line that links the computer used by the sender and the computer used by the recipient and recording that information in the file stored on the computer used by the recipient; or
    - (b) the method of offering the details of the information which are recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line and recording the information in the file stored on the computer used by the person who receives the provision of the information;
  - (ii) the method of delivering a file containing the information that has been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto.
- (2) The methods listed in the items of the preceding paragraph must be one that enables the recipient to prepare documents by outputting the records in the file.

(Electronic or Magnetic Means Concerning the Order for Enforcement of the Act on Investment Trusts and Investment Corporations)

Article 115 The types and details of the electronic or magnetic means to be indicated pursuant to the provisions of Article 59, paragraph (1) or Article 79, paragraph (1) of the Order are as follows:

- (i) among the following methods, those used by the sender:
  - (a) the methods using an electronic data processing system which are as follows:
    1. the method of transmitting information via a telecommunications line

that links the computer used by the sender and the computer used by the recipient and recording that information in the file stored on the computers used by the recipient;

2. the method of offering the details of the information which are recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line and recording the information in the files stored on the computer used by the person who receives the provision of the information;
- (b) the method of delivering a file containing the information that has been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto; and
- (ii) the method of recording the information in the file.

(Subject Matters of the Investigation by Executive Managing Officers at Incorporation)

Article 116 The particulars specified by Cabinet Office Order as referred to in Article 73, paragraph (1), item (iii) of the Act are the following particulars:

- (i) particulars in which the amount or criteria listed in Article 67, paragraph (1), items (xii), (xiii), (xvii) and (xviii) of the Act is extremely unreasonable in light of the status of property of the investment corporation;
- (ii) particulars which are likely to cause a person who is inappropriate for an administrative agent of an investment corporation to become an administrative agent at the establishment thereof, and which are likely to result in inappropriate operation of the investment corporation and insufficient protection of investors; and
- (iii) particulars falling under Article 190, paragraph (1), item (i) of the Act.

(Information Decided for a Calling)

Article 117 The information specified by Cabinet Office Order as referred to in Article 90-2, paragraph (1), item (iv) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act is the following information:

- (i) information required to be given in the reference documents for an organizational meeting (meaning the reference documents for an organizational meeting as prescribed in Article 91, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act following the deemed replacement of terms; the same applies hereinafter) pursuant to the provisions of paragraph (1) of the following Article;
- (ii) the time limit for exercising voting rights in writing (limited to the time which is before the date of the organizational meeting (meaning the organizational meeting defined in Article 73, paragraph (3) of the Act; the

- same applies hereinafter) but on or after the day on which two weeks have passed from the day when the notice under the main clause of Article 91, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act has been sent);
- (iii) when the handling provided in Article 119, paragraph (1), item (ii) is to be specified, the details of the handling;
  - (iv) in cases where a single investor at incorporation (meaning the investor at incorporation as prescribed in Article 73, paragraph (3) of the Act; the same applies hereinafter) has redundantly exercised its voting right for a single proposal pursuant to the provisions of Article 75, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act (in cases where the particulars listed in Article 90-2, paragraph (1), item (iii) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act are provided for, the provisions of Article 75, paragraph (1) or Article 76, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act) and the facts of the exercise of voting right for the single proposal differ, if particulars concerning the handling of that exercise of voting right by the Investor at Incorporation are provided, such particulars;
  - (v) when the particulars listed in Article 90-2, paragraph (1), item (iii) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act are specified, the following particulars:
    - (a) the time limit for exercising voting rights by electronic or magnetic means (meaning the electronic or magnetic means as prescribed in Article 71, paragraph (5) of the Act; the same applies hereinafter) (limited to the time which is before the date of the organizational meeting but on or after the day on which two weeks have passed from the day when the notice under the main clause of Article 91, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act has been sent);
    - (b) that voting forms (meaning the voting forms as prescribed in Article 91, paragraph (4) of the Act; the same applies in Article 119) are to be delivered under that paragraph (including the provision of voting forms by electronic or magnetic means under Article 91, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act made in lieu of the delivery thereof) to the investors at incorporation who have given the consent under Article 91, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act when requested by such investors at incorporation, if this is the case.

(Reference Documents for an Organizational Meeting)

Article 118 (1) The information required to be given in the reference documents

for an organizational meeting which are to be delivered pursuant to the provisions of Article 91, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act is the following information:

- (i) the proposal and reasons for submitting the proposal;
  - (ii) when the relevant proposal is a proposal for the appointment of an executive managing officer at incorporation, information specified in Article 143 for executive managing officers at incorporation;
  - (iii) when the relevant proposal is a proposal for the appointment of a supervisory officer at incorporation, information specified in Article 144 for supervisory officers at incorporation;
  - (iv) when the relevant proposal is a proposal for the appointment of a financial auditor at incorporation, information specified in Article 145 for the financial auditor at incorporation;
  - (v) when the relevant proposal is a proposal for the dismissal of an officer, etc. at incorporation (meaning executive managing officers at incorporation, supervisory officers at incorporation and a financial auditor at incorporation; the same applies in paragraph (1), item (i) of the following Article), reasons for dismissal;
  - (vi) beyond what is listed in the preceding items, information found to serve as a reference with regard to the exercise of voting rights by investors at incorporation.
- (2) The delivery of reference documents for an organizational meeting made by an organizer who provided the particulars listed in Article 90-2, paragraph (1), item (iii) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act (including the provision of reference documents for an organizational meeting by electronic or magnetic means made in lieu of the delivery thereof) is the delivery of reference documents for an organizational meeting under Article 91, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act.

#### (Voting Forms)

Article 119 (1) The information required to be included in voting forms which are to be delivered pursuant to the provisions of Article 91, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act and the information required to be included in voting forms which are to be provided by electronic or magnetic means pursuant to the provisions of Article 91, paragraph (6) or (7) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act is the following information:

- (i) a column in which the agreement or dissent (in cases of providing a column for abstention, including abstention) for each proposal is to be stated (in the cases set forth in the following (a) and (b), those specified in the respective

- sub-item):
- (a) in cases of a proposal for the appointment of two or more officers, etc. at incorporation: the appointment of each candidate;
  - (b) in cases of a proposal for the dismissal of two or more officers, etc. at incorporation: the dismissal of each officer, etc. at incorporation;
  - (ii) in cases where the information listed in Article 117, item (iii) is specified, when a voting form lacking an entry in the column under the preceding item has been submitted to an organizer, the details of the handling of such voting form as to whether it is an indication of manifestation of agreement, dissent, or abstention, for each proposal;
  - (iii) in cases where the information listed in Article 117, item (iv) of the Act are specified, such information;
  - (iv) the time limit for exercising the voting rights;
  - (v) the names of the investors at incorporation who are to exercise voting rights as well as the number of exercisable voting rights (in the cases set forth in the following (a) and (b), including the information specified in the respective sub-item):
    - (a) cases where the number of voting rights exercisable by the relevant investor at incorporation differs for each proposal: the number of voting rights for each proposal;
    - (b) cases where voting rights may not be exercised for some of the proposals: proposals in which voting rights may be exercised or those in which may not.
- (2) In cases where the information listed in Article 117, item (v), (b) are provided for, an organizer must, when requested by the investors at incorporation who has given the consent under Article 91, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act, deliver voting forms under Article 91, paragraph (4) of the Act (including the provision of voting forms by electronic or magnetic means under Article 91, paragraph (5) of the Act made in lieu of the delivery thereof) to such investors at incorporation.

(Relationship That Enables a Substantial Control)

Article 120 The investors at incorporation specified by Cabinet Office Order as referred to in the main clause of Article 72, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act are, in cases where the investment corporation after establishment (including the subsidiary corporation of the relevant investment corporation (meaning the subsidiary corporation as prescribed in Article 77-2, paragraph (1) of the Act; the same applies hereinafter)) comes to hold one quarter or more of the total number of voting rights (including voting rights which are not allowed to be



exercised pursuant to the provisions of Article 308, paragraph (1) of the Companies Act or any other equivalent laws and regulations (including laws and regulations of a foreign state) which are other than that Act, and excluding voting rights pertaining to shares (including those equivalent thereto) for which the voting rights may not be exercised for all the proposals for the appointment of the officers, etc. (excluding a financial auditor) prescribed in Article 423, paragraph (1) of that Act and the changes to the articles of incorporation (including those equivalent to these proposals) at a shareholders meeting (including those equivalent thereto) of the company, etc. (meaning the company (including a foreign company), partnership (including those equivalent to partnerships in a foreign state), or any other business entity; hereinafter the same applies in this Article and Article 160, paragraph (1)) which is an investor at incorporation and becomes an investor of the investment corporation after establishment, the company, etc. which is an investor at incorporation and becomes an investor of the investment corporation after establishment (in cases where persons other than the relevant investors at incorporation may not exercise voting rights for the proposals for the organizational meeting (limited to cases where those proposals are to be resolved), such investors at incorporation are excluded).

(Time Limit for Exercising Voting Rights in Writing)

Article 121 The time specified by Cabinet Office Order as referred to in Article 75, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act is the time limit for exercising voting rights provided in Article 117, item (ii).

(Time Limit for Exercising Voting Rights by Electronic or Magnetic Means)

Article 122 The time specified by Cabinet Office Order as referred to in Article 76, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act is the time limit for exercising voting rights provided in Article 117, item (v), (a).

(Accountability of Organizers)

Article 123 The cases specified by Cabinet Office Order as referred to in Article 78 of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act are the following cases:

- (i) cases where it is necessary to carry out an investigation to explain the information for which the investors at incorporation required an explanation (excluding the following cases):
  - (a) cases where the relevant investor at incorporation has notified the organizer of the relevant information at a reasonable period prior to the

- day of an organizational meeting;
- (b) cases where the investigation necessary for explaining the relevant information is extremely easy;
- (ii) cases where explaining the information for which the investor at incorporation has required an explanation results in infringement of rights of the investment corporation after establishment or any other person (excluding the investor at incorporation);
- (iii) cases where an investor at incorporation requires an explanation for information substantially same as the relevant information at the relevant organizational meeting, in a repetitive manner; and
- (iv) beyond what is listed in the preceding three items, cases where there are justifiable grounds for not explaining the information for which an investor at incorporation has required an explanation.

(Minutes of an Organizational Meeting)

- Article 124 (1) The preparation of minutes of an organizational meeting under Article 81, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act is as provided in this Article.
- (2) The minutes of an organizational meeting must be prepared in writing or in the form of an electronic or magnetic record.
- (3) The minutes of an organizational meeting must include the following information:
- (i) the date and time on which and the place where the organizational meeting was held;
  - (ii) the outline and results of the proceedings at the organizational meeting;
  - (iii) the names of the organizers, executive managing officers at incorporation, supervisory officers at incorporation, or a financial auditor at incorporation that attended the organizational meeting;
  - (iv) when a chairperson of the organizational meeting is in place, the name of the chairperson; and
  - (v) the name(s) of the organizer(s) who performed the duties concerning the preparation of minutes.
- (4) In the following cases, the minutes of an organizational meeting are to provide the information specified in the respective items:
- (i) cases where a resolution of an organizational meeting is deemed to have been adopted pursuant to the provisions of Article 82, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act: the following information:
    - (a) the details of the information for which a resolution of an organizational meeting is deemed to have been adopted;
    - (b) the name of the person who submitted the proposal of the information

- prescribed in (a);
- (c) the day on which a resolution of an organizational meeting is deemed to have been adopted; and
- (d) the names of the organizers who performed the duties concerning the preparation of minutes;
- (ii) cases where a report to an organizational meeting is deemed to have been made pursuant to the provisions of Article 83 of the Companies Act as applied mutatis mutandis pursuant to Article 73, paragraph (4) of the Act: the following information:
  - (a) the details of the information for which a report to the organizational meeting is deemed to have been made;
  - (b) the day on which the report to an organizational meeting was deemed to have been made; and
  - (c) the name(s) of the organizer(s) who performed the duties concerning the preparation of minutes.

(Method for Investors to Claim for Filing an Action Pursuing the Liability)

Article 125 The methods specified by Cabinet Office Order as referred to in Article 847, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 75, paragraph (7), Article 77-2, paragraph (6), Article 84, paragraph (4), Article 88-17, paragraph (4), Article 116, Article 119, paragraph (3), Article 127, paragraph (2), and Article 154-7 of the Act are the submission of documents containing the following information, or the provision of the information by electronic or magnetic means:

- (i) a person who is to become a defendant; and
- (ii) the object of the claim and facts necessary to identify the claim.

(Method for Investment Corporations to Notify the Reasons for Not Filing an Action Pursuing the Liability)

Article 126 The methods specified by Cabinet Office Order as referred to in Article 847, paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 75, paragraph (7), Article 77-2, paragraph (6), Article 84, paragraph (4), Article 88-17, paragraph (4), Article 116, Article 119, paragraph (3), Article 127, paragraph (2), and Article 154-7 of the Act are the submission of the documents containing the following information or the provision of the information by electronic or magnetic means:

- (i) the contents of the investigation conducted by an investment corporation (including materials on which the judgment set forth in the following item was based);
- (ii) judgment with regard to any liability or obligation of a person set forth in item (i) of the preceding Article related to the action pertaining to the claim

under Article 847, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 75, paragraph (7), Article 77-2, paragraph (6), Article 84, paragraph (4), Article 88-17, paragraph (4), Article 116, Article 119, paragraph (3), Article 127, paragraph (2), and Article 154-7 of the Act, and the reasons therefor;

- (iii) in cases where the person referred to in the preceding item has been judged to have liability or obligation, when an action pursuing the liability set forth in Article 847, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 75, paragraph (7), Article 116, Article 119, paragraph (3) and Article 154-7 of the Act, an action seeking the return of benefits under Article 77-2, paragraph (3) of the Act, or an action seeking the payment under Article 127, paragraph (1) of the Act, Article 212, paragraph (1) (excluding item (ii)) or Article 213-2 (excluding paragraph (1), item (ii)) of the Companies Act as applied mutatis mutandis pursuant to Article 84, paragraph (1) of the Act, or Article 286-2 (excluding paragraph (1), items (i) and (iii)) of the Companies Act as applied mutatis mutandis pursuant to Article 88-17, paragraph (3) of the Act is not filed, the reasons therefor.

(Executive Managing Officers to Be Held Liable with Regard to Providing Benefits)

Article 127 The persons specified by Cabinet Office Order as referred to in Article 77-2, paragraph (4) of the Act are the following persons:

- (i) the executive managing officers who performed the duties involved in providing benefits (meaning providing benefits as referred to in Article 77-2, paragraph (1) of the Act; hereinafter the same applies in this Article);
- (ii) in cases where benefits are provided based on a resolution of a board of officers meeting, the following persons:
- (a) the executive managing officers and supervisory officers who agreed to the relevant resolution of the board of officers meeting; or
- (b) the executive managing officers who submitted proposals concerning providing the benefits to the board of officers meeting; and
- (iii) in cases where benefits are provided based on a resolution of an investors' meeting, the following persons:
- (a) the executive managing officers who submitted proposals concerning providing the benefits to the investors' meeting;
- (b) in cases where the submission of the proposal prescribed in (a) had been made based on the resolution of a board of officers meeting, the executive managing officers or supervisory officers who agreed to the resolution of the board of officers meeting; or
- (c) the executive managing officers or supervisory officers who explained the

information related to providing the benefits at the relevant investors' meeting.

(Request of Inclusion of the Information Required to Be Included in Investor Register)

Article 128 The cases specified by Cabinet Office Order as referred to in Article 133, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 79, paragraph (3) of the Act are the following cases:

- (i) when the acquirer of investment equity (meaning the acquirer of investment equity as prescribed in Article 133, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 79, paragraph (3) of the Act following the deemed replacement of terms; the same applies in the following item) has made the demand by presenting the investment securities; and
- (ii) in cases where the acquirer of investment equity is a person who has acquired the investment equity subject to sales under the provisions of Article 88, paragraph (1) or Article 149-17, paragraph (1) of the Act, when the acquirer of investment equity has made the demand by providing the documents certifying that the acquirer has paid the whole purchase money for the sales or any other materials.

(Assets Which Are the Subjects of Investment by an Investment Corporation Which Can Acquire Its Own Investment Equity by an Agreement with Its Investors)

Article 128-2 Real property and other assets specified by Cabinet Office Order as provided in Article 69-2 of the Order are the real property and other assets provided in Article 105, item (1), (f).

(Cases Where Investment Corporations May Acquire Its Own Investment Equity)

Article 129 The cases specified by Cabinet Office Order as referred to in Article 80, paragraph (1), item (iv) of the Act are the following cases:

- (i) cases where the relevant investment corporation acquires its own investment equity without consideration;
- (ii) cases where the relevant investment corporation receives the delivery of its own investment equity as a result of the distribution of dividend of surplus or distribution of residual assets (including acts equivalent thereto) made by another corporation, etc. with regard to its shares held by the investment corporation (including equity and anything equivalent thereto; the same applies in the following item);
- (iii) cases where the relevant investment corporation receives the delivery of its own investment equity in exchange of the shares of another corporation,

etc. held by the investment corporation upon the following acts conducted by the relevant other corporation, etc. with regard to the relevant shares:

- (a) changes of organization;
- (b) merger; or
- (c) share exchange (including acts equivalent to share exchange based on laws and regulations (including laws and regulations of a foreign state) other than the Companies Act);
- (iv) cases where it is necessary and indispensable for the relevant investment corporation to acquire its own investment equity to achieve the purpose in exercising its rights (excluding the cases set forth in Article 80, paragraph (1), items (ii) and (iii) of the Act and the preceding three items).

(Method for Disposal of Own Investment Equity)

Article 130 The methods for disposal specified by Cabinet Office Order as referred to in Article 80, paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 81, paragraph (5) of the Act) are the methods specified in the following items according to the category of investment equity listed in the respective items:

- (i) investment equity of which the investment securities are securities listed on a financial instruments exchange: sales in the transactions conducted on a financial instruments exchange market;
- (ii) investment equity of which the investment securities are over-the-counter traded securities: sales in the transaction conducted on an over-the-counter securities market; and
- (iii) investment equity other than those listed in the preceding two items: sales at a fair and reasonable price in light of the amount of net assets of the investment corporation which issues the relevant investment equity.

(Acquisition of Investment Equity in a Parent Corporation by a Subsidiary Corporation)

Article 131 The cases specified by Cabinet Office Order as referred to in Article 81, paragraph (2), item (ii) of the Act are the following cases:

- (i) cases where the relevant subsidiary corporation acquires the investment equity in a parent corporation (meaning the investment equity in a parent corporation defined in Article 81, paragraph (1) of the Act; hereinafter the same applies in this Article) without consideration;
- (ii) cases where the relevant subsidiary corporation receives the delivery of the investment equity in the parent corporation as a result of the distribution of dividend of surplus or distribution of residual assets (including acts equivalent thereto) made by another corporation, etc. with regard to its shares held by the subsidiary corporation (including equity and anything

- equivalent thereto; the same applies in the following item);
- (iii) cases where the relevant subsidiary corporation receives the delivery of the investment equity in the parent corporation in exchange of the shares of another corporation, etc. held by the subsidiary corporation upon the following acts conducted by the relevant other corporation, etc. with regard to the relevant shares:
    - (a) changes of organization;
    - (b) merger;
    - (c) share exchange (including acts equivalent to share exchange based on laws and regulations (including laws and regulations of a foreign state) other than the Companies Act);
    - (d) share transfer (including acts equivalent to shares transfer based on laws and regulations (including laws and regulations of a foreign state) other than the Companies Act);
  - (iv) cases where it is necessary and indispensable for the relevant subsidiary corporation to acquire the investment equity in the parent corporation to achieve the purpose in exercising its rights (excluding the cases set forth in Article 81, paragraph (2), items (i) of the Act and the preceding three items).

(Information Subject to Prior Disclosure Concerning Consolidation of Investment Equity)

Article 131-2 Information specified by Cabinet Office Order as prescribed in Article 182-2, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act is the following information:

- (i) information concerning the adequacy of the provisions for the following information and other information listed in Article 180, paragraph (2), item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act:
  - (a) in cases where there is a controlling investor (meaning the controlling investor provided in Article 62, item (vi) of the Regulation on Accountings of Investment Corporations) for the investment corporation intending to consolidate its investment equity, information heeded not to harm the interests of the investors of the investment corporation (excluding the controlling investor) (or that the information does not exist, if this is the case); and
  - (b) in cases where fractions that are less than one unit are expected to be processed pursuant to the provisions of Article 88 of the Act, information concerning the method of the processing, the amount of money to be delivered to the investors as a result of the processing, and the adequacy of the amount;
- (ii) the following information concerning the investment corporation (excluding

investment corporations in liquidation (meaning the investment corporation in liquidation provided in Article 150-3 of the Act; the same applies hereinafter); hereinafter the same applies in this item) intending to consolidate its investment equity:

- (a) in cases where the disposition of important property or the assumption of a material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred after the last day of the latest business period (meaning, in cases where the approval under Article 131, paragraph (2) of the Act is obtained for the financial statements (meaning the financial statements as prescribed in Article 129, paragraph (2) of the Act; the same applies hereinafter), asset investment reports, and statements related to the distribution of money, as well as the annexed detailed statements thereof for each business period (meaning the business period provided in that paragraph; the same applies hereinafter), the latest among such each business period; the same applies hereinafter) (in cases where there is no latest business period, the day of establishment of the investment corporation), the details thereof (in cases where the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping documents (meaning the day provided in Article 182-2, paragraph (1), item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act; the same applies in the following item) by the day on which the consolidation of investment equity becomes effective, limited to the details of events occurred after the last day of the new latest business period); and
- (b) in cases where there is no latest business period in regard to the investment corporation, the balance sheet as of the day of establishment of the investment corporation;
- (iii) if any changes to the information listed in the preceding two items have occurred during the period from the day of commencement of keeping documents by the day on which the consolidation of investment equity becomes effective, the information after the change.

(Information Subject to Ex-Post Facto Disclosure Concerning Consolidation of Investment Equity)

Article 131-3 Information specified by Cabinet Office Order as prescribed in Article 182-6, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act is the following information:

- (i) the day on which the consolidation of the investment equity has become effective;
- (ii) the progress of the procedure in regard to the request provided in Article



182-3 of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act;

- (iii) the progress of the procedure provided in Article 88 of the Act;
- (iv) the total number of units of issued investment equity on the day on which the consolidation of the investment equity has become effective; and
- (v) beyond those listed in the preceding items, material information concerning the consolidation of the investment equity.

(Particulars Required to Be Included in the Certificate of Incorporation in Relation to Split of Investment Equity)

Article 132 The particulars specified by Cabinet Office Order as referred to in Article 81-4, paragraph (2), item (iv) of the Act are the following particulars:

- (i) in cases where a fraction less than one unit of investment equity is produced in the number of units of investment equity as a result of split of investment equity, particulars concerning the method of processing that fraction;
- (ii) particulars concerning the handling of money to be delivered to the investors referred to in Article 81-4, paragraph (2), item (iii) of the Act through the processing under the preceding item;
- (iii) when having the investors under the preceding item acquire investment equity to be newly issued by appropriating the money under that item for the payment of money to be made in exchange of the investment equity to be newly issued, an indication of this and particulars concerning the issuance of such investment equity;
- (iv) other particulars concerning the split of investment equity under the provisions of Article 81-4, paragraph (1) of the Act.

(Notice of Split of Investment Equity)

Article 133 (1) The period specified by Cabinet Office Order as referred to in Article 81-4, paragraph (3) of the Act is the business period of the relevant investment corporation, and for investment corporations whose business period is six months or more, six months.

(2) The information specified by Cabinet Office Order as referred to in Article 81-4, paragraph (3) of the Act is the following information:

- (i) the amount of money to be delivered to the investors referred to in Article 81-4, paragraph (2), item (iii) of the Act as those equivalent to the fraction of less than one unit of the investment equity produced as a result of split of investment equity which had been effected during the period under the preceding paragraph;
- (ii) with regard to investment corporations that have provided the particulars listed in item (iii) of the preceding Article in its certificate of incorporation, the total number of units of investment equity acquired by the investors

under the preceding item during the period under the preceding paragraph as well as the day of issuance of and the amount to be paid in (meaning the amount to be paid in as prescribed in Article 82, paragraph (1), item (ii) of the Act; the same applies in the following Article) for the investment equity; and

(iii) the total number of units of investment equity held by the investors under item (i) as of the last day of the period prescribed in the preceding paragraph.

(Method of Public Notice of the Amount to Be Paid in)

Article 134 (1) The public notice of the amount to be paid in under the provisions of Article 82, paragraph (4) of the Act must be made by any of the following methods by the day immediately preceding the due date for the payment of money to be made in exchange for the investment equity for subscription (meaning the investment equity for subscription provided in Article 82, paragraph (1) of the Act; the same applies hereinafter) to which the amount to be paid in is applied:

(i) publication in a daily newspaper that collectively report information on current affairs in Japan; or

(ii) posting the amount to be paid in at the business offices of all the administrative agents that are in charge of the administrative processes related to the solicitation of persons to subscribe for the investment equity for subscription.

(2) The public notice of the amount to be paid in under the preceding paragraph must be given by clearly indicating the due date for the payment of money to be made in exchange for the investment equity to which the relevant amount to be paid in is applied.

(Information to Be Notified to Persons Who Intend to File Applications)

Article 135 The information specified by Cabinet Office Order as referred to in Article 83, paragraph (1), item (vii) of the Act is the following information:

(i) information specified in the certificate of incorporation (excluding those listed in Article 83, paragraph (1), items (i) through (vi) of the Act) which are those for which the person who intends to apply for the subscription of investment equity for subscription has requested the relevant investment corporation to notify the person;

(ii) the following information concerning the real property belonging to the assets of an investment corporation (hereinafter referred to as the "real property for investment" in this item):

(a) with regard to the real property for investment classified by area, by use, and by for lease or non-lease, the name, location, use, area, structure, whether it is held with ownership or other rights, and the price (meaning

- the price as appraised by the appraisal method or standard specified in the certificate of incorporation, or appraised and estimated value, posted price, road ratings, published selling price, or other price deemed to be fair in accordance thereto; hereinafter the same applies in this item), for each property;
- (b) the appraisal method of the price as well as the name of the appraiser;
  - (c) details of the collateral;
  - (d) status of the real property (meaning the structure and current status of the real property, and other information that have a material influence on the price of the real property for investment; the same applies in (e));
  - (e) a summary of the investigation on the status of the real property made by a third party (or that the investigation has not been made, if this is the case) as well as the name of the investigator;
  - (f) the investment ratio (meaning the ratio of the price of the relevant property to the total of the prices of all of the property) of each property;
  - (g) in cases where there is a counterparty with whom a lease contract for the relevant real property for investment has been concluded (that counterparty is hereinafter referred to as the "tenant" in (g)), the following information (and that some information cannot be stated due to unavoidable circumstances, if this is the case):
    1. the total number of tenants, total lease revenue, total leased area, and total leasable area, as well as occupancy rates on a fixed day over the most recent five years;
    2. in cases where there is a major property (meaning buildings and facilities pertaining to one piece of land which are found to be used collectively and for which the total lease revenue consists of 10 percent or more of all the lease revenues of all real property for investment), the total number of Tenants, total lease revenue, total leased area, total leasable area, and occupancy rates on a fixed day over the most recent five years of each major property; and
    3. in cases where there are major tenants (meaning tenants for which the leased area is 10 percent or more of the whole leased area of all of the real property for investment), the name and type of business of the tenant, annual lease, leased area, expiration date of the contract, method for renewing the contract, security deposit, and any other information to be noted with regard to the lease contract therefor;
  - (iii) in cases where the investment corporation holds issued shares or equity in a foreign real property holding corporation (limited to cases where the number or the amount of the issued shares or equity in a foreign real property holding corporation held exceeds the number or the amount obtained by multiplying the total number or the total amount of the issued

shares or equity (excluding shares or equity in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221), the following information concerning the issued shares or equity:

- (a) the amount of investment in the foreign real property holding corporation;
  - (b) the organizational form, purpose, business contents, and profit distribution policy of the foreign real property holding corporation;
  - (c) the ratio of the number or the amount of shares or equity in the foreign real property holding corporation belonging to the assets of the investment corporation to the total number or the total amount of issued shares or equity in the foreign real property holding corporation (excluding shares or equity in the foreign real property holding corporation owned by that foreign real property holding corporation itself); and
  - (d) details of the regulations on dividend in the state where the foreign real property holding corporation is located;
- (iv) in the cases referred to in the preceding item, the following information concerning real property held by the foreign real property holding corporation (hereinafter referred to as "real property for indirect investment" in this item):
- (a) with regard to the real property for indirect investment classified by geographic area, by use, and by for lease or non-lease, the name, location, owner, use, area, structure, whether it is held with ownership or other rights, and the price (meaning the appraised and estimated value, posted price, road ratings, published selling price, or other price deemed to be fair in accordance thereto; hereinafter the same applies in this item), for each property;
  - (b) the appraisal method of the price as well as the name of the appraiser;
  - (c) the details of the collateral;
  - (d) status of the real property (meaning the structure and current status of the real property, and other information that have a material influence on the price of the real property for indirect investment; the same applies in (e));
  - (e) a summary of the results of the investigation on the status of the real property made by a third party (or that the investigation has not been made, if this is the case) as well as the name of the investigator;
  - (f) the investment ratio (meaning the ratio of the price of the relevant property to the total of the prices of all of the property) of each property;
  - (g) in cases where there is a counterparty with whom a lease contract for the relevant real property for indirect investment has been concluded (hereinafter referred to as the "tenant" in (g)), the following information

(and that some information cannot be stated due to unavoidable circumstances, if this is the case):

1. the total number of tenants, total lease revenue, total leased area, and total leasable area, as well as the occupancy rates on a fixed day over the most recent five years;
  2. the total number of tenants, total lease revenue, total leased area, and total leasable area, as well as the occupancy rates on a fixed day over the most recent five years of each property; and
  3. in cases where there are major tenants (meaning tenants for which the total leased area is 10 percent or more of the whole leased area of all of the real property for indirect investment), the name and type of business of the tenant, annual lease, leased area, expiration date of the contract, method for renewing the contract, security deposit, and any other information to be noted with regard to the lease contract therefor;
- (v) the following information concerning a renewable energy power generation facility which belongs to the assets of the investment corporation (hereinafter referred to as the "renewable energy power generation facilities for investment" in this item):
- (a) with regard to the renewable energy power generation facilities for investment classified by the classification, etc. of facilities, by area, and by for lease or non-lease: the name, location and structure of each renewable energy power generation facilities, whether it is held with ownership or other rights, and its price (meaning the price as appraised by the appraisal method or standard specified in the certificate of incorporation, or any other price deemed to be fair in accordance thereto; hereinafter the same applies in (b) and (g), and (a) and (b) of following item);
  - (b) the appraisal method of the price as well as the name of the appraiser;
  - (c) the details of the collateral;
  - (d) status of the renewable energy power generation facilities (meaning the information specified according to the cases set forth below; the same applies in (e)):
    1. in cases where the renewable energy power generation facilities falls under the category of certified power generation facility: the details of the specified contract (meaning the name of the certified business operator, the name of the electricity utilities which has concluded the specified contract with the certified business operator, the procurement price, the procurement period, and other material information concerning the specified contract), the structure and current status of the renewable energy power generation facilities, and other information that have a material influence on the price of the

- renewable energy power generation facilities for investment; and
2. in cases other than those set forth in 1.: the details of the power purchase contract regarding the renewable energy power generation facilities (meaning the name of the supplier, the name of the electricity utilities which has concluded the power purchase contract with the supplier, the price of electricity from renewable energy sources per kilowatt to be supplied under the power purchase contract, the contract period, and other material information concerning the power purchase contract), the structure and current status of the renewable energy power generation facilities, and other information that have a material influence on the price of the renewable energy power generation facilities for investment;
- (e) a summary of the results of the investigation on the status of the renewable energy power generation facilities made by a third party (or that the investigation has not been made, if this is the case), as well as the name of the investigator;
- (f) information concerning the certified business operator and the supplier;
- (g) the investment ratio of each renewable energy power generation facilities (meaning the ratio of the price of the relevant renewable energy power generation facilities to the total of the prices of all renewable energy power generation facilities); and
- (h) in cases where there is a counterparty with whom a lease contract for the renewable energy power generation facilities for investment has been concluded, the annual lease, expiration date of the contract, method for renewing the contract, security deposit, and any other information to be noted with regard to the lease contract;
- (vi) the following information concerning a right to operate public facility, etc. which belongs to the assets of the investment corporation (hereinafter referred to as the "right to operate public facility, etc. for investment" in this item):
- (a) with regard to the public facility, etc. covered by the right to operate public facility, etc. for investment, classified by type of public facility, etc. and by area: the name, location, and details of the operation, etc. the name of the administrator, etc. of public facility, etc. of each public facility, etc., as well as the duration and price of the right to operate public facility, etc. for investment;
- (b) the appraisal method of the price as well as the name of the appraiser;
- (c) the details of the collateral;
- (d) status of the right to operate public facility, etc. (meaning the details of the entrustment contract for the operation, etc. of the public facility, etc., annual revenue from the facility business, current status of the public

facility, etc., and other information that have a material influence on the price of the right to operate public facility, etc. for investment; the same applies in (e));

- (e) a summary of the results of the investigation on the status of the right to operate public facility, etc. made by a third party (or that the investigation has not been made, if this is the case), as well as the name of the investigator; and
- (f) information concerning the counterparty to the entrustment contract for the operation, etc. of the public facility, etc.

