

Effective from January 27, 2003

Amended: April 1, 2003

April 1, 2004

January 12, 2005

March 7, 2005

May 16, 2005

May 1, 2006

September 30, 2007

October 1, 2007

This translation is based on the Japanese original, prepared for reference purposes only.

The only authentic text is the Japanese one as provided on our website
<http://www.boj.or.jp/type/law/furiketsu/fyoryo01.htm>.

(Translation)

Bank of Japan Regulations concerning the JGB Book-Entry System

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Chapter I General Provisions

Article 1 (Purpose)

These Regulations provide for necessary matters to implement the business relating to transfer of Japanese government securities (JGSs) conducted by the Bank of Japan with designation of Article 47, Paragraph 1 of the Law concerning Book-Entry Transfer of Corporate and Other Debt Securities (Law No. 75 of 2001; hereinafter referred to as the "Law") (excluding the case provided for in Article 44, Paragraph 2 of the Law; hereinafter referred to as the "BOJ's Book-Entry Business").

Article 2 (Definitions)

For the purpose of these Regulations, the following terms shall have the meanings provided for in the following Items:

- (1) "JGB Book-Entry System" shall mean the structure of transfer of JGSs relating to the BOJ's Book-Entry Business;
- (2) "Book-Entry JGSs" shall mean any JGSs dealt with under the JGB Book-Entry System;
- (3) "Direct Participant's Account" shall mean an account which the Bank of Japan shall establish for any of the following persons to transfer the Book-Entry JGSs:
 - a. any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or the book-entry transfer institutions provided for in Article 2, Paragraph 2 of the Law (excluding the Bank of Japan deemed to be the book-entry transfer institution pursuant to the provision of Article 48 of the Law; hereinafter referred to as the "Other Transfer Institutions");
 - b. any person separately specified by the Bank of Japan pursuant to the provision of Article 7, Paragraph 2; and

- c. the Bank of Japan;
- (4) "Customer's Account" shall mean any account used for transfer of Book-Entry JGSs other than the Direct Participant's Account;
- (5) "Direct Participant" shall mean any person for whom the Bank of Japan established the Direct Participant's Account;
- (6) "Indirect Participant" shall mean any person for whom the Direct Participant (excluding the Bank of Japan) established the Customer's Account and who is approved by the Bank of Japan as the person who may establish Customers' Accounts (limited to accounts used for transfer of such Book-Entry JGSs of others as are managed within Japan) for others;
- (7) "Foreign Indirect Participant" shall mean any person for whom the Participant (excluding the Bank of Japan) established the Customer's Account and who is approved by the Bank of Japan as the person who may establish Customers' Accounts (limited to accounts for transfer of such Book-Entry JGSs of others as are managed outside Japan) for others;
- (8) "Participant" shall mean the Direct Participant, the Indirect Participant, or the Foreign Indirect Participant;
- (9) "Customer" shall mean any person for whom the Participant established the Customer's Account;
- (10) "Designated Direct Participant" shall mean any Direct Participant who established the Customer's Account for the Indirect Participant and who is designated by the Bank of Japan;
- (11) "Designated Participant" shall mean any Participant who established the Customer's Account for the Foreign Indirect Participant and who is designated by the Bank of Japan;
- (12) "Lower-Positioned Institution" shall mean any of the following:
 - a. with respect to a Direct Participant, Indirect Participant whose

Designated Direct Participant is that Direct Participant;

- b. with respect to a Participant, Foreign Indirect Participant whose Designated Participant is that Participant; and
 - c. with respect to an Indirect Participant of a. or a Foreign Indirect Participant of b. or c., Foreign Indirect Participant whose Designated Participant is that Indirect Participant or that Foreign Indirect Participant;
- (13) "Classifications" shall mean divisions in a Direct Participant's Account or a Customer's Account to distinguish the Book-Entry JGSs which belong to the trust property of the trust of which the Direct Participant or the Customer is trustee and such other Book-Entry JGSs as are separately specified by the Bank of Japan from other Book-Entry JGSs;
- (14) "Issue" shall mean name and number of JGSs; provided that in the case of the Separated Principal Component, it shall mean the matters which indicate that it is the Separated Principal Component and those sufficient to specify the name and number of JGSs before the Separation, and in the case of the Separated Coupon Component, it shall mean the matters which indicate that it is the Separated Coupon Component and those sufficient to specify the date of interest payment;
- (15) "Separation" shall mean the detachment of principal and interest provided for in Article 90, Paragraph 1 of the Law;
- (16) "Consolidation" shall mean to consolidate the Separated Principal Component and each Separated Coupon Component which has the same date of interest payment and amount as each coupon of the Book-Entry JGS Eligible for STRIPS which has the same name, number, and amount as such Separated Principal Component;
- (17) "Book-Entry JGSs Eligible for STRIPS" shall mean, among Book-Entry JGSs, the qualified detachable book-entry transfer JGSs provided for in Article 90, Paragraph 1 of the Law;

- (18) "Separated Principal Component" shall mean, among Book-Entry JGSs, the principal-only book-entry transfer JGSs provided for in Article 90, Paragraph 2 of the Law;
- (19) "Separated Coupon Component" shall mean, among Book-Entry JGSs, the coupon-only book-entry transfer JGSs provided for in Article 90, Paragraph 3 of the Law; and
- (20) "Book-Entry JGSs Eligible for STRIPS, etc.," shall mean the Book-Entry JGSs Eligible for STRIPS, the Separated Principal Component, or the Separated Coupon Component.

