

About the Operational Rules

The English version of the Operational Rules is a translation of the Japanese original version of the Operational Rules Concerning Complaint Resolution Support and Mediation (*Kujou Kaiketsu Shien to Assen ni Kansuru Gyomukitei*) effective as of May 29, 2015. Translations of the Articles of Association, the Operational Rules, and other rules are only reference materials for helping people understand the activities of FINMAC. Therefore, it is the laws and regulations in Japanese (such as the Financial Instruments and Exchange Act) and the original Japanese Articles of Association, Operational Rules, and other rules that have legal effects in consultation, complaint handling, and dispute resolution conducted at FINMAC.

OPERATIONAL RULES CONCERNING COMPLAINT RESOLUTION SUPPORT AND MEDIATION

CHAPTER I GENERAL PROVISIONS

(Purpose)

Article 1 These Operational Rules shall prescribe necessary matters concerning procedures, etc. for consultation, and complaint and dispute resolution by the Non-Profit Organization, Financial Instruments Mediation Assistance Center (hereinafter referred to as “FINMAC”) for the purpose of ensuring the trust of investors by quickly processing Dispute in Financial Instruments Business in a transparent manner from a fair and neutral position, thus contributing to sound development of the Financial Instruments Market.

(Definitions)

Article 2 The terms set forth in the Items below shall have their respective definitions prescribed therein for the purpose of the Operational Rules:

- (1) Financial Instruments Business Operators
The Financial Instruments Business Operators as prescribed in Article 3, Item (3) of the Articles of Association.
- (2) Registered Financial Institutions
The Registered Financial Institutions as prescribed in Article 3, Item (4) of the Articles of Association.
- (3) Financial Instruments Intermediary Service Providers
The Financial Instruments Intermediary Service Providers as prescribed in Article 3, Item (5) of the Articles of Association.
- (4) Financial Instruments Business Operators, etc.
The Financial Instruments Business Operators, etc. as prescribed in Article 3, Item (6) of the Articles of Association.
- (5) Type II Financial Instruments Business
The Type II Financial Instruments Business as prescribed in Article 28, Paragraph 2 of the Financial Instruments and Exchange Act (hereinafter referred to as the “FIEA”).

- (6) Dispute in Financial Instruments Business
The Dispute in Financial Instruments Business as prescribed in Article 3, Item (8) of the Articles of Association.
- (7) Dispute Resolution Business
The Dispute Resolution Business as prescribed in Article 3, Item (9) of the Articles of Association.
- (8) Self-Regulatory Body
The Self-Regulatory Body as prescribed in Article 3, Item (10) of the Articles of Association.
- (9) Complaints
An expression of dissatisfaction against Financial Instruments Business Operators, etc. from a customer about a business conducted by the Financial Instruments Business Operators, etc.
- (10) Disputes
Complaints as set forth in the preceding Item that cannot be resolved between the Financial Instruments Business Operators, etc. and the customer, and whose resolution is sought through mediation by Mediators Candidates as prescribed in Article 3, Paragraph 1, or is intended to be resolved using other Complaint and Dispute Resolution Support Organization as prescribed in Article 15-2.
- (11) Self-Regulatory Organizations Affiliate Business Operators, etc.
The Self-Regulatory Organizations Affiliate Business Operators as prescribed in Article 4, Paragraph 1, Item (1) or the Specified Business Operators as prescribed in Item (2) of the same Paragraph.
- (12) Sale and Purchase or Other Transactions of Securities, etc.
Sale and Purchase or Other Transactions of Securities, etc. as prescribed in Article 3, Item (8) of the Articles of Association of the Japan Securities Dealers Association.
- (13) Beneficiary Certificates, etc.
The Beneficiary Certificates, etc. as prescribed in Article 4, Item (2) of the Articles of Association of The Investment Trusts Association, Japan.
- (14) Investment Advisory and Agency Business
The Investment Advisory and Agency Business as prescribed in Article 28, Paragraph 3 of the FIEA.
- (15) Investment Management Business
The Investment Management Business as prescribed in Article 28, Paragraph 4 of the FIEA.
- (16) Financial Futures Transactions Business
The Financial Futures Transactions Business as prescribed in Article 2-2, Paragraph 1, Item (5) of the Articles of Association of The Financial Futures Association of Japan.
- (17) Self-Offering and Other Transactions, etc.
The Self-Offering and Other Transactions, etc. as prescribed in Article 3, Item (9) of the

Articles of Association of the Type II Financial Instruments Firms Association.

- (18) Type I Financial Instruments Business Operators
The Financial Instruments Business Operators who operate the Type I Financial Instruments Business as prescribed in Article 28, Paragraph 1 of the FIEA.
- (19) Specified Type I Financial Instruments Business
The Specified Type I Financial Instruments Business as prescribed in Article 156-38, Paragraph 2 of the FIEA.
- (20) Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures
The Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures as prescribed in Article 156-38, Paragraph 13 of the FIEA.
- (21) Affiliated Type I Financial Instruments Business Operators
The Type I Financial Instruments Business Operators with which FINMAC has concluded the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures pursuant to the provisions of Article 5-2, Paragraph 1 hereof.
- (22) Affiliated Type I Financial Instruments Business Operators, etc.
The Affiliated Type I Financial Instruments Business Operators or the Self-Regulatory Organizations Affiliate Business Operators, etc.
- (23) Dispute Resolution Mediators
The Dispute Resolution Mediators elected pursuant to the provisions of Article 28.

(Complaint and Dispute Handling Organization)

Article 3 FINMAC shall appoint Mediators Candidates as prescribed in Article 41, Paragraph 1 of the Articles of Association, as an organization to support the resolution of Disputes as prescribed in the preceding Article, Item (10).

- 2. FINMAC shall appoint special advisers from academics such as legal experts who give advice and guidance necessary for the business operation of FINMAC.
- 3. The Secretariat Office of FINMAC shall conduct the business set forth in each of the following Items:
 - (1) Responding to inquiries from customers about the business operation of the Financial Instruments Business Operators, etc. and systems associated therewith, and clarifying any questionable points;
 - (2) Intermediating the Complaints from customers about the business conducted by the Affiliated Type I Financial Instruments Business Operators, etc. to the Affiliated Type I Financial Instruments Business Operators, etc. in question and solving them;
 - (3) Support the mediation services conducted by Mediators Candidates;
 - (4) Handling an administration process for Mediators Candidates.
- 4. When FINMAC receives Complaints from customers of Affiliated Type I Financial Instruments Business Operators, etc., it shall quickly and adequately respond to such Complaints in a sincere and fair manner.
- 5. FINMAC shall make efforts to properly collaborate with Self-Regulatory Body and other related organizations, and other Designated Dispute Resolution Organization (those who are

designated pursuant to the provisions of Article 156-39, Paragraph 1 of the FIEA) and other national institutions, local public organizations, private business operators, and others who handle consultation and Complaints or resolve Disputes, for the purpose of proper and effective conduct of the Dispute Resolution Business as well as preventing occurrence or recurrence of the Complaints and Disputes.

6. FINMAC shall make efforts to foster advisors who receive and respond to requests for consultation and Complaints (hereinafter referred to as the “Advisors”) by giving them training courses, etc.
7. FINMAC shall receive requests for consultation, Complaints, and motion for mediation from customers at the Headquarters Office and the Osaka Office.
8. The Secretary-General of FINMAC shall be at the Secretariat Office of FINMAC.
9. The Secretary-General of FINMAC shall be responsible for supervising the business of the Secretariat Office of FINMAC as well as giving guidance and supervision to staff members who belong to the Secretariat Office.
10. The Secretary-General of FINMAC shall have Managing Officials, Mediators Candidates, and staff members of FINMAC thoroughly comply with the FIEA and other laws and regulations in their conduct of business, and make efforts to establish an internal management system for the purpose of proper conduct of the Dispute Resolution Business.
11. FINMAC may appoint assistant business supervisors per department or office that are deemed appropriate for sharing the tasks of the Secretary-General of FINMAC as prescribed in the preceding two Paragraphs.
12. FINMAC shall not give improper discriminatory treatment in the conduct of the Dispute Resolution Business.
13. FINMAC shall separately determine measures that can eliminate improper impact from a substantial controlling party, etc. or a subsidiary of FINMAC as prescribed in Article 156-44, Paragraph 4, Item (3) of the FIEA or FINMAC itself on the Dispute Resolution Mediators.