(Contents to Be Stated as an Outline of an Entrustment Contract for Assets Investment)

Article 136 The details specified by Cabinet Office Order as referred to in Article 83, paragraph (2) of the Act are as follows with regard to all asset management companies:

- (i) the name (including an indication that the relevant asset management company is a financial instruments business operator registered under Article 29 of the financial instruments and exchange Act for engaging in the investment management business for qualified investors, if this is the case) and address; and
- (ii) among the information specified in the contracts concluded with the asset management companies, information concerning the contents of the business to be entrusted, contract period, and cancellation of the contract during the period, information related to the changes to the contract, the amount of remuneration or fees to be paid to such asset management companies (the concrete amount or the method of calculation thereof), the timing for the payment thereof, and any other material information (in cases where stipulating provisions concerning the partial re-entrustment of the authority for assets investments in the contract to be concluded with such asset management companies, including the details of the provisions (including an indication that it is stipulated in the contract that the authority for asset investments is partially re-entrusted to a financial instruments business operator registered under Article 29 of the Financial Instruments and Exchange Act for engaging in the investment management business for qualified investors, if this is the case)).

(Cases Where Notice to Persons Who Intend to File Applications Is Not Required)

Article 137 The cases specified by Cabinet Office Order as referred to in Article 83, paragraph (5) of the Act are the following cases where an investment corporation has provided the persons who intend to file applications under

paragraph (1) of that Article with the information listed in the items of that paragraph:

- (i) cases where the relevant investment corporation has provided the information to be stated in the prospectus pursuant to the provisions of the Financial Instruments and Exchange Act by electronic or magnetic means; or
- (ii) cases where the relevant investment corporation has provided the prospectus, documents equivalent thereto, or any other materials under laws and regulations of a foreign state.

(Executive Managing Officers to Be Held Liable with Regard to Falsifying Performance of Contribution)

Article 137-2 The persons specified by Cabinet Office Order as referred to in Article 213-3 paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 84, paragraph (1) of the Act are the following persons:

- (i) the executive managing officers who performed the duties concerning falsifying a performance of contribution (meaning the performance of contribution provided in Article 208, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 84, paragraph (1) of the Act; the same applies in the following item);
- (ii) in cases where the performance of contribution has been falsified based on a resolution of a board of officers meeting, the following persons:
  - (a) the executive managing officers and supervisory officers who agreed to the relevant resolution of the board of officers meeting; and
  - (b) the executive managing officers who submitted proposals concerning falsifying the performance of contribution, to the board of officers meeting.

(Method of Processing Fractions of Investment Equity)

Article 138 The methods specified by Cabinet Office Order as referred to in Article 88, paragraph (1) of the Act are the methods specified in the following items according to the category of investment equity listed in the respective items:

- (i) investment equity of which the investment securities are securities listed on a financial instruments exchange: sales through the transactions conducted on a financial instruments exchange market;
- (ii) investment equity of which the investment securities are over-the-counter traded securities: sales through the transactions conducted on an over-the-counter securities market; and
- (iii) investment equity other than those listed in the preceding two items: sales at a fair and reasonable price in light of the amount of net assets of the investment corporation which issues the relevant investment equity.



(Method of Deduction in Cases of Refunding the Fractions of Investment Equity)

Article 139 (1) The investment corporation that refunded investment equity pursuant to the provisions of Article 88, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 149-17, paragraph (2) of the Act) or Article 124, paragraph (1) of the Act must deduct the amount obtained by multiplying the total amount of investment per unit as of the time immediately prior to the refund by the number of units of investment equity refunded from the total amount of investment, and must deduct the amount obtained by multiplying the amount of investment surplus per unit as of the time immediately prior to the refund by the number of units of investment equity refunded from the amount of investment surplus, respectively.

(2) The term "total amount of investment per unit" as used in the preceding paragraph means the amount obtained by dividing the total amount of investment by the total number of units of issued investment equity (meaning the issued investment equity as prescribed in Article 77-2, paragraph (1) of the Act; hereinafter the same applies in this Article), and the term "amount of investment surplus per unit" as used in the preceding paragraph is the amount obtained by dividing the amount of investment surplus by the total number of units of issued investment equity.

(3) The investment corporation that refunded investment equity pursuant to the provisions of Article 124, paragraph (1) of the Act must include or record in its investor register a statement to the effect that it has made refund with regard to the relevant investment equity, the date on which the refund was made, and the refunded amount, and must change the statement or records on the number of units of investment equity held by the investors who held the relevant investment equity, and on the total number of units of issued investment equity.

(Request of Inclusion of the Information Required to Be Included in the Investment Equity Subscription Rights Register)

Article 139-2 (1) The cases specified by Cabinet Office Order as referred to in Article 260 paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 88-8, paragraph (4) of the Act are the following cases:

(i) in cases where the person who acquired investment equity subscription rights from persons other than the investment corporation that issued the investment equity subscription rights (excluding the investment corporation; hereinafter referred to as "acquirer of investment equity subscription rights" in this Article) has received a final and binding judgment ordering the acquirer of investment equity subscription rights to make the request under

Article 260, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 88-8, paragraph (4) of the Act related to the investment equity subscription rights acquired by the acquirer of investment equity subscription rights against the person who has been stated or recorded in the investment equity subscription rights register as a holder of investment equity subscription rights or the general successor thereof, when the acquirer of investment equity subscription rights has made the request by providing a document evidencing the contents of the final and binding judgment or any other materials;

(ii) when the acquirer of investment equity subscription rights has made the request by providing a document evidencing the contents of a decision having the same effect as the final and binding judgment under the preceding item or any other materials;

(iii) in cases where the acquirer of investment equity subscription rights is a person who has acquired the investment equity subscription rights of the relevant investment corporation by general succession, when such acquirer of investment equity subscription rights has made the request by providing a document evidencing the general succession or any other materials; and

(iv) in cases where the acquirer of investment equity subscription rights is a person who has acquired the investment equity subscription rights of the relevant investment corporation by auction, when such acquirer of investment equity subscription rights has made the request by providing a document evidencing that the acquisition was made by auction, or any other materials.

(2) Notwithstanding the provisions of the preceding paragraph, in cases where the investment equity subscription rights acquired by the acquirer of investment equity subscription rights are investment equity options for which certificates are issued (meaning the investment equity options for which certificates are issued provided in Article 88-5, paragraph (1), item (ii), (d) of the Act), the cases specified by Cabinet Office Order as referred to in Article 260, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 88-8, paragraph (4) of the Act are the cases where the acquirer of investment equity subscription rights has made the request by presenting the certificate of the investment equity subscription rights.

(Executive Managing Officers to Be Held Liable with Regard to Falsifying Payment for Investment Equity Subscription Rights)

Article 139-3 Persons specified by Cabinet Office Order as prescribed in Article 286-3, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 88-17, paragraph (3) of the Act are the following persons:

(i) the executive managing officers who performed the duties concerning

falsifying a payment (meaning the payment provided in Article 286-2, paragraph (1), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 88-17, paragraph (3) of the Act; the same applies in the following item);

- (ii) in cases where the payment has been falsified based on a resolution of a board of officers meeting, the following persons:
  - (a) the executive managing officers and supervisory officers who agreed to the relevant resolution of the board of officers meeting; and
  - (b) the executive managing officers who submitted proposals concerning falsifying the payment, to the board of officers meeting.

(Cases Where a Fraction Less Than One Unit of Investment Equity Is Produced by the Exercise of Investment Equity Subscription Rights)

Article 139-4 The methods specified by Cabinet Office Order as referred to in Article 88-19, item (i) of the Act are the method whereby the higher of the following amounts are treated as the price of investment equity prescribed in that item:

- (i) the closing price of the relevant investment equity on the market in which the investment equity is traded, as of the date of the exercise of investment equity subscription rights (hereinafter referred to as the "exercise date" in this Article) (in cases where no sale and purchase transaction has been made on the relevant exercise date, or the relevant exercise date falls on a non-business day of the relevant market, the concluded price of the first sale and purchase transaction conducted after the relevant exercise date); or
- (ii) when the relevant investment equity is subject to a tender offer, etc. (meaning the tender offer as prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of that Act), and systems equivalent thereto based on laws and regulations of a foreign state; the same applies in Article 204, paragraph (1), item (ii)) as of the exercise date, the price of the relevant investment equity in the contract for tender offer, etc. as of the relevant exercise date.

(Particulars Decided for a Calling)

Article 140 The particulars specified by Cabinet Office Order as referred to in Article 90-2, paragraph (1), item (iv) of the Act are the following particulars (in cases where there are provisions on the particulars listed in items (iii) or (v) through (vii) in the certificate of incorporation, such particulars are excluded):

- (i) when the place of the investors' meeting as provided in Article 90-2, paragraph (1), item (i) of the Act is extremely far from any of the place at which the past investors' meetings have been held (excluding the following

- cases), the reasons for deciding such place:
- (a) cases where the relevant place is a place specified in the certificate of incorporation; and
  - (b) cases where the consent of all investors who do not attend the investors' meeting are obtained for holding the investors' meeting at the relevant place;
- (ii) information required to be given in the reference documents for the investors' meeting (meaning the reference documents for the investors' meeting as prescribed in Article 91, paragraph (4) of the Act; the same applies hereinafter) pursuant to the provisions of Article 142 through Article 154 (excluding information listed in Article 142-2, item (iii), Article 149, items (iii) and (iv), and Article 150, item (iii));
  - (iii) when it is to be provided for that a specific time (limited to the time which is before the date of the investors' meeting but on or after the day on which two weeks have passed from the day on which the notice has been sent pursuant to the provisions of the main clause of Article 91, paragraph (1) of the Act) is the time limit for exercising the voting rights in writing, such specific time;
  - (iv) information which is not to be given in the reference documents for the investors' meeting to be delivered to investors by taking the measure set forth in Article 154, paragraph (1);
  - (v) when the handling provided in Article 155, paragraph (1), item (ii) is to be specified, the details of the handling;
  - (vi) in cases where a single investor has redundantly exercised its voting right for a single proposal pursuant to the provisions of Article 92, paragraph (1) of the Act (in cases where the particulars listed in Article 90-2, paragraph (1), item (iii) of the Act are provided for, the provisions of Article 92, paragraph (1) or Article 92-2, paragraph (1) of the Act) and the facts of the exercise of voting right for the single proposal differ, when particulars concerning the handling of that exercise of voting right by the investor are provided, such particulars;
  - (vii) when the particulars listed in Article 90-2, paragraph (1), item (iii) of the Act are specified, the following particulars:
    - (a) when it is to be provided for that a specific time (limited to the time which is before the date of the investors' meeting but on or after the day on which two weeks have passed from the day on which the notice has been sent pursuant to the provisions of the main clause of Article 91, paragraph (1) of the Act) is the time limit for exercising voting rights by electronic or magnetic means, such specific time;
    - (b) that voting forms (meaning the voting forms as prescribed in Article 91, paragraph (4) of the Act; the same applies in Article 155) are to be

delivered under that paragraph (including the provision of voting forms by electronic or magnetic means under Article 91, paragraph (5) of the Act made in lieu of the delivery thereof) to the investors who have given the consent under Article 91, paragraph (2) of the Act when requested by the relevant investors, if this is the case;

- (viii) when particulars concerning the method of proving the right of representation (including the qualification of agents), the number of agents, and any other particulars related to the exercise of voting rights by the agents are to be provided with regard to the exercise of voting rights by agents under the provisions of Article 310, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act (excluding cases where there are provisions on such particulars in the certificate of incorporation), such particulars; and
- (ix) when the method of notice under the provisions of Article 313, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act (excluding cases where there are provisions on the method of notice in the certificate of incorporations), such method.

(Reference Documents for the Investors' Meeting)

Article 141 (1) The information required to be given in the reference documents for the investors' meeting which are to be delivered pursuant to the provisions of Article 91, paragraph (4) of the Act is to be governed by the provisions of the following Article through Article 154.

- (2) The delivery of reference documents for the investors' meeting (including the provision thereof by electronic or magnetic means made in lieu of the delivery) made by an investment corporation which has provided the particulars listed in Article 90-2, paragraph (1), item (iii) of the Act, is the delivery of reference documents for the investors' meeting under Article 91, paragraph (4) of the Act.
- (3) With regard to the information required to be given in the reference documents for the investors' meeting, an executive managing officer may, in cases where any circumstance which requires an amendment occurs during the period from the day on which the notice of calling (meaning the notice under the main clause of Article 91, paragraph (1) or (2) of the Act; hereinafter the same applies in this paragraph, paragraph (5) of the following Article, Article 154, paragraph (1), and Article 155, paragraphs (3) and (4)) was sent to the day immediately preceding the date of Investors' meeting, notify the method of making public the information after the amendment to the investors along with the notice of calling.

(General Information Required to Be Given in the Reference Documents for the Investors' Meeting)

- Article 142 (1) The following information must be given in the reference documents for the investors' meeting:
- (i) the proposal;
  - (ii) the reasons for submitting a proposal (only for proposals related to the submission by an executive managing officer, in cases where that proposal is that for which certain information is to be explained at an investors' meeting, the contents to be explained are included); and
  - (iii) when there is a result of the investigation to be reported to the investors' meeting pursuant to the provisions of Article 384 of the Companies Act as applied mutatis mutandis pursuant to Article 111, paragraph (3) of the Act with regard to the proposal, the outline of such outcome.
- (2) Beyond what is listed in the items of the preceding paragraph, when the proposals to be submitted to the investors' meeting of an investment corporation which has included provisions under Article 93, paragraph (1) of the Act (hereinafter referred to as the "provisions of deemed agreement" in this paragraph) includes conflicting proposals, the reference documents for the investors' meeting must include to the effect that the provisions of deemed agreement are not applied to any of such proposals.
- (3) Beyond what is provided for in this Article through Article 154, the reference documents for the investors' meeting may include the information which is found to serve as a reference for the exercise of voting rights by investors.
- (4) In cases where some of the information required to be given in the reference documents for the investors' meeting which are to be provided to investors in relation to a single investors' meeting is given in other documents or is provided by electronic or magnetic means, the information is not required to be given in the reference documents for an investors' meeting which are to be provide to investor. In this case, it must be clearly stated in the reference documents for the investors' meeting that there is information given in other documents or information provided by electronic or magnetic means.
- (5) In cases where some of the information required to be included in the content of the notice of calling which is to be provided to investors in relation to a single investors' meeting is given in the reference documents for the investors' meeting, the information is not required to be included in the contents of the notice of calling which is to be provided to the investors.

(Proposals for the Consolidation of Investment Equity)

- Article 142-2 In cases where an executive managing officer submits a proposal for the consolidation of the investment equity, the following information must be given in the reference documents for the investors' meeting:
- (i) the reasons for effecting the relevant consolidation of the investment equity;
  - (ii) contents of the particulars listed in Article 180, paragraph (2), items (i) and

- (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 81-2, paragraph (2) of the Act; and
- (iii) in cases where there is information listed in Article 131-2, items (i) and (ii) as of the day on which the decision under Article 90-2, paragraph (1) of the Act, the summary of contents of such information.

(Proposals for the Appointment of Executive Managing Officers)

Article 143 (1) In cases where an executive managing officer submits a proposal for the appointment of an executive managing officer, the following information must be given in the reference documents for the investors' meeting:

- (i) the name, date of birth, and career of the candidate;
  - (ii) the number of units of investment equity of the relevant investment corporation held by the candidate;
  - (iii) if the candidate assumes the office of the executive managing officer of the relevant investment corporation and there are facts pertaining to such candidate which fall under a concurrent holding of important posts as provided in Article 74, item (vi) of the Regulation on Accountings of Investment Corporations, such facts;
  - (iv) if the candidate has any special interest with the investment corporation, the summary of such facts;
  - (v) if the candidate is actually an executive managing officer of the relevant investment corporation, the position and duty at the investment corporation;
  - (vi) that the consent for assuming office has yet to be obtained, if this is the case; and
  - (vii) that the provisions of Article 99, paragraph (2) of the Act are applied, if this is the case.
- (2) In the case referred to in the preceding paragraph, when the investment corporation is a subsidiary corporation of another investment corporation, the following information must be given in the reference documents for the investors' meeting:
- (i) when the candidate is actually an officer (meaning the officer as prescribed in Article 96, paragraph (1) of the Act; except in Article 164 and Article 200, hereinafter the same applies in this Section) of the relevant other investment corporation (including a subsidiary corporation (excluding the relevant investment corporation) of the relevant other investment corporation; hereinafter the same applies in this paragraph), the position and duty at the relevant other investment corporation;
  - (ii) when the relevant investment corporation is aware of the fact that the candidate was an officer of the relevant other investment corporation in the past five years, the position and duty at the relevant other investment corporation.

- (3) When the proposal is one submitted with the consent of all supervisory officers, such fact must be stated therein.

(Proposals for the Appointment of Supervisory Officers)

Article 144 (1) If an executive managing officer submits a proposal for the appointment of a supervisory officer, the following information must be given in the reference documents for the investors' meeting:

- (i) the name, date of birth, and career of the candidate;
- (ii) the number of units of investment equity of the relevant investment corporation held by the candidate;
- (iii) if the candidate assumes the office of the supervisory officer of the relevant investment corporation and there are facts pertaining to such candidate which fall under a concurrent holding of important posts as provided in Article 74, item (vi) of the Regulation on Accountings of Investment Corporations, such facts;
- (iv) if the candidate has any special interest with the investment corporation, the summary of such facts;
- (v) if the candidate is actually a supervisory officer of the relevant investment corporation, the position and duty at the investment corporation;
- (vi) that the consent for assuming office has yet to be obtained, if this is the case; and
- (vii) that the provisions of Article 99, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 101, paragraph (2) of the Act are applied, if this is the case.

(2) In the case referred to in the preceding paragraph, when the investment corporation is a subsidiary corporation of another investment corporation, the following information must be given in the reference documents for the investors' meeting:

- (i) when the candidate is actually an officer of the relevant other investment corporation (including a subsidiary corporation (excluding the relevant investment corporation) of the relevant other investment corporation; hereinafter the same applies in this paragraph), the position and duty at the relevant other investment corporation; and
- (ii) when the relevant investment corporation is aware of the fact that the candidate was an officer of the relevant other investment corporation in the past five years, the position and duty at the relevant other investment corporation.

(Proposals for the Appointment of Financial Auditors)

Article 145 If an executive managing officer submits a proposal for the appointment of a financial auditor, the following information must be given in



the reference documents for the investors' meeting:

- (i) information specified in the following (a) or (b) according to the category of cases set forth in the respective sub-items:
  - (a) if the candidate is a certified public accountant: the candidate's name, location of the office, date of birth and career; or
  - (b) if the candidate is an auditing firm: its name, location of the principal office, and history;
- (ii) that the consent for assuming office has yet to be obtained, if this is the case;
- (iii) when there are opinions from a financial auditor under the provisions of Article 107, paragraph (1) of the Act, the summary of the contents of such opinion;
- (iv) if the contract under Article 427, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 115-6, paragraph (12) of the Act has been or is scheduled to be concluded between the candidate and the investment corporation, the summary of the contents of the contract;
- (v) when the relevant candidate is a person who has actually been subject to a disposition of suspension of business and for whom the period of suspension has yet to elapse, information related to the relevant disposition;
- (vi) if the relevant candidate is a person who has been subject to a disposition of suspension of business in the past two years, information related to the disposition which are found appropriate to be stated in the reference documents for the investors' meeting by the relevant investment corporation; and
- (vii) when the relevant candidate is expected to receive or have received in the past two years a large amount of money or any other property benefits from the persons specified in the following (a) or (b) according to the categories specified in the respective sub-items (remunerations, bonuses, or any other property benefits from an investment corporation as the consideration for the execution of business to be received from the investment corporations, parent corporation thereof, subsidiary corporation of the parent corporation as a financial auditor (including those equivalent thereto under the provisions of laws and regulations other than the Act), and consideration for the services prescribed in Article 2, paragraph (1) of the Certified Public Accountant Act (Act No. 103 of 1948) are excluded from the above-mentioned property benefits), the details thereof:
  - (a) if there is a parent corporation (meaning the parent corporation as prescribed in Article 81, paragraph (1) of the Act; hereinafter the same applies in (b)) of the relevant investment corporation, the relevant investment corporation, the parent corporation, or a subsidiary corporation of the parent corporation (excluding the relevant investment corporation);

or

- (b) if there is no parent corporation of the relevant investment corporation, the investment corporation or a subsidiary corporation of the investment corporation.

(Proposals for the Dismissal of Executive Managing Officers)

Article 146 If an executive managing officer submits a proposal for the dismissal of an executive managing officer, the following information must be given in the reference documents for the investors' meeting:

- (i) the name of the executive managing officer; and
- (ii) the reasons for dismissal.

(Proposals for the Dismissal of Supervisory Officers)

Article 147 If an executive managing officer submits a proposal for the dismissal of a supervisory officer, the following information must be given in the reference documents for the investors' meeting:

- (i) the name of the supervisory officer; and
- (ii) the reasons for dismissal.

(Proposals for the Dismissal or Refusal of Reappointment of Financial Auditors)

Article 148 If an executive managing officer submits a proposal for the dismissal or refusal of reappointment of a financial auditor, the following information must be given in the reference documents for the investors' meeting:

- (i) the name of the financial auditor;
- (ii) the reasons for dismissal or refusal of reappointment; and
- (iii) when there are opinions from a financial auditor under the provisions of Article 107, paragraph (1) of the Act, the summary of the contents of that opinion.

(Proposals of Giving Retirement Allowances to Officers Exempted from Liability)

Article 148-2 In the cases listed in the following items, when an executive managing officer submits a proposal related to the resolution for the approval prescribed in Article 115-6, paragraph (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 427, paragraph (5) of the Companies Act as applied mutatis mutandis pursuant to Article 115-6, paragraph (11) or (12) of the Act following the deemed replacement of terms), the details of the property benefits prescribed in Article 168 which are to be given to officers or similar persons (meaning the officer or similar person provided in Article 115-6, paragraph (1) of the Act; the same applies

hereinafter except for Article 160, paragraph (1) and Article 244) exempted from the liability or arranged not to be liable must be given in the reference documents for the investors' meeting:

- (i) cases where the officers or similar persons have been exempted from liability based on the resolution prescribed in Article 115-6, paragraph (3) of the Act;
- (ii) cases where the officers or similar persons have been exempted from liability based on the certificate of incorporation provided pursuant to the provisions of Article 115-6, paragraph (7) of the Act; and
- (iii) cases where it is arranged that a financial auditor is not liable for damages in excess of the limit provided for in Article 427, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 115-6, paragraph (12) of the Act following the deemed replacement of terms under the contract prescribed in Article 427, paragraph (1) of the Companies Act.

(Proposals for the Approval of Absorption-Type Merger Agreement)

Article 149 If an executive managing officer submits a proposal for the approval of an absorption-type merger agreement, the following information must be given in the reference documents for the investors' meeting:

- (i) the reasons for effecting the relevant absorption-type merger (meaning the absorption-type merger as prescribed in Article 147, paragraph (1) of the Act; the same applies hereinafter);
- (ii) the outline of the contents of the absorption-type merger agreement;
- (iii) if the relevant investment corporation is a corporation disappearing in an absorption-type merger (meaning the corporation disappearing in an absorption-type merger as prescribed in Article 147, paragraph (1), item (i) of the Act; the same applies hereinafter), when there are particulars listed in the items (excluding items (iv) and (v)) of Article 193, paragraph (1) as of the day on which the decision under Article 90-2, paragraph (1) of the Act has been made, the summary of contents of such particulars; and
- (iv) if the relevant investment corporation is a corporation surviving an absorption-type merger (meaning the corporation surviving an absorption-type merger as prescribed in Article 147, paragraph (1), item (i) of the Act; the same applies hereinafter), when there are particulars listed in the items (excluding items (iv) and (v)) of Article 194 as of the day on which the decision under Article 90-2, paragraph (1) of the Act has been made, the summary of the contents of the relevant particulars.

(Proposals for the Approval of Consolidation-Type Merger Agreement)

Article 150 If an executive managing officer submits a proposal for the approval of a consolidation-type merger agreement, the following information must be

given in the reference documents for the investors' meeting:

- (i) the reasons for effecting the relevant consolidation-type merger (meaning the consolidation-type merger as prescribed in Article 148, paragraph (1) of the Act; the same applies hereinafter);
- (ii) the summary of the contents of the consolidation-type merger agreement;
- (iii) if the relevant investment corporation is a corporation disappearing in a consolidation-type merger (meaning the corporation disappearing in a consolidation-type merger as prescribed in Article 148, paragraph (1), item (i) of the Act; the same applies hereinafter), and there are particulars listed in the items (excluding items (iv) and (v)) of Article 196, as of the day on which the decision under Article 90-2, paragraph (1) of the Act has been made, the summary of contents of the relevant particulars; and
- (iv) information provided in Article 143 with regard to persons to become the executive managing officer of a corporation incorporated in a consolidation-type merger (meaning the corporation incorporated in a consolidation-type merger as prescribed in Article 148, paragraph (1), item (ii) of the Act; the same applies hereinafter);
- (v) information provided in Article 144 with regard to the persons to become the supervisory officers of a corporation incorporated in a consolidation-type merger; and
- (vi) information provided in Article 145 with regard to persons to become the financial auditor of a corporation incorporated in a consolidation-type merger.

(Proposals for the Approval of the Entrustment Contract for Assets Investment)

Article 151 If an executive managing officer submits a proposal for the approval of entrustment contract for assets investment to be concluded with an asset management company, the name, address, and history of the asset management company with which the entrustment contract for assets investment is intended to be concluded (with regard to the approval prescribed in Article 207, paragraph (3) of the Act, the asset management company with which an entrustment contract for assets investment has been concluded), as well as the details of the written entrustment contract must be stated in the reference documents for the investors' meeting.

(Proposals for the Cancellation of Entrustment Contract for Asset Management)

Article 152 If an executive managing officer submits a proposal for the cancellation of the entrustment contract for assets investment, the reasons for the cancellation must be stated in the reference documents for the investors' meeting.

(Information Required to Be Given in Cases of Proposals Submitted Investors)

Article 153 (1) If the proposal is that submitted by an investor, the following information (in cases where the information listed in items (iii) through (v) is composed of a large number of characters, letters, marks or any other thing that are inappropriate to state the whole in the reference documents for the investors' meeting (including cases where the volume thereof exceeds the volume specified by the investment corporation as being appropriate to state the whole), a summary of such information) must be given in the reference documents for the investors' meeting:

- (i) a statement to the effect that the proposal is that submitted by an investor;
  - (ii) when there are opinions of the board of officers meeting to the proposal, the contents of that opinion;
  - (iii) when the investor has notified the investment corporation of the reasons for submitting the proposal (in cases where the reasons for submitting the proposal are clearly false or are found to be based on the sole purpose of infringing or insulting persons' reputation, such reasons for submitting the proposal are excluded) in making the demand under the main clause of Article 305, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act, such reasons;
  - (iv) if the proposal is that concerning the appointment of persons listed in the following (a) through (c), and the investor has notified the investment corporation of the information specified in the respective sub-items (in cases where the information is clearly false, that information is excluded) in making the demand under the main clause of Article 305, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act, the contents thereof:
    - (a) executive managing officers: information provided in Article 143;
    - (b) supervisory officers: information provided in Article 144; and
    - (c) a financial auditor: information provided in Article 145;
  - (v) if the proposal is that concerning the consolidation of the investment equity, and the investor has notified the investment corporation of the information specified in Article 142-2 (in cases where the information are clearly false, that information is excluded) in making the demand under the main clause of Article 305, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act, the contents thereof.
- (2) If proposals of the same purport are submitted by two or more investors, a separate statement for such proposals and the contents of the opinions of the board of officers meeting thereto in the reference documents for the investors' meeting are not required; provided, however, that, a statement to the effect that proposals of the same purport have been submitted by two or more

investors must be given.

- (3) If proposals of the same purport have been submitted by two or more investors, a separate statement for the reasons for submitting such proposals in the reference documents for the investors' meeting is not required.

(Special Provisions on the Statement in the Reference Documents for the Investors' Meeting)

Article 154 (1) If the investment corporation takes measures (among the methods listed in Article 114, paragraph (1), item (i), (b), limited to those made by the method using an automatic public transmission server (meaning the device which, when connected with a telecommunications line provided for the use by the public, has the function to perform the automatic public transmission of information recorded in the recording medium of the device used for the automatic public transmission, or inputted in such device; the same applies in the following paragraph) connected to the internet; the same applies in paragraph (3)) to make the information related to the information required to be given in the reference documents for the investors' meeting (excluding the following information) continuously available to the investors by electronic or magnetic means, for a period from the time when the notice of calling pertaining to the relevant investors' meeting is sent until the day on which three months have elapsed from the day of the investors' meeting, the information is deemed to have been provided to investors as the provision of the reference documents for the investors' meeting containing such information; provided, however, that, it is limited to cases where it is provided for in the certificate of incorporation that measures under this paragraph is to be taken:

- (i) the proposal;
  - (ii) in cases where the information listed in the provisions of Article 73, paragraph (1), items (i) through (xxv), Article 74, items (i) through (iv) (excluding those related to a financial auditor), and Article 75, item (i) of the Regulation on Accountings of Investment Corporations is to be given in the reference documents for the investors' meeting, such information;
  - (iii) information required to be given in the reference documents for the investors' meeting pursuant to the following paragraph; and
  - (iv) if any supervisory officer has stated objection to take the measure under this paragraph for the information required to be given in the reference documents for the investors' meeting (excluding the information listed in the preceding items), such matters.
- (2) In the case referred to in the preceding paragraph, the characters, letters, marks or other codes or any combination thereof which are assigned for the identification, on the internet, of the automatic public transmission server

used to take the measures set forth in that paragraph, and which allow the person who receives the information to inspect the details of the information by the input thereof in the computer used by that person, and to record that information in the file stored on the computer, must be given in the reference documents for the investors' meeting which are to be provided to investors.

