

Articles of Incorporation
of
Type II Financial Instruments Firms Association

Chapter I. General Provisions

(Name)

Article 1.

The name of the Association shall be Ippan-Shadan-Houjin Dainishu-Kinyu-Shouhin-Torihikigyou-Kyokai (English name: Type II Financial Instruments Firms Association).

(Principal Office)

Article 2.

The Association shall have its principal office in Chuo-ku, Tokyo.

(Definitions)

Article 3.

In these Articles of Incorporation, the term set forth in each of the following Items shall have the definition ascribed to it in the relevant Item:

- (1) Financial Instruments Business: the Financial Instruments Business provided for in Article 2, Paragraph 8 of the Financial Instruments and Exchange Act (hereinafter referred to as “FIEA”);
- (2) Financial Instruments Business Operator: the Financial Instruments Business Operator provided for in Article 2, Paragraph 9 of FIEA;
- (3) Type II Small-Amount Electronic Public Offering Service Provider: the Type II Small-Amount Electronic Public Offering Service Providers provided for in Article 29-4-3, Paragraph 2 of FIEA;
- (4) Registered Financial Institution: the Registered Financial Institutions provided for in Article 2, Paragraph 11 of FIEA;
- (5) Type II Financial Instruments Business: the Type II Financial Instruments Business provided for in Article 28, Paragraph 2 of FIEA;

- (6) Type II Small-Amount Electronic Public Offering Service: the Type II Small-Amount Electronic Public Offering Service provided for in Article 29-4-3, Paragraph 4 of FIEA;
- (7) Self-Offering: the acts set forth in Article 2, Paragraph 8, Item 7 of FIEA (limited to those pertaining to the securities set forth in (f) and (g) of the said Item);
- (8) Sale, Purchase and Other Transactions, etc. in Deemed Securities: the acts set forth in Article 2, Paragraph 8, Items 1 through 3, 8 and 9 of FIEA pertaining to the rights set forth in each Item of Paragraph 2 of the said Article that are deemed to be securities pursuant to the provision of the said Paragraph;
- (9) Self-Offering and Other Transactions, etc.: Self-Offering, and Sale, Purchase and Other Transactions, etc. in Deemed Securities;
- (10) Registered Financial Institution Business: among the businesses which Registered Financial Institution conducts by registering itself pursuant to Article 33-2 of FIEA, those pertaining to the acts provided for in the preceding Item;
- (11) Type II Financial Instruments Business, etc.: Type II Financial Instruments Business, and Registered Financial Institution Business;
- (12) Authorized Association: the Authorized Financial Instruments Firms Association provided for in Article 2, Paragraph 13 of FIEA;
- (13) Certified Association: the Certified Financial Instruments Firms Association provided for in Article 78, Paragraph 2 of FIEA; and
- (14) Financial Instruments Exchange: the Financial Instruments Exchange provided for in Article 2, Paragraph 16 of FIEA.

(Members)

Article 4.

The members of the Association shall be comprised of Regular Members, Electronic Public Offering Members and Supporting Members; and Regular Members and Electronic Public Offering Members shall constitute the “members” for the purposes of the Act on General Incorporated Associations and General Incorporated Foundations (hereinafter referred to as “General Juridical Persons Act”).

(Regular Member and Electronic Public Offering Member)

Article 5.

1. Regular Member of the Association is either a Financial Instruments Business Operator or a Registered Financial Institution which performs Self-Offering and Other Transactions, etc. as business and has obtained the approval referred to in Article 19.

2. Electronic Public Offering Member of the Association is a Type II Small-Amount Electronic Public Offering Service Provider which has obtained the approval referred to in Article 19.

(Supporting Member)

Article 6.

1. Supporting Member of the Association is a person that supports the activities of the Association and has been approved by the Association.
2. Supporting Member may obtain information regarding the Association's business (limited to the information approved by the Association).

(Purpose)

Article 7.

The purpose of the Association is to cause the Type II Financial Instruments Business, etc. conducted by Regular Members and Electronic Public Offering Members to be fair and smooth, and also to contribute to sound development of Type II Financial Instruments Business, etc. and protection of investors.

(Businesses)

Article 8.

1. In order to accomplish the purpose set forth in the preceding Article, the Association shall perform the businesses stipulated in the following Items:
 - (1) To provide guidance and admonition to Regular Members and Electronic Public Offering Members in order to cause Regular Members and Electronic Public Offering Members to comply with the provisions of FIEA and other laws and regulations when conducting Type II Financial Instruments Business, etc.;
 - (2) To perform investigation or provide guidance and admonition, in relation to the Type II Financial Instruments Business, etc. conducted by Regular Members and Electronic Public Offering Members, that are necessary to achieve appropriateness of the contents of the contracts, to achieve appropriateness of the management of the assets, or otherwise to protect the investors;
 - (3) To investigate the situation of compliance with laws and regulations, orders pursuant to laws and regulations, dispositions pursuant to the foregoing, the Articles of Incorporation and other rules, or the fair and equitable principles of transactions by Regular Members and Electronic Public Offering Members, as well as the condition of the business and the assets of Regular Members and Electronic Public Offering Members;
 - (4) To resolve complaints brought by the investors concerning the Type II Financial Instruments Business, etc. conducted by Regular Members or Electronic Public Offering Members, and to mediate disputes arising from the Type II Financial