(Scope of Consultation, Complaints, and Disputes to be Handled)

Article 4 The scope of consultation and Complaints to be handled by FINMAC shall be those that relate to the businesses set forth in each Item below:

- (1) Business conducted by Financial Instruments Business Operators, etc. and the Financial Instruments Intermediary Service Providers associated with such Financial Instruments Business Operators, etc. who are members of either of the following associations (hereinafter referred to as the Self-Regulatory Organizations Affiliate Business Operators);
 - (a) Japan Securities Dealers Association
 - (b) The Investment Trusts Association, Japan
 - (c) Japan Investment Advisers Association
 - (d) The Financial Futures Association of Japan
 - (e) Type II Financial Instruments Firms Association
- (2) Business conducted by Type II Financial Instruments Business Operators, who register as users pursuant to the next Article, Paragraph 2 as Business Operators who are subject to

the conduct of consultation, Complaint resolution, and mediation for dispute resolution (hereinafter referred to as the “Specified Business Operators”);

- (3) Specified Type I Financial Instruments Business associated with the Affiliated Type I Financial Instruments Business Operators.
2. Scope of mediation for dispute resolution by Mediators Candidates shall apply in case where Disputes arise from transactions or businesses that meet either of the following Items:
- (1) Sale and Purchase or Other Transactions of Securities, etc. (limited to the business conducted by the Association Members of Japan Securities Dealers Association and the Financial Instruments Intermediary Service Providers who are associated with such Association Members);
 - (2) Actions set forth in Article 2, Paragraph 8, Item (12)-(a) of the FIEA, or actions set forth in the same Paragraph, Item (14), and actions that are equivalent to the direct offering and cancellation of the Beneficiary Certificates, etc. (limited to the actions associated with the business conducted by the Regular Members of The Investment Trusts Association, Japan);
 - (3) Operations of the Investment Management Business and Investment Advisory and Agency Business (limited to the business associated to the Regular Members of the Japan Investment Advisers Association);
 - (4) Operations of the Financial Futures Transactions Business (limited to the business associated to the Regular Members and the special participants of The Financial Futures Association of Japan);
 - (5) Self-Offering and Other Transactions, etc. (limited to the business associated to the Regular Members and Electronic Application Type Electronic Transaction Members of the Type II Financial Instruments Firms Association);
 - (6) Type II Financial Instruments Business conducted by the Specified Business Operators or the business equivalent to Type II Financial Instruments Business among Registered Financial Institution Business as prescribed in Article 33-5, Paragraph 1, Item (3) of the FIEA (excluding transactions, actions, or business set forth in each Item above; hereinafter referred to as the “Type II Financial Instruments Business, etc.” in the next Article, Paragraph 2);
 - (7) Specified Type I Financial Instruments Business associated to the Affiliated Type I Financial Instruments Business Operators.
3. With respect to the resolution of the Complaints and Disputes over business that is the Specified Type I Financial Instruments Business associated to the Affiliated Type I Financial Instruments Business Operators, FINMAC shall carry out its service pursuant to an agreement as prescribed in the next Article, Paragraph 1, and the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures that is concluded with such Affiliated Type I Financial Instruments Business Operators.
4. The business conducted by FINMAC for mediation pursuant to the Operational Rules shall be done under the authorization prescribed in Article 5 of the Act on Promotion of Use of Alternative Dispute Resolution (hereinafter referred to as the “ADR Act”).

5. The business conducted by FINMAC for resolution of the Complaints and Disputes regarding the Specified Type I Financial Instruments Business shall be done with the designation prescribed in Article 156-39, Paragraph 1 of the FIEA.
6. The business conducted by FINMAC for resolution of the Complaints and Disputes regarding the business of the Specified Business Operators shall be done under the authorization prescribed in Article 79-7, Paragraph 1 of the FIEA.

(Conclusion of Agreement, etc.)

Article 5 When FINMAC commences the Dispute Resolution Business with regard to the business conducted by the Self-Regulatory Organizations Affiliate Business Operators, it must conclude an agreement in advance with the associations as prescribed in the preceding Article, Paragraph 1, Item (1) to define the scope of consultation, resolution of Complaints and mediation, how to share the cost, and other necessary matters.

2. When Type II Financial Instruments Business Operators, etc. ask FINMAC to conduct the Dispute Resolution Business for the Type II Financial Instruments Business, etc., they must apply for user registration to FINMAC in advance pursuant to the Detailed Rules.
3. When FINMAC accepts the application for user registration prescribed in the preceding Paragraph, the user registration shall come into force.
4. If a party who submitted an application prescribed in Paragraph 2 meets either of the following Items, FINMAC may reject the application for user registration:
 - (1) The applicant receives an administrative disposition under the laws and regulations, or breaches the Articles of Association and other rules of a Self-Regulatory Body or the Articles of Association and other rules of a financial instruments exchange as prescribed in Article 2, Paragraph 16 of the FIEA (hereinafter referred to as the “Financial Instruments Exchange”), and is expelled or receives cancellation of transaction qualification from a Self-Regulatory Body or a Financial Instruments Exchange;
 - (2) Documents submitted have false description or omitted significant matters;
 - (3) From a viewpoint of human resource structure, legal compliance status, and other conditions, the applicant is judged not to be in a state that enables it to fulfill its obligations for responding to the Complaints from customers as the Self-Regulatory Organizations Affiliate Business Operators, etc. as prescribed in the Operational Rules.
5. Pursuant to the Detailed Rules, the Specified Business Operators may terminate the user registration at any time by notifying the designated future date to FINMAC for the purpose of terminating the use of the Dispute Resolution Business in the future.
6. If the user registration is terminated pursuant to the preceding Paragraph, the user registration shall cease on the date entered on the notification prescribed in the same Paragraph as the termination date of the use of the Dispute Resolution Business. However, if a Complaint has already been submitted or a motion for mediation regarding the business of such Specified Business Operators has already been made prior to such termination date, such Specified Business Operators shall be regarded as business operators with user registration until such Complaint or motion for mediation is completed, and the Operational Rules, the Detailed Rules, and other provisions shall apply.

7. If the registration of the Specified Business Operators under Article 29 or Article 33-2 of the FIEA is expired, or such registration is cancelled, the user registration of such Specified Business Operators shall become null and void. In such case, the proviso of the preceding Paragraph shall apply mutatis mutandis.
8. If the Specified Business Operators meet either Item of Paragraph 4, FINMAC may cancel the user registration of such Specified Business Operators. In such case, the proviso of Paragraph 6 shall apply mutatis mutandis.
9. When the registration under Article 29 or Article 33-2 of the FIEA is expired or cancelled, the Specified Business Operators must report it to FINMAC with a form designated in the Detailed Rules.

(Conclusion of Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures, etc.)

Article 5-2 When FINMAC is to conduct procedures for resolving the Complaints and Disputes associated with the Specified Type I Financial Instruments Business, it shall conclude the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures in advance with the Type I Financial Instruments Business Operators.

2. Type I Financial Instruments Business Operators who intend to conclude the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures with FINMAC shall apply for the conclusion of the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures to FINMAC as prescribed in the Detailed Rules.
3. When FINMAC receives an application for the conclusion of the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures from Type I Financial Instruments Business Operators, it shall accept such application except for the case that such Type I Financial Instruments Business Operators are in doubt of fully carrying out their obligations relating to liabilities on the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures and other Dispute Resolution Business.
4. When the registration of the Affiliated Type I Financial Instruments Business Operators under Article 29 of the FIEA is expired or cancelled, the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures with such Affiliated Type I Financial Instruments Business Operators shall terminate on the day when such registration is expired or cancelled. However, if a Complaint has already been submitted or a motion for mediation regarding the business of such Affiliated Type I Financial Instruments Business Operators has already been made prior to such expiration or cancellation, the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures shall terminate on the day when such Complaint or motion for mediation is completed.
5. When the registration under Article 29 of the FIEA is expired or cancelled, the Affiliated Type I Financial Instruments Business Operators must report it to FINMAC with a form designated in the Detailed Rules.
6. If there is a Designated Dispute Resolution Organization under Article 156-39, Paragraph 1 of the FIEA other than FINMAC for the Specified Type I Financial Instruments Business, Affiliated Type I Financial Instruments Business Operators may terminate the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures by notifying FINMAC in advance.

(Details of the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures)

Article 5-3 The Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures concluded between FINMAC and Type I Financial Instruments Business Operators pursuant to the provisions of the preceding Article, Paragraph 1 shall prescribe the matters set forth in each Item below:

- (1) Matters related to the commencement of Complaint processing procedures as prescribed in Article 13, Paragraph 1 and the commencement of mediation procedures as prescribed in Article 34;
- (2) Matters related to the obligation of the Affiliated Type I Financial Instruments Business Operators to respond to Complaint processing procedures as prescribed in Article 13, Paragraph 3 and the obligation to respond to mediation procedures as prescribed in Article 27;
- (3) Matters related to the obligation of the Affiliated Type I Financial Instruments Business Operators to give explanation and submit materials, accounting books, or other goods as prescribed in Article 14, Paragraph 1 and Article 37, Paragraph 1, and an obligation to submit a written answer as prescribed in Article 35, Paragraph 1;
- (4) Matters related to the preparation of settlement draft by Dispute Resolution Mediators and recommendation for acceptance to the parties concerned as prescribed in Article 40;
- (5) Matters related to the preparation and indication of a special conciliation draft to the parties concerned by the Dispute Resolution Mediators as prescribed in Article 40-2, Paragraph 1, and obligations of the Affiliated Type I Financial Instruments Business Operators for such special conciliation draft as prescribed in the same Article, Paragraphs 2 and 3;
- (6) Matters related to the reporting of lawsuit as prescribed in each Paragraph of Article 53 of the claim that is a purpose of the mediation procedures;
- (7) Matters related to the dissemination measure that is taken by Affiliated Type I Financial Instruments Business Operators on the conduct of Dispute Resolution Business by FINMAC;
- (8) Matters related to the reporting as prescribed in Article 57 on the performance of obligation determined by the settlement on the mediation procedures and a recommendation to execute the obligation.