- (3) The provisions of paragraph (1) do not preclude the investment corporation from taking measures to make the information related to the particulars listed in the items of that paragraph available to the investors by electronic or magnetic means.

(Voting Forms)

Article 155 (1) The information required to be included in the voting forms which are to be delivered pursuant to the provisions of Article 91, paragraph (4) of the Act, or information required to be included in the voting forms which are to be provided by electronic or magnetic means pursuant to the provisions of paragraph (6) or (7) of that Article is the following information:

- (i) a column in which the agreement or dissent (in cases of providing a column for abstention, including abstention) for each proposal is to be stated (in the cases set forth in the following (a) and (c), those specified in the respective sub-item):
  - (a) in cases of a proposal for the appointment of two or more officers or similar persons: the appointment of each candidate;
  - (b) in cases of a proposal for the dismissal of two or more officers or similar persons: the dismissal of each officer or similar person;
  - (c) in cases of a proposal for the refusal of reappointment of two or more financial auditors: the refusal of each financial auditor;
- (ii) when there are provisions on the particulars listed in Article 140, item (v), when a voting form lacking an entry in the column under the preceding item has been submitted to the relevant investment corporation, the details of the handling of the voting form as to whether it is an indication of manifestation of agreement, dissent, or abstention, for each proposal;
- (iii) when there are provisions on the particulars listed in Article 140, item (vi) of the Act, such particulars;
- (iv) the time limit for exercising the voting rights;
- (v) the names of the investors who are to exercise voting rights as well as the number of exercisable voting rights (in the cases set forth in the following (a) and (b), including the information specified in the respective sub-item):
  - (a) cases where the number of voting rights exercisable by the relevant investor differs for each proposal: the number of voting rights for each proposal;
  - (b) cases where voting rights may not be exercised for some of the proposals:

proposals in which voting rights may be exercised or those in which may not.

- (2) When there are provisions on the particulars listed in Article 140, item (vii), (b), an investment corporation must, when requested by the investors who have given the consent under Article 91, paragraph (2) of the Act, deliver voting forms under Article 91, paragraph (4) of the Act (including the provision of voting forms by electronic or magnetic means under Article 91, paragraph (5) of the Act made in lieu of the delivery thereof) to such investors.
- (3) If some of the information to be included in the content of the notice of calling which is to be provided to investors in relation to a single investors' meeting is included in the voting form, that information is not required to be included in the content of the notice of calling.
- (4) If some of the information required to be included in the voting form which is to be provided to investors in relation to a single investors' meeting (limited to the information listed in paragraph (1), items (ii) through (iv)) is included in the contents of the notice of calling, such information is not required to be stated in the reference documents for an investors' meeting.

(Time Limit for Exercising Voting Rights in Writing)

Article 156 The time specified by Cabinet Office Order as referred to in Article 92, paragraph (1) of the Act is at the close of the business hours immediately before the date of the investors' meeting (in cases where there are provisions on the particulars listed in Article 140, item (iii), the specific time provided in that item).

(Time Limit for Exercising Voting Rights by Electronic or Magnetic Means)

Article 157 The time specified by Cabinet Office Order as referred to in Article 92-2, paragraph (1) of the Act is at the close of the business hours immediately before the date of the investors' meeting (in cases where there are provisions on the particulars listed in Article 140, item (vii), (a), the specific time provided in (a) of that item).

(Electronic or Magnetic Records Provided by Inspectors)

Article 158 The electronic or magnetic records specified by Cabinet Office Order as provided in the following provisions are the electronic or magnetic recording mediums prescribed in Article 36, paragraph (1) of the Regulation on Commercial Registrations (limited to electronic or magnetic records), and the electronic or magnetic records specified by the person who receives the electronic or magnetic record pursuant to the following provisions:

- (i) Article 306, paragraph (5) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act; and



- (ii) Article 358, paragraph (5) of the Companies Act as applied mutatis mutandis pursuant to Article 110, paragraph (2) of the Act.

(Provision of the Information Recorded in the Electronic or Magnetic Record by Inspectors)

Article 159 The methods specified by Cabinet Office Order as provided in the following provisions (hereinafter referred to as the "provisions for the inspectors' provision" in this Article) are the electronic or magnetic means specified by the person who receives the information recorded in the electronic or magnetic record provided in the provisions for the inspectors' provision pursuant to the provisions for the inspectors' provision:

- (i) Article 306, paragraph (7) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act; and
- (ii) Article 358, paragraph (7) of the Companies Act as applied mutatis mutandis pursuant to Article 110, paragraph (2) of the Act.

(Relationship That Enables a Substantial Control)

Article 160 (1) The investors specified by Cabinet Office Order as referred to in Article 308, paragraph (1) (excluding the proviso) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act are, in cases where the investment corporation (including the subsidiary corporation of the relevant investment corporation) holds one quarter or more of the total number of voting rights of the company, etc. which is an investor of the investment corporation (including voting rights which are not allowed to be exercised pursuant to the provisions of Article 308, paragraph (1) of the Companies Act or any other equivalent laws and regulations (including laws and regulations of a foreign state) which are other than that Act, and excluding voting rights pertaining to shares (including those equivalent thereto) of which the voting rights may not be exercised for all the proposals for the appointment of the officers, etc. (excluding a financial auditor) prescribed in Article 423, paragraph (1) of that Act and the changes to the articles of incorporation (including those equivalent to these proposals) at a shareholders meeting (including those equivalent thereto); hereinafter such voting rights are referred to as "voting rights for mutual holding" in this Article), the company, etc. which is an investor of the investment corporation after establishment (in cases where persons other than the relevant investors may not exercise voting rights for the proposals for the investors' meeting of the investment corporation (limited to cases where such proposals are to be resolved), such investors are excluded).

- (2) In the case referred to in the preceding paragraph, the number of voting rights for mutual holding held by the investment corporation and its subsidiary

corporation and the total number of voting rights for mutual holding (hereinafter referred to as the "number of subject voting rights" in this Article) are the number of subject voting rights held by the investment corporation as of the day of investors' meeting.

- (3) Notwithstanding the provisions of the preceding paragraph, in cases where a specific record date (meaning the record date defined in Article 77-3, paragraph (2) of the Act for specifying the persons who may exercise their voting rights at the relevant investors' meeting; hereinafter the same applies in this Article) is provided for, the number of subject voting rights is the number of subject voting rights as of the specific record date; provided, however, that, in cases where the number of subject voting rights has increased or decreased, if the relevant investment corporation comes to know that, as a result of that increase or decrease, voting rights may be exercised or may not be exercised with regard to the investment equity of the investment corporation held by a person who is an investor under paragraph (1) during the period from the specific record date to the day on which all the particulars listed in the items of Article 90-2, paragraph (1) of the Act concerning the investors' meeting have been decided, the number of subject voting rights is that as of the day on which the investment corporation came to know such fact.
- (4) Notwithstanding the provisions of the preceding paragraph, the relevant investment corporation may calculate the number of subject voting rights by taking into consideration the particulars occurred during the period from the day on which all the particulars listed in the items of Article 90-2, paragraph (1) of the Act concerning the relevant investors' meeting have been decided (in cases where the investment corporation has specified a day after the first-mentioned day, such day) to the day of the investors' meeting (including the fact that the investment corporation came to know the fact of increase or decrease under the preceding paragraph).

(Accountability of Executive Managing Officers)

Article 161 The cases specified by Cabinet Office Order as referred to in Article 314 of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act are the following cases:

- (i) cases where it is necessary to carry out an investigation to explain the information for which the investors required explanation (excluding the following cases):
- (a) cases where the relevant investor has notified the investment corporation of the relevant information at a reasonable period prior to the day of an investors' meeting;
- (b) cases where the investigation necessary for explaining the relevant information is extremely easy;

- (ii) cases where explaining the information for which the investor has required an explanation results in infringement of rights of the investment corporation or any other person (excluding the Investor);
- (iii) cases where an investor requires an explanation for matters substantially same as the relevant information at the relevant organizational meeting in a repetitive manner; and
- (iv) beyond what is listed in the preceding three items, cases where there are justifiable grounds for not explaining the information for which an investor has required an explanation.

(Minutes of the Investors' Meeting)

Article 162 (1) The preparation of minutes of an investors' meeting under Article 318, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 94, paragraph (1) of the Act is as provided in this Article.

- (2) The minutes of an investors' meeting must be prepared in writing or in the form of an electronic or magnetic record.
- (3) The minutes of an investors' meeting must include the following information:
  - (i) the date and time on which and place where the investors' meeting was held (in cases where executive managing officers, supervisory officers, a financial auditor, or investors who were not present at the place have attended the investors' meeting, the method of such attendance is included);
  - (ii) the outline and results of the proceedings at the investors' meeting;
  - (iii) when there are any opinions or oral statements stated at the investors' meeting pursuant to the following provisions, the summary of the contents of those opinions or oral statements:
    - (a) Article 107, paragraph (1) of the Act;
    - (b) Article 107, paragraph (2) of the Act;
    - (c) Article 384 of the Companies Act as applied mutatis mutandis pursuant to Article 111, paragraph (3) of the Act;
    - (d) Article 114, paragraph (6) of the Act;
    - (e) Article 115-4 of the Act;
  - (iv) the names of the executive managing officers, supervisory officers, or a financial auditor who attended the investors' meeting;
  - (v) when a chairperson of the investors' meeting is in place, the name of the chairperson; and
  - (vi) the name(s) of the executive managing officers who performed the duties concerning the preparation of minutes.

(Appointment of Substitute Officers)

Article 163 (1) The appointment of substitute officers under Article 329, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to

Article 96, paragraph (2) of the Act is as provided in this Article.

- (2) In cases of appointing substitute officers by a resolution under Article 329, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 96, paragraph (2) of the Act, the following information must be decided as well:
- (i) a statement to the effect that the relevant candidate is a substitute officer;
  - (ii) when appointing the relevant candidate as a substitute officer for one or more specific officers, an indication of this and the name of the specific officer;
  - (iii) when appointing two or more substitute officers for one officer (in cases of appointing substitute officers for two or more officers, those two or more officers), the priority order among the relevant substitute officers;
  - (iv) when the appointment of a substitute officer is to be cancelled before assuming office, an indication of this and procedures for effecting the cancellation.
- (3) The period during which the resolution related to the appointment of substitute officers is effective is, unless otherwise provided for in the certificate of incorporation, until the time of commencement of the first Investors' meeting held after such resolution; provided, however, that the foregoing sentence does not preclude the resolution of investors' meeting from shortening such period.

(Persons Who Are Likely to Hinder the Performance of Duties of Supervisory Officers)

Article 164 The persons specified by Cabinet Office Order as being likely to hinder the performance of duties of a supervisory officer as referred to in Article 100, item (vi) of the Act are the following persons:

- (i) persons who were organizers or executive managing officers of the relevant investment corporation;
- (ii) the relatives of the organizers, executive managing officers, or persons who were in the position of the relevant investment corporation;
- (iii) an officer or employee of the corporation whose voting rights exceeding 50 percent of the voting rights held by all the shareholders are held by an organizer, etc. (meaning the organizer, and officers or persons who was an officer within the past two years of the corporation that is an organizer, hereinafter the same applies in this Article) or executive managing officer of the relevant investment corporation, or persons who has held one or more of the position (excluding persons falling under the category of person referred to in Article 100, item (iii) of the Act);
- (iv) a person who is continuously receiving remuneration from the organizer, etc. or executive managing officer of the relevant investment corporation;
- (v) a person who receives the provision of office or funds without charge or for a

- consideration lower than the ordinary market price or any other special economic benefits from the organizer, etc. or executive managing officer of the relevant investment corporation;
- (vi) an officer or employee of the corporation whose majority of directors, executive officers, or directors or executive officers who have the right to represent, consists of officers or persons who were officers within the past two years and executive managing officers of the corporation that is an organizer of the relevant investment corporation, or a person who has held one or more of the position;
  - (vii) an officer or employee of a corporation for which the executive managing officer of the relevant investment corporation is an officer or was an officer within the past two years, or of the subsidiary company of the corporation, or a person who has held one or more of the position (excluding persons falling under the category of persons referred to in the preceding item and Article 100, item (iii) of the Act);
  - (viii) an officer or employee of the financial instruments business operator, etc. or financial instruments intermediary service provider (meaning the financial instruments intermediary service provider as prescribed in Article 2, paragraph (12) of the Financial Instruments and Exchange Act; hereinafter the same applies in this item and Article 200, item (viii)) that has been entrusted with the solicitation of persons to subscribe investment corporation bonds issued by the relevant investment corporation, or of the subsidiary company thereof, a financial instruments intermediary service provider that is an individual, or a person who has held one or more of the position; and
  - (ix) spouse of the person who falls under any of the category of persons prescribed in item (iii) through the preceding item of this Order of the Prime Minister's Office, or Article 100, item (iii) or (v) of the Act.

(Subject of the Investigation by Supervisory Officers)

Article 165 The items specified by Cabinet Office Order as referred to in Article 384 of the Companies Act as applied mutatis mutandis pursuant to Article 111, paragraph (3) of the Act are electronic or magnetic records and any other materials.

(Minutes of the Board of Officers Meeting)

Article 166 (1) The preparation of the minutes of board of officers meeting under Article 369, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 115, paragraph (1) of the Act is as provided in this Article.  
(2) The minutes of a board of officers meeting must be prepared in writing or in the form of an electronic or magnetic record.

- (3) The minutes of a board of officers meeting must include the following information:
- (i) the date and time on which and place where the board of officers meeting was held (in cases where executive managing officers, supervisory officers, or a financial auditor who were not present at the place have attended the board of officers meeting, the method of such attendance is included);
  - (ii) that the board of officers meeting fall under any of the following category, if this is the case:
    - (a) a board of officers meeting called upon the request of an executive managing officer under Article 113, paragraph (2) of the Act;
    - (b) a board of officers meeting called upon the request of supervisory officers under Article 113, paragraph (3) of the Act; or
    - (c) a board of officers meeting called by the executive managing officer or supervisory officer pursuant to the provisions of Article 113, paragraph (4) of the Act;
  - (iii) the outline and results of the proceedings at the board of officers meeting;
  - (iv) when there are officers with special interest with regard to the matters required to be resolved, the name of such officers;
  - (v) the name(s) of the financial auditor that attended the board of officers meeting; and
  - (vi) when a chairperson of the board of officers meeting is in place, the name of the chairperson.

(Method for Calculating the Amount of Remuneration)

Article 167 The amount calculated by the method specified by Cabinet Office Order as referred to in Article 115-6, paragraph (3) of the Act is the total amount of the following amounts:

- (i) among the total amount of property benefits (excluding those specified in the following item) that the officers or similar persons receives or are to receive from an investment corporation as a remuneration, bonus or any other consideration for the execution of duties while they are in office for each business period (limited to the business period that includes the day specified in the following (a) through (c) according to the category of cases listed in the respective sub-items, and each business period immediately prior thereto) (in cases where the relevant business period is not one year, the amount obtained by converting the total amount to an amount per one year), the highest amount:
  - (a) in cases where a resolution of investors' meeting under Article 115-6, paragraph (3) of the Act has been adopted: the day of the resolution of the investors' meeting;
  - (b) in cases where a resolution of the board of officers meeting exempting the

liability of officers based on the provisions of the certificate of incorporation under Article 115-6, paragraph (7) of the Act: the day of the resolution of the board of officers meeting; or

- (c) in cases where the contract under Article 427, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 115-6, paragraph (12) of the Act has been concluded: the day on which the facts which may be the cause for liability occurred (in cases where there are two or more of such day, the latest day);
- (ii) the amount obtained by dividing the amount listed in (a) by the amount listed in (b):
  - (a) the amount of retirement allowances or other property benefits with the nature thereof that the relevant officers or similar persons have received from the relevant investment corporation;
  - (b) the period of office of the relevant officers or similar persons in the position (in cases where the relevant officers or similar persons fall under the following category, if the number specified in the following exceed the period of service, such number):
    1. executive managing officers or supervisory officers: four;
    2. a financial auditor: two.

(Retirement Allowances to be Received After the Resolution of Exempting Liability)

Article 168 The property benefits specified by Cabinet Office Order as referred to in Article 115-6, paragraph (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to paragraph (11) of that Article, and the cases where it is applied mutatis mutandis pursuant to Article 427, paragraph (5) of the Companies Act as applied mutatis mutandis pursuant to Article 115-6, paragraph (12) of the Act following the deemed replacement of terms) are retirement allowances or other property benefits with the nature thereof.

(Other Administrative Processes of an Investment Corporation)

Article 169 (1) The following particulars must be provided in the contract for entrusting the administrative processes listed in Article 117, item (i) of the Act (excluding administrative processes concerning the allotment of investment equity subscription rights without contribution (meaning the allotment of investment equity subscription rights without contribution provided in Article 88-13 of the Act)):

- (i) a statement to the effect that the administrative agent entrusted with the relevant administrative processes is to make the solicitation of application to subscribe investment equity or investment corporation bonds by sufficiently taking into consideration the customer's knowledge, experience, status of

- property, and purpose of subscribing the investment equity or investment corporation bonds;
- (ii) a statement to the effect that the administrative agent entrusted with the relevant administrative processes is liable to explain the following information to the customer in conducting solicitation of an application to subscribe investment equity or investment corporation bonds:
    - (a) the contents of the information listed in the items of Article 71, paragraph (1), the items of Article 83, paragraph (1), or the items of Article 139-4, paragraph (1) of the Act;
    - (b) rights to be held when the customer becomes an investor or investment corporation's bondholder (meaning the investment corporation's bondholder defined in Article 139-3, paragraph (1), item (vii) of the Act; the same applies hereinafter);
    - (c) in cases where the fees or any other costs to be paid to an administrative agent include those which are to be paid at the direct expense of the person who intends to subscribe for the investment equity or investment corporation bonds, or of the investor or investment corporation's bondholder, the details thereof; and
    - (d) the details of risk that may occur due to the fluctuations in the value of investment equity or investment corporation, or for any other reasons.
- (2) The administrative processes specified by Cabinet Office Order as referred to in Article 117, item (vi) of the Act are the following administrative processes:
- (i) the administrative processes related to the payment of money which is to be distributed or refunded to the investors;
  - (ii) with regard to the investment corporation set forth in Article 86, paragraph (1) of the Act, the administrative processes related to the acceptance of requests for refund of investment equity, and the refund thereof;
  - (iii) beyond what is listed in the preceding two items and Article 117, items (ii) and (iv) of the Act, the administrative processes related to the acceptance of requests for the exercise of voting rights by investors or any other applications from investors;
  - (iv) the administrative processes related to the payment of interests and amount of redemption to the investment corporation's bondholders;
  - (v) beyond what is listed in the preceding item and Article 117, items (ii) and (iv) of the Act, the administrative processes related to the acceptance of requests for the exercise of voting rights by investment corporation's bondholders or any other applications from the investment corporation's bondholders;
  - (v)-2 beyond what is listed in Article 117, items (ii) and (iv) of the Act, the administrative processes related to the acceptance of requests for the exercise of voting rights by holders of investment equity subscription rights



- or any other applications from the holders of investment equity subscription rights;
- (v)-3 the administrative processes related to the acquisition of its own investment equity (including administrative processes related to the payment of money that is the consideration for the acquisition of its own investment equity);
  - (vi) the administrative processes related to the preparation of accounting books;
  - (vii) the administrative processes related to tax payment; and
  - (viii) any other administrative processes specified by the Commissioner of the Financial Services Agency.
- (3) When there are any changes to the contents of the entrustment of administrative processes related to the administrative agent to which the administrative processes listed in items (i) through (iii), item (v)-3 of the preceding paragraph or Article 117, item (ii) (limited to those related to the investor register) of the Act or item (iv) of that Article are entrusted, an investment corporation must notify the details of the change (when such administrative processes are entrusted to a new administrative agent, the name and address of the new administrative agent, as well as the details of the administrative processes to be entrusted thereto are included) to the investors; provided, however, that this does not apply to minor changes that are to be stated in the asset investment reports provided in Article 129, paragraph (2) of the Act (limited to asset investment reports pertaining to the business period that includes the date of the changes).
- (4) When there are any changes to the contents of the entrustment of administrative processes related to the administrative agent to which the administrative processes listed in item (iv) or (v) of paragraph (2), Article 117, item (ii) (limited to those related to the investment corporation bond register) of the Act, and item (iv) of that Article are entrusted, an investment corporation must notify the details of the changes (in cases where such administrative processes are entrusted to a new administrative agent, the name and address of the new administrative agent, as well as the details of the administrative processes to be entrusted thereto are included) to the investment corporation's bondholders of the class (meaning the class as prescribed in Article 681, item (i) of the Companies Act as applied *mutatis mutandis* pursuant to Article 139-7 of the Act) to which the changes were made.
- (5) When there are any changes to the contents of the entrustment of administrative processes related to the administrative agent to which the administrative processes listed in item (v)-2 of paragraph (2), Article 117, item (ii) (limited to those related to the investment equity subscription rights register) of the Act, or item (iv) of that Article are entrusted, an investment

corporation must notify the details of the changes (in cases where such administrative processes are entrusted to a new administrative agent, the name and address of the new administrative agent, as well as the details of the administrative processes to be entrusted thereto are included) to the holder of investment equity subscription rights of the investment equity subscription rights to which the changes were made.

(Conclusion of an Entrustment Contract for Administrative Processes Related to the Solicitation of Persons to Subscribe for Investment Equity for Subscription at Incorporation)

Article 170 The conclusion of an entrustment contract for the administrative processes related to the solicitation of persons to subscribe for investment equity for subscription at incorporation is to be effected by an organizer.

(Method of Public Notice of the Refund Amount)

Article 171 (1) The public notice of refund amount under the provisions of Article 126 of the Act must be made by any of the method set forth in the items of Article 134, paragraph (1).

(2) The public notice of refund amount under the preceding paragraph must be made by clearly indicating the refund period for the investment equity to which the relevant refund amount is applied.

(Executive Managing Officers to Be Held Liable with Regard to Illegal Refund)

Article 172 The persons specified by Cabinet Office Order as referred to in Article 126-2, paragraph (1) of the Act are the following persons:

- (i) an executive managing officer that performed the duties related to illegal refunds (meaning the refunds of investment equity made by an investment corporation in the cases listed in Article 124, paragraph (1), item (iii) of the Act; hereinafter the same applies in this Article);
- (ii) when the illegal refund has been made based on the resolution of a board of officers meeting, the following persons:
  - (a) an officer(s) that agreed to the resolution of the board of officers meeting; and
  - (b) an executive managing officer that submitted the proposal concerning the illegal refund to the board of officers meeting; and
- (iii) when the illegal refund has been made based on the resolution of an investors' meeting, the following persons:
  - (a) an executive managing officer that submitted the proposal concerning the illegal refund to the investors' meeting;
  - (b) when the submission of proposal under (a) has been made based on the resolution of a board of officers meeting, the officer(s) that agreed to the

- resolution of the board of officers meeting; and
- (c) the officer(s) who explained the information concerning the illegal refund at the relevant investors' meeting.

(Electronic or Magnetic Means for Notice of Approval of Financial Statements)

Article 173 (1) The methods using an electronic data processing system and other information and communications technology as specified by Cabinet Office Order as referred to in Article 131, paragraph (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 160, paragraph (2) of the Act) are the following methods:

- (i) the methods using an electronic data processing system that are listed in (a) or (b):
    - (a) the method of transmitting information via a telecommunications line that links the computer used by the sender and the computer used by the recipient and recording the information in the file stored on the computers used by the recipient; or
    - (b) the method of offering the details of the information which are recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line, and recording the information in the files stored on the computer used by the person who receives the provision of the information;
  - (ii) the method of delivering a file containing the information that has been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto.
- (2) The methods listed in the items of the preceding paragraph must be one that enables the recipient to prepare documents by outputting the records in the file.

(Electronic or Magnetic Means Concerning the Order for Enforcement of the Act on Investment Trusts and Investment Corporations)

Article 174 The types and details of method using an electronic data processing system and other information and communications technology which are to be indicated pursuant to the provisions of Article 92, paragraph (1) of the Order are as follows:

- (i) among the following methods, those used by the sender:
  - (a) the methods using an electronic data processing system which are as follows:
    1. the method of transmitting information via a telecommunications line that links the computer used by the sender and the computer used by the recipient and recording the information in the file stored on the computers used by the recipient;

2. the method of offering the details of the information which are recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line and recording the information in the files stored on the computer used by the person who receives the provision of the information;
- (b) the method of delivering a file containing the information that has been prepared using media which can securely record certain information by magnetic disks, or any other means equivalent thereto; and
- (ii) the method of recording the information in the file.

(Executive Managing Officers to Be Held Liable with Regard to Distribution of Monies)

Article 175 (1) The persons specified by Cabinet Office Order as referred to in Article 138, paragraph (1), item (i) of the Act are the following persons:

- (i) an executive managing officer who performed the duties related to the delivery of money, etc. in relation to the distribution of dividend of surplus;
  - (ii) the officer(s) who agreed to the approval of statements related to the distribution of money under Article 131, paragraph (2) of the Act; and
  - (iii) when a supervisory officer or financial auditor has demanded a report on the calculation of the distributable amount, the executive managing officer that has made the report in response to the demand.
- (2) The executive managing officer specified by Cabinet Office Order as referred to in Article 138, paragraph (1), item (ii) of the Act is an executive managing officer who has submitted a proposal to the board of officers meeting.
- (3) In cases where the provisions of Article 138 of the Act are applied by deeming the acquisition of investment equity under the provisions of Article 80-2, paragraph (1) of the Act to be the distribution of monies pursuant to the provisions of paragraph (2) of that Article, the phrase "money, etc. in relation to the distribution of dividend of surplus" in paragraph (1), item (i) is deemed to be replaced with "money in relation to the acquisition of investment equity under the provisions of Article 80-2, paragraph (1) of the Act," the phrase "approval of statements related to the distribution of money under Article 131, paragraph (2) of the Act" in item (ii) of that paragraph is deemed to be replaced with "resolution of the board of officers meeting provided in Article 80-2, paragraph (3) of the Act," and the phrase "distributable amount" in item (iii) of that paragraph is deemed to be replaced with "amount available for the acquisition of investment equity."

(Subscription Requirements)

Article 176 The particulars specified by Cabinet Office Order as referred to in

Article 139-3, paragraph (1), item (xiii) of the Act are the following particulars:

- (i) when having the payment of money made in exchange for investment corporation bonds for subscription (meaning the investment corporation bonds for subscription as prescribed in Article 139-3, paragraph (1) of the Act; the same applies hereinafter) in installments, an indication of this and the amount to be paid in (meaning the amount to be paid in as prescribed in item (xi) of that paragraph; the same applies in item (iv) of the following Article) on the due date for each payment;
- (ii) when the authority other than the authority of the investment corporation bond administrator provided in the Act is to be specified in the contract for entrustment under the provisions of Article 139-8 of the Act; the details of such authority; and
- (iii) in the case as prescribed in the main clause of Article 711, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-9, paragraph (8) of the Act, the grounds prescribed in the main clause of Article 711, paragraph (2) of the Companies Act.

(Particulars to Be Specified by Board of Officers Meeting in Soliciting Persons to Subscribe for Investment Corporation Bonds)

Article 177 The particulars specified by Cabinet Office Order as referred to in Article 139-3, paragraph (2) of the Act are the following particulars:

- (i) when entrusting the decision on the particulars listed in the items of Article 139-3, paragraph (1) of the Act related to two or more solicitation (meaning the solicitation as referred to in Article 139-3, paragraph (1) of the Act; hereinafter the same applies in this Article), an indication of this;
- (ii) the maximum amount for the total amount of investment corporation bonds for subscription (in the case referred to in the preceding item, the total of the maximum amount for the total amount of investment corporation bonds for subscription for each solicitation);
- (iii) the upper limit of the interest rate of the investment corporation bonds for subscription and the outline of other particulars related to interest rates; and
- (iv) the minimum amount for the total amount to be paid in for the investment corporation bonds for subscription and the outline of other particulars related to the amount to be paid in.

(Information to Be Notified to Persons Who Intend to File Applications)

Article 178 The information specified by Cabinet Office Order as referred to in Article 139-4, paragraph (1), item (vii) of the Act is, when an investment corporation bond administrator has been specified, the name and address thereof.

(Cases Where Notice to Persons Who Intend to File Applications Is Not Required)

Article 179 The cases specified by Cabinet Office Order as referred to in Article 139-4, paragraph (4) of the Act are the following cases where the investment corporation has provided the information listed in the items of paragraph (1) of that Article to persons who intend to file applications under that paragraph:

- (i) cases where the relevant investment corporation has provided the information to be given in the prospectus based on the provisions of the Financial Instruments and Exchange Act by electronic or magnetic means; or
- (ii) cases where the relevant investment corporation has provided the prospectus, other documents equivalent thereto, or any other materials based on the provisions of laws and regulations of a foreign state.

(Class of Investment Corporation Bonds)

Article 180 The particulars specified by Cabinet Office Order as referred to in Article 681, item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act are the following particulars:

- (i) the interest rate of the investment corporation bond;
- (ii) the method of and time limit for the redemption of investment corporation bond;
- (iii) the method of and time limit for the payment of interest;
- (iv) that investment corporation bond certificates are to be issued, if this is the case;
- (v) that it is to be provided for that investment corporation's bondholders may not make the demand under Article 698 of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act in whole or in part, if this is the case;
- (vi) that it is to be provided for that an investment corporation bond administrator may conduct the acts listed in Article 139-9, paragraph (4), item (ii) of the Act without the resolution of the meeting of investment corporation's bondholders, if this is the case;
- (vii) when an investment corporation bond administrator is specified, the name and address thereof as well as the contents of the contract for entrustment under Article 139-8 of the Act;
- (viii) the name and address of the administrator of the investor register as prescribed in Article 166, paragraph (2), item (viii) of the Act; and
- (ix) when the investment corporation bonds are secured investment corporation bonds, the particulars listed in the provisions of Article 19, paragraph (1), items (i), (xi), and (xiii) of the Secured Corporate Bonds Trust Act (Act No. 52 of 1905) to be applied pursuant to Article 139-11 of the Act.

(Information Required to Be Included in Investment Corporation Bond Register)

Article 181 The particulars specified by Cabinet Office Order as referred to in Article 681, item (vii) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act are, when the investment corporation's bondholder sets off its obligations to pay money in exchange for investment corporation bonds for subscription against its claim against the investment corporation, the amount of claim and the day on which the set off was made.

(Persons with Right to Inspect)

Article 182 The persons specified by Cabinet Office Order as referred to in Article 684, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act are investment corporation's bondholders, and creditors and investors of another corporation issuing the investment corporation bonds (meaning the corporation issuing the investment corporation bonds defined in Article 139-9, paragraph (6) of the Act; the same applies hereinafter).

(Request of Inclusion of the Information Required to Be Included in the Investment Corporation Bond Register)

Article 183 (1) The cases specified by Cabinet Office Order as referred to in Article 691, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act are the following matters:

- (i) if the acquirer of investment corporation bonds (meaning the person who acquired investment corporation bonds from persons other than the corporation issuing the investment corporation bonds (excluding the relevant corporation issuing the investment corporation bonds); hereinafter the same applies in this Article) has received a final and binding judgment ordering the acquirer of investment corporation bonds to make the request under Article 691, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act related to the investment corporation bonds acquired by the acquirer of investment corporation bonds against the person who has been stated or recorded in the investment corporation bond register as an investment corporation's bondholder or the general successor thereof, and the acquirer of investment corporation bonds has made the request by providing a document evidencing the contents of the final and binding judgment or any other materials;
- (ii) when the acquirer of investment corporation bonds has made the request by providing a document evidencing the contents of a decision having the same effect as the final and binding judgment under the preceding item or any

- other materials;
- (iii) if the acquirer of investment corporation bonds is a person who has acquired the investment corporation bonds of the relevant investment corporation by general succession, and such acquirer of investment corporation bonds has made the request by providing a document evidencing the general succession or any other materials; and
  - (iv) if the acquirer of investment corporation bonds is a person who has acquired the investment corporation bonds of the relevant investment corporation by auction, and the relevant acquirer of investment corporation bonds has made the request by providing a document evidencing that the acquisition was made by auction, or any other materials.
- (2) Notwithstanding the provisions of the preceding paragraph, in cases where the investment corporation bonds acquired by the acquirer of investment corporation bonds are those provided for that investment corporation bond certificates are issued, the cases specified by Cabinet Office Order as referred to in Article 691, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-7 of the Act are the cases where the acquirer of investment corporation bonds has made the request by presenting the investment corporation bond certificate.