- Instruments Business, etc. conducted by Regular Members or Electronic Public Offering Members;
- (5) To establish the rules that are necessary for the operation required for achieving appropriateness of solicitations for the transactions of the Type II Financial Instruments Business, etc. conducted by Regular Members and Electronic Public Offering Members;
 - (6) To provide examinations, training, etc. for the officers and employees of Regular Members and Electronic Public Offering Members in order to enhance their qualification;
 - (7) To conduct research and study on the issues concerning financial instruments, financial indicators and financial instruments markets, and to make proposals and requests to the government, etc. as necessary;
 - (8) To educate, enlighten and promote publicity on financial instruments, financial indicators and financial instruments markets;
 - (9) To promote mutual understanding and to coordinate opinions among Regular Members and Electronic Public Offering Members;
 - (10) To promote mutual understanding and coordinate opinions with the organizations, etc. related to Financial Instruments Business;
 - (11) To support the efforts of Regular Members and Electronic Public Offering Members to eliminate anti-social forces; and
 - (12) To conduct other businesses than those described in the preceding Items that are necessary to accomplish the purpose of the Association.
2. The Association shall not conduct any business for the purpose of making profit.

(Operational Rules, etc.)

Article 9.

1. The Association shall prescribe operational rules which set forth the methods of business execution that are necessary to properly and certainly perform the business provided for in each Item of Paragraph 1 of the preceding Article.
2. In addition to the operational rules, the Association may prescribe self-regulatory rules, the Association's management rules and other rules.

(Articles of Incorporation Enforcement Rules)

Article 10.

Any matters that are necessary for the enforcement of the Articles of Incorporation shall be prescribed in "Rules Concerning Enforcement of the Articles of Incorporation" (hereinafter referred to as "Articles of Incorporation Enforcement Rules").

(Establishment and Amendment of Operational Rules, etc.)

Article 11.

Establishment, amendment and abolishment of the operational rules, the self-regulatory rules, the Association's management rules, Articles of Incorporation Enforcement Rules and other rules, as well as the detailed regulations thereunder, shall be made by resolution adopted by the Board of Directors.

(Member's Rights)

Article 12.

1. Regular Members and Electronic Public Offering Members shall have entitlements as the members of the Association (hereinafter referred to as "Member's Rights"), and based on Member's Rights, hold the voting rights prescribed in the following Items according to the applicable demarcation set forth in the Items; provided, however, that a member shall not hold voting rights in respect of a matter in which the member has a special interest.
 - (1) Regular Member: 2 votes
 - (2) Electronic Public Offering Member: 1 vote
2. When any of the following events has occurred in respect of any Regular Member or Electronic Public Offering Member, the Member's Rights held by such member shall be extinguished:
 - (1) When the member withdrew from the Association;
 - (2) When the member was subjected to the disposition of expulsion;
 - (3) When the registration was rescinded pursuant to the provisions of Paragraph 1 or Paragraph 4 of Article 52, Paragraph 1 or Paragraph 3 of Article 52-2, Paragraph 3 of Article 53, or Article 54 of FIEA;
 - (4) When the registration referred to in Article 29 or Article 33-2 of FIEA lost its effect pursuant to the provision of Paragraph 2 of Article 50-2 of FIEA; or
 - (5) When all of Regular Members and Electronic Public Offering Members (hereinafter referred to as "All Members") agreed to it.
3. Member's Rights cannot be transferred.

(Membership Fees and Special Membership Fees)

Article 13.

1. Regular Members, Electronic Public Offering Members and Supporting Members must pay membership fees to the Association as determined by the Association.
2. When the Association deems it necessary to cover special expenditure, Regular Members and Electronic Public Offering Members must pay special membership fees to the Association as determined by the Association.
3. The amount of membership fees and special membership fees shall be determined by resolution adopted by General Meeting of Members.

4. The Association shall not refund the special membership fees paid pursuant to the provision of Paragraph 2.

(Member Representative and Deputy)

Article 14.

1. In accordance with the provisions of the Articles of Incorporation Enforcement Rules, each Regular Member and Electronic Public Offering Member must appoint a person who represents the relevant Regular Member or Electronic Public Offering Member in respect of the businesses of the Association (hereinafter referred to as “Member Representative”) and notify such representative to the Association.
2. In accordance with the provisions of the Articles of Incorporation Enforcement Rules, each Regular Member may appoint a deputy of its Member Representative and notify such deputy to the Association.
3. If the Association determines that any Member Representative or his/her deputy is unfit for the position, the Association may request for his/her replacement by presenting the reasons therefor.

(Matters for Notification and Reports)

Article 15.

If any Regular Member or Electronic Public Offering Member has fallen into a situation which constitutes an event necessitating submission of notification or report pursuant to a provision of the Articles of Incorporation Enforcement Rules or other rules, such member must notify or report its details to the Association without delay in the prescribed written form of notification or report.

(Submission of Information Materials, etc.)

Article 16.

1. When the Association deems it necessary, it may request any Regular Member or Electronic Public Offering Member to submit reports or materials regarding the situation of compliance by the relevant Regular Member or Electronic Public Offering Member with laws and regulations, dispositions of administrative offices under laws and regulations, the Articles of Incorporation and other rules, or the fair and equitable principles of transactions, as well as regarding the business and assets of the relevant Regular Member or Electronic Public Offering Member.
2. Regular Members and Electronic Public Offering Members must comply with the request for submission of reports or materials provided for in the preceding Paragraph.

(Inspection)

Article 17.