(Obligation to Share Costs by Associations, etc. which Conclude Agreement with FINMAC)

Article 6 Pursuant to the provisions of Article 5, Paragraph 1, an association which concludes an agreement with FINMAC must share the cost every business year, based on the amount necessary for the Dispute Resolution Business concerning the Self-Regulatory Organizations Affiliate Business Operators who are members of such association (subtracting the amount appropriated by subsidy, etc.; the same shall apply hereinafter in this Article), pursuant to such agreement.

2. The Specified Business Operators must pay the basic fee prescribed in the Detailed Rules every business year as well as the user fee per mediation holding day as prescribed in Article 6-3.

3. Costs necessary for the Dispute Resolution Business concerning the Affiliated Type I Financial Instruments Business Operators shall be as prescribed in each Item below depending on the classification set forth therein:

- (1) Among the costs associated with the Dispute Resolution Business for Complaints and Disputes related to the transaction prescribed in Article 4, Paragraph 2, Item (1) (hereinafter referred to as the “Securities-Related Dispute Resolution Cost”), costs that relate to the Affiliated Type I Financial Instruments Business Operators who are affiliated to the Japan Securities Dealers Association as of the beginning of such business year (for a party who becomes an Affiliated Type I Financial Instruments Business Operator after the beginning of the business year, at the timing when it becomes an Affiliated Type I Financial Instruments Business Operator; the same shall apply hereinafter in this Paragraph):

In addition to appropriating the contribution from Japan Securities Dealers Association as prescribed in the next Paragraph, the user fee per mediation holding day as prescribed in Article 6-3 incurred by such Affiliated Type I Financial Instruments Business Operators and the mediation motion fee as prescribed in Article 32 incurred by a party who files a motion for mediation shall be appropriated;

- (2) Among the Securities-Related Dispute Resolution Cost, costs that relate to the Affiliated Type I Financial Instruments Business Operators who are not affiliated to the Japan Securities Dealers Association as of the beginning of the business year:

In addition to incurring the basic fee as prescribed in the next Article and the user fee per mediation holding day as prescribed in Article 6-3 by the Affiliated Type I Financial Instruments Business Operators who are not affiliated to the Japan Securities Dealers Association, a party who files a motion for mediation shall pay the mediation motion fee as prescribed in Article 32;

- (3) Among the costs associated with the Dispute Resolution Business for Complaints and Disputes related to the transaction prescribed in Article 4, Paragraph 2, Item (4) (hereinafter referred to as the “Financial Futures Transaction-Related Dispute Resolution Cost”), costs that relate to the Affiliated Type I Financial Instruments Business Operators who are affiliated to The Financial Futures Association of Japan as of the beginning of the business year:

In addition to appropriating the contribution from The Financial Futures Association of Japan as prescribed in Paragraph 5, the user fee per mediation holding day as prescribed in Article 6-3 incurred by such Affiliated Type I Financial Instruments Business Operators and the mediation motion fee as prescribed in Article 32 incurred by a party who files a motion for mediation shall be appropriated;

- (4) Among the Financial Futures Transaction-Related Dispute Resolution Cost, costs that relate to the Affiliated Type I Financial Instruments Business Operators who are not affiliated to The Financial Futures Association of Japan as of the beginning of the business year:

In addition to incurring the basic fee as prescribed in the next Article and the user fee per mediation holding day as prescribed in Article 6-3 by the Affiliated Type I Financial Instruments Business Operators who are not affiliated to The Financial Futures Association of Japan, a party who files a motion for mediation shall pay the mediation motion fee as prescribed in Article 32.

4. The Japan Securities Dealers Association must incur every business year the Securities-Related

Dispute Resolution Cost that involves the Affiliated Type I Financial Instruments Business Operators who are Regular Members of the Association, pursuant to the agreement with FINMAC.

5. The Financial Futures Association of Japan must incur every business year the Financial Futures Transaction-Related Dispute Resolution Cost that involves the Affiliated Type I Financial Instruments Business Operators who are Regular Members of the Association, pursuant to the agreement with FINMAC.
6. If a party becomes a Regular Member of Japan Securities Dealers Association or The Financial Futures Association of Japan after the beginning of the business year, (excluding the case where the party becomes the Type I Financial Instruments Business Operator after the beginning of the business year and at the same time, applies for participation in either of the Associations), it shall be regarded as a party as prescribed in Paragraph 3, Item (2) or (4) for the purpose of application of the same Paragraph.
7. When a motion for mediation is accepted, the Affiliated Type I Financial Instruments Business Operators, etc. or a customer who are the parties concerned, must pay the mediation motion fee to FINMAC pursuant to Article 32.
8. When calculating the amount of cost prescribed in Paragraph 1, the cost associated with the Affiliated Type I Financial Instruments Business Operators who are affiliated to either the Japan Securities Dealers Association or The Financial Futures Association of Japan shall be excluded.
9. With respect to the amount of the basic fee and the user fee per mediation holding day as prescribed in Paragraph 2 of the Specified Business Operators, FINMAC may review the amount as necessary in consideration of the number of Specified Business Operators and the number of motion for mediation filed related to the Specified Business Operators.

(Basic Fee Incurred by a Party who is Not Affiliated to the Japan Securities Dealers Association)

Article 6-2 The amount of basic fee as prescribed in the preceding Article, Paragraph 3, Item (2) shall be 1.5 times the estimated per-company average amount of the Securities-Related Dispute Resolution Cost that relates to the Affiliated Type I Financial Instruments Business Operators who are Regular Members of the Japan Securities Dealers Association.

2. The amount of basic fee as prescribed in the preceding Article, Paragraph 3, Item (4) shall be 1.5 times the estimated per-company average amount of the Financial Futures Transaction-Related Dispute Resolution Cost that relates to the Affiliated Type I Financial Instruments Business Operators who are Regular Members of The Financial Futures Association of Japan.

(User Fee per Mediation Holding Day)

Article 6-3 The Affiliated Type I Financial Instruments Business Operators, etc. who are involved in the mediation must pay the user fee of 50,000 yen per mediation holding day as compensation for the actual cost for Dispute Resolving Procedures over the case. However, among the motion for mediation of the Specified Business Operators, the user fee shall be 20,000 yen per case (or 10,000 yen in the case that the Specified Business Operator is also a Self-Regulatory Organizations Affiliate Business Operator) from the first to the fourth cases, and shall be 100,000 yen (or 150,000 yen if the mediation is held in a place other than Tokyo or Osaka) from the tenth case and later.

(Basic Responsibility of Affiliated Type I Financial Instruments Business Operators, etc.)

Article 7 The Affiliated Type I Financial Instruments Business Operators, etc. (including the Financial Instruments Intermediary Service Provider which is associated with the Affiliated Type I Financial Instruments Business Operators; the same shall apply hereinafter excluding Article 26 and Article 32) must cooperate with the business conducted by the Mediators Candidates and FINMAC for promoting the resolution of Complaints from customers and Disputes over its business.

2. The Affiliated Type I Financial Instruments Business Operators, etc. shall receive the Complaints in a sincere manner and make best efforts to prevent recurrence of the same type of Complaints.
3. The Affiliated Type I Financial Instruments Business Operators, etc. shall notify FINMAC of a liaison responsible for processing the Complaints.

(Responsibility of Advisors)

Article 8 Advisors shall make efforts to always be fair in the recognition of the facts, determination of the disposition, and expression of opinions.

(Detailed Rules on Handling)

Article 9 FINMAC may determine separately necessary matters in addition to those prescribed in the Operational Rules if it deems necessary for the mediation procedures and Dispute handling procedures, etc.

CHAPTER II CONSULTATIONS AND RESOLUTION OF DISPUTES

(Consultations)

Article 10 The Consultation business as prescribed in Article 3, Paragraph 3, Item (1) shall be as set forth in each Item below:

- (1) Explanation of the business;
 - (2) Understanding of the object of consultation;
 - (3) Answer to customers.
2. If the request for consultation by a customer is out of the scope that can be handled by FINMAC, FINMAC shall introduce other appropriate Complaint and Dispute Resolution Support Organization to the customer for the convenience of the party who made such request, and check whether the customer desires FINMAC to pass the case to such other organization.