(Qualification of Investment Corporation Bond Administrators)

- Article 184 The persons specified by Cabinet Office Order as referred to in Article 703, item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 139-9, paragraph (8) of the Act are the following persons:
- (i) persons who have obtained the license under Article 3 of the Secured Corporate Bonds Trust Act;
  - (ii) the agricultural cooperatives or federation of agricultural cooperatives that conducts both the businesses set forth in Article 10, paragraph (1), items (ii) and (iii) of the Agricultural Cooperatives Act;
  - (iii) the credit cooperatives, or the federation of credit cooperatives engaged in the business set forth in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act;
  - (iv) Shinkin Banks or federation of Shinkin Banks;
  - (v) federation of labor banks;
  - (vi) the long-term credit bank defined in Article 2 of the Long-Term Credit Bank Act (Act No. 187 of 1982);
  - (vii) the insurance company defined in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995);
  - (viii) Norin Chukin Bank; and
  - (ix) Shoko Chukin Bank Limited.



(Special Relationship)

Article 185 (1) The special relationships specified by Cabinet Office Order as referred to in Article 710, paragraph (2), item (ii) of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to Article 712 of the Companies Act as applied mutatis mutandis pursuant to Article 139-9, paragraph (8) of the Act) as applied mutatis mutandis pursuant to Article 139-9, paragraph (8) of the Act are the following relationships:

- (i) the relationship between the person who holds voting rights exceeding 50 percent of the voting rights of all members or shareholders of a corporation (hereinafter referred to as the "controlling member" in this Article) and the corporation (hereinafter referred to as the "controlled corporation" in this Article); and
  - (ii) the relationship between the controlled corporation and another controlled corporation of the controlling member of the first-mentioned controlled corporation.
- (2) If the controlling member and its controlled corporation jointly holds voting rights exceeding 50 percent of the voting rights of all members or shareholders of another corporation, the relevant other corporation is deemed to be the controlled corporation of the controlling member and the provisions of the preceding paragraph apply.

(Information Decided for Calling a Meeting of Investment Corporation's Bondholders)

Article 186 The particulars specified by Cabinet Office Order as referred to in Article 719, item (iv) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act are the following particulars:

- (i) information to be given in the reference documents for a meeting of investment corporation's bondholders (meaning the reference documents for a meeting of investment corporation's bondholders as referred to in Article 721, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act following the deemed replacement of terms; the same applies hereinafter) pursuant to the provisions of the following Article;
- (ii) the time limit for exercising voting rights in writing (limited to the time which is before the date of the meeting of investment corporation's bondholders but on or after the day on which two weeks have passed from the day when the notice under Article 720, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act has been sent);
- (iii) if a single investment corporation's bondholder has redundantly exercised

- its voting right for a single proposal pursuant to the provisions of Article 726, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act (in cases where the particulars listed in Article 719, item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act are provided for, the provisions of Article 726, paragraph (1) and Article 727, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act) and the facts of the exercise of voting right for the single proposal differ, when particulars concerning the handling of such exercise of voting right by the investment corporation's bondholder are provided, such particulars;
- (iv) when the handling provided in Article 188, paragraph (1), item (iii) is to be specified, the details of the handling;
  - (v) when the particulars listed in Article 719, item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act are specified, the following particulars:
    - (a) the time limit for exercising voting rights by electronic or magnetic means (limited to the time which is before the date of the meeting of investment corporation's bondholders but on or after the day on which two weeks have passed from the day when the notice under Article 720, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act has been sent);
    - (b) that voting forms (meaning the voting forms as prescribed in Article 721, paragraph (1) of the Companies Act; the same applies in Article 188) are to be delivered under that paragraph as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act (including the provision of voting forms by electronic or magnetic means under Article 721, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act made in lieu of the delivery thereof) to the investment corporation's bondholders that have given the consent under Article 720, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act when requested by that investment corporation's bondholders, if this is the case.

- (Reference Documents for a Meeting of Investment Corporation's Bondholders)
- Article 187 (1) The following information must be given in the reference documents for a meeting of investment corporation's bondholders:
- (i) the proposal and reasons for submitting the proposal; and
  - (ii) when the proposal is a proposal for the appointment of the representative bondholder of an investment corporation, the following information:
    - (a) the name of the candidate;

- (b) the career or history of the candidate; and
  - (c) when the candidate has any special interest with the corporation issuing the investment corporation bonds or investment corporation bond administrator, the summary of such facts.
- (2) Beyond what is provided for in the preceding paragraph, the information found to serve as a reference with regard to the exercise of voting rights by investment corporation's bondholders may be given in the reference documents for a meeting of investment corporation's bondholders.
- (3) If some of the information to be given in the reference documents for a meeting of investment corporation's bondholders which are to be provided to investment corporation's bondholders in relation to a single meeting of investment corporation's bondholders is given in other documents or is provided by electronic or magnetic means among, such information is not required to be given in the reference document for a meeting of investment corporation's bondholders.
- (4) If some of the information to be included in the contents of the notice of calling (meaning the notice under Article 720, paragraph (1) or (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act; hereinafter the same applies in this paragraph and paragraphs (3) and (4) of the following Article) which is to be provided to investment corporation's bondholders in relation to a single meeting of investment corporation's bondholders is given in the reference documents for a meeting of investment corporation's bondholders, that information is not required to be included in the notice of calling.

(Voting Forms)

- Article 188 (1) The information to be included in the voting forms which are to be delivered pursuant to the provisions of Article 721, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act, or the information to be included in the voting forms which are to be provided by electronic or magnetic means pursuant to the provisions of Article 722, paragraph (1) or (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act is the following information:
- (i) a column in which the agreement or dissent (in cases of providing a column for abstention, including abstention) for each proposal is to be stated;
  - (ii) if the particulars listed in Article 186, item (iii) are specified, such particulars;
  - (iii) if the particulars listed in Article 186, item (iv) are specified, when a voting form lacking an entry in the column under item (i) has been submitted to the convener (meaning the convener defined in Article 719 of the

- Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act; the same applies in the following paragraph), the details of the handling of that voting form as to whether it is an indication of manifestation of agreement, dissent, or abstention, for each proposal;
- (iv) the time limit for exercising the voting rights; and
  - (v) the names of the investment corporation's bondholders that are to exercise voting rights as well as the number of exercisable voting rights.
- (2) If the particulars listed in Article 186, item (v), (b) are provided for, a convener must, when requested by the investment corporation's bondholders that have given the consent under Article 720, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act, deliver voting forms under Article 721, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act (including the provision of voting forms by electronic or magnetic means under Article 721, paragraph (2) of the Companies Act made in lieu of the delivery thereof) to that investment corporation's bondholders.
- (3) If some of the information (limited to the information listed in paragraph (1), items (ii) through (iv)) to be included in the voting forms which are to be provided to investment corporation's bondholders in relation to a single meeting of investment corporation's bondholders is included in the notice of calling, such information is not required to be stated in the voting form which is to be provided to investment corporation's bondholders.
- (4) If some of the information to be included in the notice of calling which is to be provided to investment corporation's bondholders in relation to a single meeting of investment corporation's bondholders is given in the voting form, that information is not required to be included in the notice of calling which is to be provided to the investment corporation's bondholders.

(Time Limit for Exercising Voting Rights in Writing)

Article 189 The time specified by Cabinet Office Order as referred to in Article 726, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act is the time limit for exercising voting rights provided in Article 186, item (ii).

(Time Limit for Exercising Voting Rights by Electronic or Magnetic Means)

Article 190 The time specified by Cabinet Office Order as referred to in Article 727, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act is the time limit for exercising voting rights provided in Article 186, item (v), (a).

(Minutes of a Meeting of Investment Corporation's Bondholders)

Article 191 (1) The preparation of minutes of a meeting of investment corporation's bondholders under Article 731, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act is as provided in this Article.

(2) The minutes of a meeting of investment corporation's bondholders must be prepared in writing or in the form of an electronic or magnetic record.

(3) The minutes of a meeting of investment corporation's bondholders must include the following information:

(i) the date and time on which and the place where the meeting of investment corporation's bondholders was held;

(ii) the outline and results of the proceedings of the meeting of investment corporation's bondholders;

(iii) when there are any opinions stated at the meeting of investment corporation's bondholders pursuant to Article 729, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 139-10, paragraph (2) of the Act, the summary of the contents of the opinions;

(iv) the names of the representative person of the corporation issuing the investment corporation bonds or investment corporation bond administrator thereof that attended the meeting of investment corporation's bondholders;

(v) when a chairperson of the meeting of investment corporation's bondholders is in place, the name of the chairperson; and

(vi) the name(s) of the person(s) that performed the duties related to the preparation of minutes.

(Requirements for Issuance of Short-Term Investment Corporation Bonds)

Article 192 (1) The purpose specified by Cabinet Office Order as referred to in Article 139-13, item (i), (a) of the Act is as follows:

(i) procurement of funds necessary for the acquisition of specified assets (limited to the assets listed in the items of Article 98-2 of the Order; the same applies in item (i) of the following paragraph);

(ii) procurement of funds necessary for the repair of the following real property (limited to those with urgent necessity due to accidents, disasters or any other reasons):

(a) the real property held by an investment corporation;

(b) the real property belonging to the trust property pertaining to the beneficial interest of a trust prescribed in Article 98-2, item (ii) of the Order held by an investment corporation; and

(c) in the cases referred to in Article 116-2 of the Order, in cases of holding issued shares of a foreign real property holding corporation (limited to cases where the number of issued shares in the foreign real property holding corporation acquired exceeds the number obtained by multiplying

- the total number of the issued shares (excluding shares in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221), the real property held by the foreign real property holding corporation;
- (iii) procurement of funds necessary for refunding the security deposit or deposit to the lessee of the real property set forth in (a) or (b) of the preceding item; and
  - (iv) in cases of procuring funds by issuing investment securities, certificates of the investment equity subscription rights, or investment corporation bonds, procurement of funds necessary by the time of the relevant issuance.
- (2) The requirements specified by Cabinet Office Order as referred to in Article 139-13, item (i), (c) of the Act are as follows:
- (i) that, in cases of issuing short-term investment corporation bonds for the purpose set forth in item (i) of the preceding paragraph, a contract for the acquisition of specified assets set forth in that item is or is fully expected to be concluded;
  - (ii) that, in cases of issuing short-term investment corporation bonds for the purpose set forth in item (ii) of the preceding paragraph, a contract for the repair of the real property set forth in that item is or is fully expected to be concluded;
  - (iii) that, in cases of issuing short-term investment corporation bonds for the purpose set forth in item (iii) of the preceding paragraph, the lease contract is fully expected to terminate; and
  - (iv) that, in cases of issuing short-term investment corporation bonds for the purpose set forth in item (iv) of the preceding paragraph, with regard to the redemption of principal, a fixed due date that comes in less than six months from the day of payment of the total amount of the short-term investment corporation bonds is provided.
- (3) The cases specified by Cabinet Office Order as referred to in Article 139-13, item (ii) of the Act are cases listed in the following items:
- (i) cases where any of the specified short-term investment corporation bonds (meaning short-term investment corporation bonds of which the redemption is made by the funds procured by the issuance of short-term investment corporation bonds planned to be issued; hereinafter the same applies in this Article) have been issued for the purposes set forth in paragraph (1), items (i) through (iii), and with regard to the redemption of principal of the short-term investment corporation bonds planned to be issued, a fixed due date that comes in less than one year from the day of payment of total amount of the relevant specified short-term investment corporation bonds is provided; or
  - (ii) cases where any of the specified short-term investment corporation bonds

have been issued for the purpose set forth in paragraph (1), item (iv), and with regard to the redemption of principal of the short-term investment corporation bonds planned to be issued, a fixed due date that comes in less than six months from the day of payment of the total amount of the relevant specified short-term investment corporation is provided.

- (4) In the case referred to in the preceding paragraph, the short-term investment corporation bonds of which the redemption is made by the funds procured by the issuance of specified short-term investment corporation bonds (including short-term investment corporation bonds deemed to be specified short-term investment corporation bonds pursuant to this paragraph) are deemed to be specified short-term investment corporation bonds.

(Information Subject to Prior Disclosure by a Corporation Disappearing in an Absorption-Type Merger)

Article 193 (1) The particulars specified by Cabinet Office Order as referred to in Article 149, paragraph (1) of the Act are the following particulars:

- (i) particulars concerning the adequacy of consideration for merger;
  - (ii) particulars that will serve as a reference with regard to the consideration for merger;
  - (ii)-2 particulars concerning the adequacy of the provisions for investment equity subscription rights pertaining to absorption-type merger;
  - (iii) particulars related to financial statements, etc.;
  - (iv) particulars related to the prospective performance of obligations of the corporation surviving an absorption-type merger (limited to the obligations which the corporation surviving an absorption-type merger bears against creditors that may state their objections to the absorption-type merger pursuant to Article 149-4, paragraph (1) of the Act) on or after the day on which the absorption-type merger becomes effective; and
  - (v) when any changes to the particulars listed in the preceding items have occurred after the day of commencement of keeping an absorption-type merger agreement, etc. (meaning the earliest of the days listed in the items of Article 149, paragraph (1) of the Act; the same applies in paragraph (5)), the particulars after the change.
- (2) The term "consideration for merger" as used in this Article means investment equity of a corporation surviving an absorption-type merger or money to be delivered by the corporation surviving an absorption-type merger to the investors of a corporation disappearing in an absorption-type merger in lieu of the investment equity thereof.
- (3) The term "particulars concerning the adequacy of consideration for merger" as used in paragraph (1), item (i) means the particulars related to the adequacy of the provisions on the following particulars and the particulars set forth in

Article 147, paragraph (1), items (ii) and (iii) of the Act (if there are no such provisions, the adequacy of the lack of the relevant provisions):

- (i) particulars related to the adequacy of the total (meaning the total number of units of investment equity and total amount of money) of the consideration for merger;
  - (ii) when the corporation surviving an absorption-type merger and corporation disappearing in an absorption-type merger has an under common control relationship (meaning the under common control relationship as prescribed in Article 2, paragraph (2), item (iv) of the Regulation on Accountings of Investment Corporations; hereinafter the same applies in this item), particulars heeded not to harm the interests of the investors of the corporation disappearing in an absorption-type merger (excluding investors that have an under common control relationship with the corporation disappearing in an absorption-type merger) (or that those particulars do not exist, if this is the case);
  - (iii) if money is chosen as the consideration for merger, the reason therefor.
- (4) The term "particulars that will serve as a reference with regard to the consideration for merger" as used in paragraph (1), item (ii) means the following particulars and any other particulars equivalent thereto (if all the investors of the corporation disappearing in an absorption-type merger have given their consent not to state or record all or part of the such particulars in the documents or electronic or magnetic records provided in Article 149, paragraph (1) of the Act, excluding the particulars with the relevant consent):
- (i) the provisions of the certificate of incorporation of the relevant corporation surviving an absorption-type merger;
  - (ii) the following particulars, and any other particulars related to the method of realization of investment equity to be delivered as the consideration for merger:
    - (a) the market on which the relevant investment equity is to be traded;
    - (b) the person who provides the intermediary, brokerage, or agency service for the transactions of the relevant investment equity; and
  - (iii) when there are any market prices for the investment equity to be delivered as the consideration for merger, particulars related to such price.
- (5) The "particulars concerning the adequacy of the provisions for investment equity subscription rights pertaining to absorption-type merger" provided in paragraph (1), item (ii)-2 are the particulars concerning the adequacy of the provisions for the particulars listed in Article 147, paragraph (1), item (iv) of the Act.
- (6) The term "particulars related to financial statements, etc." as used in paragraph (1), item (iii) means the following particulars:
- (i) the following particulars with regard to a corporation surviving an



absorption-type merger:

- (a) the contents of the financial statements, asset investment reports, and statements related to the distribution of money pertaining to the latest business period (in cases where there is no latest business period, the balance sheet as of the day of establishment of the corporation surviving an absorption-type merger);
  - (b) when the disposition of important property or the assumption of a material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred after the last day of the latest business period (in cases where there is no latest business period, the day of establishment of the corporation surviving an absorption-type merger), the details thereof (if the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping absorption-type merger agreement, etc. by the day on which the absorption-type merger becomes effective, limited to the details of events occurred after the last day of the New latest business period);
- (ii) the following particular us with regard to a corporation disappearing in an absorption-type merger:
- (a) when the disposition of important property or the assumption of a material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred to the corporation disappearing in an absorption-type merger after the last day of the latest business period (in cases where there is no latest business period, the day of establishment of the corporation disappearing in an absorption-type merger), the details thereof (if the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping absorption-type merger agreement, etc. by the day on which the absorption-type merger becomes effective, limited to the details of events occurred after the last day of the new latest business period);
  - (b) when there is no latest business period in regard to a corporation isappearing in an absorption-type merger, the balance sheet as of the day of establishment of the corporation disappearing in an absorption-type merger.

(Information Subject to Prior Disclosure by a Corporation Surviving an Absorption-Type Merger)

Article 194 The particulars specified by Cabinet Office Order as referred to in Article 149-6, paragraph (1) of the Act are the following particulars:

- (i) particulars related to the adequacy of the provisions (if there are no such

- provisions, the adequacy of lack of the relevant provisions) on the particulars listed in Article 147, paragraph (1), items (ii) and (iii) of the Act;
- (i)-2 if the particulars listed in Article 147, paragraph (1), item (iv) of the Act are specified, particulars concerning the adequacy of the provisions for the particulars (excluding provisions to the effect that the amount of money to be delivered to the holder of investment equity subscription rights of all investment equity subscription rights is zero);
- (ii) the following particulars with regard to a corporation disappearing in an absorption-type merger:
- (a) the details of the financial statements, asset investment reports and statements related to the distribution of money pertaining to the latest business period (if there is no latest business period, the balance sheet as of the day of establishment of the corporation disappearing in an absorption-type merger);
- (b) when the disposition of important property or the assumption of a material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred after the last day of the latest business period (if there is no latest business period, the day of establishment of the corporation disappearing in an absorption-type merger), the details thereof (if the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping absorption-type merger agreement, etc. (meaning the earliest of the days listed in the items of Article 149-6, paragraph (1) of the Act; the same applies in (a) of the following item and item (v)) by the day on which the absorption-type merger becomes effective, limited to the details of events occurred after the last day of the new latest business period);
- (iii) the following particulars with regard to a corporation surviving an absorption-type merger:
- (a) when the disposition of important property or the assumption of a material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred to the corporation surviving an absorption-type merger after the last day of the latest business period (if there is no latest business period, the day of establishment of the corporation surviving an absorption-type merger), the details thereof (if the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping absorption-type merger agreement, etc. by the day on which the absorption-type merger becomes effective, limited to the details of events occurred after the last day of the new latest business period);

- (b) when there is no latest business period in regard to a corporation surviving an absorption-type merger, the balance sheet as of the day of establishment of the corporation surviving an absorption-type merger;
- (iv) particulars related to the prospective performance of obligations of the corporation surviving an absorption-type merger (limited to the obligations which the corporation surviving an absorption-type merger bears against creditors that may state their objections to the absorption-type merger pursuant to Article 149-4, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 149-9 of the Act) on or after the day on which the absorption-type merger becomes effective; and
- (v) when any changes to the particulars listed in the preceding items have occurred within the period from the day of commencement of keeping an absorption-type merger agreement, etc. by the day on which the absorption-type merger becomes effective, the particulars after the change.

(Information Subject to Ex-Post Facto Disclosure by a Corporation Surviving an Absorption-Type Merger)

Article 195 The information specified by Cabinet Office Order as referred to in Article 149-10, paragraph (1) of the Act is the following information:

- (i) the day on which the absorption-type merger has become effective;
- (ii) the following information in regard to the corporation disappearing in an absorption-type merger:
  - (a) the progress of the procedures pursuant to the provisions of Article 149-3, Article 149-3-2, and Article 149-4 of the Act; and
  - (b) the progress of the procedure in regard to the request provided in Article 784-2 of the Companies Act as applied mutatis mutandis pursuant to Article 150 of the Act;
- (iii) the following information in regard to the corporation surviving an absorption-type merger:
  - (a) the progress of the procedures pursuant to the provisions of Article 149-8 of the Act and Article 149-4 of the Act as applied mutatis mutandis pursuant to Article 149-9 of the Act; and
  - (b) the progress of the procedure in regard to the request provided in Article 796-2 of the Companies Act as applied mutatis mutandis pursuant to Article 150 of the Act;
- (iv) information related to the important rights and obligations which the corporation surviving an absorption-type merger has succeeded to from the corporation disappearing in an absorption-type merger as a result of the absorption-type merger;
- (v) information stated or recorded in the documents or electronic or magnetic record kept by the corporation disappearing in an absorption-type merger

- pursuant to the provisions of Article 149, paragraph (1) of the Act (excluding the contents of the absorption-type merger agreement);
- (vi) the day on which the changes under Article 169, paragraph (1) of the Act was registered; and
  - (vii) beyond what is listed in the preceding items, material information related to the absorption-type merger.

(Particulars Subject to Prior Disclosure by Corporation Disappearing in a Consolidation-Type Merger)

Article 196 The particulars specified by Cabinet Office Order as referred to in Article 149-11, paragraph (1) of the Act are the following particulars:

- (i) particulars related to the adequacy of the provisions on the particulars listed in Article 148, paragraph (1), items (v) and (vi) of the Act;
- (i)-2 if all or some of corporations disappearing in the consolidation-type merger have issued investment equity subscription rights, the particulars concerning the adequacy of the provisions for the particulars listed in Article 148, paragraph (1), item (vii) of the Act;
- (ii) the following particulars with regard to another corporation disappearing in a consolidation-type merger:
  - (a) the details of the financial statements, asset investment reports, and statements related to the distribution of money pertaining to the latest business period (if there is no latest business period, the balance sheet as of the day of establishment of another corporation disappearing in a consolidation-type merger);
  - (b) when the disposition of important property or the assumption of a material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred to another corporation disappearing in a consolidation-type merger after the last day of the latest business period (if there is no latest business period, the day of establishment of the corporation disappearing in a consolidation-type merger), the details thereof (if the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping consolidation-type merger agreement, etc. (meaning the latest of the days listed in the items of Article 149-11, paragraph (1) of the Act; the same applies in (a) of the following item and item (v)) by the day on which the consolidation-type merger becomes effective, limited to the details of events occurred after the last day of the new latest business period);
- (iii) the following particulars with regard to the relevant corporation disappearing in a consolidation-type merger:
  - (a) when the disposition of important property or the assumption of a

- material obligation has been made, or any other event that may have a significant influence on the status of the property of the investment corporation has occurred to the relevant corporation disappearing in a consolidation-type merger after the last day of the latest business period (if there is no latest business period, the day of establishment of the corporation disappearing in a consolidation-type merger), the details thereof (if the latest business period is to be replaced with a new latest business period during the period from the day of commencement of keeping consolidation-type merger agreement, etc. by the day on which the consolidation-type merger becomes effective, limited to the details of events occurred after the last day of the new latest business period);
- (b) when there is no latest business period in regard to the relevant corporation disappearing in a consolidation-type merger, the balance sheet as of the day of establishment of the corporation disappearing in a consolidation-type merger;
  - (iv) particulars related to the prospective performance of obligations of the corporation incorporated in a consolidation-type merger (excluding obligations to be succeeded to from another corporation disappearing in a consolidation-type merger) on or after the day on which the consolidation-type merger becomes effective;
  - (v) when any changes to the particulars listed in the preceding items have occurred after the day of commencement of keeping a consolidation-type merger agreement, etc., the particulars after the change.

(Particulars to Be Prepared by a Corporation Incorporated in a Consolidation-Type Merger)

Article 197 The information specified by Cabinet Office Order as referred to in Article 149-16, paragraph (1) of the Act is the following information:

- (i) the day on which the consolidation-type merger has become effective;
- (ii) the progress of the procedures under the provisions of Article 149-13 of the Act, Article 149-13-2 of the Act, and Article 149-4 of the Act as applied mutatis mutandis pursuant to Article 149-14 of the Act;
- (iii) the progress of the procedure in regard to the request provided in Article 805-2 of the Companies Act as applied mutatis mutandis pursuant to Article 150 of the Act;
- (iv) information related to the important rights and obligations which the corporation incorporated in a consolidation-type merger has succeeded to from the corporation disappearing in a consolidation-type merger as a result of the consolidation-type merger; and
- (v) beyond what is listed in the preceding items, material information related to the consolidation-type merger.

(Information Subject to Ex-Post Facto Disclosure by a Corporation  
Incorporated in a Consolidation-Type Merger)

Article 198 The information specified by Cabinet Office Order as referred to in Article 149-16, paragraph (2) of the Act is the information stated or recorded in the documents or electronic or magnetic record kept by a corporation disappearing in a consolidation-type merger pursuant to the provisions of Article 149-11, paragraph (1) of the Act (excluding the contents of the consolidation-type merger agreement).

(Method of Processing Fractions of Investment Equity)

Article 199 The methods specified by Cabinet Office Order as referred to in Article 149-17, paragraph (1) of the Act are the methods specified in the following items according to the category of investment equity listed in the respective items:

- (i) investment equity of which the investment securities are securities listed on a financial instruments exchange: sales through the transactions conducted on a financial instruments exchange market;
- (ii) investment equity of which the investment securities are over-the-counter traded securities: sales through the transactions conducted on an over-the-counter securities market; and
- (iii) investment equity other than those listed in the preceding two items: sales at a fair and reasonable price in light of the amount of net assets of the investment corporation which issues the relevant investment equity.

(Persons Likely to Hinder the Performance of Duties of a Liquidation  
Supervisor)

Article 200 The persons specified by Cabinet Office Order as being likely to hinder the performance of duties of a liquidation supervisor as referred to in Article 100, item (vi) of the Act as applied mutatis mutandis pursuant to Article 151, paragraph (6) of the Act are the following persons:

- (i) the persons listed in the items of Article 164;
- (ii) the relatives of the operating liquidator(s) of the relevant investment corporation in liquidation;
- (iii) an officer or employee of the corporation whose voting rights exceeding 50 percent of the voting rights held by all the shareholders are held by an organizer, officers of the corporation that is an organizer (including persons who were officers within the past two years), executive managing officers and operating liquidators of the relevant investment corporation in liquidation, or persons who have held one or more of the position (excluding persons falling under the category of person referred to in Article 100, item (iii) of the

- Act as applied mutatis mutandis pursuant to Article 151, paragraph (6) of the Act);
- (iv) a person who is continuously receiving remuneration from an operating liquidator of the relevant investment corporation in liquidation;
  - (v) a person who receives the provision of office or funds without charge or for a consideration lower than the ordinary market price or any other special economic benefits from an operating liquidator of the relevant investment corporation in liquidation;
  - (vi) an officer or employee of the corporation whose majority of directors, executive officers, or directors or executive officers who have the right to represent, consists of officers or persons who were officers within the past two year of the corporation that is an organizer of the relevant investment corporation in liquidation, executive managing officers and operating liquidators thereof, or a person who has held one or more of the position;
  - (vii) an officer or employee of a corporation for which the operating liquidator of the relevant investment corporation in liquidation is an officer or was an officer within the past two years thereof, or of the subsidiary company of the corporation, or a person who has held one or more of such position (excluding persons falling under the category of persons referred to in the preceding item, and Article 100, item (iii) of the Act as applied mutatis mutandis pursuant to Article 151, paragraph (6) of the Act);
  - (viii) an officer or employee of the financial instruments business operator, etc. or financial instruments intermediary service provider that has been entrusted with the solicitation of persons to subscribe for investment corporation bonds issued by the relevant investment corporation in liquidation, or of the subsidiary company thereof, a financial instruments intermediary service provider that is an individual, or a person who has held one or more of such position; and
  - (ix) the spouse of the person who falls under any of the category of persons prescribed in item (iii) through the preceding item.

(Determination of the Amount of Remuneration for Operating Liquidators)  
Article 201 The Competent Director-General of a Local Finance Bureau, etc. (meaning the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office of the investment corporation (in cases where the location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); the same applies hereinafter) is to fix the amount of remuneration under the provisions of Article 154, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 154-2, paragraph (2) of the Act), after hearing the opinions of the operating

liquidator(s) and liquidation supervisor(s).

(Subject of the Investigation by Liquidation Supervisors)

Article 202 The items specified by Cabinet Office Order as referred to in Article 384 of the Companies Act as applied mutatis mutandis pursuant to Article 154-2, paragraph (2) of the Act are electronic or magnetic records and any other materials.

(Minutes of Board of Liquidators Meeting)

Article 203 (1) The preparation of minutes of a board of liquidators meeting under Article 369, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 154-3, paragraph (2) of the Act is as provided in this Article.

(2) The minutes of a board of liquidators meeting must be prepared in writing or in the form of an electronic or magnetic record.

(3) The minutes of a board of liquidators meeting must include the following information:

(i) the date and time on which and place where the board of liquidators meeting was held (if operating liquidators, liquidation supervisors, or financial auditors who were not present at the place have attended the board of liquidators meeting, the method of the relevant attendance is included);

(ii) that the board of liquidators meeting falls under any of the following category, if this is the case:

(a) a board of liquidators meeting called upon the request of operating liquidators under Article 113, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 154-3, paragraph (2) of the Act;

(b) a board of liquidators meeting called upon the request of liquidation supervisors under Article 113, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 154-3, paragraph (2) of the Act;

(c) a board of liquidators meeting called by the operating liquidators or liquidation supervisors pursuant to the provisions of Article 113, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 154-3, paragraph (2) of the Act;

(iii) the outline and results of the proceedings of the board of liquidators meeting;

(iv) when there are operating liquidators or liquidation supervisors with special interest with regard to the matters required to be resolved, the names thereof;

(v) the name of the financial auditor that attended the board of liquidators meeting; and

(vi) when a chairperson of the board of liquidators meeting is in place, the



name of the chairperson.

(Prices of the Residual Assets in Cases Where Right to Demand Distribution of Money Is to Be Exercised)

Article 204 (1) The methods specified by Cabinet Office Order as referred to in Article 505, paragraph (3), item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 158, paragraph (3) of the Act are the method whereby the higher of the following amounts is treated as the price of residual assets prescribed in that item:

- (i) the closing price of the relevant residual assets on the market in which the residual assets are traded, as of the last day of the period set forth in Article 505, paragraph (1), item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 158, paragraph (3) of the Act (hereinafter referred to as the "expiration date" in this paragraph) (if no sale and purchase transaction has been made on the relevant expiration date, or the relevant expiration date falls on a non-business day of the relevant market, the concluded price of the first sale and purchase transaction conducted after the relevant expiration date); or
- (ii) when the relevant residual assets are subject to a tender offer, etc. as of the expiration date, the price of the relevant residual assets in the contract for tender offer, etc. as of the relevant expiration date.

(2) With regard to the application of the provisions of item (i) of the preceding paragraph in cases where the second sentence of Article 505, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 158, paragraph (3) of the Act apply pursuant to the provisions of Article 506 of the Companies Act as applied mutatis mutandis pursuant to Article 158, paragraph (3) of the Act, the phrase "the last day of the period set forth in Article 505, paragraph (1), item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 158, paragraph (3) of the Act" in item (i) of the preceding paragraph is deemed to be replaced with "the day on which the residual assets are distributed."