1. In accordance with the provisions of “Inspection Rules,” the Association may inspect the situation of compliance by Regular Members and Electronic Public Offering Members with laws and regulations, dispositions of administrative offices under laws and regulations, the Articles of Incorporation and other rules, or the fair and equitable principles of transactions, as well as the condition of the business and assets of Regular Members and Electronic Public Offering Members, their books and records, and other objects.
2. Regular Members and Electronic Public Offering Members must consent to the inspection to be conducted by the Association pursuant to the provision of the preceding Paragraph.
3. The Association may perform the inspection operation prescribed in Paragraph 1 jointly with Authorized Associations or Certified Associations as necessary.

(Restriction on Use of the Association’s Name, etc.)

Article 18.

1. Unless otherwise provided for in FIEA or relevant laws and regulations, Regular Members and Electronic Public Offering Members must not use the Association’s name without obtaining approval from the Association.
2. Supporting Member must not use or indicate a name which may cause itself to be mistaken for Regular Member.

(Approval for Admission)

Article 19.

1. A person that desires to join the Association as Regular Member or Electronic Public Offering Member must submit to the Association a written application for admission in the form prescribed separately and obtain the Association’s approval.
2. The application for admission referred to in the preceding Paragraph must be accompanied by the documents required by the Articles of Incorporation Enforcement Rules.
3. The approval for admission referred to in Paragraph 1 shall be made by resolution adopted by the Board of Directors.
4. At the time of granting the approval for admission which is referred to in Paragraph 1, the Association may give the joining Regular Member or Electronic Public Offering Member necessary instructions in connection with the admission in order to cause such member to develop internal rules and management systems to ensure compliance with laws and regulation, the Articles of Incorporation and other rules.

(Refusal of Admission)

Article 20.

If any one of the following Items is applicable to a person that has applied for the admission referred to in Paragraph 1 of the preceding Article (hereinafter referred to as “Admission Applicant”), the Association may refuse its admission:

- (1) It has been subjected to an order of suspension of Self-Offering and Other Transactions, etc., or it has been subjected to a disposition of expulsion from, or rescission of transaction qualification by, Authorized Association, Certified Association or Financial Instruments Exchange, as a result of either violating law or regulation, a disposition of administrative offices under law or regulation, the articles of incorporation or other rule of Authorized Association, Certified Association or Financial Instruments Exchange, or committing an act in breach of the fair and equitable principles of transactions;
- (2) The written application for admission referred to in the preceding Article or a document accompanying the said written application for admission contains a false statement or fails to make a statement on a material matter; or
- (3) The Admission Applicant is likely to harm the reputation or respectability of Type II Financial Instruments Business, etc.

(Payment of Admission Fee upon Approval of Admission)

Article 21.

1. The Admission Applicant that has obtained approval for admission to the Association must pay admission fee to the Association by the date designated by the Association.
2. The amount of the admission fee shall be prescribed by resolution adopted by General Meeting of Members.
3. The Association shall not return to the members the admission fee which has been paid pursuant to the provision of Paragraph 1.

(Payment of Fee Entailing Change to the Business Registration of Regular Member)

Article 21-2.

1. In the event an Electronic Public Offering Member ceased from conducting only Type II Small-Amount Electronic Public Offering Service as a result of effecting the registration of change under Paragraph 4 of Article 31 of FIEA pertaining to Type II Financial Instruments Business, it shall become Regular Member by resolution adopted by the Board of Directors.
2. In the event an Electronic Public Offering Member has become Regular Member pursuant to the preceding Paragraph, it must pay fee for changing the membership demarcation as prescribed by the Association.

(Approval of Withdrawal)

Article 22.

1. Regular Member or Electronic Public Offering Member which intends to withdraw from the Association must submit to the Association a written application for withdrawal in the form separately prescribed and obtain the Association's approval; provided, however, that in the case where the Association specially permits, submission of the written application for withdrawal shall not be required.
2. The approval of withdrawal provided for in the preceding Paragraph shall be made by resolution adopted by the Board of Directors.

(Withdrawal of Supporting Member)

Article 22-2.

Supporting Member which has been delinquent in payment of the membership fee provided for in Paragraph 1 of Article 13 for one year since its due date must withdraw from the Association.

(Disciplinary Action against Regular Member and Electronic Public Offering Member)

Article 23.

1. If the Association has determined that any Regular Member or Electronic Public Offering Member has come under any of the following Items, it may take disciplinary actions pursuant to resolution adopted by the Board of Directors after granting the relevant Regular Member or Electronic Public Offering Member an opportunity to present explanation; provided, however, that expulsion from the Association shall be made pursuant to resolution adopted by General Meeting of Members:
 - (1) It has joined the Association through an improper means;
 - (2) It has become unable to pay debts and fallen into such a condition in which it cannot easily recover from inability to pay debts;
 - (3) It has violated law or regulation, disposition of administrative offices under law or regulation, the Articles of Incorporation or other rules, resolution adopted by General Meeting of Members or by the Board of Directors, or disposition pursuant to such resolution;
 - (4) It has committed an act in breach of the fair and equitable principles of transactions;
 - (5) It has failed to pay any money payable to the Association as prescribed by the Association;
 - (6) It has failed to make the notification or report provided for in Article 15, or made a false notification or report;
 - (7) It has failed to submit the report or material provided for in Article 16, or submitted a false report or material;
 - (8) It has rejected, obstructed or evaded the inspection provided for in Article 17;