(Scope of a Requestor Who Can File a Complaint)

Article 11 Under the Operational Rules, the scope of customers who can file Complaints to FINMAC shall be limited to a nominee of the transaction related to such Complaints or their agent; provided, however, the agent shall be a person with parental authority, an heir, a legal guardian, a lawyer, or other person who is admitted by FINMAC to have special and unavoidable reason to act as an agent.

(How to Receive Complaints and Handling Fee)

Article 12 FINMAC shall receive Complaints from customers such as by phone, by visit, or by mail.

2. The handling fee of receiving and processing Complaints shall be free of charge.

(Resolution of Complaints)

Article 13 When FINMAC receives requests from customers for resolving Complaints about the business conducted by Affiliated Type I Financial Instruments Business Operators, etc., it shall commence the procedures for handling Complaints. FINMAC shall consult with the requestor, give necessary advice to the requestor, and investigate the underlying facts of the Complaints. When FINMAC considers it necessary to have a mutual discussion, it shall notify the details of such Complaints to the Affiliated Type I Financial Instruments Business Operators, etc. concerned and ask for quick resolution.

2. In the case of the preceding Paragraph, FINMAC shall receive an opinion from the Affiliated Type I Financial Instruments Business Operators, etc. who are subject to the Complaints, and send the answer to the customer. If FINMAC considers it necessary for the resolution of the Complaints, it may instruct the Affiliated Type I Financial Instruments Business Operators, etc. concerned to have face-to-face negotiation with the customer and request such Business Operator to report the result of the negotiation.
3. If the Affiliated Type I Financial Instruments Business Operators, etc. receive the request for resolving Complaints as prescribed in Paragraph 1, they shall immediately contact the requestor, respond to the Complaints in good faith, and make efforts to resolve such Complaints.
4. If the Complaints cannot be resolved after the steps described in the preceding three Paragraphs, FINMAC shall further interview the requestor and the Affiliated Type I Financial Instruments Business Operators, etc. concerned as necessary, and promote resolution of such Complaints by adjusting and reconciling opinions of the two parties.
5. When resolving Complaints from a customer, FINMAC shall explain the procedures of handling Complaints to the customer.
6. If FINMAC considers it necessary, it may ask the opinion of the association as prescribed in Article 4, Paragraph 1, Item (1) to which the Self-Regulatory Organizations Affiliate Business Operators belong about the handling policy of the material Complaints made by a customer of such Self-Regulatory Organizations Affiliate Business Operators.

(Submission of Materials, etc.)

Article 14 When FINMAC informs the Affiliated Type I Financial Instruments Business Operators, etc. of Complaints by a customer, it may ask such Affiliated Type I Financial Instruments Business Operators, etc. to provide an explanation in writing or orally, or to submit materials.

2. In the case that the Affiliated Type I Financial Instruments Business Operators, etc. receive a request as prescribed in the preceding Paragraph, they shall not reject it without a justifiable reason.

(Standard Handling Period Required for Resolving Complaints)

Article 15 FINMAC shall make efforts to complete the Complaint resolving procedures within two months.

(Intermediation to Other Complaint and Dispute Resolution Support Organization)

Article 15-2 If the request for resolving a Complaint is out of the scope that can be handled by FINMAC, FINMAC shall introduce other appropriate Complaint and Dispute Resolution Support Organization to the customer for the convenience of the party who made such request, and check whether the customer wishes FINMAC to pass the case to such other organization.

(Explanation of Dispute Resolution System)

Article 16 FINMAC shall, if it deems it necessary or if the Complaints cannot be resolved by face-to-face negotiation made for at least two months between the Affiliated Type I Financial Instruments Business Operators, etc. and the customer, explain the procedures for mediation to be conducted by FINMAC to the customer and check whether the customer wishes to use such mediation procedures.

(Termination of Processing Complaints)

Article 17 FINMAC shall terminate processing Complaints in the following cases:

- (1) The Complaints are resolved;
- (2) It is recognized that the Complaints will not be resolved even after taking measures set forth in each Paragraph of Article 13;
- (3) When FINMAC provides to the customer an explanation prescribed in the preceding Article, and confirms that the customer wishes to move to mediation procedures;
- (4) FINMAC provides to the customer an explanation prescribed in Article 15-2, and passes the case to other organization that handles the Complaint or Dispute if the customer wishes as such;
- (5) The party submitting the Complaint files a lawsuit or for civil conciliation;
- (6) The party submitting the Complaint files for Dispute Resolving Procedures such as arbitration or mediation by other organization;
- (7) FINMAC or the Affiliated Type I Financial Instruments Business Operators, etc. concerned cannot reach the customer over a period of at least one month.

(In the Case of Not Processing Complaints)

Article 18 If a request for resolving Complaints meets either of the conditions set forth in each Item below, FINMAC shall not process such Complaints in principle.

- (1) The Complaints relate to a lawsuit that was completed or is underway, or a civil conciliation that finished or is underway;
- (2) Dispute Resolving Procedures such as arbitration or mediation by other organization were completed or are underway;
- (3) The Complaints are considered to be filed without good reason and for improper purpose;
- (4) Other cases that FINMAC considers it appropriate not to handle as Complaints.

(Advice from Mediators Candidates, etc.)

Article 19 When conducting the business prescribed in Article 3, Paragraph 3, Items (1) and (2), FINMAC shall contact the Mediators Candidates from time to time. The Mediators Candidates shall give advice, etc. on the interpretation of laws and regulations for the conduct of the business by FINMAC.

(Recording of Consultation Issues, etc.)

Article 20 FINMAC shall prepare and retain the record of consultation and Complaints that are prescribed in Article 3, Paragraph 3, Items (1) and (2).

(Non-Disclosure of Complaints and Consultation)

Article 21 Handling of Complaints and conducting consultation for customers shall not be disclosed.

CHAPTER III Mediation by Mediators Candidates

Section 1 Mediators Candidates

(Appointment of the Mediators Candidates)

Article 22 The number of Mediators Candidates shall be determined by the Chairman of FINMAC after obtaining consent of the Board of Governors.

2. The Mediators Candidates shall be lawyers who have professional knowledge or practical experience that are useful for resolving Disputes prescribed in Article 4, Paragraph 2, and the Chairman of FINMAC shall designate their respective responsible area and appoint the Mediators Candidates after obtaining consent of the Board of Governors. However, FINMAC may not appoint a person who cannot be a Mediators Candidate pursuant to Article 19 of the Cabinet Office Ordinance on Financial Instruments Firms Association, etc. (hereinafter referred to as the “Cabinet Office Ordinance Concerning Association”) (including the case where it applies mutatis mutandis to Article 28 and Article 32, Paragraph 2 of the Cabinet Office Ordinance Concerning Association).
3. The determination of number and appointment of Mediators Candidates as prescribed in the preceding two Paragraphs shall undergo discussions at the Operation Review Committee.
4. The term of office of Mediators Candidates shall be one year; provided, however, the term of office of a Mediators Candidate who takes office to supplement a vacancy shall be the remaining period of the predecessor.
5. The Mediators Candidates may be re-appointed.

(Independency of Mediators Candidates)

Article 23 The Mediators Candidates shall comply with laws, regulations, and the Operational Rules, shall be independent, and shall handle cases quickly in a fair manner.

2. People other than the Mediators Candidates such as officers and employees of FINMAC and officers and employees of Affiliated Type I Financial Instruments Business Operators, etc. shall not hinder the conduct of tasks by the Mediators Candidates as prescribed in the preceding Paragraph.

(Responsible Areas)

Article 24 Mediation as provided pursuant to the Operational Rules shall be conducted by Mediators Candidates who are in charge of the venue of mediation procedures as prescribed in the Detailed Rules considering the convenience of the customer.

2. The responsible areas of the Mediators Candidates shall be as shown in Annex 1, depending on the areas they belong to.
3. Notwithstanding the preceding two Paragraphs, in case where a customer or Affiliated Type I Financial Instruments Business Operators, etc. file a motion for mediation, FINMAC may appoint Dispute Resolution Mediators from Mediators Candidates who belong to another jurisdiction when FINMAC judges it necessary and if both the parties agree.

(Chairman of Mediation Procedures)

Article 25 The mediation procedures for Disputes as prescribed in Article 4, Paragraph 2 shall be chaired by one of the Dispute Resolution Mediators who is appointed from the Mediators Candidates pursuant to the provisions of Article 28.

Section 2 Mediation Procedures

(Motion for Mediation)

Article 26 When a customer or Affiliated Type I Financial Instruments Business Operators, etc. intend to file a motion for mediation, they must submit to FINMAC three copies (or four copies if motion for mediation is filed by a customer and the concerned party of the Dispute is a Financial Instruments Intermediary Service Provider) of the Motion for Mediation that describes the purport of filing a motion for such mediation, and points of Disputes in a form designated in the Detailed Rules. In such case, if the customer or the Affiliated Type I Financial Instruments Business Operators, etc. has evidence documents related to such motion, a copy thereof may be submitted to FINMAC.