(Amount of Total Assets)

Article 205 The methods specified by Cabinet Office Order as referred to in Article 536, paragraph (1), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act are the method whereby the amount recorded in the assets section in the balance sheet prepared pursuant to the provisions of Article 155, paragraph (1) of the Act is treated as the amount of total assets.

(Particulars Decided for Calling a Creditors Meeting)

Article 206 The particulars specified by Cabinet Office Order as referred to in Article 548, paragraph (1), item (iv) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act are the following particulars:

- (i) information to be given in the reference documents for creditors' meeting (meaning the reference documents for creditors' meeting defined in Article 550, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act; the same applies hereinafter) pursuant to the following Article (excluding information listed in paragraph (1), item (i) of the following Article);
- (ii) the time limit for exercising voting rights in writing (limited to the time which is before the date of creditors' meeting (meaning the meeting of creditors to which the provisions of Part II, Chapter IX, Section 2, Subsection 8 of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act apply; the same applies hereinafter) but after the day on which two weeks have passed from the day when the notice under Article 549, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act was sent);
- (iii) if particulars are provided for the handling of the exercise of voting rights by agreement claim creditor (meaning the agreement claim creditor provided in Article 517, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act; the same applies hereinafter) in cases in which the creditor carries out the exercise of the voting rights under Article 556, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act (or exercise of voting rights under Article 556, paragraph (1) or Article 557, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act, if the particulars listed in Article 548, paragraph (1), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act are provided), multiple times for the same proposal, and the contents of the exercise of voting rights differ, such particulars;
- (iv) when the handling provided in Article 208, paragraph (1), item (iii) is to be specified, the details of the handling;
- (v) when the particulars listed in Article 548, paragraph (1), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act are specified, the following particulars:
  - (a) the time limit for exercising voting rights by electronic or magnetic means (limited to the time which is before the date of creditors' meeting but after the day on which two weeks have passed from the day when the notice under Article 549, paragraph (1) of the Companies Act as applied mutatis

mutandis pursuant to Article 164, paragraph (4) of the Act was sent);  
(b) that voting forms (meaning the voting forms as prescribed in Article 550, paragraph (1) of the Companies Act; the same applies in Article 208) are to be delivered under that paragraph as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act (including the provision of voting forms by electronic or magnetic means under Article 550, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act made in lieu of the delivery thereof) to the agreement claim creditor who has given the consent under Article 549, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act when requested by the agreement claim creditor, if this is the case.

(Reference Documents for a Creditors' Meeting)

Article 207 (1) The following information must be given in the reference documents for a creditors' meeting:

- (i) information specified pursuant to the provisions of Article 548, paragraph (2) or (3) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act with regard to the agreement claim (meaning the agreement claim defined in Article 515, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act) held by the agreement claim creditor that is to receive the delivery of the relevant reference documents for a creditors' meeting; and
  - (ii) the proposal.
- (2) Beyond what is provided for in the preceding paragraph, the information found to serve as a reference with regard to the exercise of voting rights by agreement claim creditors may be given in the reference documents for a creditors' meeting.
- (3) If some of the information required to be given in the reference documents for a creditors' meeting (limited to the information set forth in paragraph (1), item (ii)) which are to be provided to agreement claim creditors in relation to a single creditors' meeting is given in other documents or is provided by electronic or magnetic means, that information is not required to be given in the reference document for a creditors' meeting.
- (4) If some of the information required to be included in the notice of calling (meaning the notice under Article 549, paragraph (1) or (2) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act; hereinafter the same applies in this paragraph and paragraphs (3) and (4) of the following Article) which are to be provided to agreement claim creditors in relation to a single creditors' meeting is given in the reference documents for

a creditors' meeting, the information is not required to be included in the notice of calling.

(Voting Forms)

Article 208 (1) The information required to be included in the voting forms which are to be delivered pursuant to the provisions of Article 550, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act, or the information required to be included in the voting forms which are to be provided by electronic or magnetic means pursuant to the provisions of Article 551, paragraph (1) or (2) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act is the following information:

- (i) a column in which the approval or disapproval (in cases of providing a column for abstention, including abstention) to each proposal is to be stated;
  - (ii) if the particulars listed in Article 206, item (iii) are specified, the relevant particulars;
  - (iii) if the particulars listed in Article 206, item (iv) are specified, when a voting form lacking an entry in the column under item (i) has been submitted to the convener (meaning the convener defined in Article 548, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act; the same applies in the following paragraph), the details of the handling of that voting form as to whether it is an indication of manifestation of agreement, dissent, or abstention, for each proposal;
  - (iv) the time limit for exercising the voting rights; and
  - (v) the name(s) of the agreement claim creditor(s) who is to exercise voting rights as well as the particulars specified pursuant to the provisions of Article 548, paragraph (2) or (3) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act with regard to the relevant agreement claim creditors.
- (2) If the particulars listed in Article 206, item (v), (b) are provided for, a convener must, when requested by the agreement claim creditor who has given the consent under Article 549, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act, deliver voting forms under Article 550, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act (including the provision of voting forms by electronic or magnetic means under Article 550, paragraph (2) of the Companies Act made in lieu of the delivery thereof) to the agreement claim creditor.
- (3) If some of the information required to be included in the notice of calling which is to be provided to agreement claim creditors in relation to a single creditors' meeting is included in the voting form, the relevant information is

not required to be included in the notice of calling.

- (4) If some of the information (limited to the information listed in paragraph (1), items (ii) through (iv)) to be included in the voting forms which are to be provided to agreement claim creditors in relation to a single creditors' meeting is included in the notice of calling, the relevant information is not required to be included in the voting form.

(Time Limit for Exercising Voting Rights in Writing)

Article 209 The time specified by Cabinet Office Order as referred to in Article 556, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act is the time limit for exercising voting rights provided in Article 206, item (ii).

(Time Limit for Exercising Voting Rights by Electronic or Magnetic Means)

Article 210 The time specified by Cabinet Office Order as referred to in Article 557, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act is the time limit for exercising voting rights provided in Article 206, item (v), (a).

(Minutes of a Creditors' Meeting)

Article 211 (1) The preparation of minutes of a creditors' meeting under Article 561 of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act is as provided in this Article.

- (2) The minutes of a creditors' meeting must be prepared in writing or in the form of an electronic or magnetic record.
- (3) The minutes of a creditors' meeting must include the following information:
- (i) the date and time on which and the place where the creditors' meeting was held;
  - (ii) the outline and results of the proceedings at the creditors' meeting;
  - (iii) when there are any opinions stated at the creditors' meeting pursuant to Article 559 of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act, the summary of the contents of such opinions;
  - (iv) when reports or statement of opinions against the creditors' meeting has been made pursuant to the provisions of Article 562 of the Companies Act as applied mutatis mutandis pursuant to Article 164, paragraph (4) of the Act, the summary of the contents of such reports or opinions;
  - (v) the name(s) of the operating liquidator(s) that attended the creditors' meeting;
  - (vi) when a chairperson of the creditors' meeting is in place, the name of the chairperson; and

(vii) the name(s) of the person(s) that performed the duties concerning the preparation of minutes.

(Procedures for the Calculation of the Amount of Remuneration for Inspectors)

Article 212 The Competent Director-General of a Local Finance Bureau, etc. is to fix the amount of remuneration under Article 154, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 183 of the Act, after hearing the opinions of the persons specified in the following items according to the category of persons listed in the respective items:

- (i) inspector: executive managing officers and supervisory officers (in cases of an investment corporation in liquidation, operating liquidators and liquidation supervisors);
- (ii) persons who are to temporarily perform the duties of an executive managing officer or supervisory officer: executive managing officers and supervisory officers; and
- (iii) persons who are to temporarily perform the duties of an operating liquidator or liquidation supervisor, and appraiser: operating liquidators and liquidation supervisors.

## **Section 2 Registration of Investment Corporations**

(Application Procedure for Registration of Investment Corporations)

Article 213 An investment corporation that intends to obtain the registration under Article 187 of the Act must submit a written application prepared using appended form No. 9 to the Competent Director-General of the Local Finance Bureau, etc. with two copies of the written application and one copy of the documents set forth in Article 188, paragraph (2) of the Act attached thereto.

(Information Required to Be Given in the Written Application for Registration of Investment Corporations)

Article 214 The information specified by Cabinet Office Order as referred to in Article 188, paragraph (1), item (vii) of the Act is the following information:

- (i) the date on which the notification for the incorporation of an investment corporation was accepted and the acceptance number;
- (ii) the date of establishment of the investment corporation;
- (iii) the total amount of investments, total number of units of investment equity, and the number of investors at the time of establishment of the investment corporation;
- (iv) the names and addresses of major investors;
- (v) when the executive managing officer or supervisory officer is engaged in the service of another corporation, or is conducting business, the name of the

- relevant executive managing officer or supervisory officer, the title at the relevant other corporation, and the trade name or name and type of service of the relevant other corporation, or the type of the business;
- (vi) the name and address of the institution handling payments;
  - (vii) the name, address, and history of the administrative agent;
  - (viii) the outline of the entrustment contract for administrative processes which has been concluded with the administrative agent; and
  - (ix) when an organizational meeting has been held, the date of the organizational meeting and the reasons for the holding;
  - (x) in the cases referred to in Article 116-2 of the Order, if the number or the amount of issued shares or equity in a foreign real property holding corporation to be acquired exceeds the number or the amount obtained by multiplying the total number or the total amount of the relevant issued shares or equity (excluding shares or equity in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221, the following information pertaining to the foreign real property holding corporation:
    - (a) its purpose, trade name, and address;
    - (b) information concerning its organization and officers;
    - (c) information concerning the management and investment of its assets (including the matters concerning the details of the assets to be acquired, the timing of the acquisition, and the transferee);
    - (d) information concerning the accounting for and distribution of profits; and
    - (e) information concerning the rights of its shareholders or equity investors.

(Documents to Be Attached to Written Application for Registration of Investment Corporations)

Article 215 The documents specified by Cabinet Office Order as referred to in Article 188, paragraph (2), item (iv) of the Act are the following documents (in cases of documents certified by public agencies, limited to those prepared within three months before the date of application):

- (i) the certificate of incorporation;
- (ii) a certificate of registered information of the investment corporation;
- (iii) a certificate for the custody of paid money by the institution handling payments;
- (iv) extracts of residence certificates of the executive managing officers and supervisory officers (if the relevant executive managing officers or supervisory officers is a foreign national and has a residence in Japan, a copy of the residence card, a copy of the special permanent resident certificate, or an extract of the residence certificate), or substitute documents therefor;
- (iv)-2 when the name of an executive managing officer or a supervisory officer

- that was used before marriage is stated together with the current name of the executive managing officer or the supervisory officer in the written application for registration under Article 188, paragraph (1) of the Act, and the documents listed in the preceding item are not documents certifying the name of the executive managing officer or the supervisory officer used before marriage, a document certifying the relevant name before marriage;
- (v) certificates issued by a public agency providing to the effect that the executive managing officers and supervisory officers do not fall under the category of persons listed in Article 98, items (ii) and (iii) of the Act (excluding cases where the relevant executive managing officers or supervisory officers is a foreign national);
  - (vi) a document pledging that the executive managing officer does not fall under any of the category of persons listed in Article 98, items (iv) and (v) of the Act (if the relevant executive managing officer is a foreign national, items (ii) through (v) of that Article) which has been prepared using appended form No. 10;
  - (vii) a document pledging that the supervisory officers do not fall under any of the category of persons listed in Article 100, items (i) through (v) of the Act (excluding Article 98, items (ii) and (iii) of the Act based on the provisions of Article 100, item (i) of the Act), and the items of Article 164 of this Order of the Prime Minister's Office (if the relevant supervisory officer(s) is a foreign national, Article 100, items (i) through (v) of the Act and the items of Article 164 of this Order of the Prime Minister's Office) which has been prepared using appended form No. 11;
  - (viii) a resume or history of the executive managing officers, supervisory officers and organizer(s) (if the organizer is a corporation, the officer of that corporation, and employee who is to perform the duties as an organizer) which has been prepared using appended form No. 12 or No. 13;
  - (ix) a copy of the written entrustment contract for assets investment concluded with an asset management company;
  - (x) a copy of the custody contract concluded with the asset custody company;
  - (xi) a copy of the entrustment contract for administrative processes concluded with the administrative agent;
  - (xii) if the asset management company re-entrusts part of the authority for assets investment, a copy of that re-entrustment contract; and
  - (xiii) when an organizational meeting is held, the minutes of the organizational meeting;
  - (xiv) in the cases referred to in Article 116-2 of the Order, if the number or the amount of issued shares or equity in a foreign real property holding corporation to be acquired exceeds the number or the amount obtained by multiplying the total number or the total amount of the issued shares or



equity (excluding shares or equity in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221, the following documents pertaining to the relevant foreign real property holding corporation:

- (a) the articles of incorporation or documents equivalent thereto;
- (b) if an approval, authorization, permission, notification or the equivalent thereto has been made with regard to the incorporation of the foreign real property holding corporation based on laws and regulations of the state where the relevant foreign real property holding corporation is located, a copy of the written approval, written authorization, written permission, notification or documents equivalent thereto;
- (c) when any registration has been made with regard to the foreign real property holding corporation, a copy of the certificate of registered information or documents equivalent thereto;
- (d) the shareholder register or documents equivalent thereto;
- (e) the balance sheet for the latest business year (if there is no the relevant business year, the balance sheet as of the date of the incorporation of the foreign real property holding corporation); and
- (f) documents explaining the outline of the company system, etc. of the state where the foreign real property holding corporation is located.

(Implementation of Registration)

- Article 216 (1) When effecting the registration pursuant to the provisions of Article 189, paragraph (1) of the Act, the Director-General of a Local Finance Bureau, etc. is to effect the registration by placing the pages No. 2 through No. 8 of the appended table No. 9 in the investment corporation register.
- (2) When giving the notice under Article 189, paragraph (2) of the Act, the Director-General of a Local Finance Bureau, etc. is to give the notice by the written notice of completion of registration prepared using appended form No. 14.

(Public Inspection of the Investment Corporation Register)

Article 217 The Director-General of a Local Finance Bureau, etc. who has registered an investment corporation is to keep and offer for public inspection the investment corporation register related to the registered investment corporation and information registered in the investment corporation register at the Local Finance Bureau that has jurisdiction over the location of the head office of the Investment Corporation (when the location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau).

(Notice of Refusal of Registration)

Article 218 When giving the notice under Article 190, paragraph (2) of the Act, the Director-General of a Local Finance Bureau, etc. is to give the notice by the written notice of refusal of registration prepared using appended form No. 15.

(Notification of Changes to Registered Information)

Article 219 When a registered investment corporation intends to make the notification under Article 191, paragraph (1) of the Act, it must submit a notification of changes prepared using appended form No. 16 to the Competent Director-General of the Local Finance Bureau, etc. with two copies of the notification of changes and the documents specified in the following items according to the cases listed in the respective items attached thereto:

- (i) in cases of changing the trade name: the certificate of registered information of the investment corporation including the information related to the relevant changes;
- (ii) in cases of changing the location of the head office: the certificate of registered information of the investment corporation including the information related to the relevant changes;
- (iii) if there were any changes to the executive managing officer or supervisory officer(s): the following documents related to the person who has newly become an executive managing officer or supervisory officer:
  - (a) the documents listed in Article 215, item (iv) and items (v) through (viii); and
  - (b) when the name that was used before marriage is stated together with the current name in a written application for registration prepared using appended form No. 16, and the documents listed in (a) (limited to the documents listed in Article 215, item (iv)) are not documents certifying the name used before marriage, a document certifying the name before marriage;
- (iv) if there were any changes to the asset management company, asset custody company, or administrative agent: among the documents listed in Article 215, items (ix) through (xi) related to the persons who have newly become an asset management company, asset custody company, or administrative agent, the respective documents therefor;
- (v) if the asset management company has re-entrusted part of the authority for assets investment, and there were any changes to the person who has accepted the re-entrustment: the documents listed in Article 215, item (xii) related to the person who has newly come to accept the re-entrustment;
- (vi) if the executive managing officer or supervisory officer(s) has newly come to engage in the service of another corporation, or to conduct business: the documents stating the name(s) of the relevant executive managing officer or

supervisory officer(s) as well as the trade name or name, and type of service of the relevant other corporation, or the type of the business.

(Notification of Dissolution)

Article 220 A person who intends to make the notification under Article 192, paragraph (1) of the Act must submit the original copy and duplicate copy of the notification of dissolution prepared using appended form No. 17 to the Competent Director-General of the Local Finance Bureau, etc. with the following documents attached thereto:

- (i) the documents clarifying the contents of the assets of the investment corporation; and
- (ii) when an investors' meeting has been held, the minutes of the investors' meeting.

### **Section 3 Business of Investment Corporations**

(Transactions Allowed for Registered Investment Corporations)

Article 220-2 The acts specified by Cabinet Office Order as referred to in Article 116, item (ii) of the Order are mining, extracting, smelting, refining, and any other acts similar thereto.

(Ratio of Acquisition by an Investment Corporation of Shares Issued by One and the Same Corporation)

Article 221 The ratio specified by Cabinet Office Order as referred to in Article 194, paragraph (1), item (ii) of the Act is 50 percent.

(Corporations That Are Exceptions to Restrictions on Investment in Assets)

Article 221-2 (1) In the cases referred to in Article 116-2 of the Order, corporations whose shares may be acquired by a registered investment corporation in a number exceeding the number specified in Article 194, paragraph (1), item (ii) of the Act are those corporations that satisfy all of the following requirements:

- (i) that they are corporations located in a foreign state and established solely for the purpose of carrying out the transactions listed in Article 193, paragraph (1), items (iii) through (v) of the Act in the state where it is located; and
- (ii) that they pay to the registered investment corporation money in the amount prorated in accordance with the number of shares or the amount of equity held by the registered investment corporation and any other amount that can be allocated to the registered investment corporation in accordance with laws and regulations or practices of the state where they are located

- (any fraction is rounded off) out of their distributable amount within six months from the end of each business year (which may not exceed one year).
- (2) The distributable amount provided in item (ii) of the preceding paragraph is the amount obtained for each business year by deducting the total of the amounts listed in items (ii) through (vi) from the amount listed in item (i) as of the last day of the latest business year:
- (i) the amount of assets;
  - (ii) the amount of liabilities;
  - (iii) the amount of stated capital;
  - (iv) the total of the amounts of capital reserves, retained earnings reserves, and other statutory reserves;
  - (v) if assets are valued at market value, and the total of the market values exceeds the total of the acquisition values of the assets, the amount of increase in net assets stated on the balance sheet resulting from the valuation; and
  - (vi) beyond the amounts listed in the preceding items, the amount that cannot be distributed in accordance with laws and regulations or practices of the state where the relevant corporations are located.
- (3) The distributable amount provided in the preceding paragraph is to be calculated based on the amounts of assets, liabilities, stated capital, reserves, and net assets stated on the latest balance sheet of the corporations that have been audited or attested by a person who audits or attests financial documents in the course of trade for a fee at the request of others.

(Cases Unlikely to Result in Insufficient Protection of Investors)

Article 222 The cases specified by Cabinet Office Order as referred to in Article 117, item (x) of the Order are the following cases:

- (i) in cases of incorporating the real property rented from an asset management company into the assets of a registered investment corporation, cases where continuing the lease of the relevant real property;
- (ii) in cases where the lease of real property fails in spite of the solicitation of lessee for the real property of a registered investment corporation by an asset management company, cases where renting the relevant real property with conditions not so different from the conditions for lease for other lessees.

(Acts Similar to Advertisement)

Article 223 The acts specified by Cabinet Office Order as referred to in the of Article 37 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the provision of identical information to a large number of persons, by means of postal mail, correspondence delivery (meaning the correspondence delivery as prescribed in

Article 2, paragraph (2) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) that is provided by a general correspondence delivery operator as prescribed in paragraph (6) of that Article or by a specified correspondence delivery operator as prescribed in paragraph (9) of that Article), transmission by facsimile machine, transmission by electronic mails (meaning the electronic mail prescribed in Article 2, item (i) of the Act on Regulation of Transmission of Specified Electronic Mail (Act No. 26 of 2002)), distribution of leaflets or pamphlets or by any other means (excluding those listed in the following):

- (i) distribution of documents prepared in accordance with laws and regulations, or in accordance with the dispositions rendered by a government agency under the laws and regulations;
- (ii) distribution of materials on the analysis and appraisal of the respective companies not intended to be used for solicitation for the conclusion of a contract for public offering, etc. of investment securities (meaning the contract on public offering, etc. of investment securities as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act following the deemed replacement of terms; the same applies hereinafter);
- (iii) provision of premiums or any other goods only indicating all of the following information (limited to premiums or goods clearly and accurately indicating the matters listed in (b) through (d)) (if any of the following matters is not indicated on the premiums or other goods, the provision includes the case of provision of the premiums or other goods with other goods indicating the relevant matters as an integral part thereof):
  - (a) the name, issue or common name of the investment securities subject to the contract for public offering, etc. of investment securities;
  - (b) the trade name, name or common name of the organizer that provides identical information to a large number of persons by the means specified in this item;
  - (c) the matters set forth in Article 121, paragraph (4), item (i) of the Order (limited to the case where the characters, letters or numbers representing the matter are indicated in a size which does not differ substantially from the size of the largest characters, letters or numbers representing matters other than the relevant matters);
  - (d) a notice to the effect that the recipient thereof should read any of the following documents comprehensively:
    1. the document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act (hereinafter referred to as the "document for delivery prior to conclusion of contract"); and

2. the prospectus prescribed in Article 230 (if there is any document to be delivered as an integral part of the prospectus pursuant to the provisions of that Article, the relevant prospectus and the relevant document).

(Methods of Indication of Advertisement on Contents of Business of Public Offering of Investment Securities)

- Article 224 (1) When a specified organizer or its officers or employees (meaning the specified organizer or its officers or employees defined in Article 197 of the Act; the same applies hereinafter) make an advertisement on the contents of its business of public offering, etc. of invested securities or conducts the acts prescribed in the preceding Article (collectively referred to as the "advertisement, etc." in the following paragraph), the specified organizer or its officers or employees must clearly and accurately indicate the matters listed in the items of Article 37, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act.
- (2) When a specified organizer or its officers or employees make an advertisement, etc. on the contents of its business of public offering, etc. of investment securities, the characters, letters or numbers representing the matters listed in Article 121, paragraph (3), item (ii) of the Order are to be indicated in a size which does not differ substantially from the size of the largest characters, letters or numbers representing matters other than the relevant matters.
- (3) Notwithstanding the provisions of the preceding paragraph, when a specified organizer or its officers or employees make an advertisement on the contents of its business of public offering, etc. of investment securities by way of broadcasting, using the broadcast equipment of a key broadcaster (meaning the key broadcaster as prescribed in Article 2, item (xxiii) of the Broadcast Act (Act No. 132 of 1950), excluding NHK (Japan Broadcasting Corporation) and the Open University of Japan (meaning the Open University of Japan as prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002); the same applies in Article 227, paragraph (1), item (ii)), or the methods listed in the items of Article 227, paragraph (1), the characters, letters or numbers representing the information listed in Article 121, paragraph (4), item (i) of the Order are to be indicated in a size which does not differ substantially from the size of the largest characters, letters or number representing information other than the relevant information.

(Matters Concerning Consideration Payable by Customers)

- Article 225 (1) The matters specified by Cabinet Office Order as referred to in Article 121, paragraph (3), item (i) of the Order are the amount of

consideration payable by customers with regard to a contract for public offering, etc. of investment securities irrespective of its name such as fees, remunerations, expenses, or others (excluding the price of the investment securities subject to the relevant contract for public offering, etc. of investment securities; hereinafter collectively referred to as "fees, etc." in this Article, Article 228, item (vii), Article 231, and Article 234, item (iv)) for each type or the maximum amount thereof, or the outline of the method of calculation thereof (including the ratio to the price of investment securities subject to the relevant contract for public offering, etc. of investment securities; hereinafter the same applies in this paragraph), and the total of the amount or the maximum amount thereof, or the outline of the method of calculation thereof; provided, however, that if these details cannot be indicated, that fact and the reason therefor is indicated.

- (2) If the assets of an investment corporation subject to the contract for public offering, etc. of investment securities under the preceding paragraph are to be invested or contributed in rights to be indicated on the securities set forth in Article 2, paragraph (1), item (x) or (xi) of the Financial Instruments and Exchange Act or the rights set forth in paragraph (2), item (v) or (vi) of that Article (excluding investment securities and similar certificates (meaning the investment securities and similar certificates defined in Article 117, item (iii) of the Act) issued by the investment corporation; hereinafter collectively referred to as "beneficial interest of an investment trust, etc." in this Article), trust fees and other fees, etc. related to the relevant beneficial interest of an investment trust, etc. are to be included in the fees, etc. under the preceding paragraph.
- (3) If the property pertaining to the beneficial interest of an investment trust, etc. under the preceding paragraph is to be invested or contributed in another beneficial interest of an investment trust, etc., the relevant other beneficial interest of an investment trust is deemed to be the beneficial interest of an investment trust under that paragraph, and the provisions of the preceding two paragraphs apply.
- (4) The provisions of the preceding paragraph apply *mutatis mutandis* to the cases where the property pertaining to the beneficial interest of an investment trust, etc. deemed as the beneficial interest of an investment trust, etc. under paragraph (2) pursuant to the preceding paragraph (including the cases where it is applied *mutatis mutandis* pursuant to this paragraph) is to be invested or contributed in another beneficial interest of an investment trust, etc.

(Material Matters Which May Have Impact on Customers' Decision)

Article 226 The matters specified by Cabinet Office Order as referred to in Article 121, paragraph (3), item (iii) of the Order are facts that may be

disadvantageous to customers with regard to material matters concerning the relevant contract for public offering, etc. of investment securities.

(Methods Equivalent to Broadcasting by Using Broadcast Equipment of Key Broadcasters)

Article 227 (1) The methods specified by Cabinet Office Order as referred to in Article 121, paragraph (4) of the Order are as follows:

- (i) the method of broadcasting by using the broadcast equipment of private broadcasters (meaning private broadcasters as prescribed in Article 2, item (xxv) of the Broadcast Act);
- (ii) the method of offering the details of the information which are recorded in a file stored on the computer used by the specified organizer or its officers or employees or the person entrusted with the business pertaining to the advertisement, etc. to be made by the specified organizer or its officers or employees (limited to information identical to the information provided by the method of broadcasting using broadcast equipment of a key broadcaster or by the methods listed in the preceding item) to the customers for inspection via a telecommunications line;
- (iii) the method of indicating information to the public either indoors or outdoors regularly or continuously for a certain period, by posting or indicating on signboards, standing signboards, bills, placards, advertising pillar, advertising boards, buildings or any other structures, or any other methods similar thereto.

(2) The matters specified by Cabinet Office Order as referred to in Article 121, paragraph (4), item (ii) of the Order are the matters listed in Article 223, item (iii), (d).

(Matters Prohibited from Misleading Advertisement)

Article 228 The matters specified by Cabinet Office Order as referred to in Article 37, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the following matters:

- (i) the matters related to the cancellation of the contract for public offering, etc. of investment securities;
- (ii) the matters related to the bearing of all or part of losses or guarantee of profits, in relation to the contract for public offering, etc. of investment securities;
- (iii) the matters related to the agreement for liquidated damages (including penalties) in relation to the contract for public offering, etc. of investment securities;
- (iv) the matters related to the financial instruments market (meaning the



financial instruments market as prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act; the same applies hereinafter) or other markets similar to a financial instruments market located in a foreign state, in relation to the contract for public offering, etc. of investment securities;

- (v) the matters concerning the financial resources or credit of the organizer;
- (vi) the matters related to the performances of the business of public offering, etc. of investment securities by the organizer; and
- (vii) the matters related to the amount of fees, etc. payable by customers with regard to the contract for public offering, etc. of investment securities or the method of calculation thereof, method and timing of payment thereof, and the payee.

(Method of Statement of Documents for Delivery Prior to Conclusion of Contract)

Article 229 (1) The matters listed in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act must be stated clearly and accurately by using characters, letters and numbers larger than 8-point as provided in JIS Z8305 in the document for delivery prior to conclusion of a contract.

(2) Notwithstanding the provisions of the preceding paragraph, the summary of the matters listed in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act and the matters listed in Article 37-3, paragraph (1), item (v) of the Financial Instruments and Exchange Act and Article 232, items (iii) and (iv) of this Order of the Prime Minister's Office are to be stated clearly and accurately in the frame by using character, letters, and numbers larger than 12-points as provided in JIS Z8305 following the matters prescribed in the following paragraph in the document for delivery prior to conclusion of a contract.

(3) A specified organizer or its officers or employees are to state plainly the matters listed in Article 232, item (i) of this Order of the Prime Minister's Office, and, among the matters listed in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act, those which are especially important as having an impact on the customers' decision, by using characters, letters, and numbers larger than 12-points as provided in JIS Z8305 at the beginning of the document for delivery prior to conclusion of a contract.

(Cases Where Delivery of Document for Deliver Prior to Conclusion of Contract Is Not Required)

Article 230 (1) The cases specified by Cabinet Office Order as referred to in the proviso to Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the case where the organizer has delivered the prospectus prescribed in Article 2, paragraph (10) of the Financial Instruments and Exchange Act (limited to the prospectus in which all of the information required to be given in the relevant document for delivery prior to conclusion of a contract is given by the method equivalent to the methods prescribed in the preceding Article) to the relevant customer(s) (if all of that information is not given in the prospectus, including the cases where the prospectus is delivered with a document giving all of the information not contained therein as an integral part thereof), or the cases listed in Article 15, paragraph (2), item (ii) of that Act.

(2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, Article 15-22 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 56 of the Cabinet Office Order on Financial Instruments Business apply mutatis mutandis to the delivery of documents under the preceding paragraph.

(Particulars Concerning Consideration Payable by Customers)

Article 231 (1) The matters specified by Cabinet Office Order as referred to in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the amount of fees, etc. payable by customers with regard to a contract for public offering, etc. of investment securities, irrespective of its name such as fees, remunerations, expenses, or others, for each type or the maximum amount thereof, or the outline of the method of calculation thereof (including the ratio to the price of investment securities subject to the relevant contract for public offering, etc. of investment securities; hereinafter the same applies in this paragraph), and the total of the amount or the maximum amount thereof, or the outline of the method of calculation thereof; provided, however, that in cases these details cannot be indicated, that fact and the reason therefor are stated.

(2) The provisions of Article 225, paragraphs (2) through (4) apply mutatis mutandis to the fees, etc. under the preceding paragraph.

(Information Required to Be Given in the Document for Delivery Prior to Conclusion of a Contract)

Article 232 The information specified by Cabinet Office Order as referred to in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act is

the following information:

- (i) a notice to the effect that the recipient thereof should read the contents of the relevant document for delivery prior to conclusion of a contract comprehensively;
- (ii) when any restrictions are imposed on the transfer of investment securities subject to the relevant contract for public offering, etc. of investment securities, an indication of this and the details of the restriction;
- (iii) when the transaction conducted by the customer in relation to the public offering, etc. of investment securities involves the risk of incurring a loss due to fluctuations in the money rate, value of currencies, quotations on a financial instruments market, or any other indicator as the direct cause thereof, the following information:
  - (a) the relevant indicator; and
  - (b) the reasons for the risk of causing a loss due to fluctuations in the relevant indicator;
- (iv) when the transaction conducted by the customer in relation to the public offering, etc. of investment securities involves the risk of causing a loss due to changes in the status of business or property of the relevant organizer or any other person as the direct cause thereof, the following information:
  - (a) the relevant person;
  - (b) the fact that there is a risk of causing a loss due to changes to the status of business or property of the relevant person and the reason therefor;
- (v) an outline of the taxation related to the relevant contract for public offering, etc. of investment securities;
- (vi) if there are any grounds for the termination of the relevant contract for public offering, etc. of investment securities, the details thereof;
- (vii) an outline of the relevant organizer;
- (viii) the method for the customer to contact the relevant organizer; and
- (ix) information as to whether the relevant organizer is a target business operator (meaning the target business operator as prescribed in Article 79-11, paragraph (1) of the Financial Instruments and Exchange Act; hereinafter the same applies in this item) of any certified investor protection organization (meaning the certified investor protection organization defined in Article 79-10, paragraph (1) of that Act, and limited to the certified investor protection organization if the relevant contract for public offering, etc. of investment securities are subject to the certified business (meaning the certified business defined in that paragraph) of the relevant certified investor protection organization) (when the organizer is a target business operator of any organization, the name thereof).