- (9) It has used the Association's name without permission in violation of the provision of Paragraph 1 of Article 18;
- (10) It has violated the instruction provided for in Paragraph 4 of Article 19;
- (11) Because an Organized Crime Group provided for in Article 2, Item 2 of the Act to Prevent Illegal Activities by Members of Organized Crime Groups, a Member of an Organized Crime Group provided for in Item 6 of the said Article or any other antisocial force is among its Major Shareholders (referring to the Major Shareholder provided for in Article 29-4, Paragraph 2 of FIEA), officers or employees, it has been recognized that reputation of Financial Instruments Business is likely to be lost; or
- (12) It has fallen into the condition for refusal of admission provided for in Item (3) of Article 20.
2. The types of the disciplinary actions referred to in the preceding Paragraph shall be comprised of reprimand, imposition of fine, suspension or limitation of Member's Rights and expulsion.
 3. The amount of fine provided for in the preceding Paragraph shall not exceed one hundred million yen (JPY 100,000,000); provided, however, that if there exists an amount of gain that is deemed to have considerable degree of causal relationship with the act set forth in any Item of Paragraph 1 (including the amount of loss averted in case of loss aversion; hereinafter referred to as "Amount of Unfair Gain"), such Amount of Unfair Gain may be added to the ceiling amount of the fine.
 4. The period of suspension or limitation of Member's Rights provided for in Paragraph 2 shall not exceed 6 months.
 5. In taking the disciplinary actions referred to in Paragraph 1, if it is deemed appropriate to impose disposition in the form of suspension or limitation of Member's Rights, and if the period of suspension or limitation, when it is aggregated with the period of suspension or limitation of Member's Rights imposed within 5 years prior to the date on which the relevant disposition is to be imposed, exceeds 1 year, the Association may expel the member based on resolution adopted by General Meeting of Members.
 6. Disciplinary action in the form of imposition of fine exceeding one hundred million yen as a result of application of the proviso in Paragraph 3 and suspension or limitation of Member's Rights shall be executed by resolution adopted by two-thirds or more of the voting rights held by the Directors in attendance.
 7. In taking the disciplinary actions provided for in Paragraph 1, the Association may impose fine and suspension or limitation of the Member's Rights cumulatively.
 8. Even if any Regular Member or Electronic Public Offering Member is being subjected to a disciplinary action in the form of suspension or limitation of Member's Rights pursuant to the provisions of Paragraph 1, such member must perform all of the obligations as Regular Member or Electronic Public Offering Member during such period.

(Admonition to Regular Member and Electronic Public Offering Member)

Article 24.

If the Association has determined that the situation of compliance by any Regular Member or Electronic Public Offering Member with laws and regulations, dispositions of administrative offices under laws and regulations, the Articles of Incorporation and other rules, or the fair and equitable principles of transactions, or the condition of the business or the assets of any Regular Member or Electronic Public Offering Member is inappropriate in the light of the purpose of the Association, the Association may admonish the relevant Regular Member or Electronic Public Offering Member by presenting the reasons therefor.

(Register of Regular Members and Electronic Public Offering Members)

Article 25.

The Association shall prepare a register recording the names and addresses of Regular Members and Electronic Public Offering Members, and keep it in the Association's office.

Chapter II. General Meeting of Members

(Calling of General Meeting of Members)

Article 26.

1. General Meeting of Members of the Association shall consist of Ordinary General Meeting of Members and Extraordinary General Meeting of Members, and General Meeting of Members shall constitute the general meeting of members for the purposes of the General Juridical Persons Act.
2. Ordinary General Meeting of Members shall be called within 3 months after the end of each business year, and Extraordinary General Meeting of Members shall be called at any time as necessary.
3. General Meeting of Members shall be called by Chairman pursuant to resolution adopted by the Board of Directors; provided, however, that if the Regular Members and the Electronic Public Offering Members holding one-fifth or more of the voting rights of All Members have made a request to call General Meeting of Members by presenting the proposal for the meeting and the reason of the calling, Chairman shall call General Meeting of Members without delay.
4. Except for the case of emergency, General Meeting of Members provided for in the preceding three Paragraphs shall be called by issuing to each Regular Member and Electronic Public Offering Member, by two weeks prior to the date of the meeting, a notice describing the date, time, place and proposals for the meeting.

(Matters for Resolution)

Article 27.

In addition to the matters separately prescribed in the Articles of Incorporation, the matters set forth in each of the following Items shall be resolved at General Meeting of Members:

- (1) Matters concerning amendment to the Articles of Incorporation;
- (2) Matters concerning approval of the settlement of accounts and the business report for each business year;
- (3) Matters concerning dissolution of the Association and disposition of its residual assets; and
- (4) Matters that are deemed necessary by the Board of Directors, in addition to those set forth in each of the preceding Items.

(Eligible Attendees)**Article 28.**

Those who are eligible to attend General Meeting of Members are either Member Representatives or their deputies.

(Quorum and Exercise of Voting Right)**Article 29.**

1. General Meeting of Members cannot hold proceedings and vote on a resolution unless the meeting is attended by the Regular Members and Electronic Public Offering Members holding majority of the voting rights of All Members in respect of the relevant resolution.
2. In the case where the Board of Directors has approved exercise of the voting rights in writing, Regular Members and Electronic Public Offering Members may exercise their voting rights by submitting a document to the chairperson of General Meeting of Members.
3. The Regular Members and Electronic Public Offering Members which have submitted the document for exercising their voting rights pursuant to the provision of the preceding Paragraph shall be deemed to have attended the relevant General Meeting of Members.

(Method of Resolution)**Article 30.**

A business of General Meeting of Members shall be adopted by majority of the voting rights held by the Regular Members and Electronic Public Offering Members in attendance; provided, however, that the matters set forth in each of the following Items shall be adopted by two-thirds or more of the voting rights held by All Members and also by a half or more of All Members:

- (1) Amendment to the Articles of Incorporation;

- (2) Dissolution;
- (3) Disposition of the residual assets;
- (4) Expulsion of members;
- (5) Removal of Auditors; and
- (6) Other matters prescribed by laws and regulations.