2. Motion prescribed in the preceding Paragraph filed by an agent shall be allowed only by the person who is prescribed in proviso of Article 11. In such case, the agent must submit a power of attorney to FINMAC.
3. If the customer who files a motion for mediation is a corporation, a document proving the qualification of the representative of the corporation must be submitted to FINMAC.
4. When Affiliated Type I Financial Instruments Business Operators, etc. file a motion for mediation, they must submit to FINMAC a document prescribed in the Detailed Rules that proves that the customer who is the other party of the Dispute agrees to such motion.
5. When Affiliated Type I Financial Instruments Business Operators, etc. file a motion for mediation as prescribed in the preceding Paragraph, FINMAC shall immediately deliver a copy of the consent form as prescribed in the same Paragraph to the customer through means of interview or by notification to confirm its consent. In such case, if FINMAC cannot confirm the consent of the customer, the motion is regarded not to have been made.
6. The customer who agreed to the motion for mediation as prescribed in Paragraph 4 may withdraw its consent at any time by submitting to FINMAC a form designated in the Detailed Rules. In such case, FINMAC shall notify the withdrawal of consent to the Affiliated Type I Financial Instruments Business Operators, etc. concerned and the motion for mediation is regarded to have been withdrawn.
7. Motion for mediation as prescribed in Paragraph 1 shall be allowed only for the cases for which the Complaint processing as prescribed in Article 17, Items (2) and (3) have been completed.

(Intermediation to Other Complaint and Dispute Resolution Support Organization)

Article 26-2 If the motion for mediation by a customer is out of the scope that can be handled by FINMAC, FINMAC shall introduce other appropriate Complaint and Dispute Resolution Support Organization to the customer for the convenience of the party who filed a motion for such mediation, and check whether the customer wishes FINMAC to pass the case to such other organization.

(Obligation of Affiliated Type I Financial Instruments Business Operators, etc. to Participate in Mediation Procedures)

Article 27 When a customer files a motion for mediation as prescribed in Article 26, Paragraph 1, and such motion is accepted pursuant to the provisions of Article 30, Paragraph 1, the Affiliated Type I Financial Instruments Business Operators, etc. who are the other parties of the Dispute must accept to commence the mediation prescribed in the Operational Rules about the Dispute, and participate in the mediation procedures.

(Appointment of Dispute Resolution Mediators)

Article 28 When FINMAC receives the motion for mediation, FINMAC shall appoint the Dispute Resolution Mediators who will chair such mediation procedures from among the Mediators Candidates, and deliver the document of Motion for Mediation to such Dispute Resolution Mediators.

(Interest of Dispute Resolution Mediators)

Article 29 With respect to the mediation procedures for Disputes on business other than the Specified Type I Financial Instruments Business, FINMAC must appoint a Dispute Resolution Mediator who has no special interest as prescribed in Article 20 of the Cabinet Office Ordinance Concerning Association (including the case where it applies mutatis mutandis to Article 28 and Article 32, Paragraph 2 of the Cabinet Office Ordinance Concerning Association), or who meets neither Items of Article 23, Paragraph 1 of the Code of Civil Procedure after reading a “Judge” as a “Dispute Resolution Mediator” in Article 23, Paragraph 1 thereof.

2. With respect to the mediation procedures for Disputes on the Specified Type I Financial Instruments Business, FINMAC must appoint a Dispute Resolution Mediator who has no special interest as prescribed in Article 11, Paragraph 1 of the Cabinet Office Ordinance on Designated Dispute Resolution Organization provided for in Chapter V-V of the Financial Instruments and Exchange Act (hereinafter referred to as the “Cabinet Office Ordinance on Designated Dispute Resolution Organization”), or who meets neither Items of Article 23, Paragraph 1 of the Code of Civil Procedure after reading a “Judge” as a “Dispute Resolution Mediator” in Article 23, Paragraph 1 thereof.

(Acceptance of Motion for Mediation)

Article 30 The Dispute Resolution Mediators shall accept the motion for mediation after confirming that the motion for mediation pursuant to Article 26, Paragraph 1 conforms to the requirements prescribed in the same Article.

2. When the motion for mediation is accepted by the Dispute Resolution Mediators pursuant to the provisions of the preceding Paragraph, FINMAC must immediately notify the names of the Dispute Resolution Mediators and the acceptance date to both parties by simple registered mail or other similar method, and deliver one copy of the Motion for Mediation to the party who has not filed such motion.

(In the Case of No Mediation Procedures)

Article 31 If the motion for mediation meets either of the following Items, and the Dispute Resolution Mediators judge it appropriate not to conduct the mediation procedures, the mediation procedures shall not be conducted.

- (1) Disputes for which mediation under the Operational Rules is called off or settled, or Disputes for which motion for mediation is withdrawn;
- (2) Disputes of which three years have passed since the occurrence;
- (3) Disputes for which a lawsuit was completed or is underway, or for which civil conciliation was finished or is underway (excluding the case where both parties agree to resolve the Dispute by mediation as prescribed in the Operational Rules, and the lawsuit is suspended due to a decision by the court that receives such filing of lawsuit);
- (4) Dispute Resolving Procedures by other organization such as arbitration and mediation were finished or are underway;
- (5) In addition to those set forth in each Item above, cases where it is judged inappropriate to conduct the Dispute Resolving Procedures in view that the customer itself has the ability to resolve the Dispute properly and for other reasons, or the Dispute Resolution

Mediators judge that the motion for mediation was filed without good reason and for improper purpose.

2. If the Dispute Resolution Mediators determine not to conduct the mediation procedures pursuant to the provisions of the preceding Paragraph, FINMAC shall notify it to both parties in writing without delay. In such case, for the application of the provisions of the next Article, Paragraph 3, the motion for mediation is regarded to be withdrawn before the mediation date.

(Mediation Motion Fee)

Article 32 When a customer or Affiliated Type I Financial Instruments Business Operators, etc. file a motion for mediation as prescribed in Article 26, Paragraph 1, and such motion is accepted, the party who filed the motion shall pay the mediation motion fee to FINMAC as prescribed in Annex 2 within 10 days from the day when the notice of accepting the motion arrives.

2. If the mediation motion fee as prescribed in the preceding Paragraph is not paid, FINMAC shall regard that no motion for mediation has been filed.
3. FINMAC shall not return the mediation motion fee that was paid pursuant to Paragraph 1 except for the case where the motion for mediation is withdrawn before the mediation date.
4. The mediation motion fee shall be paid to a bank account designated by FINMAC via wire transfer and the return of mediation motion fee shall be paid to a bank account designated by the party who filed a motion for mediation via wire transfer. In such case, the wire transfer fee shall be paid by the party who made the wire transfer.

(Challenge to Dispute Resolution Mediators)

Article 33 If the party concerned has a significant reason to doubt the fairness or independency of the Dispute Resolution Mediator, it may challenge such Dispute Resolution Mediator.

2. The party concerned who intends to challenge as prescribed in the preceding Paragraph must submit the Motion for Challenge designated in the Detailed Rules to FINMAC before the mediation date. However, if the party concerned does not know the reason for the challenge before the mediation date, or the reason for challenge occurs subsequently, it may file for challenge even after the mediation date.
3. When the motion as prescribed in Paragraph 1 is filed, three Mediators Candidates appointed by FINMAC other than the Dispute Resolution Mediator in question shall determine after discussion whether any reason for challenge exists, by majority vote.
4. If there is a justifiable reason, the Dispute Resolution Mediator may avoid its appointment by obtaining the majority vote of the Mediators Candidates as prescribed in the preceding Paragraph.
5. If FINMAC becomes aware of a fact that casts doubt on the breach of any Paragraph of Article 29 or others principles on the fairness or independence of the Dispute Resolution Mediator, it shall immediately investigate the fact, and determine whether such fact may hinder fair conduct of mediation procedures in discussion with three Mediators Candidates other than the Dispute Resolution Mediator in question.
6. When the determination is made that there is a reason for challenge pursuant to the provisions of Paragraph 3, or the avoidance of the Dispute Resolution Mediator is accepted pursuant to the provisions of Paragraph 4, or there is a reason that may hinder fair conduct of mediation

procedures as prescribed in the preceding Paragraph, FINMAC shall dismiss the Dispute Resolution Mediator at that timing. In such case, FINMAC shall immediately appoint a new Dispute Resolution Mediator from among Mediators Candidates other than the dismissed Dispute Resolution Mediator, deliver the Motion for Mediation to such new Dispute Resolution Mediator, and notify both parties that the Dispute Resolution Mediator was dismissed and a new Dispute Resolution Mediator was appointed.

(Timing to Commence Mediation Procedures)

Article 34 The Mediation procedures shall commence on the date when the motion for mediation as prescribed in Article 30, Paragraph 2 is accepted.

