

BUSINESS REGULATIONS

CHAPTER I GENERAL PROVISIONS

(Purpose)

Article 1 The purpose of the Business Regulations (hereinafter referred to as the “Regulations”) shall prescribe matters prescribed in the respective Items of Article 79-3, Paragraph 1 of the Financial Instruments and Exchange Act (Law No. 25 in 1948; hereinafter referred to as the “FIEA”) and the method of conducting the businesses prescribed in the respective Items of Article 8, Paragraph 1 of the Articles of Association pursuant to the provisions in Article 79-3, Paragraph 1 of the FIEA and Article 9, Paragraph 1 of the Articles of Association.

CHAPTER II BUSINESSES OF THE ASSOCIATION

(Businesses of the Association Relating to Compliance with Laws and Regulations by Regular Members and Members Operating Online)

Article 2 When a Regular Member or Member Operating Online conducts Self-Offering and Other Transactions (which mean the Self-Offering and Other Transactions set forth in Article 3, Item (9) of the Articles of Association; the same shall apply hereinafter), the Association shall issue guidance, recommendations, and other instructions to have the Member comply with the FIEA, other laws and regulations, the Articles of Association, and various rules (including detailed rules, guidance, and resolutions based on the above; hereinafter referred to as the “Laws and Regulations”).

2. The Association shall make efforts to know the compliance status with the Laws and Regulations by Regular Members and Members Operating Online by auditing them.

3. If, as a result of the audit prescribed in the preceding Paragraph, the Association determines that compliance with the Laws and Regulations by a Regular Member or Member Operating Online is inappropriate, the Association shall issue necessary guidance or recommendations to such Member pursuant to the “Regulations Concerning Disciplinary Actions, etc. (hereinafter referred to as the “Regulations on Disciplinary Actions”).”

4. The details of audit conducted for Regular Members and Members Operating Online of the Association shall be prescribed in the “Audit Regulations.”

(Businesses of the Association Ensuring the Adequacy of Business Operation by Regular Members and Members Operating Online)

Article 3 The Association shall conduct investigation and issue guidance and recommendations that are necessary for promoting proper contract and asset management and protecting investors in connection with the Self-Offering and Other Transactions conducted by a Regular Member or Member Operating Online.

2. The Association shall make efforts to understand the business operation conditions of Regular Members and Members Operating Online by investigating them.

3. The provisions in the preceding Article, Paragraph 3 shall apply mutatis mutandis to the investigation of a Regular Member or Member Operating Online prescribed in the preceding Paragraph.

4. In the case where the Association conducts the investigation of a Regular Member or Member Operating Online prescribed in Paragraph 2, the Association shall consider such investigation an audit prescribed in the preceding Article, Paragraph 2, and apply the provision of the preceding Article, Paragraph 4.

(Investigation and Disciplinary Actions for Regular Members and Members Operating Online)

Article 4 The Association shall investigate compliance with the Laws and Regulations, orders or disciplinary actions based on the Laws and Regulations, the Articles of Association, other rules, or the good faith principles of transactions by Regular Members and Members Operating Online, as well as the operational and financial condition of Regular Members and Members Operating Online.

2. In the case where, as a result of the investigation prescribed in the preceding Paragraph, the Association finds a violation of the Laws and Regulations by a Regular Member or Member Operating Online, the Association shall take a disciplinary action or other necessary measures against such Member pursuant to the Articles of Association and the Regulations on Disciplinary Actions.

3. In the case where the Association conducts the investigation on a Regular Member or Member Operating Online that is prescribed in Paragraph 1, such investigation shall be considered an audit prescribed in Article 2, Paragraph 2, and the provisions of the same Article, Paragraph 4 shall apply.

(Resolution of Complaints and Mediation)

Article 5 In the case where the Association receives a request from an investor to resolve a complaint or there is a dispute between an investor and a Regular Member or Member Operating Online regarding the Self Offering and Other Transactions conducted by the Member, the Association shall conduct mediation for resolving such complaint or dispute.

2. The Association shall conduct the mediation prescribed in the preceding Paragraph from a fair and neutral viewpoint.

3. The resolution for complaint and mediation prescribed in Paragraph 1 shall be made pursuant to the “Regulations Concerning Resolution for Complaints.”

4. The Association shall delegate the resolution of complaints and the mediation to an entity that has a sufficient financial base and sufficient human resources for conducting such operation properly pursuant to the provision of Article 78-8, Paragraph 1 of the FIEA.

5. The Association shall execute a necessary written agreement with the entity to which the Association delegates the operation prescribed in the preceding Paragraph.

(Establishment, Modification, or Abolishment of Regulations)

Article 6 The Association shall establish, modify, or abolish self-regulatory regulations for the purpose of promoting proper solicitation of the Self-Offering and Other Transactions by a Regular Member or Member Operating Online, operational regulations of the Association for the purpose of business operating the Association, and other rules and regulations.

2. The establishment, modification, and abolishment of the rules and regulations prescribed in the preceding Paragraph shall be determined by resolution at the Board of Governors.

(Public Relations, Dissemination of Knowledge, and Enlightenment of Investors)

Article 7 The Association shall conduct public relations with investors for the purpose of deeper understanding by investors about the Self-Offering and Other Transactions conducted by a Regular Member or Member Operating Online through an advertisement in newspapers and magazines, web site, issuance of various publications, and preparation and announcement of various statistical data, and shall make efforts to disseminate the knowledge as well as to enlighten investors.

(Other Businesses)

Article 8 The Association shall conduct the following business operations in addition to those prescribed in the Articles above (Excluding Article 1) for the purpose of contributing to the sound development of the Self-Offering and Other Transactions by Regular Members and Members Operating Online and the protection of investors:

- (1) Research and study on the Self-Offering and Other Transactions;
- (2) Examination and training for officers and employees of Regular Members and Members Operating Online;
- (3) Support of activities for the purpose of eliminating anti-social forces;
- (4) Exchanges of opinions and cooperation with relevant organizations and agencies, and exchanges of opinions and communications among Regular Members and Members Operating Online;
- (5) Making recommendations, requests, and communications with relevant public agencies and other relevant organizations;
- (6) Other tasks that are necessary for achieving the purpose of the Association.

(Partial Delegation of Businesses)

Article 9 The Association may partially delegate the business operations prescribed from Article 2 to Article 4 to an authorized association or other approved associations pursuant to Article 23, Paragraph 1 of the Cabinet Office Ordinance on the Financial Instruments Firms Association (Cabinet Office Ordinance of No. 52 in 2007).

2. Before delegating the operations pursuant to the preceding Paragraph, the Association shall execute a written agreement that is necessary for the delegation of the business operations.

CHAPTER III OTHERS

(Establishment of System for Protecting Personal Information)

Article 10 The Association shall have a proper management system by establishing regulations concerning safety management of personal information for the purpose of preventing leakage, loss, damage, or impairment of personal information that is obtained during the course of conducting its business. The Association shall not use the personal information on race, beliefs, family status, domicile of origin, and other non-public information that is handled during its course of business (which means information that is obtained during the course of business but has not become public) for purposes other than ensuring proper management of the Association and other purposes that are deemed necessary.

SUPPLEMENTARY PROVISION 【Omitted】

(Note 1) This rule is based on the May 29, 2015 edition of the original Japanese text.

(Note 2) This translation is solely for the convenience of those interested therein, and accordingly all questions that may arise with regard to the meaning of the words or expressions herein shall be dealt with in accordance with the original Japanese text.