(Minutes)

Article 31.

In respect of the business of General Meeting of Members, minutes shall be prepared to record a summary of its progression and results, and the chairperson of the relevant General Meeting of Members and the Directors who attended the meeting shall affix their respective signatures, or names and seals, to the minutes.

Chapter III. Organs

Section 1. Officers, etc.

(Number of Officers)

Article 32.

The Association shall have the following Officers:

(1) Directors	Regular Member Directors	12 or fewer
	Public Interest Directors	6 or fewer
	Regular Directors	3 or fewer
(2) Auditors	Regular Member Auditors	
	or Public Interest Auditors	2 or fewer

(Appointment of Officers)

Article 33.

1. Regular Member Directors provided for in the preceding Article shall be appointed by resolution adopted by General Meeting of Members from among Member Representatives and Member Representatives' deputies who have been notified to the Association pursuant to Paragraph 2 of Article 14.
2. Public Interest Directors provided for in the preceding Article shall be appointed by resolution adopted by General Meeting of Members from among those who have outstanding knowledge about securing fair execution of Financial Instruments Business and about appropriate administration of financial instruments markets, and at the same time are not engaged in ordinary business of a company operating a business directly related to Type II Financial Instruments Business, etc.

3. Regular Directors provided for in the preceding Article shall be appointed by resolution adopted by General Meeting of Members from among those who are neither officers nor employees of Regular Members or Electronic Public Offering Members.
4. Regular Member Auditors provided for in the preceding Article shall be appointed by resolution adopted by General Meeting of Members from among Member Representatives and Member Representatives' deputies who have been notified to the Association pursuant to Paragraph 2 of Article 14.
5. Public Interest Auditors provided for in the preceding Article shall be appointed by resolution adopted by General Meeting of Members from among those who have outstanding knowledge about securing fair execution of Financial Instruments Business and about appropriate administration of financial instruments markets, and at the same time are not engaged in ordinary business of a company operating a business directly related to Type II Financial Instruments Business, etc.
6. One cannot serve both as Regular Member Director and as Regular Member Auditor simultaneously.
7. One cannot serve both as Public Interest Director and as Public Interest Auditor simultaneously.
8. The Member Representatives and the Member Representatives' deputies referred to in Paragraph 1 and Paragraph 4 shall be limited to Regular Members' Member Representatives and their deputies.
9. Candidates for Officers shall be elected by the Board of Directors.

(Appointment of Substitute Officers)

Article 34.

1. When making the appointment described in Paragraph 1 of the preceding Article, substitute Regular Member Directors may also be appointed in preparation for an occurrence of vacancy in the office of Regular Member Director.
2. When making the appointment described in Paragraph 2 of the preceding Article, substitute Public Interest Directors may also be appointed in preparation for an occurrence of vacancy in the office of Public Interest Director.
3. When making the appointment described in Paragraph 4 or Paragraph 5 of the preceding Article, substitute Regular Member Auditors or Public Interest Auditors may also be appointed in preparation for an occurrence of vacancy in the office of Auditor.

(Selection of Chairman and Vice-Chairman)

Article 35.

1. Regular Members shall select one Representative Director by resolution adopted by the Board of Directors from among Regular Member Directors, Public Interest Directors and Regular Directors, and the Representative Director shall be Chairman.

2. Chairman may, by obtaining the Board of Directors's consent, select a few Vice-Chairmans from among Regular Member Directors.

(Selection of Senior Managing Director and Managing Director)

Article 36.

1. The Board of Directors may select, by its resolution, Senior Managing Director and Managing Director from among Regular Directors; provided, however, that there shall be no more than one Senior Managing Director and two Managing Directors.
2. Senior Managing Director and Managing Director prescribed in the preceding Paragraph shall be the "Executive Directors" prescribed in Article 91, Paragraph 1, Item 2 of General Juridical Persons Act.

(Duties of Officers)

Article 37.

1. Chairman shall represent the Association, preside over the businesses of the Association, and serve as the chairperson of General Meeting of Members and the Board of Directors; provided, however, that if the office of Chairman has become vacant or accident has occurred to Chairman, Vice-Chairman, Senior Managing Director and Managing Director shall serve as the chairperson of General Meeting of Members and the Board of Directors in the order prescribed in advance by the Board of Directors.
2. Vice-Chairman shall assist Chairman.
3. Senior Managing Director shall assist Chairman and Vice-Chairman, and execute the businesses of the Association.
4. Managing Director shall assist Senior Managing Director, and execute the portion of the businesses of the Association over which he/she has responsibility.

(Duties of Auditors)

Article 38.

1. Auditors shall audit the businesses and accounting of the Association.
2. Auditors may at any time request Directors and employees to provide report on the businesses, and investigate the condition of the Association's business and assets.
3. Auditors shall audit the documents regarding the settlement of accounts and the business report which the Association submits to General Meeting of Members, and report Auditors' opinion to General Meeting of Members.
4. Auditors may attend Board of Directors Meeting and state opinions.

(Term of Office of Officers)

Article 39.

