

REGULATIONS CONCERNING SHUT OFF OF ANY RELATIONSHIP WITH ANTISOCIAL FORCES

(Purpose)

Article 1 The purpose of the Regulations Concerning Shut Off of Any Relationship with Antisocial Forces (hereinafter referred to as the “Regulations”) is to prescribe necessary matters for the shut off of any relationship with any antisocial force, to ensure the sound operations of businesses by Regular Members and Members Operating Online, and to preclude any antisocial force from financial instruments transactions and financial instruments markets, thereby contributing to the sound development of financial instruments business and the protection of investors.

(Definitions)

Article 2 For the purpose of the Regulations, antisocial forces shall be those prescribed below:

- (1) Crime Syndicate: A Crime Syndicate prescribed in Article 2, Item (2) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (hereinafter referred to as the “Act”);
- (2) Crime Syndicate Member: A member of a Crime Syndicate prescribed in Article 2, Item (6) of the Act;
- (3) Associate Member of Crime Syndicate: A person other than a Crime Syndicate Member who is under some control of a Crime Syndicate or a Crime Syndicate Member, and is likely to take violent and illegal actions (violent and illegal actions, etc. prescribed in Article 2, Item (1) of the Act; the same shall apply in this Article) on the background of the power of the Crime Syndicate, or a person other than a Crime Syndicate Member who cooperates in maintaining or operating a Crime Syndicate such as providing funds and weapons to the Crime Syndicate or the Crime Syndicate Member;
- (4) Corporation Associated with Crime Syndicate: A corporation in whose operation the Crime Syndicate Member is substantially involved, or a corporation operated substantively by an Associate Member of a Crime Syndicate or ex-Crime Syndicate Member, that actively cooperates with or is involved in maintaining or operating the Crime Syndicate such as providing funds to the Crime Syndicate, or a corporation that actively uses a Crime Syndicate for its business operation and cooperates for maintaining or operating the Crime Syndicate.
- (5) Sokaiya, etc. (corporate racketeer): A person who is likely to commit a violent and illegal action for the purpose of obtaining unjust benefit and to give a threat to safe civil life such as a corporate racketeer or corporate blackguard.
- (6) Socialist-Alleged Blackguard: A person pretending or alleging to conduct social or political activity who is likely to commit a violent and illegal action for the purpose of obtaining unjust benefit and give a threat to safe civil life.

- (7) Special White-Collar Criminal Group: A person or a group who is not set forth in any of the preceding Items above and who is at the center of structural unjust acts that use the power of Crime Syndicates on the background of the Crime Syndicate, or who has a financial relationship with a Crime Syndicate.
- (8) Other persons who are similar to those set forth in any of the preceding Items.

(General Regulations)

Article 3 A Regular Member or Member Operating Online shall in principle not conduct Self-Offering and Other Transactions (the Self-Offering and Other Transactions set forth in Article 3, Item (9) of the Articles of Association; the same shall apply hereinafter) with any person who is known to be an antisocial force.

2. A Regular Member or Member Operating Online must not provide any person who is known to be an antisocial force with any funds or other benefits.

(Development and Announcement of Basic Policies)

Article 4 A Regular Member and Member Operating Online shall develop basic policies to shut off any relationships with any antisocial forces (hereinafter referred to as the “Basic Policies”).

2. The Regular Member and Member Operating Online shall disseminate the Basic Policies internally and announce them or their outline to the public.

(Assurance that a Customer is not an Antisocial Force)

Article 5 A Regular Member and Member Operating Online shall obtain the assurance that a customer is not an antisocial force in advance before it conducts Self-Offering and Other Transactions with the customer for the first time; provided, however, this provision shall not apply if the customer has already given the assurance that it is not an antisocial force.

(Conclusion of Contract to Preclude Antisocial Forces)

Article 6 A Regular Member and Member Operating Online shall provide the matters prescribed in each Item below in a contract or a trading agreement when it conducts Self-Offering and Other Transactions with the customer:

- (1) A statement that if the assurance pursuant to the preceding Article proves to be false, the contract or agreement shall be terminated by notification from the Regular Member or Member Operating Online;
- (2) A statement that if the customer proves to fit any category of antisocial forces, the contract or agreement can be terminated by notification from the Regular Member or Member Operating Online; and
- (3) The statement that in case a customer makes a demand with the nature of violence or makes an undue demand beyond the responsibility set forth by laws, and the Regular Member or Member Operating Online acknowledges that it is difficult to

maintain the contract, the contract or agreement can be terminated by notification from the Regular Member or Member Operating Online.

(Implementation of Examination)

Article 7 A Regular Member and Member Operating Online shall make efforts in advance to examine whether a customer with whom it conducts the Self-Offering and Other Transactions for the first time fits any category of antisocial forces.

2. A Regular Member and Member Operating Online shall make efforts to regularly examine whether there is any person or entity that fits any category of antisocial forces in the customers with whom the Regular Member or Member Operating Online has conducted Self-Offering and Other Transactions.

3. In addition to what is prescribed in the preceding two Paragraphs, a Regular Member and Member Operating Online shall examine whether a customer fits any category of antisocial forces whenever a suspicion arises.

(Prohibition of Conclusion of Contract and Dissolution of Relationship)

Article 8 In the case where, as a result of the examination prescribed in Paragraph 1 of the preceding Article, it is found that the customer is a member of antisocial forces, the Regular Member or Member Operating Online must not conduct any transaction with such customer; provided, however, this shall not apply to cases when the contract is entered into so as to preclude the antisocial forces from the financial instruments transactions and financial instruments markets.

2. In the case where, as a result of the examination prescribed in Paragraphs 2 and 3 of the preceding Article, it is found that the customer is a member of antisocial forces, the Regular Member or Member Operating Online shall make efforts to dissolve the relationship with such customer as soon as possible.

(Confirmation of Business Execution Association Member, etc.)

Article 9 Before conducting Self-Offering and Other Transactions, a Regular Member and Member Operating Online shall make efforts to confirm that a business execution association member, a salesperson, or a member of a business execution staff of the securities subject to the transaction does not fit any category of antisocial forces.

(Gathering of Information)

Article 10 A Regular Member and Member Operating Online shall make efforts to gather information about antisocial forces.

(Provision of Training, etc.)

Article 11 A Regular Member and Member Operating Online shall make efforts to enlighten officers and employees to understand the procedures for responses to any antisocial force and the control of information on antisocial forces by providing internal education and training, etc.

(Establishment and Improvement of Internal Management System)

Article 12 A Regular Member and Member Operating Online shall establish internal rules to implement the Basic Policies and oblige all officers and employees to comply with them.

2. The Regular Member and Member Operating Online shall make efforts to develop and improve its management system to shut off the relationship with any antisocial force pursuant to the internal rules prescribed in the preceding Paragraph.

3. A Regular Member and Member Operating Online shall regularly review the management system to shut off any relationship with antisocial forces.

(Collaboration and Cooperation with the Association and Police, etc.)

Article 13 A Regular Member and Member Operating Online shall make efforts to provide close collaboration and cooperation with the Association and police, and other relevant organizations, etc. with a view to shutting off any relationship with antisocial forces.

2. Whenever any dispute or trouble arises between a Regular Member or Member Operating Online and antisocial forces, the Regular Member or Member Operating Online shall make efforts to prevent any occurrence of damages caused by antisocial forces by immediately referring the incident to and consulting with lawyers, the Association, police and other relevant organizations, etc.

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.