(Submission of Written Answer)

Article 35 A customer or Affiliated Type I Financial Instruments Business Operators, etc. who receive the Motion for Mediation pursuant to the provisions of Article 30, Paragraph 2 must submit three copies (or four copies if the defense is made against the motion by a customer and the party concerned is a Financial Instruments Intermediary Service Provider) of a Written Answer that clarifies the major points of defense or plea against such motion in a form designated in the Detailed Rules without delay. In such case, if the customer or the Affiliated Type I Financial Instruments Business Operators, etc. has evidence documents related to the written answer or plea against such motion, a copy thereof may be submitted to FINMAC.

2. When the Written Answer is submitted as prescribed in the preceding Paragraph, FINMAC shall deliver one copy to the party who filed the motion, by simple registered mail or other similar means.

(Interview)

Article 36 The Dispute Resolution Mediators may designate a date and request the parties concerned or a witness to take attendance and interview them.

2. The parties concerned who are requested to take attendance pursuant to the preceding Paragraph must attend in propria persona.
3. If a party concerned who is requested to take attendance pursuant to Paragraph 1 receives approval from the Dispute Resolution Mediators, it may make its agent attend or may attend with a supporter.
4. The Dispute Resolution Mediators may withdraw the approval prescribed in the preceding Paragraph at any time.

(Request for Reference Materials, etc.)

Article 37 The Dispute Resolution Mediators may ask the parties concerned to provide an explanation in writing or orally about matters necessary for the mediation, or request submission of an accounting book and other evidences.

2. When the Affiliated Type I Financial Instruments Business Operators, etc. receive a request as prescribed in the preceding Paragraph, they shall not reject such request without justifiable reason.

(Calling off of Mediation)

Article 38 If the Disputes under mediation meet either of the following Items and the Dispute Resolution Mediators judge that a settlement cannot be reached between both parties, they shall call off the mediation procedures by treating it as a case without a possibility of settlement

among the parties concerned as prescribed in Article 25, Paragraph 1 of the ADR Act or Article 156-51, Paragraph 1 of the FIEA.

- (1) One party clearly indicates its intention not to settle;
 - (2) It is expected that settlement is not to be reached immediately, and there is a high possibility that, in consideration of the nature of the Dispute and the position of parties of the Dispute, reaching a settlement may give disadvantages on the parties concerned that are larger than the benefits to be obtained as a result of the settlement;
 - (3) One party is absent from three mediations or two consecutive mediations without a justifiable reason.
2. In addition to the provisions of the preceding Paragraph, if the Dispute Resolution Mediators judge that the Dispute under mediation falls into either of the following Items and judge that a settlement cannot be reached, they may call off the mediation procedures.
- (1) One party files a lawsuit or files for civil reconciliation about the Dispute under the mediation procedures;
 - (2) One party files for Dispute Resolving Procedures by other organization such as arbitration and mediation;
 - (3) Any fact is found that may make mediation inappropriate.
3. When the Dispute Resolution Mediators call off the mediation procedures pursuant to the preceding two Paragraphs, FINMAC shall prepare a document showing to that effect and the date of calling off, and send it to the parties concerned by simple registered mail or other similar means.

(Withdrawal of Motion for Mediation)

Article 39 A customer may withdraw a motion for mediation at any time by submitting a Withdrawal of Motion for Mediation to FINMAC with a form designated in the Detailed Rules.

2. When the motion for mediation is withdrawn pursuant to the provisions of the preceding Paragraph, FINMAC shall notify to that effect to the Affiliated Type I Financial Instruments Business Operators, etc. who are the other parties of such Dispute.
3. The Affiliated Type I Financial Instruments Business Operators, etc. which filed a motion for mediation may not withdraw the motion; provided, however, this provisions do not apply if the customer agrees to it in writing with a form designated in the Detailed Rules.

(Indication of Settlement Proposal)

Article 40 When the Dispute Resolution Mediators recognize it appropriate to settle the Dispute, it may prepare a settlement proposal that is necessary for the settlement of the Dispute in consideration of equity of the two parties concerned and to the extent not to be contrary to the purport of the motion for mediation, and so indicate to both parties concerned to recommend acceptance.

(Indication of Special Conciliation Proposal)

Article 40-2 If it is expected that the two parties concerned will not reach a settlement by a recommendation for accepting the settlement proposal prescribed in the preceding Article, and if the Dispute Resolution Mediators judge it appropriate in consideration of the nature of the case, the intentions of the two parties concerned, progress of procedures by the two parties, and other reasons, the Dispute Resolution Mediators may prepare a special conciliation proposal that is necessary for the settlement of Dispute on the Specified Type I Financial Instruments Business or the business of Self-Regulatory Organizations Affiliate Business Operators, etc., to the extent not to be contrary to the purport of the motion for mediation, and so indicate to both

parties concerned with the reason why the proposal was made.

2. The Affiliated Type I Financial Instruments Business Operators, etc. who are involved in the Dispute must accept the special conciliation proposal as prescribed in the preceding Paragraph except in the following cases:
 - (1) A customer who is the party concerned does not accept the special conciliation proposal;
 - (2) When a special conciliation proposal is indicated, a lawsuit of the claim that is a purpose of the mediation has not been filed but is subsequently filed within one month from the day when the Affiliated Type I Financial Instruments Business Operators, etc. became aware that the customer accepted the special conciliation proposal, and the lawsuit has not been withdrawn at that moment;
 - (3) When a special conciliation proposal is indicated, a lawsuit of the claim that is a purpose of the mediation was filed and has not been withdrawn within one month from the day when the Affiliated Type I Financial Instruments Business Operators, etc. became aware that the customer accepted the special conciliation proposal;
 - (4) By the day after the one-month period from the day when the Affiliated Type I Financial Instruments Business Operators, etc. became aware that the customer accepted the special conciliation proposal, the parties concerned have reached an arbitration agreement as prescribed in Article 2, Paragraph 1 of the Arbitration Act on the Dispute that is a purpose of the mediation, or have reached settlement or have settled by arbitration without using such special conciliation proposal.
3. If the Affiliated Type I Financial Instruments Business Operators, etc. file a lawsuit as prescribed in the preceding Paragraph, Item (2), they must deposit to FINMAC the amount that they should pay under the special conciliation proposal by the date before the one-month period from the day designated by the same Item before such filing of lawsuit.
4. At the request of the Affiliated Type I Financial Instruments Business Operators, etc., FINMAC shall return the deposit as prescribed in the preceding Paragraph to such Affiliated Type I Financial Instruments Business Operators, etc. after the first oral pleadings of the lawsuit as prescribed in the preceding Paragraph are made.

(Submission of the Copy of Settlement Agreement)

Article 41 In the mediation procedures, if the parties concerned reach an agreement or the two parties concerned accept the settlement proposal or the special conciliation proposal by the Dispute Resolution Mediators, the Affiliated Type I Financial Instruments Business Operators, etc. who are the party of the Dispute shall prepare a settlement agreement without delay and submit one copy to the Dispute Resolution Mediators.

2. The settlement agreement as prescribed in the preceding Paragraph shall, as witnesses and as Mediators Candidates, have the signatures and seals of the Dispute Resolution Mediators concerned in such case.

(Non-Disclosure of Mediation Procedures)

Article 42 Mediation procedures shall not be disclosed.

(Standard Handling Period Required for Mediation Procedures)

Article 43 The Dispute Resolution Mediators shall make efforts to complete the mediation process within four months from the date when the motion for mediation is accepted.

(Delivery of Documents, etc.)

Article 44 FINMAC shall deliver documents related to the mediation procedures to the addresses

of the parties concerned or other place specifically designated by the parties concerned.

2. Notice of mediation date and other notices necessary for the mediation procedure may be made orally, in writing, and by other method designated by FINMAC from time to time except for the cases prescribed in Article 30, Paragraph 2; Article 35, Paragraph 2; and Article 38, Paragraph 3.

(Recording of Mediation Process, etc.)

Article 45 FINMAC shall prepare a record of summary of progress and result of the mediation procedures (including matters set forth in each Item of Article 16 of the ADR Act, or Article 156-50, Paragraph 9 of the FIEA), and retain it for 10 years from the date when the mediation procedures are completed.

(Explanation of Mediation Procedures)

Article 46 FINMAC must deliver a document that describes important points of the mediation to a customer who shows its intention to file a motion for mediation, and provide an explanation. If motion for mediation is filed by Affiliated Type I Financial Instruments Business Operators, etc., the same shall be done for the customer who is the other party of mediation.

2. The document in the preceding Paragraph shall include matters related to the mediation motion fee to be paid by the customer, a standard process from the start of mediation procedures to the closing, and matters prescribed in Article 12, Paragraph 2 of the Cabinet Office Ordinance on Designated Dispute Resolution Organization.

CHAPTER IV MISCELLANEOUS PROVISIONS

(Confidentiality)

Article 47 A person in a position of a Mediators Candidate and officer or employee of FINMAC or a person who has been in such a position shall neither leak nor steal confidential information that was obtained in the course of his or her business.