(Provision of Information Using Information and Communications Technology)

Article 233 (1) The provisions of Article 56 of the Cabinet Office Order on Financial Instruments Business apply mutatis mutandis to the cases where the provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act are applied mutatis mutandis pursuant to Article 37-3, paragraph (2) and Article 37-4, paragraph (2) of that Act as applied mutatis mutandis pursuant to Article 197 of the Act.

(2) The provisions of Article 57 of the Cabinet Office Order on Financial Instruments Business apply mutatis mutandis to the cases where the provisions of Article 15-22 of the Order for Enforcement of the Financial Instruments and Exchange Act are applied mutatis mutandis pursuant to Article 121, paragraph (5) of the Order.

(Information Required to Be Given in Document for Delivery upon Conclusion of a Contract)

Article 234 The documents prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act which are to be prepared when the contract for public offering, etc. of investment securities is effected (referred to as the "document for delivery upon conclusion of a contract" in the following Article) must be prepared by giving the following information:

- (i) the trade name or name of the relevant organizer;
- (ii) an outline of the relevant contract for public offering, etc. of investment securities (including the issue, numbers, and price of the investment securities subject to the relevant contract for public offering, etc. of investment securities);
- (iii) the date on which the relevant contract for public offering, etc. of investment securities was effected;
- (iv) information concerning the fees, etc. related to the relevant contract for public offering, etc. of investment securities;
- (v) the names of the customers; and
- (vi) the method for the customers to contact the relevant organizer.

(Credit Rating Found Unlikely to Result in Insufficient Protection of Investors)

Article 234-2 The credit rating specified by Cabinet Office Order as referred to in Article 38, item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act is a credit rating (meaning the credit rating as prescribed in Article 2, paragraph (34) of the Financial Instruments and Exchange Act, and excluding credit ratings deemed to be substantially a credit rating for the assessment of the credit status of the investment securities related to the contract for public offering, etc. of investment securities or the issuer thereof) for the assessment mainly on the

credit status of securities other than the investment securities or persons other than the issuer of the investment securities.

(Significance of Registration of Credit Rating Agency and Other Particulars)

Article 234-3 The particulars specified by Cabinet Office Order as referred to in Article 38, item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are as follows:

- (i) the significance of registration under Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) the following particulars related to the person who has assigned the credit rating (meaning the credit rating as prescribed in Article 2, paragraph (34) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Article):
  - (a) the trade name or name;
  - (b) when the person is a corporation (including an organization without legal personality for which a representative person or administrator has been designated), the name of the officers (in cases of an organization without legal personality for which a representative person or administrator has been designated, the representative person or administrator); and
  - (c) the name and location of the head office and other principal business office or office;
- (iii) an outline of the policies and methods used by the person who has assigned the credit rating in assigning the relevant credit rating; and
- (iv) the preconditions, significance and limits of credit rating.

(Prohibited Acts)

Article 235 The acts specified by Cabinet Office Order as referred to in Article 38, item (ix) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the following acts:

- (i) an act of concluding a contract for public offering, etc. of investment securities without explaining the particulars listed in Article 37-3, paragraph (1), items (iii) through (v) and (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act to the customers (excluding professional investors (meaning the professional investors as prescribed in Article 2, paragraph (31) of the Financial Instruments and Exchange Act); hereinafter the same applies in this item) in advance in relation to the delivery of the following documents, in a manner and to the extent necessary for the particulars to be understood by the relevant customers in light of the customer's knowledge, experience, status of property and purpose of concluding a contract for public offering, etc. of investment securities:

- (a) a document for delivery prior to conclusion of contract;
- (b) in the case prescribed in Article 230, the prospectus provided in that Article (if there are any documents to be delivered with the prospectus as an integral part thereof pursuant to that Article, the relevant prospectus and document);
- (ii) an act of making a false indication, or an indication that may lead the material information to be misunderstood in relation to the conclusion of a contract for public offering, etc. of investment securities or the solicitation thereof;
- (iii) an act of promising the customers or persons designated thereby to provide special benefits, or providing the customers or a third party with special benefits (including acts of having a third party promise to provide or provide special benefits), in relation to a contract for public offering, etc. of investment securities;
- (iv) an act of soliciting, in relation to the conclusion or cancellation of a contract for public offering, etc. of investment securities, customers (limited to individuals) by phone calls or visits at times in which the customer will be annoyed.

(Problematic Conducts)

Article 236 The problematic conducts specified by Cabinet Office Order as referred to in Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are, with regard to transactions related to public offering, etc. of investment securities conducted by a specified organizer or its officers or employees, that the specified organizer or its officers or employees have caused a loss to a customer(s) by conducting the following acts in relation to its business of public offering, etc. of investment securities:

- (i) an act of soliciting customers in a manner which would make the customers misunderstand the following matters:
  - (a) the contents of the investment securities;
  - (b) the conditions for the transaction;
  - (c) the rise or fall of the price of investment securities;
- (ii) to make errors in handling administrative processes due to negligence or disorders in the electronic data processing system;
- (iii) to conduct any other acts in violation of laws and regulations.

(Cases Where Confirmation of Problematic Conducts Is Not Required)

Article 237 (1) The cases specified by Cabinet Office Order as referred to in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the

following cases:

- (i) cases where a final and binding judgment from the court has been obtained;
- (ii) cases where a judicial settlement (excluding those specified in Article 275, paragraph (1) of the Code of Civil Procedure (Act No. 109 of 1996)) has been reached;
- (iii) cases where a conciliation as prescribed in Article 16 of the Civil Conciliation Act (Act No. 222 of 1951) has been concluded or where a court order has been made pursuant to Article 17 of that Act, and no objection has been made within the period prescribed in Article 18, paragraph (1) of that Act;
- (iv) cases where a settlement has been reached through mediation (meaning the mediation as referred to in Article 77-2, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 79-13 of that Act) by a certified investor protection organization (meaning the certified investor protection organization defined in Article 79-10, paragraph (1) of the Financial Instruments and Exchange Act);
- (v) cases where a settlement has been reached through mediation by an organization provided in the articles of association referred to in Article 33, paragraph (1) of the Attorney Act (Act No. 205 of 1949) or rules provided pursuant to the provisions of the articles of association, or where an arbitral award under arbitration procedure by the relevant organization has been issued;
- (vi) cases where a settlement has been reached through the mediation provided in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act (Act No. 78 of 1968), or where a settlement has been reached through agreement as prescribed in that Article;
- (vii) cases where a settlement has been reached through certified dispute resolution procedure (meaning the certified dispute resolution procedure as prescribed in Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004)) carried out by a certified dispute resolution business operator (meaning the certified dispute resolution business operator as prescribed in Article 2, item (iv) of that Act, and limited to cases where the dispute pertaining to the transaction related to the Contract on Public Offering, etc. of Investment Securities falls within the scope of dispute referred to in Article 6, item (i) of that Act);
- (viii) cases where a settlement has been reached, and in which all of the following requirements are satisfied:
  - (a) that an attorney or judicial scrivener (limited to those in charge of the administrative processes listed in Article 3, paragraph (1), item (vii) of the Judicial Scrivener Act (Act No. 197 of 1950)) is representing the customer with regard to the procedures for settlement;

- (b) that the amount to be paid to customers by the specified organizer or its officers or employees as a result of effectuation of the relevant settlement does not exceed 10 million yen (in cases where the judicial scrivener set forth in sub-item (a) represents the customer, the amount provided in Article 3, paragraph (1), item (vii) of the Judicial Scrivener Act);
  - (c) that a document evidencing that the attorney or judicial scrivener set forth in (a) has examined and confirmed that the payment set forth in (b) has been made to compensate all or part of the losses caused by the problematic conduct (meaning the problematic conduct as prescribed in Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act; hereinafter the same applies in this Article through Article 239) is delivered to the specified organizer or its officers or employees;
  - (ix) cases where the specified organizer or its officers or employees have caused any loss to a customer due to the acts listed in the items of the preceding Article, and where the amount of property benefit offered, promised, or provided to a customer for the loss suffered thereby does not exceed the amount equivalent to 100 thousand yen (excluding the cases set forth in the preceding items);
  - (x) cases where the specified organizer or its officers or employees have caused any loss to a customer due to the acts listed in item (ii) of the preceding Article (limited to cases where it is obvious from the record of the contents of the customer's order that the act falls under problematic conduct, and excluding the cases listed in items (i) through (viii)).
- (2) The benefits under item (ix) of the preceding paragraph are to be calculated for each category of acts listed in the items of the preceding Article. In this case, in calculating the amount of benefits for the category of acts listed in item (ii) of that Article, the amount of property benefits offered, promised, or provided in the case set forth in item (x) of the preceding paragraph is to be deducted.
- (3) In the case referred to in paragraph (1), item (ix) or (x), when an organizer has offered or promised to provide property benefits, or provided property benefits to a customer without obtaining confirmation referred to in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act, the organizer must report the particulars listed in the items of Article 239 to the Commissioner of the Financial Services Agency or other competent official by the last day of a month following the month which includes the day on which the offer, promise, or provision has been made.

(Application for Confirmation of Problematic Conduct)



Article 238 A person who intends to obtain the confirmation referred to in the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act must submit the written application under Article 39, paragraph (7) of the Financial Instruments and Exchange Act and an original copy of the document attached thereto as well as the copies thereof to the Commissioner of the Financial Services Agency or other competent official.

(Information Required to Be Given in the Written Application for Confirmation)

Article 239 The information specified by Cabinet Office Order as referred to in Article 39, paragraph (7) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act is the following information:

- (i) the trade name(s) or name(s) of the organizer(s);
- (ii) the name and location of the head office or other business offices or offices at which the problematic conduct took place;
- (iii) the following information related to the facts for which confirmation is sought:
  - (a) the name of the person who was involved in the acts falling under a problematic conduct, as well as the name of the section thereof;
  - (b) the name and address of the customer (in cases of a corporation, its trade name or name, location of the principal business office or office, and the name of the representative person thereof);
  - (c) the outline of the problematic conduct;
  - (d) the grounds proving that the customer's loss which is to be compensated for results from the problematic conduct;
  - (e) the amount of property benefits to be offered, promised, or provided; and
- (iv) any other information that will serve as a reference.

(Documents to Be Attached to a Written Application for Confirmation)

Article 240 (1) The documents specified by Cabinet Office Order as referred to in Article 39, paragraph (7) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are documents evidencing that the customer has confirmed the contents of the information listed in the items of the preceding Article and other materials that will serve as a reference.

(2) The provisions of the preceding paragraph do not apply in cases where the written application under Article 39, paragraph (7) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act is related to the offer under Article 39, paragraph (1),

item (ii) of the Financial Instruments and Exchange Act.

(Cases Where the State of Operation of Business Is Likely to Go Against Public Interest or Hinder Protection of Investors)

Article 241 The circumstances specified by Cabinet Office Order as referred to in Article 40, item (ii) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to Article 197 of the Act are the following circumstances:

- (i) a circumstance where it is found that the specified organizer or its officers or employees, in relation to the security management and supervision of workers related to the information of individual customers handled thereby, and supervision of the entrusted party if the handling of information is entrusted, has not taken necessary and appropriate measures to prevent the leakage, loss, or damage of the information; and
- (ii) a circumstance where it is found that the specified organizer or its officers or employees has not taken measures to ensure the use of information on the individual customer's race, creed, family origin, registered domicile, health and medical care, or criminal records, or any other undisclosed and special information handled thereby which may come to its knowledge in the course of business for purposes other than the assurance of proper operation or any other purpose found to be necessary.

(Restrictions on the Acts in Which the Parent Corporation, etc. or Subsidiary Corporation of Organizer Related to the Public Offering of Investment Securities Are Involved)

Article 242 The acts specified by Cabinet Office Order as referred to in Article 44-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to Article 197 of the Act are the following acts:

- (i) an act to conduct sale and purchase or other transaction of assets with the parent corporation, etc. (meaning the parent corporation, etc. as prescribed in Article 17, item (i) of the Order; the same applies hereinafter) or subsidiary corporation, etc. (meaning the subsidiary corporation, etc. as prescribed in item (ii) of that Article; the same applies hereinafter) of the relevant organizer under conditions extremely different from those for ordinary transactions;
- (ii) an act of concluding a contract for public offering, etc. of investment securities with a customer, knowing that the parent corporation, etc. or subsidiary corporation, etc. of the relevant organizer has conducted sale and purchase or other transaction of assets with the customer thereof under conditions more favorable than those for ordinary transactions on the

condition that the customer concludes the contract for public offering, etc. of investment securities with the organizer;

- (iii) an act of evading the prohibitions under Article 44-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act, irrespective of the name under which the act is to be conducted.

(Exceptions for Exclusion from Application of Conduct Control)

Article 243 The cases specified by Cabinet Office Order as referred to in the proviso to Article 45 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act are the case where a system which enables a prompt response to the customers' inquiries on the transaction related to the public offering, etc. of investment securities with regard to the application of the provisions of Article 37-4 of the Financial Instruments and Exchange Act has not been established.

(Financial Instruments Business Operator Having Interests in a Supervisory Officer)

Article 244 The financial instruments business operator specified by Cabinet Office Order as having interests in the supervisory officer of a registered investment corporation as referred to in Article 200, item (iii) of the Act is as follows:

- (i) a financial instruments business operator (meaning the financial instruments business operator as prescribed in Article 2, paragraph (11) of the Act; the same applies in this Article) who has a relative(s) of the supervisory officer of the relevant registered investment corporation as its officer or employee (hereinafter collectively referred to as the "officer, etc." in this item, item (iii), and item (iv)), or officer, etc. of the subsidiary company (excluding the relevant financial instruments business operator);
- (ii) a financial instruments business operator that is providing an office or funds without charge or for a consideration lower than the ordinary market price or any other special economic benefits to the supervisory officer of the relevant registered investment corporation;
- (iii) a financial instruments business operator if a corporation that falls under a parent company, etc. (meaning the parent company, etc. provided in Article 15-16, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act) of the financial instruments business operator falls under any of the following corporations:
  - (a) a corporation a supervisory officer of the relevant registered investment corporation is an officer, etc. of the corporation or its subsidiary company or was an officer, etc. of the corporation;

- (b) a corporation that continuously gives remuneration to a supervisory officer of the relevant registered investment corporation;
  - (c) a corporation in cases where a relative of a supervisory officer of the relevant registered investment corporation is an officer, a manager, or any other important employee of the corporation or an officer of its subsidiary company (excluding the relevant financial instruments business operator); and
  - (d) a corporation that is providing an office or funds without charge or for a consideration lower than the ordinary market price or any other special economic benefits to a supervisory officer of the relevant registered investment corporation;
- (iv) a financial instruments business operator in cases where a person who falls under a major shareholder (meaning the major shareholder provided in Article 29-4, paragraph (2) of the Financial Instruments and Exchange Act; hereinafter the same applies in this item and Article 244-3) of the financial instruments business operator falls under any of the corporations listed in (a) through (d) of the preceding item or any of the following individuals:
- (a) a person who is a supervisory officer of the relevant registered investment corporation;
  - (b) a person in cases where a supervisory officer of the relevant registered investment corporation is an officer, etc. of a stock company in which the major shareholder holds the majority of all shareholders', etc. voting rights;
  - (c) a person who is a relative of a supervisory officer of the relevant registered investment corporation;
  - (d) a person in cases where a relative of a supervisory officer of the relevant registered investment corporation is an officer, etc. of a stock company in which the major shareholder holds the majority of all shareholders', etc. voting rights;
  - (e) a person that continuously gives remuneration to a supervisory officer of the relevant registered investment corporation; and
  - (f) a person who is providing an office or funds without charge or for a consideration lower than the ordinary market price or any other special economic benefits to the supervisory officer of the relevant registered investment corporation.

(Appraisal of Real Property Pertaining to Specified Assets)

Article 244-2 An appraisal of real property under Article 201, paragraph (1) of the Act is to be assigned to a real estate appraiser who does not fall under any of the following:

- (i) an interested person or other close affiliate (meaning the interested person

- or other close affiliate as prescribed in Article 201, paragraph (1) of the Act; the same applies in Article 245-2, paragraph (1) of the asset management company of the relevant investment corporation;
- (ii) an interested person or other close affiliate (meaning the interested person or other close affiliate as prescribed in Article 124 of the Order) of the asset custody company of the relevant investment corporation;
  - (iii) an officer or employee of the relevant investment corporation or of the asset management company or asset custody company thereof; or
  - (iv) a person who is, pursuant to the provisions of the Act on Real Estate Appraisal, unqualified to engage in the business concerning an appraisal of real property under Article 201 paragraph (1) of the Act.

(Scope of Interested Person or Other Close Affiliate of Asset Management Company)

Article 244-3 The persons specified by Cabinet Office Order as referred to in Article 123, item (iv) of the Order are the Major Shareholder of the relevant asset management company.

(Investigation of Value of Specified Assets)

Article 245 (1) The acts specified by Cabinet Office Order as referred to in Article 201, paragraph (2) of the Act are the acts listed in the items of Article 22, paragraph (2).

- (2) The matters specified by Cabinet Office Order as referred to in Article 201, paragraph (2) of the Act are the matters specified in the items of Article 22, paragraph (3) according to the category of specified assets listed in the respective items.
- (3) When the appraisal under Article 201, paragraph (1) of the Act or the investigation under paragraph (2) of that Article has been made, the asset management company must notify the results of the relevant appraisal or investigation to the investment corporation investing assets subject to the appraisal or investigation.

(Exceptions to Restriction on Transactions with Interested Person or Other Close Affiliate)

Article 245-2 (1) The transactions specified by Cabinet Office Order as provided in Article 201-2, paragraph (1) of the Act are the transactions listed in the following items:

- (i) transactions listed in Article 193, paragraph (1), item (i) of the Act that are carried out between a registered investment corporation and an interested person or other close affiliate of the asset management company, where the relevant transaction is the acquisition of securities and the acquisition value

- of the securities is expected to be less than an amount equivalent to 10 percent of the book value of the fixed assets of the relevant registered investment corporation as of the last day of its latest business period;
- (ii) transactions listed in Article 193, paragraph (1), item (i) of the Act that are carried out between a registered investment corporation and an interested person or other close affiliate of the asset management company, where the relevant transaction is the transfer of securities and the transfer value of the securities is expected to be less than an amount equivalent to 10 percent of the book value of the fixed assets of the relevant registered investment corporation as of the last day of its latest business period;
- (iii) transactions listed in Article 193, paragraph (1), item (ii) of the Act that are carried out between a registered investment corporation and an interested person or other close affiliate of the asset management company if the amount of increase in operating profit of the relevant registered investment corporation due to the lending and borrowing of securities for each business period commencing within three years from the day of the commencement of the business period of the relevant registered investment corporation that includes the scheduled date of the lending and borrowing is expected to be less than an amount equivalent to 10 percent of operating profit of the relevant registered investment corporation for the latest business period;
- (iv) transactions listed in Article 193, paragraph (1), item (iii) of the Act that are carried out between a registered investment corporation and an interested person or other close affiliate of the asset management company in cases where the relevant transaction is the acquisition of real property and the acquisition value of the real property is expected to be less than an amount equivalent to 10 percent of the book value of the fixed assets of the relevant registered investment corporation as of the last day of its latest business period;
- (v) transactions listed in Article 193, paragraph (1), item (iii) of the Act that are carried out between a registered investment corporation and an interested person or other close affiliate of the asset management company in cases where the relevant transaction is the transfer of real property and the transfer value of the real property is expected to be less than an amount equivalent to 10 percent of the book value of the fixed assets of the relevant registered investment corporation as of the last day of its latest business period; and
- (vi) transactions listed in Article 193, paragraph (1), item (iv) of the Act that are carried out between a registered investment corporation and an interested person or other close affiliate of the asset management company in cases where the amount of increase in operating profit of the relevant

registered investment corporation due to the lending and borrowing of real property for each business period commencing within three years from the day of the commencement of the business period of the relevant registered investment corporation that includes the scheduled date of the lending and borrowing is expected to be less than an amount equivalent to 10 percent of operating profit of the relevant registered investment corporation for the latest business period.

- (2) In applying the provisions of item (iii) and item (vi) of the preceding paragraph, if the business period of the registered investment corporation is a period of six months, the term "each business period" in item (iii) of that paragraph is deemed to be replaced with "each specific business period (meaning two consecutive business periods; hereinafter the same applies in this item and item (vi)) (limited to those commencing on the day immediately following the last day of a specific business period; the same applies in item (vi))," the term "operating profit for the latest business period" in that item is deemed to be replaced with "the total of the amounts of operating profit for the last two business periods," the term "each business period" in item (vi) of that paragraph is deemed to be replaced with "each specific business period," and the term "operating profit for the latest business period" in that item is deemed to be replaced with "the total of the amounts of operating profit for the last two business periods"

#### (Delivery of Documents)

Article 246 (1) The particulars specified by Cabinet Office Order as referred to in Article 203, paragraph (1), item (ii) of the Act are the following particulars:

- (i) information on as to whether it is a sale or purchase, as to whether the asset management company becomes the party to pay money or the party to receive the money, or the party to grant options (meaning the options as prescribed in Article 2, paragraph (1), item (xix) of the Financial Instruments and Exchange Act; the same applies in Article 271, paragraph (1), item (viii)) or the party to acquire options in cases where the actual figure for securities (meaning the actual figure for securities defined in Article 28, paragraph (8), item (iii), sub-item (b) of the Financial Instruments and Exchange Act) exceeds the agreed figure for securities (meaning the agreed figure for securities as defined in sub-item (b) of that item), or any other equivalent information which indicates the position of the party in the transaction;
- (ii) when there are any facts of transactions listed in Article 203, paragraph (1), item (i) of the Act (excluding purchase or sale of Securities or currencies, etc. on the condition that the securities or currencies, etc. are resold or repurchased after a certain period (hereinafter referred to as the "gen-saki sale and purchase" in this paragraph)), the following particulars related to

- the relevant transaction:
- (a) issues, subject currency, or any other names or types related to the transaction which are equivalent thereto;
  - (b) the number of cases, or any other volumes related to the transaction which are equivalent thereto;
  - (c) the unit price, amount of consideration, agreed figure, or any other amount or figure per unit of transaction which are equivalent thereto;
  - (iii) that there are facts of gen-saki sale and purchase, if this is the case.
- (2) The particulars specified by Cabinet Office Order as referred to in Article 203, paragraph (1), item (iv) of the Act are the particulars specified in the following items according to the category of transactions listed in the respective items:
- (i) acquisition or transfer of real property: information on as to whether it is an acquisition or transfer, price, the name of the counterparty to the acquisition or transfer, and the date on which the acquisition or transfer was made, as well as the location and parcel number of the relevant real property and any other particulars necessary to specify the relevant real property;
  - (ii) lease of real property: information on as to whether it is rented or leased, rent, name of the other party to the lease, and the date on which the lease was made and the period thereof, as well as the location and parcel number of the relevant real property and any other particulars necessary to specify the relevant real property;
  - (iii) entrustment or acceptance of the entrustment of management of real property: the method of entrusting or accepting the entrustment of management, rewards, the name of the other party to whom the management was entrusted or who accepted the entrustment, the date on which the entrustment of management or acceptance of entrustment has been made and the period thereof, as well as the location and parcel number of the relevant real property and any other particulars necessary to specify the relevant real property.
- (3) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (i) of the Order are the price, the name of the other party to the acquisition or transfer, the date on which the acquisition or transfer was made, location and parcel number of the relevant real property, and any other matters necessary to specify the relevant real property.
- (4) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (ii) of the Order are the price, the name of the other party to the acquisition or transfer, the date on which the acquisition or transfer was made, and any other matters necessary to specify the relevant superficies right.
- (5) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (iii) of the Order are the type, volume, and unit price related to the acquisition or transfer under that item.



- (6) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (iv) of the Order are the following matters:
- (i) information on as to whether the asset management company becomes the party to pay money or the party to receive the money, or the party to grant options (meaning the options as prescribed in Article 2, paragraph (3), item (iv) of the Commodity Derivatives Act or the rights as prescribed in paragraph (14), item (iv) or (v) of that Article) or the party to acquire options in cases where the actual price of the commodity or actual figure of the commodity index exceeds the contract price or agreed figure at a fixed time in the future, or any other equivalent information which indicates the position of the party in the transaction;
  - (ii) issues, or other names or types related to the transaction which are equivalent thereto;
  - (iii) the number of transactions, or other volumes related to the transaction which are equivalent thereto;
  - (iv) the amount of consideration, contract price or agreed figure, or any other amounts or numbers per unit of transaction which are equivalent thereto.
- (7) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (v) of the Order are the price, the name of the counterparty to the acquisition or transfer, and the date on which the acquisition or transfer was made, the location and parcel number of the land used for the renewable energy power generation facilities, the classification, etc., of the renewable energy power generation facilities, and other matters necessary to specify the renewable energy power generation facilities.
- (8) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (vi) of the Order are the rent, the name of the other party to the lease, the date on which the lease was made and the period thereof, the location and parcel number of the land used for the renewable energy power generation facilities, the classification, etc., of the renewable energy power generation facilities, and other matters necessary to specify the renewable energy power generation facilities.
- (9) The matters specified by Cabinet Office Order as referred to in Article 125, paragraph (3), item (vii) of the Order are the rewards, the name of the other party to whom the management was entrusted or who accepted the entrustment, the date on which the entrustment of management or acceptance of entrustment has been made and the period thereof, the location and parcel number of the land used for the renewable energy power generation facilities, the classification, etc., of the renewable energy power generation facilities, and other matters necessary to specify the renewable energy power generation facilities.
- (10) The matters specified by Cabinet Office Order as referred to in Article 125,

paragraph (3), item (viii) of the Order are the price, the name of the other party to the acquisition or transfer, the date on which the acquisition or transfer was made, the location, parcel number, details of the operation, etc. of the public facility, etc. and the name of the administrator, etc. of public facility etc. covered by the right to operate public facility, etc., and other matters necessary to specify the right to operate public facility, etc.

(Customers to Whom Documents Are Delivered When Conflict of Interest Is Likely to Occur)

Article 247 The customers specified by Cabinet Office Order as referred to in Article 126, paragraph (1), item (v) of the Order are as follows:

- (i) the counterparty to the transactions in cases where the asset management company conducts sale or purchase of housing lands or buildings which are assets of the investment corporation, or provides agency or intermediary service therefor;
- (ii) if the asset management company gives advice with regard to the investment related to the specified assets which are assets of the investment corporation, the counterparty to the transaction of the specified assets to be conducted based on the advice.

(Delivery of Documents to Investment Corporations When Conflict of Interests Is Likely to Occur)

Article 248 (1) The delivery of documents in relation to the transactions listed in Article 203, paragraph (2) of the Act must be made by the documents containing the following information:

- (i) the name of the investment corporation pertaining to the relevant transaction;
  - (ii) the reasons for delivering the document (including the relationship between the counterparty to the relevant transactions and the relevant asset management company);
  - (iii) the reasons for conducting the transaction;
  - (iv) the details of the transaction (type, issue (other information necessary for specifying the specified assets), and number of the specified assets for which a transaction has been conducted, as well as the price and method of transaction, and the date on which the transaction was conducted);
  - (v) the results of the appraisal under Article 201, paragraph (1) of the Act or the investigation under paragraph (2) of that Article;
  - (vi) the date of delivery of the document; and
  - (vii) other information that will serve as a reference.
- (2) When the transactions listed in Article 203, paragraph (2) of the Act have been conducted, an asset management company must deliver the documents

containing the information listed in the items of the preceding paragraph without delay.

- (3) If solicitation of applications to acquire beneficiary certificates pertaining to the Investment trust property provided in Article 126, paragraph (3) of the Order is done by public offering, an asset management company may, in lieu of preparing a document containing the matters listed in the items of paragraph (1) and delivering it to the beneficiaries provided in paragraph (3) of that Article, give public notice of the matters promptly after any of the transactions listed in Article 203, paragraph (2) of the Act has been carried out and deliver the investment report provided in Article 14, paragraph (1) of the Act containing the matters pertaining to the first preparation date arrived after the transaction is carried out to the beneficiaries provided in Article 126, paragraph (3) of the Order.

(Method for Investors to Claim for Filing an Action Pursuing the Liability)

Article 249 The methods specified by Cabinet Office Order as referred to in Article 847, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 204, paragraph (3) of the Act are the submission of documents containing the following information and the provision of the information by electronic or magnetic means:

- (i) a person who is to become a defendant; and
- (ii) the object of the claim and facts necessary to specify the claim.

(Method for Investment Corporations to Notify the Reasons for Not Filing an Action Pursuing the Liability)

Article 250 The methods specified by Cabinet Office Order as referred to in Article 847, paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 204, paragraph (3) of the Act are the submission of the documents containing the following information or the provision of the information by electronic or magnetic means:

- (i) the contents of the investigation that an investment corporation made (including materials on which the judgment set forth in the following item was based);
- (ii) judgment with regard to any liability or obligation of a person set forth in item (i) of the preceding Article related to the action pertaining to the claim under Article 847, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 204, paragraph (3) of the Act, and the reasons therefor;
- (iii) if the person referred to in the preceding item has been judged to have liability or obligation, and an action pursuing the liability of the relevant person is not to be filed, the reason therefor.

(Assets of Which the Business Pertaining to the Custody Thereof May Be Entrusted to Financial Instruments Business Operators)

Article 251 The assets specified by Cabinet Office Order as referred to in Article 208, paragraph (2) of the Act are as follows:

- (i) securities; and
- (ii) rights pertaining to derivatives transaction.

(Corporations Appropriate for Asset Custody Companies)

Article 252 (1) The corporations specified by Cabinet Office Order as referred to in Article 208, paragraph (2), item (iii) of the Act are the corporations (excluding the interested person or other close affiliate as prescribed in Article 201, paragraph (1) of the Act) with a certain financial basis and personnel structure sufficient for the sound performance of the business related to the custody of the following assets, among the assets of the relevant registered investment corporation:

- (i) the real property, right of lease of real property or superficies right;
- (ii) monetary claims (meaning those listed in Article 3, item (vii) of the Order);
- (iii) renewable energy power generation facilities;
- (iv) right to operate public facility, etc.;
- (v) among the equity in investment in a silent partnership, those with the purpose of investing in the assets listed in the preceding items.

(2) If the person to whom the business related to custody of assets are to be entrusted is the corporation prescribed in the preceding paragraph (hereinafter referred to as the "entrusted person" in this paragraph), the registered investment corporation must impose a condition that the entrusted person bears the following obligations, to the contract on the entrustment of the business:

- (i) that the entrusted person retains the relevant entrusted assets separately from its own property;
- (ii) that the entrusted person must explain the status of the relevant business related to the custody of assets entrusted therewith in response to the request from the investment corporation that entrusted the business related to the custody of assets (hereinafter referred to as the "entrustor" in this paragraph);
- (iii) that a trustee keeps the documents stating the status of the relevant business related to custody of assets at its principal office, offer them for inspection in response to the request of the entrustor;
- (iv) that the entrusted person may not re-entrust the business without the consent of the entrustor.