1. The term of office of Regular Member Director and Regular Director shall end at the closure of the Ordinary General Meeting of Members pertaining to the last business year which ends within one year from his/her appointment; provided, however, that the term of the office of the successor Regular Member Director referred to in Paragraph 1 of Article 42 and the successor Regular Director referred to in Paragraph 3 of the said Article shall be the remaining term of the office of the relevant predecessor.
2. The term of office of Public Interest Director, Regular Member Auditor and Public Interest Auditor shall end at the closure of the Ordinary General Meeting of Members pertaining to the last business year which ends within two years from his/her appointment; provided, however, that the term of office of the successor Public Interest Director referred to in Paragraph 2 of Article 42 and the successor Auditor referred to in Paragraph 4 of the said Article shall be the remaining term of the office of the relevant predecessor.

(Removal of Directors)

Article 40.

The Association may remove Directors by resolution adopted by General Meeting of Members.

(Obligation of Preceding Officers)

Article 41.

If Officer's term of office has expired or all of Officers have resigned, the relevant preceding Officer shall continue to execute the duties until the successor Officer assumes the office.

(Measures for Dealing with Vacancy in Office)

Article 42.

1. If vacancy has occurred in the office of Regular Member Director, if a substitute Regular Member Director has been appointed pursuant to Paragraph 1 of Article 34, such substitute Regular Member Director shall assume the office of Regular Member Director as the successor, and if no substitute Regular Member Director has been appointed, the successor Regular Member Director shall be appointed without delay pursuant to the provision of Paragraph 1 of Article 33.
2. If vacancy has occurred in the office of Public Interest Director, if a substitute Public Interest Director has been appointed pursuant to Paragraph 2 of Article 34, such substitute Public Interest Director shall assume the office of Public Interest Director as the successor, and if no substitute Public Interest Director has been appointed, the successor Public Interest Director shall be appointed without delay pursuant to the provision of Paragraph 2 of Article 33.

3. If vacancy has occurred in the office of Regular Director, the successor Regular Director shall be appointed pursuant to the provision of Paragraph 3 of Article 33.
4. If vacancy has occurred in the office of Auditor, if a substitute Auditor has been appointed pursuant to Paragraph 3 of Article 34, such substitute Auditor shall assume the office of Auditor as the successor, and if no substitute Auditor has been appointed, the successor Auditor shall be appointed without delay pursuant to the provision of Paragraph 4 of Article 33 or Paragraph 5 of the said Article.

(Remuneration, etc. for Officers)

Article 43.

1. Regular Member Director and Regular Member Auditor shall receive no remuneration.
2. The amount calculated in accordance with the rules prescribed by resolution adopted by General Meeting of Members may be paid as remuneration, etc. to Public Interest Director, Regular Director and Public Interest Auditor.

Section 2. Board of Directors

(Composition and Authority of the Board of Directors)

Article 44.

1. The Board of Directors shall be composed of Directors.
2. The Board of Directors shall vote on resolutions on the matters prescribed in the Articles of Incorporation as well as on important matters concerning operation of the Association's businesses, and supervise Directors' execution of operation.

(Calling of Board of Directors Meeting)

Article 45.

1. Board of Directors Meeting shall be comprised of Ordinary Board of Directors Meeting and Extraordinary Board of Directors Meeting.
2. Ordinary Board of Directors Meeting shall be held on the date and time determined in advance by Chairman with the Board of Directors' consent; provided, however, that Chairman may change its date and time, or suspend holding of Board of Directors Meeting.
3. Extraordinary Board of Directors Meeting shall be called by Chairman as necessary at any time; provided, however, that if any Director has requested to call Board of Directors Meeting in writing describing the matters which would be the objects of the Board of Directors Meeting, Chairman shall call Board of Directors Meeting without delay.
4. Notwithstanding the provisions of the preceding two Paragraphs, if the office of Chairman has become vacant or accident has occurred to Chairman, each Director

shall call Ordinary Board of Directors Meeting and Extraordinary Board of Directors Meeting.

(Quorum)

Article 46.

The Board of Directors cannot hold proceedings and vote on a resolution unless the meeting is attended by majority of the Directors who can participate in the voting.

(Method of Resolution)

Article 47.

1. Unless otherwise stipulated in the Articles of Incorporation, a business of the Board of Directors shall be adopted by majority of the voting rights held by the Directors in attendance.
2. Each Regular Member Director, Public Interest Director and Regular Director shall have one vote.
3. Director shall have no voting right if he/she has a special interest in the resolution to be voted on by the Board of Directors.

(Board of Directors Meeting by means of Writing, etc.)

Article 48.

1. In the case where Director has made proposal regarding a matter that is an object of resolution to be voted on by the Board of Directors, if all of Directors (limited to those who can participate in the voting on the relevant matter) have agreed to the proposal and Auditor does not raise any objection to it, the proposal shall be adopted.
2. The agreement referred to in the preceding Paragraph shall be made in writing.

(Minutes)

Article 49.

1. In respect of the proceedings of Board of Directors Meeting, minutes shall be prepared to record a summary of its progression and results, and Representative Director and Auditor who attended the meeting shall affix their respective signatures, or names and seals, to the minutes.
2. The minutes of Board of Directors Meeting effected by means of writing, etc., which is set forth in Paragraph 1 of the preceding Article, may be substituted by the writing with which the proposal for resolution to be voted on by the relevant Board of Directors Meeting has been confirmed.

Section 3. Committees

(Committees)

Article 50.

1. The Association may establish Committees by resolution adopted by the Board of Directors when they are deemed necessary for the businesses stipulated under Items of Paragraph 1 of Article 8.
2. Committees may present opinions to the Board of Directors regarding the matters that are under their responsibilities.
3. Matters that are necessary in relation to such subjects as the composition and operation of each Committee shall be prescribed in "Committee Rules."