2. A person in a position of a Mediators Candidate and officer or employee of FINMAC or a person who has been in such a position shall not use information that was obtained in the course of their business for any purpose other than the business of FINMAC.
3. For the purpose of proper confidentiality management, FINMAC shall take measures that are systematically, physically and technically necessary and appropriate for safety management of confidential information pursuant to the confidentiality management regulations that are specified separately, by, for example, obtaining a written oath to maintain confidentiality.

(Report to the Chairman of FINMAC)

Article 48 When the mediation is completed, Mediators Candidates shall report the result, etc. of mediation to the Secretariat Office without delay.

2. The Secretariat Office shall report the handling progress of consultation, Complaints, and mediation to the Chairman of FINMAC.

(Dissemination and Public Announcement)

Article 49 FINMAC and Affiliated Type I Financial Instruments Business Operators, etc. shall make efforts to disseminate the existence and activities of FINMAC.

2. FINMAC shall make efforts to prevent recurrence and expansion of the same kinds of Complaints and Disputes, by disseminating and publicly announcing requests for consultation, submission of Complaints, or motion for mediation to Affiliated Type I Financial Instruments Business Operators, etc. as prescribed in each Item below:

- (1) Except for matters that are secrets for the parties concerned, a summary of the request for consultation, submission of Complaints, or motion for mediation shall be disseminated to Affiliated Type I Financial Instruments Business Operators, etc. In such case, FINMAC shall disseminate the information through the Japan Securities Dealers Association or The Financial Futures Association of Japan for Affiliated Type I Financial Instruments Business Operators, through the Japan Securities Dealers Association; The Investment Trusts Association, Japan; the Japan Investment Advisers Association; The Financial Futures Association of Japan; or Type II Financial Instruments Firms Association for Self-Regulatory Organizations Affiliate Business Operators, or through Financial Instruments Business Operators, etc. to which a Financial Instruments Intermediary Service Provider belongs to for Financial Instruments Intermediary Service Providers.
- (2) Except for matters that are secrets for the parties concerned, the number and a summary of the requests for consultation, submission of Complaints, or motion for mediation shall be publicly announced.

(Materials Submitted to FINMAC by Customers or Affiliated Type I Financial Instruments Business Operators, etc.)

Article 50 FINMAC shall retain materials submitted by customers or Affiliated Type I Financial Instruments Business Operators, etc. for business related to the Dispute Resolution Business, for ten years from the date when the mediation procedures complete. If any party concerned requests return of the materials during such 10-year period, FINMAC shall return them. If no request is made, the materials shall be disposed of after such 10-year period.

(Receipt of Complaints from Users about Complaints and Dispute Resolution Business)

Article 51 For the purpose of receiving complaints about the Complaints and Dispute Resolution Business conducted by FINMAC, contact information shall be disseminated by disclosing it on its web site.

2. When FINMAC receives a complaint as prescribed in the preceding Paragraph, it shall immediately respond to such complaint.
3. When FINMAC takes measures to respond to the complaint by the user, it shall notify the details of the complaint and what measures are taken to the person who submitted such complaint and publicly announce it on its web site as necessary.

(Public Announcement, etc. of the Fact of Non-Performance of Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures)

Article 52 When resolving Complaints, if FINMAC judges that Affiliated Type I Financial Instruments Business Operators, etc. do not comply with the Operational Rules or do not perform its obligation under the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures, FINMAC shall report it to the Operation Review Committee as necessary after interviewing such Affiliated Type I Financial Instruments Business Operators, etc. about the facts.

2. When the Operation Review Committee receives the report prescribed in the preceding Paragraph and judges that the Affiliated Type I Financial Instruments Business Operators, etc.

have no justifiable reason, FINMAC shall publicly announce the trade name or name of such Affiliated Type I Financial Instruments Business Operators, etc. and the fact of incompliance or non-performance, and demand such Affiliated Type I Financial Instruments Business Operators, etc. take corrective measures.

3. When resolving the Disputes, if Mediators Candidates judge that the Affiliated Type I Financial Instruments Business Operators, etc. do not comply with the Operational Rules or do not perform its obligation under the Master Agreement on Implementing Complaint-handling and Dispute Resolving Procedures, it shall report it to the Operation Review Committee.
4. When the Operation Review Committee receives the report prescribed in the preceding Paragraph, if it judges that the Affiliated Type I Financial Instruments Business Operators, etc. have no justifiable reason after interviewing such Affiliated Type I Financial Instruments Business Operators, etc., FINMAC shall publicly announce the trade name or name of such Affiliated Type I Financial Instruments Business Operators, etc. and the fact of incompliance or non-performance, and demand such Affiliated Type I Financial Instruments Business Operators, etc. take corrective measures.
5. In the case of the preceding four Paragraphs, if FINMAC becomes aware of the fact that the Affiliated Type I Financial Instruments Business Operators, or their officer and employee took an action that breaches the Operational Rules, FINMAC shall report it to the Financial Services Agency pursuant to Article 156-56, Item (2) of the FIEA and Article 14, Paragraph 2, Item (9) and Paragraph 3 of the same Article of the Cabinet Office Ordinance on Designated Dispute Resolution Organization.
6. In the case of Paragraphs 2 and 4, if the Specified Business Operators or the Self-Regulatory Organizations Affiliate Business Operators has not shown any improvement yet, FINMAC may cancel the user registration as prescribed in Article 5, Paragraph 3 for the Specified Business Operators or request the association to which the Self-Regulatory Organizations Affiliate Business Operators belong to take a necessary action for the Self-Regulatory Organizations Affiliate Business Operators.
7. If FINMAC cancels the user registration as prescribed in Article 5, Paragraph 3 pursuant to the provisions of the preceding Paragraph, the provisions in proviso of the same Article, Paragraph 6 shall apply mutatis mutandis.

(Report of Lawsuit Related to the Claim that is a Purpose of the Mediation)

Article 53 If mediation procedures commence for the claim to which a pending lawsuit relates, the Affiliated Type I Financial Instruments Business Operators, etc. must report to FINMAC that the lawsuit is pending, the reason for the claim related to the lawsuit, and the progress of the lawsuit.

2. During the mediation procedures, if a lawsuit is filed relating to the claim that is a purpose of the mediation, the Affiliated Type I Financial Instruments Business Operators, etc. must report to FINMAC that the lawsuit is filed and the reason for the claim related to the lawsuit.
3. If the lawsuit set forth in the preceding two Paragraphs is no longer pending, the Affiliated Type I Financial Instruments Business Operators, etc. (excluding the case where the mediation procedures have already been cancelled or completed pursuant to the provisions of Article 31, Paragraph 1 or Article 38, Paragraph 2) must report to FINMAC to that effect.
4. In addition to the cases prescribed in the preceding three Paragraphs, if FINMAC admits it

necessary and requests the Affiliated Type I Financial Instruments Business Operators, etc. who are involved in such mediation procedure to report the progress and other matters about the lawsuit related to the claim that is a purpose of the mediation procedures, the Affiliated Type I Financial Instruments Business Operators, etc. must report the matters to FINMAC.

(Public Disclosure of Name List of Affiliated Business Operators)

Article 54 FINMAC shall disclose the name list of the Affiliated Type I Financial Instruments Business Operators and Specified Business Operators on its web site.

(Working Hours for Dispute Resolution Business)

Article 55 Working hours for Dispute Resolution Business conducted by FINMAC shall be from 9:00 to 17:00 except for holidays.

2. Holidays prescribed in the preceding Paragraph shall be as follows:

- (1) Sundays and Saturdays;
- (2) Holidays designated in the Act on National Holidays;
- (3) The period from December 31 to January 3 of the following year (except for the days set forth in the preceding two Items);
- (4) Other days designated by FINMAC due to an unavoidable reason such as a natural disaster.

(Location of Office and Business Areas)

Article 56 FINMAC shall have its Offices in the following places:

- (1) The Headquarters Office shall be at 2-1-13, Nihonbashi Kayabacho, Chuo-ku, Tokyo;
- (2) The Osaka Office shall be at 1-5-5, Kitahama, Chuo-ku, Osaka-shi, Osaka.

2. Each Office of FINMAC shall be responsible for the business areas in the conduct of the Dispute Resolution Business as prescribed in each Item below:

- (1) Headquarters Office: Regions other than those covered by Osaka Office.
- (2) Osaka Office: A request for consultation, submission of complaint, and motion for mediation by customers who are located in the Osaka region and other regions designated by the Detailed Rules among the regions as set forth in Annex 1, and motion for mediation that is made by Affiliated Type I Financial Instruments Business Operators, etc. who have an office in such regions and that are related to the office located therein.

(Check of Performance Status of Obligations Determined in Settlement)

Article 57 When a customer of the Affiliated Type I Financial Instruments Business Operators, etc. who are the party concerned makes a request, FINMAC shall check the performance status of the obligations that are determined in the settlement for mediation procedures, and recommend the Affiliated Type I Financial Instruments Business Operators, etc. to perform such obligations.