(Method of Separate Custody of Investment Corporation's Assets)

Article 253 (1) The methods specified by Cabinet Office Order as referred to in Article 209-2 of the Act are the methods specified in the following items according to the category listed in the respective items:

- (i) assets, etc. of an investment corporation retained by the asset custody company itself (excluding assets, etc. of an investment corporation to be retained by way of commingled custody; the same applies in the following item): a method whereby the place of custody of the assets, etc. of an investment corporation which the asset custody company must retain separately from its own property pursuant to Article 209-2 of the Act (hereinafter referred to as the "investment corporation's assets, etc." in this Article) is clearly distinguished from the place of custody of the assets which are the asset custody company's own property and assets other than the investment corporation's assets, etc. (hereinafter collectively referred to as the "own property, etc." in this Article), and whereby the investment corporation to which the relevant investment corporation's assets, etc. belong is immediately identifiable;
- (ii) assets, etc. of an investment corporation retained by a third party caused by the asset custody company: a method whereby the asset custody company causes a third party to clearly distinguish the place of custody of the investment corporation's assets, etc. from the place of custody of its own property, etc., and whereby the investment corporation to which the relevant investment corporation's assets, etc. belongs is immediately identifiable;
- (iii) assets, etc. of an investment corporation retained by the asset custody company itself (limited to the assets, etc. of the investment corporation retained by way of commingle custody; the same applies in the following item): a method whereby the place of custody of the investment corporation's assets, etc. is clearly distinguished from the place of custody of the asset custody company's own property, etc., and whereby the equity and other rights of each investment corporation related to the relevant investment corporation's assets, etc. is immediately identifiable from the books and documents of the relevant asset custody company;
- (iv) assets, etc. of an investment corporation retained by a third party caused by the asset custody company: a method whereby the asset custody company causes the relevant third party retain the investment corporation's assets, etc. by separating the account for the investment corporation which is a customer of the asset custody company from the account for the asset custody company's own transactions or by any other method, and whereby the equity or other rights pertaining to the relevant investment corporation's assets, etc. is immediately identifiable, and the equity and other rights of each investment corporation related to the investment corporation's assets, etc. is

immediately identifiable based on books and documents of the asset custody company (among the cases where the asset custody company has a foreign third party to take custody thereof, when the laws and regulations of a foreign state hinders the asset custody company from having the third party to manage the equity or other rights related to the investment corporation's assets, etc. separately from the equity or other rights related to the asset custody company's own property, etc., or when there are especially unavoidable grounds preventing the asset custody company from having the third party retain the equity or other rights related to the investment corporation's assets, etc. by having them immediately identifiable, a method whereby the asset custody company has a foreign third party retain the equity or other rights of each investment corporation related to the relevant investment corporation's assets, etc. by having them immediately identifiable from the books and documents of the asset custody company).

- (2) With regard to the assets, etc. of an investment corporation of which the place of custody cannot be distinguished from that of others pursuant to the provisions of items (i) through (iii) of the preceding paragraph, and which are jointly held by an asset custody company and an investment corporation, notwithstanding the provisions of those items, the equity and other rights of each investment corporation must be retained by having them immediately identifiable from books and documents of the asset custody company.
- (3) The "assets, etc. of an investment corporation" as provided in the preceding two paragraphs are as specified in the following items according to the assets listed in the respective items:
  - (i) real property, right of lease of real property, superficies right, renewable energy power generation facilities or right to operate public facility, etc.: documents evidencing the rights pertaining to the relevant assets which are necessary in exercising the rights pertaining to the assets, and any other documents;
  - (ii) other assets: the relevant assets and documents evidencing the rights pertaining to the relevant assets which are necessary in exercising the rights pertaining to the assets and any other documents.

#### **Section 4 Supervision on Investment Corporations**

(Books and Documents of an Investment Corporation)

Article 254 (1) The books and documents which an investment corporation is to prepare pursuant to the provisions of Article 211, paragraph (1) of the Act are as follows:

- (i) general ledger;
- (ii) cash book;

- (iii) a book on the description of distributed profits;
  - (iv) investment securities ledger;
  - (v) certificates of the investment equity subscription rights ledger;
  - (vi) investment securities non-issuance management book;
  - (vii) investment securities issuance amount ledger;
  - (viii) investment securities refund amount ledger;
  - (ix) own investment equity acquisition, etc. amount ledger;
  - (x) a book on description of undistributed profits;
  - (xi) a book on description of the unpaid refund;
  - (xii) a book on description of the unpaid remunerations;
  - (xiii) investment corporate bond certificates ledger;
  - (xiv) documents concerning the results of the investigation, etc. of the value, etc. of specified assets.
- (2) The books and documents under the preceding paragraph must be prepared using Appended Table No. 2, and must be retained for ten years after the approval of the settlement of account of the relevant investment corporation (in cases of a commercial book, from the time of the closing of the commercial book).

(Books and Documents of an Asset Custody Company)

Article 255 (1) The books and documents that an asset custody company should prepare pursuant to the provisions of Article 211, paragraph (2) of the Act are as follows:

- (i) a book on description of custody of securities;
  - (ii) a book on description of custody of real property;
  - (iii) a book on description of renewable energy power generation facilities;
  - (iv) a book on description of right to operate public facility, etc.; and
  - (v) a book on description of custody of other assets.
- (2) The books and documents under the preceding paragraph must be prepared using Appended Table No. 3, and must be retained for ten years after the approval of the settlement of account of an investment corporation.

(Forms for Business Reports of Registered Investment Corporations)

Article 256 (1) The business reports as referred to in Article 212 of the Act must be prepared using appended form No. 18.

- (2) When a registered investment corporation intends to submit the business reports under the preceding paragraph, it must submit an original copy and duplicate copy of the relevant business reports to the Competent Director-General of the Local Finance Bureau, etc. with financial statements, assets investment reports, statements related to the distribution of money, and annexed detailed documents attached thereto.

(Forms for Extraordinary Reports of Investment Corporations)

Article 257 A registered investment corporation must prepare the extraordinary reports under Article 215, paragraph (1) of the Act using appended form No. 19, and submit the original copy and duplicate copy thereof to the Competent Director-General of the Local Finance Bureau, etc.

(Method of Public Notice of the Disposition Rendered to an Investment Corporation)

Article 258 The public notice of supervisory disposition under Article 218 of the Act is to be given in the official gazette.

## **Chapter VI Foreign Investment Corporations**

(Scope of Foreign Investment Securities for Which a Notification of a Foreign Investment Corporation Is Not Required)

Article 259 The foreign investment securities specified by Cabinet Office Order as referred to in Article 128, item (ii) of the Order are the foreign investment securities (limited to those similar to investment securities; hereinafter the same applies in this Article) issued by a foreign investment corporation which invests assets mainly into securities (excluding rights listed in the items of Article 2, paragraph (2) of the Financial Instruments and Exchange Act which are deemed as securities under that paragraph), and which has specified all of the following particulars in its certificate of incorporation or documents equivalent thereto:

- (i) a statement to the effect that the assets of the relevant foreign investment corporation is invested in accordance with the provisions of Article 12, item (ii), (a) of the Order (limited to cases where investment is made in shares included in the constituents of the underlying indicator);
- (ii) a statement to the effect that a person who responds to the solicitation of the relevant foreign investment securities must acquire the foreign investment securities in accordance with the provisions of Article 12, item (ii), (b) of the Order;
- (iii) a statement to the effect that, when the relevant foreign investment securities are to be exchanged with shares held by the relevant foreign investment corporation, the exchange is made in accordance with the provisions of Article 12, item (ii), (c) of the Order; and
- (iv) a statement to the effect that the relevant foreign investment securities are listed on a foreign financial instruments market.

(Acts for Which a Notification of a Foreign Investment Corporation Is Not



Required)

Article 259-2 The acts specified by Cabinet Office Order as referred to in Article 128, item (iii) of the Order are the following acts related to foreign investment securities (meaning the foreign investment securities as prescribed in Article 220, paragraph (1) of the Act, and excluding those prescribed in the preceding Article; hereinafter the same applies in this Article) conducted by a person engaged in type I financial instruments business with a qualified institutional investor as the other party thereof, or on behalf of the qualified institutional investors:

- (i) intermediary, brokerage or agency service for the sale and purchase on a foreign financial instruments market (in cases of intermediary, brokerage or agency service for purchase on a foreign financial instruments market, limited to the intermediary, brokerage or agency service provided on the condition that the qualified institutional investor promises not to make sales of the foreign investment securities in cases other than the case where selling them on a foreign financial instruments market or to the relevant person engaged in type I financial instruments business);
- (ii) intermediary, brokerage or agency service for the entrustment of sale and purchase on a foreign financial instruments market (in cases of intermediary, brokerage or agency service for the entrustment of purchase on a foreign financial instruments market, limited to the intermediary, brokerage or agency service provided on the condition that the qualified institutional investor promises not to make sales of the beneficiary certificate of the foreign investment trust in cases other than the case where selling them on a foreign financial instruments market or to the relevant person engaged in type I financial instruments business);
- (iii) intermediary, brokerage or agency service for sales or purchases (except for those listed in item (i), limited to the intermediary, brokerage or agency service provided on the condition that the qualified institutional investor promises not to make sales of the foreign investment securities in cases other than the case where selling on a foreign financial instruments market or to the relevant person engaged in type I financial instruments business);
- (iv) purchase from the person who has acquired the foreign investment securities through the acts listed in the preceding three items conducted by the person engaged in type I financial instruments business.

(Agent of a Foreign Investment Corporation)

Article 260 If a foreign investment corporation, person who is equivalent to the organizer thereof, bankruptcy trustee, liquidator or persons who assume the obligations equivalent thereto (hereinafter collectively referred to as the "foreign investment corporation, etc." in this Article) makes the notification

under Article 220, paragraph (1), Article 221, paragraph (1) or Article 222, paragraph (1) or (2) of the Act, the foreign investment corporation, etc. must specify a person who has an address in Japan and who has the authority to represent the foreign investment corporation, etc. for any acts concerning the notification.

(Notification of Foreign Investment Corporations)

Article 261 (1) When a foreign investment corporation or a person equivalent to the organizer thereof makes the notification of foreign investment corporation under Article 220, paragraph (1) of the Act, the foreign investment corporation or person equivalent to the organizer thereof must submit a written notification of a foreign investment corporation prepared using appended form No. 20 to the Commissioner of the Financial Services Agency.

(2) The information specified by Cabinet Office Order as referred to in Article 220, paragraph (1), item (vii) of the Act is the following information:

(i) information related to the succession of whole or part of business as a result of the split of the person equivalent to an asset management company, or the transfer of whole or part of business;

(ii) information related to the resignation of the person equivalent to an asset management company or the appointment of a new person equivalent to an asset management company; and

(iii) if the person equivalent to an asset management company re-entrusts the authority for assets investment to another person, the contents of the re-entrustment.

(3) The documents specified by Cabinet Office Order as referred to in Article 220, paragraph (2) of the Act are the following documents:

(i) a document proving that the representative person stated in the notification of a foreign investment corporation is a person who has legitimate authority with regard to the notification under Article 220, paragraph (1) of the Act related to the relevant foreign investment corporation;

(ii) a document proving that the foreign investment corporation or a person equivalent to the organizer thereof has granted a person who has an address in Japan the authority to represent the foreign investment corporation or person equivalent to the organizer thereof for any acts concerning the notification under Article 220, paragraph (1) of the Act related to the foreign investment corporation;

(iii) if an approval, authorization, permission, notification or the equivalent thereto has been made with regard to the incorporation of the relevant foreign investment corporation based on the laws and regulations of the state in which the foreign investment corporation was incorporated, a copy of the written approval, written authorization, written permission, written

- notification or documents equivalent thereto;
- (iv) a legal opinion letter by legal experts stating that the incorporation of the relevant foreign investment corporation is legal as well as relevant provisions of the relevant laws and regulations set forth in the legal opinion letter; and
  - (v) if a person who has the authority for investment of assets of the relevant foreign investment corporation has entrusted the authority to another person and is having this person invest the assets of the foreign investment corporation, a document disclosing the contents of the entrustment.

(Notification of Changes to Foreign Investment Corporations)

- Article 262 (1) The notification under Article 221, paragraph (1) of the Act must be made by submitting the notification containing the following information to the Commissioner of the Financial Services Agency:
- (i) the name of the relevant foreign investment corporation;
  - (ii) the contents of the relevant changes and the reasons therefor;
  - (iii) the day on which the changes become effective;
  - (iv) when conditions for suspension of the relevant changes have been provided, such conditions.
- (2) The documents specified by Cabinet Office Order as referred to in Article 220, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 221, paragraph (2) of the Act are the following documents:
- (i) a draft of the changes to the certificate of incorporation of the relevant foreign investment corporation, or documents equivalent thereto; and
  - (ii) documents equivalent to the documents set forth in paragraph (3), items (i) through (iv) of the preceding Article related to the relevant changes.

(Grounds for Dissolution of a Foreign Investment Corporation)

- Article 263 The grounds specified by Cabinet Office Order as referred to in Article 222, paragraph (1) of the Act are as follows:
- (i) merger;
  - (ii) grounds for dissolution specified in the certificate of incorporation;
  - (iii) resolution of dissolution adopted at a general meeting equivalent to an investors' meeting;
  - (iv) a judicial decision ordering dissolution;
  - (v) revocation of a registration (including permission and any other administrative disposition similar to the registration) of the same type as the registration under Article 187 of the Act which the relevant foreign investment corporation has obtained in the relevant foreign state.

(Notification of Dissolution of a Foreign Investment Corporation)

Article 264 (1) The notification under Article 222 of the Act must be made by submitting a written notification containing the following information to the Commissioner of the Financial Services Agency:

- (i) the name of the relevant foreign investment corporation;
- (ii) reasons for the relevant dissolution;
- (iii) the day on which the relevant dissolution becomes effective; and
- (iv) when conditions for suspension of the relevant dissolution has been provided, such conditions.

(2) The documents equivalent to the documents set forth in Article 261, paragraph (3), items (i) through (iv) related to the relevant dissolution must be attached to the written notification under the preceding paragraph.

## **Chapter VII Miscellaneous Provisions**

(Exclusion from Application of Prohibition on Self-Dealing in an Investment Trust Managed under Instructions from the Settlor)

Article 265 The acts set forth in Article 42-2, item (i) of the Financial Instruments and Exchange Act which are specified by Cabinet Office Order as referred to in the proviso to that Article as applied pursuant to Article 223-3, paragraphs (2) and (3) of the Act are the acts listed in the items of Article 128 of the Cabinet Office Order on Financial Instruments Business and the following acts (in cases of the acts listed in Article 42-2, item (i) of the Financial Instruments and Exchange Act which are specified by Cabinet Office Order as referred to in the proviso to that Article as applied pursuant to Article 223-3, paragraph (3) of the Act, the acts listed in item (vi) are excluded):

- (i) to make an investment intended to provide agency or intermediary service for sale and purchase, or lease of housing land or buildings included in the investment property;
- (ii) to make an investment, in cases of carrying out management business of real property, intended to accept the management of the real property included in the investment property;
- (iii) to make an investment, in cases of engaging in real property specified joint enterprise (meaning the real property specified joint enterprise defined in Article 2, paragraph (4) of the Real Property Specified Joint Enterprise Act (Act No. 77 of 1994); the same applies hereinafter), intended to acquire real property included in the investment property when falling under all of the following cases:
  - (a) cases where the investment is made for terminating an investment of a single investment property; and
  - (b) cases where the real property is the subject of real property transaction

- related to the contract on real property specified joint enterprise (meaning the contract on real property specified joint enterprise as prescribed in Article 2, paragraph (3), item (ii) of the Real Property Specified Joint Enterprise Act; the same applies hereinafter);
- (iv) to make an investment intended to lease the real property included in the investment property in the following cases:
    - (a) in cases of incorporating the real property rented by itself to the investment property, cases where the lease of the real property is to be continued;
    - (b) if the lease of real property fails in spite of the solicitation of lessee for the real property included in the investment property, cases where renting the relevant real property with conditions not so different from the conditions for lease for other lessees;
  - (v) to make an investment intended to receive the entrustment of sale and purchase of a commodity included in the investment property (excluding the acts set forth in the following item);
  - (vi) to make an investment intended to perform, as commodity derivatives transactions business (meaning commodity derivatives transactions business as defined in Article 2, paragraph (22) of the Commodity Derivatives Act; hereinafter the same applies in Article 269, item (vii)), acts listed in the items of that paragraph (excluding the acts listed in item (ii) or (iv) of that paragraph or transactions related to commodities investment, etc.) in relation to the investment property;
  - (vii) to make an investment intended to conduct any of the following transactions by explaining the contents of the relevant transaction and reasons for conducting the transaction to all the right holders for each transaction, and obtaining the consent from the right holders:
    - (a) sale and purchase of real property under the price examined based on the appraisal by the real estate appraiser;
    - (b) sale and purchase of commodities (limited to those listed on a commodity market or foreign commodity market) (limited to the sale and purchase made at the value calculated based on the closing price publicized on the immediately preceding day, or at the value calculated by a reasonable method equivalent thereto); or
    - (c) transaction of commodities investments.

(Exclusion from Application of Transactions between Investment Trust Properties Regarding an Investment Trust Managed under Instructions from the Settlor)

Article 266 The acts set forth in Article 42-2, item (ii) of the Financial Instruments and Exchange Act which are specified by Cabinet Office Order as

referred to in the proviso to that Article as applied pursuant to Article 223-3, paragraphs (2) and (3) of the Act are the acts listed in the items of Article 129, paragraph (1) of the Cabinet Office Order on Financial Instruments Business, and the following acts which satisfy the requirements set forth in item (i), (a) of that paragraph:

- (i) to make an investment intended to carry out sale and purchase of real property (limited to those carried out under the price examined based on the appraisal by a real estate appraiser);
- (ii) to make an investment intended to carry out sale and purchase of commodities (limited to those listed on a commodity market or foreign commodity market) (limited to the sale and purchase carried out at the value calculated based on the closing price publicized on the immediately preceding pay or at the value calculated by a reasonable method equivalent thereto); and
- (iii) to make an investment intended to conduct transactions of commodities investment.

(Prohibited Acts Regarding Investment of Trust Property of an Investment Trust Managed under Instructions from the Settlor)

Article 266-2 With regard to the application of the provisions of Article 130 of the Cabinet Office Order on Financial Instruments Business in the case prescribed in Article 223-3, paragraphs (2) and (3) of the Act, the phrase "(including transactions of share option certificates, or securities or certificates indicating options, and the trading of bonds with options)" in Article 130, paragraph (1), item (viii) of that Cabinet Office Order is deemed to be replaced with "(including transactions of share option certificates, or securities or certificates indicating options, and the trading of bonds with options), or transactions related to commodities investment, etc. (meaning the transactions related to commodities investment, etc. as prescribed in Article 3, item (x) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000))."

(Restriction on the Acts in Which the Parent Corporation or Subsidiary Corporation of Financial Instruments Business Operator Is Involved)

Article 267 The acts specified by Cabinet Office Order as referred to in Article 44-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied pursuant to Article 223-3, paragraphs (2) and (3) of the Act are the acts listed in the items of Article 153, paragraph (1) of the Cabinet Office Order on Financial Instruments Business and the following acts:

- (i) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant financial instruments business operator solicits to conclude a contract on real

property specified joint enterprise, and where the conclusion amount of the contract on real property specified joint enterprise is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire the equity in investment pertaining to the contract on real property specified joint enterprise with regard to its investment management business (meaning the investment management business as defined in Article 28, paragraph (4) of the Financial Instruments and Exchange Act; the same applies in the following item) in response to the request by the parent corporation, etc. or subsidiary corporation, etc.; and

- (ii) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant financial instruments business operator solicits to conclude a commodities investment contract (meaning the commodities investment contract as prescribed in Article 2, paragraph (5) of the Act on the Regulation of Commodities Investment Business (Act No. 66 of 1991); the same applies hereinafter), and the conclusion amount of the commodities investment contract is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire the equity in investment pertaining to the commodities investment contract with regard to its investment management business in response to the request by the parent corporation, etc. or subsidiary corporation, etc.

(Investment Descriptions)

Article 268 With regard to the application of the provisions of Article 170, paragraph (1) of the Cabinet Office Order on Financial Instruments Business in the case prescribed in Article 223-3, paragraph (3) of the Act, the terms set forth in the middle column of the following table provided in Article 170, paragraph (1) of that Cabinet Office Order set forth in the left column in that table are deemed to be replaced with the terms set forth in the right column of that table, respectively:

<p>i t e m</p> <p>( i i i i )</p>	<p>the issues</p>	<p>the issues (in cases where the subject of the transaction is a real property, etc. (meaning the real property, right of lease of real property, or superficies rights; hereinafter the same applies in this paragraph), the location and parcel number of the relevant real property, as well as the information necessary for specifying the real property; in cases where the subject of the transaction is issued shares or equity in a foreign real property holding corporation (meaning the foreign real property holding corporation prescribed in Article 105, item (i),(f) of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations; hereinafter the same applies in this item) (limited to cases where the number or the amount of the issued shares or equity the foreign real property holding corporation held exceeds the number or the amount obtained by multiplying the total number or the total amount of the issued shares or equity (excluding shares or equity in the foreign real property holding corporation owned by that foreign real property holding corporation itself) by the rate specified in Article 221), the issues, the location and parcel number of the real property held by the foreign real property holding corporation and any other information necessary to specify the real property; in cases where the subject of the transaction is a renewable energy power generation facility (meaning the renewable energy power generation facility as prescribed in Article 3, item (xi) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000; hereinafter referred to as the "Order for Enforcement of the Investment Trusts Act"); hereinafter the same applies in this item), the location and parcel number of the land used for the renewable energy power generation facility, the classification, etc. of facility (meaning the classification, etc. of facility as prescribed in Article 2 of the Regulation for Enforcement of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Order of the Ministry of Economy, Trade and Industry No. 46 of 2012), and other details necessary for specifying the renewable energy power generation facility; in cases where the subject of the transaction is a right to operate public facility, etc. (meaning the right to operate public facility, etc. as prescribed in Article 3, item (xii) of the Order for Enforcement of the Investment Trusts Act; hereinafter the same applies in this item), the location, parcel number, and details of the operation, etc. (meaning operation and maintenance as well as planning therefor, and including the provision of services to citizens) of the public facility, etc. (meaning the public facility, etc. as prescribed in Article 2, paragraph (1) of the Act on Promotion of Private Finance Initiative (Act No. 117 of 1999); hereinafter the same applies in this item) covered by the right to operate public facility, etc., the name of the administrator, etc. or public facility etc. (meaning the administrator, etc. of public facility etc. as prescribed in paragraph (3) of that Article), and other details necessary for specifying the right to operate public facility, etc.; and in cases where the subject</p>
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i t e m  ( i v )	(a) through (d)	(a) through (g)
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<p>(d) a transaction specified in Article 2, paragraph (21), item (v) of the Act (including foreign market derivatives transactions similar thereto), and a transaction specified in Article 2, paragraph (22), item (vi) of the Act: whether it is a transaction wherein, when any event agreed by the parties in advance (meaning any of the events specified in Article 2, paragraph (21), item (v) and Article 2, paragraph (22), item (vi) of the Act) occurs, the party becomes a party paying money, or a party receiving money.</p>	<p>(d) a transaction specified in Article 2, paragraph (21), item (v) of the Act (including foreign market derivatives transactions similar thereto), and a transaction specified in Article 2, paragraph (22), item (vi) of the Act: whether it is a transaction wherein, when any event agreed by the parties in advance (meaning any of the events specified in Article 2, paragraph (21), item (v) and Article 2, paragraph (22), item (vi) of the Act) occurs, the party becomes a party paying money, or a party receiving money.</p>
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		<p>(e) a transaction in which the parties promise to pay or receive money calculated based on the difference between the price or figure agreed in advance with regard to a commodity (meaning the commodity as defined in Article 2, paragraph (1) of the Commodity Futures Trading Act; hereinafter the same applies in this item) or commodity Index (meaning the commodity Index as defined in paragraph (2) of that Article; hereinafter the same applies in this item) and the actual price of the commodity or actual figure of the commodity Index at a fixed time in the future, or transactions similar thereto: whether it is a transaction wherein the party is the part to pay money or the party to receive money in cases where the actual price of the commodity or actual figure of the commodity index exceeds the contract price (meaning the contract price defined in paragraph (3), item (ii) of that Article) or agreed figure (meaning the agreed figure defined in item (iii) of that paragraph);</p> <p>(f) the transaction set forth in Article 3, item (x), (a) through (c) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (transactions listed in (a) and (c) are limited to transactions that fall under Article 2, paragraph (3), items (iv) through (vi) of the Commodity Futures Trading Act and paragraph (14), item (vi) of that Article): a transaction wherein the party is the party to pay money or the party to receive money in cases where the price of a commodity, commodity index or financial indicator agreed with the other party goes up during the agreed period;</p> <p>(g) a transaction wherein the parties thereto promise that one of the parties grants the other party the right to effect a sale and purchase transaction or the transactions listed in (e) or (f) (hereinafter referred to as the "commodity-related option" in this (g)) between the parties only by unilateral manifestation of the other party's intention, and the other party pays consideration to such option, or transactions similar thereto: a transaction wherein the party is the party to grant the commodity-related option or the party to obtain the commodity-related option.</p>
i t e m ( v )	the number of transactions or any other information equivalent to volume	the number of transactions or any other information equivalent to volume, and in cases where the subject of the transaction is a real property, etc., the volume and area

(Exclusion from Application of Prohibition of Self-Dealing in an Investment Trust Managed without Instructions from the Settlor)

Article 269 The acts set forth in Article 42-2, item (i) of the Financial Instruments and Exchange Act which are specified by Cabinet Office Order as referred to in that Article as applied mutatis mutandis pursuant to the provisions of Article 24-2 of the Trust Business Act (Act No. 154 of 2004) and Article 2-2 of the Act on Engagement in Trust Business by a Financial Institution which are applied by replacing certain terms pursuant to Article 223-3, paragraphs (5) and (6) of the Act, are the following acts:

- (i) to make an investment intended to provide agency or intermediary service for sale and purchase, or lease of housing land or buildings included in the trust property;
- (ii) to make an investment, in cases of carrying out management business of real property, intended to accept the management of the real property included in the investment property;
- (iii) to make an investment, in cases of engaging in real property specified joint enterprise, intended to acquire real property included in the trust property when falling under all of the following cases:
  - (a) cases where the investment is made for terminating an investment of a single trust property; and
  - (b) cases where the real property is the subject of real property transaction related to the contract on real property specified joint enterprise;
- (iv) to make an investment intended to lease the real property included in the trust property in the following cases:
  - (a) in cases of incorporating the real property rent by itself to its trust property, cases where the lease of the real property is to be continued;
  - (b) if the lease of real property fails in spite of the solicitation of lessee for the real property of a trust property, cases where renting the relevant real property with conditions not so different from the conditions for lease for other lessees;
- (v) to make an investment intended to provide brokerage for the following transactions related to the trust property, as a registered financial institution business (meaning the registered financial institution business as prescribed in Article 1, paragraph (3), item (xxi) of the Cabinet Office Order on Financial Instruments Business; the same applies hereinafter):
  - (a) sale and purchase of securities; and
  - (b) derivatives transactions;
- (vi) to make an investment intended to receive the entrustment of sale and purchase of a commodity included in the trust property;
- (vii) to make an investment intended to perform, as commodity derivatives transactions business, acts listed in the items of Article 2, paragraph (22) of the Commodity Derivatives Act (excluding the acts listed in item (ii) or (iv) of that paragraph or transactions related to commodities investment, etc.) in

- relation to the trust property;
- (viii) to make an investment intended to conduct transactions satisfying all of the following requirements:
- (a) that the relevant transaction is one in which the contents thereof and reasons for conducting the relevant transaction have been explained to all the beneficiaries for each transaction, and consent from the relevant beneficiaries has been obtained;
  - (b) that the relevant transaction falls under any of the following:
    - 1. sale and purchase of securities on a financial instruments exchange market or over-the-counter securities market;
    - 2. market transactions of derivatives or foreign market derivatives transaction;
    - 3. transactions of real property carried out under the price examined based on the appraisal by a real estate appraiser;
    - 4. sale and purchase of commodities (limited to those listed on a commodity market or foreign commodity market) (limited to the sale and purchase made at the value calculated based on the closing price publicized on the immediately preceding day, or value calculated by a reasonable method equivalent thereof);
    - 5. transaction of commodities investments; or
    - 6. transactions conducted at the value calculated based on the closing price publicized on the immediately preceding day or at the value calculated by a reasonable method equivalent thereto (excluding the transactions set forth in 4. above);
- (ix) to make an investment intended to conduct transactions for which the approval of the Commissioner of the Financial Services Agency or other competent official is obtained as being unlikely to result in insufficient protection of Investors, harm the fairness of the transaction, or cause a loss in confidence in the business of carrying out investment of trust property of an investment trust managed without instructions from the settlor.