Section 4. Advisors

(Advisors)

Article 51.

1. The Association may have Advisors.
2. Chairman shall appoint Advisors with consent of the Board of Directors.
3. Advisors may present opinions to Chairman on the operation of the Association.
4. The term of the office of Advisors shall be determined by Chairman with consent of the Board of Directors.

Section 5. Secretariat

(Secretariat)

Article 52.

1. The Association shall establish Secretariat to process its businesses.
2. Chairman shall determine the matters that are necessary in relation to Secretariat.

Chapter IV. Accounting

(Business Year and Accounting)

Article 53.

1. Business year of the Association shall run each year from April 1 through March 31 of the following year.
2. The Association's account shall be comprised of the general account only; provided, however, that the Association may set up special accounts as necessary.

(Management of Assets)

Article 54.

Assets of the Association shall be managed by Chairman pursuant to resolution adopted by the Board of Directors.

(Approval of Written Business Plan and Budget)

Article 55.

1. Written business plan and budget of the Association must be approved by the Board of Directors by the day which immediately precedes the day on which the relevant business year commences. The same shall apply to the case of their revision.
2. The written business plan and the budget prescribed in the preceding Paragraph shall be reported to the immediately following Ordinary General Meeting of Members.

(Accounting Rules)

Article 56.

Matters that are necessary for the Association's budget, settlement of accounts and other accounting issues shall be prescribed in "Accounting Rules."

Chapter V. Funds

(Solicitation for Contributions to Funds)

Article 57.

Pursuant to resolution adopted by the Board of Directors, the Association may solicit persons who will make contribution to its funds as prescribed in Article 131 of General Juridical Persons Act (hereinafter referred to as "Contributor").

(Fund Contributor's Rights)

Article 58.

1. Based on the agreement with the Association regarding return of funds, Contributor of funds may receive return of all or a part of funds as a result of the procedure for returning funds prescribed in the following Article.
2. Contributor of funds cannot transfer its rights as Contributor against the Association to other person, and cannot put such rights in pledge or in trust.

(Procedure for Returning Funds)

Article 59.

1. When the Association is to return funds pursuant to the provision of Paragraph 1 of the preceding Article, the Association shall execute it pursuant to resolution adopted by Ordinary General Meeting of Members and as prescribed in Article 141, Paragraph 2 of General Juridical Persons Act.

2. The procedure for returning funds shall be prescribed pursuant to resolution adopted by the Board of Directors.

(Money to be Reserved as Substitute Fund)

Article 60.

When returning funds pursuant to the provision of Paragraph 1 of the preceding Article, the amount equivalent to the funds being returned shall be reserved as a substitute fund, and such substitute fund may not be broken into.

Chapter VI. Dissolution

(Dissolution)

Article 61.

The Association may be dissolved by resolution adopted by General Meeting of Members.

(Disposition, etc. of Residual Assets)

Article 62.

1. The residual assets owned by the Association when it is being liquidated shall be donated, pursuant to resolution adopted by General Meeting of Members, to the juridical persons stipulated in Article 5, Item 17 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, or to the national or local governments.
2. The Association shall not make distribution of surplus.

Chapter VII. Miscellaneous Provisions

(Method of Public Announcement)

Article 63.

Public announcements made by the Association shall be placed in the official gazettes.

(Confidentiality, etc.)

Article 64.

A person who is or was Officer, member of Committee, etc. or employee must not divulge or misappropriate secret information that has come to his/her knowledge in relation to his/her duties, and must not use information that has come to his/her knowledge in relation to his/her duties for any purpose other than the businesses of the Association.

(Interpretation of the Articles of Incorporation, etc.)

Article 65.

When any question arises regarding interpretation of the Articles of Incorporation, rules, detailed rules thereunder, or the matters resolved at General Meeting of Members or the Board of Directors, the Board of Directors shall determine such interpretation.

Supplementary Provisions

(Effective Date)

1. The Articles of Incorporation shall become effective from the date of incorporation of the Association.

(First Business Year)

2. Notwithstanding the provisions of the Articles of Incorporation, the Association's business year for the first year of its incorporation shall run from the date of incorporation of the Association until March 31, 2011.

(Decision on Transitional Measure)

3. The Regular Members at incorporation shall become the Association's Regular Members on the date of incorporation of the Association.

(Treatment of Individual)

4. For a time being, the provisions of Article 5 shall not apply to the case where the Financial Instruments Business Operator that operates Self-Offering and Other Transactions, etc. is an individual.

(Governing Law)

5. All matters which are not prescribed in the Articles of Incorporation shall be governed by General Juridical Persons Act and other laws and regulations.

Supplementary Provisions (June 23, 2011)

This amendment shall become effective from the date on which the Association is certified by the Prime Minister as Financial Instruments Firms Association provided for in Article 78, Paragraph 1 of FIEA (June 30, 2011).

(Note) Amended provisions, etc. are as follows:

- (1) Amended Items (6) and (8) of Article 3;

- (2) Amended Article 5;
- (3) Amended the headword and Paragraph 1, and newly added Paragraph 2 of Article 9;
- (4) Amended the headword and the main text of Article 11;
- (5) Amended Paragraph 1 of Article 61; and
- (6) Deleted Article 62, and moved up Articles 63 through 65 by one article so that they have become Articles 62, 63 and 64, respectively.

Supplementary Provisions (March 29, 2013)

This amendment shall become effective from April 1, 2013; provided, however, that the provisions of amended Article 27 and Article 55 shall become effective from the written business plan and the budget in respect of the business year which commences after the effective date of this amendment.