Supplementary Provisions (October 16, 2009)

1. The Rules shall be enforced as of October 16, 2009; provided, however, the following provisions shall be enforced on the dates as set forth in the respective Items:
 - (1) Provisions of Article 4, Paragraph 1, Item (1); Article 4, Paragraph 2, Items (1) to (5); Article 5, Paragraph 1; Article 6, Paragraph 1; Article 7; Article 8; Articles 10 to 21; and Articles 23 to 52 (excluding the parts that are related to the Specified Business Operators):
On the date determined separately by FINMAC (Note 1).
 - (2) Provisions of Article 4, Paragraph 1 Item (2); Article 4, Paragraph 2, Item (6); Article 5, Paragraphs 2 to 8; and Article 6, Paragraph 2; Article 7; Article 8; Articles 10 to 21, and Articles 23 to 52 that are related to the Specified Business Operators:
On the date when FINMAC receives authorization prescribed in Article 79-7, Paragraph 1 of the FIEA (Note 2).
2. The term of office of Mediators Candidates who are appointed firstly after the enforcement of the Rules shall be by June 30, 2010 regardless of the provisions of Article 22, Paragraph 4.

(Note 1) The date determined separately by FINMAC shall be February 1, 2010.

(Note 2) The date of receiving the authorization is January 19, 2010.

Supplementary Provisions (April 1, 2011)

This revision shall be enforced on the date determined separately by FINMAC; provided, however, submission of Complaints and motion for mediation prior to the enforcement date shall be processed pursuant to the previous Rules.

(Note) The revised provisions shall be as follows:

- (1) Change the name of the Rules of FINMAC;
- (2) Revised Article 1; Article 2, body text and Item (10); Article 3, Paragraph 3, Item (2) and Paragraphs 4, 5, and 7; Article 4, Paragraph 2 Item (6); Article 5, Paragraph 6; Article 6, Paragraphs 1 and 2; Article 7, Paragraphs 1 to 3; Article 9; Article 10, Paragraph 2; Article 11; Article 13, Paragraphs 1 to 4; Article 14, Article 16, Paragraph 1; Article 17, Paragraph 1, Items (3), (4) and (7); Article 18, body text and Item (3); Article 23, Paragraphs 1 and 2; Article 24, Paragraphs 1 and 3; Article 25; Article 26, Paragraphs 1, 4 to 6; Article 27; Article 28; Article 29, Paragraph 1; Article 30, Paragraphs 1 and 2; Article 31, Paragraph 1, body text and Items (1), (3), and (5); Article 31, Paragraph 2; Article 32, Paragraph 1; Article 33, Paragraphs 1, 3, and 4; Article 35, Paragraph 1; Article 36, Paragraphs 1, 3, and 4; Article 37, Paragraphs 1 and 2; Article 38, Paragraph 1, body text, Paragraph 2, body text, and Paragraph 3; Article 39, Paragraphs 2 and 3; Article 41, Paragraphs 1 and 2; Article 43; Article 45; Article 46, Paragraph 1; Article 47, Paragraphs 1 to 3; Article 49, Paragraph 1, Paragraph 2, body text and each Item; Article 50; Article 51, body text; Article 52, Paragraphs 1 to 6.

- (3) Newly established Article 2, Items (18) to (23); Article 3, Paragraphs 8 to 13; Article 4, Paragraph 1, Item (3); Article 4, Paragraph 2, Item (7); Article 4, Paragraphs 3 to 6; Article 5, Paragraph 9; Article 5-2; Article 5-3; Article 6, Paragraphs 3 to 9; Article 6-2; Article 6-3; Article 26-2; Article 29, Paragraph 2; Article 33, Paragraph 5; Article 46, Paragraph 2; and Articles 53 to 57.
- (4) Deleted Article 16, former Paragraph 2, and changed it to the newly established Article 15-2.
- (5) Changed Article 33, former Paragraph 5 to Paragraph 6, and newly established the revised version of Paragraph 5.
- (6) Changed former Article 40 to Article 40-2, and newly established the revised version of Article 40;
- (7) Newly established Article 40-2, Paragraph 2, Items (1) to (4), changed the former Paragraph 3 to Paragraph 4, and newly established Paragraph 3;
- (8) “The date determined separately by FINMAC” shall be April 1, 2011.

Supplementary Provisions (April 18, 2011)

This revision shall be enforced as of April 18, 2011.

(Note) The revised provisions shall be as follows:

Deleted Article 2, Item (17), Article 4, Paragraph 1, Item (1)-(e), and Article 4, Paragraph 2 Item (5), and changed Article 4, Paragraph 2, Items (6) and (7) to Items (5) and (6).

Supplementary Provisions (June 30, 2011)

This revision shall be enforced on the date when Type II Financial Instruments Firms Association is authorized by the Prime Minister as the Authorized Financial Instruments Firms Association as prescribed in Article 78, Paragraph 1 of the FIEA.

(Note) The revised provisions shall be as follows:

- (1) Revised Article 2, Item (17), and Article 49, Paragraph 2, Item (1);
- (2) Newly established Article 4, Paragraph 1, Item (1)-(e);
- (3) Changed Article 4, Paragraph 2, former Items (5) and (6) to Items (6) and (7) and newly established Item (5);
- (4) “The date when Type II Financial Instruments Firms Association is authorized by the Prime Minister as the Authorized Financial Instruments Firms Association as prescribed in Article 78, Paragraph 1 of the FIEA” shall be June 30, 2011.

Supplementary Provisions (July 13, 2012)

This revision shall be enforced on the date determined separately by FINMAC.

(Note 1) The date determined separately shall be the date when the authorization by the Financial Services Agency Commissioner is given.

(Note 2) The revised provisions shall be as follows:

- (1) Revised Article 2, Item (16);
- (2) Revised Article 4, Paragraph 1, Item (1)-(c) and (d), and Paragraph 2, Items (3) and (4);
- (3) Revised Article 6, Paragraph 3, Items (3) and (4), and Paragraphs 5, 6, and 8;
- (4) Revised Article 6-2, Paragraph 2, and Article 49, Paragraph 2, Item (1);
- (5) “The date when the authorization by the Financial Services Agency Commissioner is given” is July 13, 2012.

Supplementary Provisions (February 27, 2013)

This revision shall be enforced on the date determined separately by FINMAC.

(Note 1) The date determined separately shall be the date after the authorization by a competent administrative agency is given.

(Note 2) The revised provisions shall be as follows:

- (1) Revised Article 2, Items (13) and (16);
- (2) Revised Article 4, Paragraph 1, Item (1)-(b), and Paragraph 2, Item (2);
- (3) Revised Article 24, Paragraph 1 and Article 26, Paragraph 1, and newly established Paragraph 7;
- (4) Revised Article 35, Paragraph 1; Article 36, Paragraph 2; Article 49, Paragraph 2, Item (1); and Article 56, Paragraph 2, Item (2);
- (5) “The date determined separately by FINMAC” shall be March 11, 2013.

Supplementary Provisions (May 29, 2015)

This revision shall be enforced on the date determined separately by FINMAC.

(Note 1) The date determined separately shall be the enforcement date of the “Act for Partial Revision of the Financial Instruments and Exchange Act, etc. (Law No. 44 in 2014).”

(Note 2) The revised provisions shall be as follows:

- (1) Revised Article 2, Paragraph 1, Items (9) and (17);
- (2) Revised Article 4, Paragraph 2, Item (5).
- (3) The date determined separately by FINMAC shall be May 29, 2015.

Annex 1 Responsible Areas

Region	Responsible Areas
Hokkaido	Hokkaido
Tohoku	Miyagi, Fukushima, Yamagata, Iwate, Akita, and Aomori
Tokyo	Tokyo, Ibaraki, Tochigi, Gunma, Saitama, Chiba, Kanagawa, Yamanashi, Nagano, Niigata, and Okinawa
Nagoya	Aichi, Gifu, Shizuoka, and Mie
Hokuriku	Ishikawa, Toyama, and Fukui
Osaka	Osaka, Kyoto, Hyogo, Nara, Wakayama, and Shiga
Chugoku	Hiroshima, Tottori, Shimane, Okayama, and Yamaguchi
Shikoku	Kagawa, Ehime, Tokushima, and Kochi
Kyushu	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Kagoshima, and Miyazaki

Annex 2 Mediation Motion Fee

Mediation Motion Fee

Amount claimed by the filing Party	Mediation Motion Fee	Amount claimed by the filing Party	Mediation Motion Fee
10 thousand yen	yen	10 thousand yen	yen
100 or less	2,000	More than 2,000 to 2,500	25,000
More than 100 to 300	6,000	More than 2,500 to 3,000	29,000
More than 300 to 500	8,000	More than 3,000 to 3,500	33,000
More than 500 to 800	11,000	More than 3,500 to 4,000	37,000
More than 800 to 1,000	13,000	More than 4,000 to 4,500	41,000
More than 1,000 to 1,500	17,000	More than 4,500 to 5,000	45,000
More than 1,500 to 2,000	21,000	More than 5,000	50,000