(Exclusion from Application of Prohibition on Transactions between Investment Trust Properties in an Investment Trust Managed without Instructions from the Settlor)

Article 270 (1) The acts set forth in Article 42-2, item (ii) of the Financial Instruments and Exchange Market which are specified by Cabinet Office Order as referred to in that Article as applied mutatis mutandis pursuant to the provisions of Article 24-2 of the Trust Business Act and Article 2-2 of the Act on Engagement in Trust Business by a Financial Institution which are applied by replacing certain terms pursuant to Article 223-3, paragraphs (5) and (6) of the Act, are the following acts:

- (i) to make an investment intended to conduct transactions that satisfy all of the following requirements:
    - (a) that the relevant transaction falls under any of the following cases:
      1. cases where the transaction is conducted for terminating an investment of a single investment property; and
      2. cases where the transaction is conducted for the payment of cancellation money upon the cancellation of an investment trust agreement (meaning the investment trust agreement as prescribed in Article 47 of the Act; the same applies hereinafter);
      3. With regard to the assets of the trust company or financial institution, if the ratio of investment is likely to exceed that specified in the provisions of laws and regulations or the basic terms and conditions for an investment trust as prescribed in Article 49, paragraph (1) of the Act, the transaction is conducted to avoid the relevant ratio from exceeding such ratio;
      4. in cases where, with regard to both of the trust property, it is found that the implementation of the relevant transaction is necessary and reasonable in light of the investment policy, amount of investment property, and market conditions;
    - (b) that the transaction falls under the category of subject specified assets transactions which are conducted at a fair value pursuant to the provisions of paragraph (3);
  - (ii) to make an investment intended to conduct the transactions that satisfy all of the following requirements:
    - (a) that the relevant transaction is one in which the contents thereof and reasons for conducting the transaction have been explained to all the beneficiaries for each transaction, and consent from the relevant beneficiaries has been obtained;
    - (b) that the relevant transaction falls under any of the category listed in item (viii), (b) 1. through 6. of the preceding Article;
  - (iii) to make an investment intended to conduct transactions for which the approval of the Commissioner of the Financial Services Agency is obtained as being unlikely to result in insufficient protection of investors, harm the fairness of the transaction, or cause a loss in confidence in the business of carrying out investment of trust property of an investment trust managed without instructions from the settlor.
- (2) The "subject specified assets transactions" as used in item (i), (b) of the preceding paragraph are the following transactions:
- (i) sale and purchase of the following securities, and the securities set forth in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act (excluding those falling under the following category of

securities) which indicate rights pertaining to the following securities:

- (a) securities listed on a financial instruments exchange;
  - (b) over-the-counter traded securities;
  - (c) securities listed on a designated foreign financial instruments exchange (meaning the designated foreign financial instruments exchange provided in Article 2-12-3, item (iv), (b) of the Order for Enforcement of the Financial Instruments and Exchange Act; the same applies in item (ii)-2 of the following paragraph); and
  - (d) securities other than those set forth in (a) through (c), which are as follows:
    - 1. securities set forth in Article 2, paragraph (1), items (i) through (v) of the Financial Instruments and Exchange Act (including the securities set forth in item (xvii) of that paragraph which have the nature of these securities);
    - 2. among the securities set forth in Article 2, paragraph (1), item (ix) of the Financial Instruments and Exchange Act (including the securities set forth in item (xvii) of that paragraph which have the nature of those securities), those of which the price is publicized based on the rules of an authorized financial instruments firms association or an organization incorporated in a foreign state which has a nature similar thereto;
    - 3. securities set forth in Article 2, paragraph (1), items (x) and (xi) of the Financial Instruments and Exchange Act;
- (ii) market transactions of derivatives;
- (iii) foreign market derivatives transactions;
- (iv) sale and purchase of real property;
- (v) sale and purchase of commodities (limited to those listed on a commodity market or a foreign commodity market); and
- (vi) transactions of commodity investment.
- (3) The subject specified assets transactions as referred to in paragraph (1), item (i), (b) are made by the method specified in the following items according to the category of transactions listed in the respective items:
- (i) sale and purchase of the securities set forth in item (i), (a) of the preceding paragraph: a transaction conducted in a financial instruments exchange market or that made at a value calculated based on the closing price publicized on the immediately preceding day or at a value calculated by a reasonable method equivalent thereto;
  - (ii) sale and purchase of the securities set forth in item (i), (b) of the preceding paragraph: a transaction conducted in an over-the-counter securities market or that made at a value calculated based on the closing price publicized on the immediately preceding day or at a value calculated by a reasonable

- method equivalent thereto;
- (ii)-2 the sale and purchase of the securities set forth in item (i), (c) of the preceding paragraph: a transaction conducted in a designated foreign financial instruments exchange or that made at a value calculated based on the closing price publicized on the immediately preceding day or at a value calculated by a reasonable method equivalent thereto;
  - (iii) sale and purchase of the securities set forth in item (i), (d) of the preceding paragraph: a transaction made at a value calculated based on the closing price publicized on the immediately preceding day or at a value calculated by a reasonable method equivalent thereto;
  - (iv) the transactions set forth in item (ii) of the preceding paragraph: a transaction conducted in a financial instruments market;
  - (v) the transactions set forth in item (iii) of the preceding paragraph: a transaction conducted in a foreign financial instruments market;
  - (vi) the transactions set forth in item (iv) of the preceding paragraph: a transaction conducted at the price examined based on the appraisal by a real estate appraiser;
  - (vii) the transactions set forth in item (v) of the preceding paragraph: a transaction conducted at a value calculated based on the closing price publicized on the immediately preceding day or at a value calculated by a reasonable method equivalent thereto;
  - (viii) the transactions set forth in item (vi) of the preceding paragraph: a transaction conducted in a commodity market or foreign commodity market.

(Prohibited Acts Regarding Investment of Trust Property of an Investment Trust Managed without Instructions from the Settlor)

Article 271 (1) The acts specified by Cabinet Office Order as referred to in Article 42-2, item (vii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to the provisions of Article 24-2 of the Trust Business Act and Article 2-2 of the Act on Engagement in Trust Business by a Financial Institution which are applied by replacing certain terms pursuant to Article 223-3, paragraphs (5) and (6) of the Act, are the following acts:

- (i) to make an investment intended to conduct a transaction with its auditor, persons in position similar to officer, or employees (excluding the acts listed in the items of Article 269);
- (ii) to make an investment intended to conduct transactions that will impair the interest of the beneficiary for its own interest or in the interest of a third party;
- (iii) to make an investment intended to conduct a transaction unnecessary in light of the investment policy, amount of investment property, or market



- conditions with regard to its investment of trust property, for the interest of a third party (excluding the acts listed in Article 44-3, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 24-2 of the Trust Business Act as applied by replacing certain terms pursuant to Article 223-3, paragraph (5) of the Act, and the acts listed in Article 44-3, paragraph (2), item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 2-2 of the Act on Engagement in Trust Business by Financial Institutions as applied by replacing certain terms pursuant to Article 223-3, paragraph (6) of the Act);
- (iv) to make an investment of investment property with unreasonable limitations or other restrictions imposed by a third party;
  - (v) with regard to the sale and purchase or other transactions, etc. of securities, to make an investment intended to conduct transactions for unjustly increasing the transaction volume or for manipulative pricing;
  - (vi) to make an investment intended to conduct a transaction with a third party acting as an agency of the relevant third party (excluding those conducted on behalf of the third party as a registered financial institution business or real estate brokerage as prescribed in Article 2, item (ii) of the Real Estate Brokerage Act; and those conducted by explaining in advance the contents of and reasons for conducting the transaction to all of the beneficiaries for each transaction and obtaining the consent from the relevant right holders);
  - (vii) with regard to the investment of a trust property, to specify the trust property after the application for the transaction; or
  - (viii) with regard to a trust property, if the amount calculated by a reasonable method specified by a trust company or similar institution in advance as an amount covering the possible risks which may arise due to fluctuations in money rate, value of currencies, quotations on a financial instruments market or any other indicator, or any other reason is to exceed the amount of net assets of the trust property, to make an investment intended to conduct or continue derivatives transactions (including transactions related to share option certificates, certificate of the investment equity subscription rights, or securities or certificates indicating options, or sale and purchase of bond certificates with options (meaning the sale and purchase of bond certificates in which one of the parties has the right to designate the delivery date, and if the relevant right is not exercised within a certain period, the contract for sale and purchase of bond certificates with options is cancelled; the same applies hereinafter)), or the transactions related to commodities investment, etc.; and
  - (ix) with regard to a trust property, to make an investment intended to conduct

a transaction that violates a reasonable method specified by a trust company or similar institution in advance as a method of appropriately managing credit risk (meaning the risk that may arise from the default of the counterparty to the transaction or for other reasons with regard to securities and other assets held).

- (2) With regard to the beneficiary certificate pertaining to a trust property, the provisions of the preceding paragraph (limited to the part related to items (viii) and (ix)) do not apply to cases where the solicitation for application of the acquisition of the beneficiary certificates is made through the private placement of securities (with regard to beneficiary certificates pertaining to another trust property which have the purpose of acquiring the first-mentioned beneficiary certificate, excluding the cases where the solicitation for application of acquisition thereof is made through the public offering of securities).

(Restriction on the Acts in Which the Parent Corporation or Subsidiary Corporation of a Trust Company Is Involved)

Article 272 The acts specified by Cabinet Office Order as referred to in Article 44-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 24-2 of the Trust Business Act as applied by replacing certain terms pursuant to Article 223-3, paragraph (5) of the Act are the following acts:

- (i) an act to conduct sale and purchase or other transaction of assets with the parent corporation, etc. or subsidiary corporation, etc. of the relevant trust company under conditions extremely different from those for ordinary transactions;
- (ii) in cases where the parent corporation, etc. or subsidiary corporation, etc. of the relevant trust company is a lead managing underwriter related to the underwriting of securities, to make an investment intended to conduct transactions for the purpose of creating a manipulative quotation which does not reflect the actual market status in relation to its business of investment of trust property of an investment trust managed without instructions from the settlor in order to have an impact on the conditions for the public offering or secondary distribution of the securities, solicitation for acquisition only for professional securities, etc. (meaning the solicitation for acquisition only for professional securities, etc. as prescribed in Article 4, paragraph (3), item (i) of the Financial Instruments and Exchange Act; the same applies in item (i) of the following Article), or solicitation for selling only for professional investors (meaning the solicitation for selling only for professional investors as prescribed in Article 2, paragraph (6) of that Act; the same applies in item (i) of the following Article);

- (iii) in cases where the parent corporation, etc. or subsidiary corporation, etc. of the relevant trust company is engaged in the underwriting, etc. of securities (meaning the acts listed in Article 2, paragraph (8), items (vi) through (ix) of the Financial Instruments and Exchange Act; the same applies in item (ii) of the following Article), and where the amount of application for acquisition or purchase of the securities presented to the parent corporation, etc. or subsidiary corporation, etc. (if the parent corporation, etc. or subsidiary corporation, etc. is engaged only in the act set forth in Article 2, paragraph (6), item (iii) of the Financial Instruments and Exchange Act, the amount of share options exercised by the person who has acquired the share options provided in that item) is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire or purchase the securities (if the parent corporation, etc. or subsidiary corporation, etc. is engaged in the act set forth in that item, the securities to be acquired through the exercise of the share options) with regard to its business of investment of trust property of an investment trust managed without instructions from the settlor, in response to the request by the parent corporation, etc. or subsidiary corporation, etc.;
- (iv) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant trust company makes solicitation for the conclusion of a contract on real property joint enterprise, and the conclusion amount of the contract on real property joint enterprise is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire the equity in investment pertaining to the contract on real property joint enterprise with regard to its business of investment of trust property of an investment trust managed without instructions from the settlor, in response to the request by the parent corporation, etc. or subsidiary corporation, etc.;
- (v) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant trust company makes solicitation for the conclusion of a commodities investment contract, and the conclusion amount of the commodities investment contract is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire the equity in investment pertaining to the commodities investment contract with regard its business of investment of trust property of an investment trust managed without instructions from the settlor, in response to the request by the parent corporation, etc. or subsidiary corporation, etc.; and
- (vi) an act of evading the prohibitions under Article 44-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis

pursuant to Article 24-2 of the Trust Business Act as applied by replacing certain terms pursuant to Article 223-3, paragraph (5) of the Act, irrespective of the name under which the act is to be conducted.

(Restriction on the Acts in Which the Parent Corporation or Subsidiary Corporation of a Financial Institution Is Involved)

Article 273 The acts specified by Cabinet Office Order as referred to in Article 44-3, paragraph (2), item (iv) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 2-2 of the Act on Engagement in Trust Business of a Financial Institution as applied by replacing certain terms pursuant to Article 223-3, paragraph (6) of the Act are the following acts:

- (i) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant financial institution is a lead managing underwriter related to the underwriting of securities, to make an investment intended to conduct transactions for the purpose of creating a manipulative quotation which does not reflect the actual market status in relation to its business of investment of trust property of an investment trust managed without instructions from the settlor in order to have an impact on the conditions for the public offering or secondary distribution of the securities, solicitation for acquisition only for professional securities, etc., or solicitation for selling only for professional investors;
- (ii) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant financial institution is engaged in the underwriting, etc. of securities, and the amount of application for acquisition or purchase of the securities presented to the parent corporation, etc. or subsidiary corporation, etc., (if the parent corporation, etc. or subsidiary corporation, etc. is engaged only in the act set forth in Article 2, paragraph (6), item (iii) of the Financial Instruments and Exchange Act, the amount of share options exercised by the person who has acquired the share options provided in that item) is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire or purchase the securities (if the parent corporation, etc. or subsidiary corporation, etc. is engaged in the act set forth in that item, the securities to be acquired through the exercise of the share options) with regard to its business of investment of trust property of an investment trust managed without instructions from the settlor in response to the request by the parent corporation, etc. or subsidiary corporation, etc.;
- (iii) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant financial institution makes solicitation for the conclusion of a contract on real property joint enterprise, and the conclusion amount of the contract on real property joint enterprise is likely to be less than the amount scheduled

- by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire the equity in investment pertaining to the contract on real property joint enterprise with regard to its business of investment of trust property of an investment trust managed without instructions from the settlor in response to the request by the parent corporation, etc. or subsidiary corporation, etc.;
- (iv) if the parent corporation, etc. or subsidiary corporation, etc. of the relevant financial institution makes solicitation for the conclusion of a commodities investment contract, and the conclusion amount of the commodities investment contract is likely to be less than the amount scheduled by the parent corporation, etc. or subsidiary corporation, etc., to make an investment intended to acquire the equity in investment pertaining to the commodities investment contract with regard to its business of investment of trust property of an investment trust managed without instructions from the settlor in response to the request by the parent corporation, etc. or subsidiary corporation, etc.; and
- (v) an act of evading the prohibitions under Article 44-3, paragraph (2) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to Article 2-2 of the Act on Engagement in Trust Business by a Financial Institution as applied by replacing certain terms pursuant to Article 223-3, paragraph (6) of the Act, irrespective of the name under which the act is to be conducted.

(Travel Expenses and Other Expenses to Be Paid to Witnesses)

- Article 274 (1) Pursuant to the provisions of Article 191 of the Financial Instruments and Exchange Act as applied *mutatis mutandis* pursuant to the provisions of Article 26, paragraph (7) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 54, paragraph (1) of the Act), and Article 60, paragraph (3), Article 219, paragraph (3), and Article 223, paragraph (3) of the Act, travel expenses equivalent to the travel expenses to be paid to officials who are at the second grade in the administrative service (I) salary schedule set forth in Article 6, paragraph (1), item (i), (a) of the Act on Remuneration of Officials in the Regular Service (Act No. 95 of 1950) pursuant to the provisions of the Act on Travel Expenses of National Public Officers (Act No. 114 of 1950) are paid to the witness or expert witness.
- (2) Beyond the travel expenses under the preceding paragraph, reasonable costs may be paid to the expert witness in cases where the Commissioner of the Financial Services Agency or other competent official finds it necessary.

(Transfer of Jurisdiction for Registration)

- Article 275 (1) If the notification under Article 191, paragraph (1) of the Act has

been made (limited to cases where a notification of changes of the location of head office which is in particular the change of the location of the head office of the investment corporation outside the jurisdictional district of the Competent Director-General of the Local Finance Bureau, etc.), the Competent Director-General of a Local Finance Bureau, etc. is to send part of the relevant notification or investment corporation register related to the relevant investment corporation and other documents related thereto to the Director-General of the Local Finance Bureau, etc. who has jurisdiction over the location of the head office after the changes in relation to the notification.

- (2) The Director General of the Local Finance Bureau, etc. who has received part of the notification or investment corporation register related to the relevant investment corporation and other documents related thereto which have been sent under the preceding paragraph, is to register the information related to the notification in the investment corporation register.

(Routed Government Agency)

Article 276 A person who intends to submit a written application or other documents provided in the Act, the Order, or this Order of the Prime Minister's Office (hereinafter collectively referred to as the "written application, etc." in this Article) must, when there is a local finance office that has jurisdiction over the location of the head office of the person or the location at which the head office thereof is to be placed, or an Otaru Sub-Office or Kitami Sub-Office, submit the relevant written application, etc. via the head of the local finance office or the head of the Otaru Sub-Office, or the head of the Kitami Sub-Office.

(Standard Processing Period)

Article 277 (1) If an application for the approval, confirmation, permission, or registration set forth in the following items has been filed, the Commissioner of the Financial Services Agency, etc. is to endeavor to render a disposition for the application within the period specified in the respective items, counting from the day on which the application arrived at the relevant office:

- (i) the approval under Article 23, paragraph (4) of the Act, and the proviso to Article 44-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act, the permission under the provisions of Article 371, paragraphs (2) and (4) of the Companies Act as applied mutatis mutandis pursuant to the provisions of Article 115, paragraph (1) and Article 154-3, paragraph (2) of the Act, and the provisions of Article 205, paragraph (2) of the Act, the registration under Article 187 of the Act, and the confirmation under the proviso to Article 39, paragraph (3) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 197 of the Act: one month;

- (ii) the approval under Article 35, paragraph (4) of the Financial Instruments and Exchange Act as applied pursuant to Article 223-3, paragraph (1) of the Act (limited to those for the business of specified investment management activities as prescribed in Article 29-2, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as applied pursuant to Article 223-3, paragraph (1) of the Act (hereinafter referred to as the "specified investment management activities" in this item)), and the registration under Article 29 of the Financial Instruments and Exchange Act as applied pursuant to Article 223-3, paragraph (1) of the Act (limited to those for the business of specified investment management activities): two months.
- (2) The following period is not to be included in the period under the preceding paragraph:
- (i) the period necessary for the correction to the relevant application;
  - (ii) the period necessary for the person who has filed the relevant application to change the contents of the relevant application; and
  - (iii) the period necessary for the person who has filed the relevant application to add materials that are found necessary for the examination of the relevant application.

Appended Table No. 1 (In relation to Article 26, paragraph (2))

Types of books and documents	Information required to be included	Statement method, etc.	Notes
trust account ledger, book on the description of distributed profits	The name of the investment trust pertaining to the investment trust property, date of record, account titles, the amounts of the debit, credit and outstanding balance	Include the status of changes for each account title in the debit column and credit column.	In cases where preparing a daily accounts sheet including the daily changes and outstanding balance of the items on the trust account ledger and book on the description of distributed profits, the relevant daily accounts sheet may be treated as the trust account ledger and book on the description of distributed profits.

book on the description of investment trust property	The name of the investment trust pertaining to the investment trust property, date of record, account titles, the amounts of the debit, credit and outstanding balance	Describe securities, real property and main account items such as other assets, expected revenue and expected dividend, etc.	Information may be given on several books separately.
description of profit from real property	Lease business revenue, lease business cost (tax or levy, miscellaneous expenses and depreciation expenses), loss and profit from lease business of real property, working rate, number of tenants, portion and state of holding	<p>Make a description on each object to be leased for the last five periods.</p> <p>Treat estate and buildings as a property, in cases where they are managed as a whole. Include tax on real estate and landholding tax as 'tax and levy'. Include expenses for lighting and fuel, water charges, as miscellaneous expenses.</p>	



		<p>Include depreciation of accompanying equipment, machines and instruments, etc. besides buildings with regard to depreciation expenses.</p> <p>Include ratio of area leased in fact to area which can be leased.</p> <p>Include partial or joint possession, in cases where the portion is less than 100%.</p> <p>State in footnotes, that lease revenue cannot be disclosed, in cases where more than 80 % of lease revenue is generated by one tenant or the property is owned jointly and the revenue cannot be disclosed because of special circumstances.</p>	
<p>description on profit from a renewable energy power generation facility</p>	<p>Lease business revenue, lease business cost (tax or levy, miscellaneous expenses and depreciation expenses), loss and profit from lease business</p>	<p>Make a description on each renewable energy power generation facility for the last five periods.</p> <p>Include tax on real estate and landholding tax as 'tax and levy'. Include expenses for lighting and fuel, water charges, as miscellaneous expenses.</p>	

<p>description on profit from a right to operate public facility, etc.</p>	<p>Facility business revenue, facility business costs (tax or levy, service fee, miscellaneous expenses and depreciation expenses), loss and profit from facility business with regard to the public facility, etc.</p>	<p>Make a description on each right to operate public facility, etc. for the last five periods.</p> <p>Include use fee income, etc. as facility business revenue with regard to the public facility, etc.</p> <p>Include expenses for lighting and fuel, water charges, as miscellaneous expenses.</p> <p>Include in footnotes, the amount of the expenses as prescribed in Article 20 of the Act on Promotion of Private Finance Initiative, and the breakdown thereof, if any such amount is included in facility business expenses.</p>	
<p>table of the status of amortization of deferred assets</p>	<p>Type of the deferred assets, beginning outstanding balance, interim amortization, ending outstanding balance</p>		

<p>beneficial interest holders register</p>	<p>The information set forth in the items of Article 186 of the Trust Act as applied mutatis mutandis pursuant to Article 6, paragraph (7) of the Act</p>	<p>In cases which fall under those prescribed in Article 197, paragraph (1) of the Trust Act as applied mutatis mutandis pursuant to Article 6, paragraph (7) of the Act, the beneficial interest holder register must be prepared pursuant to the provisions of Article 16.</p>	<p>In cases where the settlor company of an investment trust preserves the basic terms and conditions of the investment trust as prescribed in Article 4, paragraph (1) of the Act related to each beneficial interest as the books and documents set forth in Article 157, paragraph (1), item (xvii), (a) of the Cabinet Office Order on Financial Instruments Business, etc., the information set forth in Article 14, paragraph (1) of the Act as well as the information set forth in paragraph (2), item (v) of that Article is deemed to have been included in the beneficial interest holder register.</p>
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<p>book of the constant value of beneficiary certificates</p>	<p>The name of the investment trust related to the investment trust property, the calculation day of the constant value, the total amount of net assets on the balance sheet, losses or gains on the valuation of marketable securities, losses or gains on the valuation of futures transactions, losses or gains on the valuation of real property, losses or gains on the valuation of other assets, losses or gains on the valuation of foreign investment accounts, losses or gains on the valuation of foreign exchange, the total amount of net assets in the investment trust property, the number of units of remaining beneficial interest, the constant value of beneficiary certificates, the cancellation value, and the purchase price</p>	<p>The constant value of a beneficiary certificate is the amount obtained by dividing the amount obtained by deducting the total amount of liabilities from the total amount of assets recorded in the relevant trust account ledger as of the calculation day, and then adding or deducting the following loss or gain on valuation, by the number of units of remaining beneficial interest as of that day.</p>	<p>In cases where the information required to be included in the left column are included in the daily accounts sheet as well, such daily accounts sheet may be treated as the books on the constant value of beneficiary certificates.</p>
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		<p>1. losses or gains on valuation of domestic securities and losses or gains on the valuation of domestic futures transactions</p> <p>2. losses or gains on the valuation of domestic real property</p> <p>3. losses or gains on the valuation of other assets</p> <p>4. losses or gains on the valuation of foreign investment accounts and losses or gains on the valuation of foreign exchange</p>	
written instructions for investment in investment trust property	The name of the investment trust related to the investment trust property, the year and date on which the instructions were given, the details of the instructions (including instructions given by a person entrusted with the authority to give instructions in whole or in part), and the names of the trustee and settlor.	Include the following information for each of the following assets, as the details of the instructions.	Beyond the instructions on investment in investment trust property, prepare written instructions including the necessary information for instructions on the exercise of shareholders' rights as referred to in Article 10 of the Act and on the exercise of share options (with regard to these written instructions, they may be prepared in different papers for each issue, in lieu of preparing them for each trustee).

1. designated assets:  
information as to  
whether it is a sale  
or purchase  
(meaning the  
particulars set forth  
in Article 246,  
paragraph (1), item  
(i)), issue (including  
financial  
instruments,  
financial indicators  
and any of those  
equivalent thereto,  
which are to be the  
subject of the  
transaction), the  
volume (in cases  
where there is no  
volume, the number  
of transactions and  
any other  
information  
equivalent to  
volume), the  
contract price  
(meaning the  
particulars set forth  
in Article 158,  
paragraph (1), item  
(xi) of the Cabinet  
Office Order on  
Financial  
Instruments  
Business), the type  
of transaction, and  
the name of the  
financial  
instruments  
business operator  
with which the  
orders are placed

	<p>2. real property, rights of lease of real property, and superficies rights: information as to whether it is a sale or purchase, the location and parcel number of the relevant real property, and any other particulars necessary for specifying the real property, volume, area, sale and purchase price, and the counterparty to the transaction</p> <p>3. specified assets other than those set forth in 1. and 2. and assets other than specified assets: information as to whether it is a sale or purchase, the type and contents of the relevant assets, the volume, the sale and purchase price, and the counterparty to the transaction.</p> <p>Prepare the written instructions in different papers for each trustee, and preserve copies of the written instructions.</p>	
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<p>book of value for partial cancellation (limited to investment trusts for which it is provided in the basic terms and conditions of the investment trust that partial cancellation is to be made at a value other than the constant value)</p>	<p>The calculation day for the partial cancellation value, the amount of net assets on the balance sheet, the number of units of remaining beneficial interest, the formula for the partial cancellation value, and the partial cancellation value</p>	<p>The partial cancellation value is a value that is fair in light of the contents of the assets held under the investment trust property.</p>	<p>Preserve documents related to the determination of the partial cancellation value.</p>
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documents concerning the results of the investigation, etc. of the value, etc. of the specified assets	The type and contents of the specified asset, information as to whether the specified asset is acquired, transferred, or loaned, the date of the relevant transaction, the party to whom the appraisal under Article 11, paragraph (1) or the investigation under paragraph (2) of that Article is entrusted, the date of the entrustment contract, the date (and period) of the appraisal or investigation, the date of report of the results of the appraisal or investigation and a summary thereof.	With regard to the party to whom the investigation is entrusted, include the category of person as set forth in the items of Article 18 of the Order. In the summary of the results of the investigation, in addition to the investigated price of the specified asset, include the matters specified in the items of Article 22, paragraph (3) according to the category of specified assets set forth in the respective items.	Preserve the written appraisal or the written report on the results of the investigation.
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Appended Table No. 2 (In relation to Article 254, paragraph (2))

Types of books and documents	Information required to be included	Statement method, etc.	Notes
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investment securities ledger	The year and date of issuance, cancellation, or invalidation of the investment security, the kind, serial number, name of the investor, number of remaining investment securities, and the number of units thereof		Information may be given separately in the investment securities issuance book and investment securities serial number book.
certificates of the investment equity subscription rights ledger	The year and date of issuance, cancellation, invalidation, extinction of the certificates of the investment equity Subscription Rights, the kind, serial number, name of the holder of investment equity options, number of issued, cancelled, invalidated, or extinguished and remaining certificates of the investment equity Subscription Rights, and the number of units thereof		Information may be given separately in certificates of the investment equity Subscription Rights issuance book and certificates of the investment equity Subscription Rights serial number book.

investment securities non-issuance management book	The number of units of unissued investment equity, the year and date of return of the investment securities, the number of units of returned investment securities, the year and date on which the issuance was requested, the year and date of issuance, the name of the investors, and the number of units of remaining unissued investment equity	Include in the investor register that the investment securities have been returned or have been issued.	
investment securities issuance amount ledger	The calculation day of the issuance amount, the amount of net assets on the balance sheet, the number of units of remaining investment equity, and the issuance amount	The issuance amount of investment securities is an amount that is fair in light of the contents of the assets held by the investment corporation(excluding cases where investment securities are issued by the exercise of investment equity Subscription Rights).	Preserve documents related to the determination of the issuance amount.
investment securities refund amount ledger	The calculation day of the refund amount, the amount of net assets on the balance sheet, the number of units of remaining investment equity, and the refund amount	The refund amount of investment securities is an amount that is fair in light of the contents of the assets held by the investment corporation.	Preserve documents related to the determination of the refund amount.

own investment equity acquisition amount ledger	The calculation day of the amount of acquisition or disposition or the amount equivalent to the amount of cancellation, the amount of net assets on the balance sheet, the number of remaining units of investment equity, and the amount of acquisition or disposition or the amount equivalent to the amount of cancellation		Preserve books and documents related to the determination of the amount of acquisition or disposition or the amount equivalent to the amount of cancellation
investment corporate bond certificates ledger	The issuance date of the investment corporation bond certificates, the redemption date, cancellation date, or invalidation date, the kind, the serial number, the names of the investment corporation's bondholders, the number of Investment corporation bond certificates redeemed, cancelled or invalidated, and remaining as well as the amount thereof		Preserve documents related to the determination of the issuance amount.

documents concerning the results of the investigation, etc. of the value, etc. of the specified assets	The type and contents of the specified asset, information as to whether the specified asset is acquired, transferred, or loaned, the date of the relevant transaction, the party to whom the appraisal under Article 201, paragraph (1) or the investigation under paragraph (2) of that Article is entrusted, the date of the entrustment contract, the date (and period) of the appraisal or investigation, the date of report of the results of the appraisal or investigation and a summary thereof.	With regard to the party to whom the investigation is entrusted, include the category of person as set forth in the items of Article 18 of the Order.  In the summary of the results of the investigation, beyond the investigated price of the specified asset, include the matters specified in the items of Article 22, paragraph (3) according to the category of specified assets set forth in the respective items.	Preserve a copy of the written appraisal or the written report on the results of the investigation of which notification was made by the asset management company pursuant to the provisions of Article 245, paragraph (3).
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Appended Table No. 3 (In relation to Article 255, paragraph (2))

Types of books and documents	Information required to be included	Statement method, etc.	Notes
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<p>book on description of custody of securities</p>	<p>The year and date of acceptance, the party from whom the asset custody company has accepted the securities, the reason for acceptance, the date of transfer, the party to whom the relevant securities are transferred, the reason for the transfer, the class, issues, volume or amount, and outstanding balance of the relevant securities</p>	<p>For the party from whom the asset custody company has accepted the securities and the party to whom the securities are to be transferred, include the counterparty to the transaction (in cases where such transaction is made through a financial instruments exchange or other exchanges, the name or trade name of the relevant exchange).</p> <p>For the reason for acceptance or transfer, include the cause of occurrence of the relevant transaction such as sale or purchase.</p>	<p>In cases where the relevant asset custody company serves as the asset custody company of two or more investment corporations, prepare books on description of custody of securities for each investment corporation.</p>
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<p>book on description of custody of real property</p>	<p>The year and date of acceptance, the party from whom the asset custody company has accepted the real property, the reason for acceptance, the date of transfer, the party to whom the relevant real property is transferred, the reason for the transfer, the location, type, volume or amount, accumulated depreciation, and outstanding balance of the relevant real property</p>	<p>For the party from whom the asset custody company has accepted the real property and the party to whom the real property is to be transferred, include the counterparty to the transaction.</p> <p>For the reason for acceptance or transfer, include the cause of occurrence of the relevant transaction such as sale or purchase.</p>	<p>In cases where the relevant asset custody company serves as the asset custody company of two or more investment corporations, prepare books on description of custody of real property for each investment corporation.</p>
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<p>book on description of renewable energy power generation facility</p>	<p>The year and date of acceptance, the party from whom the asset custody company has accepted the renewable energy power generation facility, the reason for acceptance, the date of transfer, the party to whom the facility is transferred, the reason for the transfer, the location, classification, etc., of facility, type, volume or amount, accumulated depreciation, and outstanding balance of the facility</p>	<p>For the party from whom the asset custody company has accepted the renewable energy power generation facility and the party to whom the facility is to be transferred, include the counterparty to the transaction.</p> <p>For the reason for acceptance or transfer, include the cause of occurrence of the relevant transaction such as sale or purchase.</p>	<p>In cases where the relevant asset custody company serves as the asset custody company of two or more investment corporations, prepare books on description of custody of renewable energy power generation facility for each investment corporation.</p>
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<p>book on description of right to operate public facility, etc.</p>	<p>The year and date of acceptance, the party from whom the asset custody company has accepted the right to operate public facility, etc., the reason for acceptance, the date of transfer, the party to whom the right is transferred, the reason for the transfer, the volume or amount, accumulated depreciation, and outstanding balance of the right, and the location and parcel number of the public facility, etc. covered by the right</p>	<p>For the party from whom the asset custody company has accepted the right to operate public facility, etc. and the party to whom the right is to be transferred, include the counterparty to the transaction.</p> <p>For the reason for acceptance or transfer, include the cause of occurrence of the relevant transaction such as sale or purchase.</p>	<p>In cases where the relevant asset custody company serves as the asset custody company of two or more investment corporations, prepare books on description of custody of right to operate public facility, etc. for each investment corporation.</p>
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<p>book on description of custody of other assets</p>	<p>The year and date of acceptance, the party from whom the asset custody company has accepted the relevant asset, the reason for acceptance, the date of transfer, the party to whom the relevant asset is transferred, the reason for the transfer, the type, volume or amount, and the outstanding balance of the relevant asset</p>	<p>For the party from whom the asset custody company has accepted the relevant asset and the party to whom the right is to be transferred, include the counterparty to the transaction.</p> <p>For the reason for acceptance or transfer, include the cause of occurrence of the relevant transaction such as sale or purchase.</p>	<p>In cases where the relevant asset custody company serves as the asset custody company of two or more investment corporations, prepare books on description of custody of other assets for each investment corporation.</p>
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