(Note) Amended provisions, etc. are as follows:

- (1) Amended Item (2) of Article 27;
- (2) Amended the headword and Paragraph 1, and newly added Paragraph 2 of Article 36;
- (3) Amended Paragraph 1, and newly added Paragraphs 2 through 4 of Article 37;
- (4) Newly added Paragraph 4 of Article 45;
- (5) Amended Paragraph 1 of Article 49; and
- (6) Newly added Article 55, and moved down Articles 55 through 64 by one article so that they have become Articles 56, 57, 58, 59, 60, 61, 62, 63, 64 and 65, respectively.

Supplementary provisions (December 19, 2014)

1. Except for the amendment to Paragraph 2 of Article 14 in respect of Regular Members and the provisions of Article 43, this amendment shall become effective from the date (May 29, 2015) provided for in the main text of Article 1 of the Supplementary Provisions of the Act for Amendment of the Financial Instruments and Exchange Act (2014, Act No. 44).
2. Amendment to Paragraph 2 of Article 14 and Article 43 shall become effective from January 1, 2015.

(Note) Amended provisions, etc. are as follows:

- (1) Regarding Article 3, newly added Items (3) and (6), moved down former Items (3) and (4) by one item so that they have become Items (4) and (5),

respectively, and moved down former Items (5) through (12) by two items so that they have become Items (7), (8), (9), (10), (11), (12), (13) and (14), respectively;

- (2) Amended Article 4, Article 7, Paragraph 1 of Article 8, Paragraphs 2 and 3 of Article 12, Paragraphs 1 through 3 of Article 13, Article 15, Article 16, Paragraphs 1 and 2 of Article 17, Paragraphs 1 and 4 of Article 19, Paragraph 2 of Article 21, Paragraph 1 of Article 22, Article 27, Articles 28 through 31, Paragraph 1 of Article 37, Paragraph 3 of Article 38, Article 39, Article 40, Paragraph 2 of Article 43, Paragraph 2 of Article 55, Article 61, Paragraph 1 of Article 62, and Article 65;
- (3) Amended the headword and the main text, and newly added Paragraph 2 of Article 5;
- (4) Amended and newly added Items (1) and (2) of Paragraph 1 of Article 12;
- (5) Regarding Article 14, amended the headword and the main text, newly added Paragraph 2, and moved down former Paragraph 2 by one paragraph so that it has become Paragraph 3;
- (6) Amended the headword and the main text, and newly added Paragraph 2 of Article 18;
- (7) Newly added Article 21-2 and Article 22-2;
- (8) Amended the headwords and the main texts of Articles 23 through 26; and
- (9) Regarding Article 33, amended Paragraphs 1 through 4, newly added Paragraph 6, and moved down former Paragraph 6 by one paragraph so that it has become Paragraph 7.

Supplementary Provisions (February 25, 2016)

1. This amendment shall become effective from April 1, 2016.
2. The provisions of Article 4 and Paragraphs 1 and 3 of Article 6 of the Articles of Incorporation prior to this amendment (hereinafter referred to as the “Former Articles of Incorporation”) shall remain to be effective, in respect of those who are Supporting Members provided for in Article 4 of the Former Articles of Incorporation before the Articles of Incorporation as amended by this amendment (hereinafter referred to as the “New Articles of Incorporation”) become effective, during the period from the date on which the New Articles of Incorporation become effective until December 31, 2016.

(Note) Amended provisions, etc. are as follows:

- (1) Amended Paragraph 1 of Article 4;
- (2) Regarding Article 6, deleted former Paragraph 1, moved up former Paragraphs 2 and 3 by one paragraph so that they have become Paragraph 1 and Paragraph 2, respectively, and amended former Paragraph 3; and

- (3) Amended Paragraph 1 of Article 13, Paragraph 2 of Article 18, and Paragraph 1 of Article 22-2.

Supplementary Provisions (March 30, 2018)

This amendment shall become effective from April 1, 2018.

(Note) Amended provisions, etc. are as follows:

- (1) Regarding Article 12, newly added Items (3) and (4) of Paragraph 2, moved down former Item (3) of Paragraph 2 by two items so that it has become Item (5), deleted former Item (4) of Paragraph 2, deleted Paragraph 3, and moved up former Paragraph 4 by one paragraph so that it has become Paragraph 3; and
- (2) Amended Paragraph 4 of Article 13.

Supplementary Provisions (June 30, 2020)

This amendment shall become effective from June 30, 2020.

(Note) Amended provisions, etc. are as follows:

- (1) Amended Items (1) and (2) of Article 32;
- (2) Moved down former Paragraph 5 of Article 33 by one paragraph so that it has become Paragraph 6 of the said Article, moved down former Paragraphs 6 and 7 of the said Article by two paragraphs respectively, and newly added Paragraphs 5 and 7 of the said Article;
- (3) Amended Paragraph 1 of Article 34, and newly added Paragraph 3 of the said Article;
- (4) Amended Paragraphs 1 and 2 of Article 39;
- (5) Amended Paragraph 1 of Article 42 except for each Item of the said Paragraph, deleted former Items (1) and (2) of the said Paragraph, amended Paragraph 3 of the said Article, amended Paragraph 4 of the said Article except for each Item of the said Paragraph, and deleted former Items (1) and (2) of the said Paragraph;
- (6) Amended Paragraph 2 of Article 43; and
- (7) Amended Paragraph 1 of Article 50.

<p>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.</p>
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