Article 3 (Business Hours of the BOJ's Book-Entry Business)

1. Business hours of the BOJ's Book-Entry Business shall be from 9 a.m. through 4:30 p.m.
2. The Bank of Japan may, if it considers it necessary, temporarily change its business hours set out in the preceding Paragraph. In such case, it shall without delay notify the Direct Participants (excluding the Bank of Japan; the same shall apply hereinafter in this Chapter) of the same or take any measures so that the Direct Participants are able to receive such information by electromagnetic method.
3. The electromagnetic method provided for in the preceding Paragraph shall use the means to provide the Direct Participants with the contents of information recorded in the files stored in computers used by the Bank of Japan through telecommunications lines for inspecting and recording such information in the files in the Direct Participants' computers, which use an automatic public transmission server (the automatic public transmission server as provided for in Article 2, Paragraph 1, Item 9-5 (a) of the Copyright Law (Law No. 48 of 1970) connected to the Internet.

Article 4 (Holidays, etc.)

1. Holidays for the BOJ's Book-Entry Business shall be holidays of the Bank of Japan as specified in the written statement of manners of conducting business

provided for in Article 45, Paragraph 1 of the Bank of Japan Law (Law No. 89 of 1997).

2. The Bank of Japan may, if it considers it necessary, temporarily close the BOJ's Book-Entry Business on a day other than holidays set out in the preceding Paragraph or temporarily open the BOJ's Book-Entry Business on such holidays. In such case, it shall without delay notify the Direct Participants of the same.

Article 5 (Scope of Book-Entry JGSs)

Book-Entry JGSs shall be book-entry transfer JGSs provided for in Article 88 of the Law (limited to bearer internal bonds) save for book-entry JGSs in respect of which the Bank of Japan has not obtained the approval of the Japanese government provided for in Article 13, Paragraph 1 of the Law and other book-entry JGSs separately specified by the Bank of Japan.

Article 6 (Approval of Issuer)

Matters necessary for the approval of the Japanese government provided for in Article 13, Paragraph 1 of the Law shall be separately provided by the Bank of Japan.

Chapter II Participants and Accounts

Section 1 Direct Participant and Direct Participant's Account

Article 7 (Establishment of Direct Participant's Account)

1. The Bank of Japan shall, when it receives an application for establishment of a Direct Participant's Account and considers the applicant to meet the following requirements, establish the Direct Participant's Account for that applicant. Details of requirements provided for in Item 2 shall be separately provided by the Bank of Japan:

- (1) the applicant shall be any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or Other Transfer Institutions; and

- (2) it shall not threaten to prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation if the applicant becomes a Direct Participant who may establish Customers' Accounts for others.
2. Notwithstanding the provision of the preceding Paragraph, the Bank of Japan shall, when it receives an application for establishment of a Direct Participant's Account (limited to an account provided for in Article 8, Paragraph 1, Item 1) and determines that it will not threaten to prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation if the applicant becomes a Direct Participant, and that it meets such other requirements as are separately provided by the Bank of Japan, establish the Direct Participant's Account for that applicant.
3. Any person who desires to have the Direct Participant's Account established (excluding the Bank of Japan) shall submit to the Bank of Japan the Commercial Register and other documents separately specified by the Bank of Japan. In such case, the Bank of Japan shall identify the applicant by the method provided for in the Law on Personal Identification of Customers and Prevention of Unlawful Use of Depository Accounts (Law No. 32 of 2002).
4. The Bank of Japan shall, when it establishes a Direct Participant's Account, notify the person for whom such Direct Participant's Account is established (excluding the Bank of Japan) of the date of establishment thereof.
5. The Bank of Japan shall, when it establishes a Direct Participant's Account, notify the Direct Participants (excluding the Bank of Japan) of the name of such person for whom such Direct Participant's Account is established and the date of establishment thereof.
6. The Bank of Japan may establish a Direct Participant's Account for itself.

Article 8 (Divisions of Direct Participant's Account)

1. The Direct Participant's Account shall be divided into the following; provided that the Direct Participant's Account established under the provision of Article 7, Paragraph 2 hereof shall be limited to the account set out in Item 1:

- (1) the account into which description or record of the Book-Entry JGSs to which the relevant Direct Participant holds the rights shall be made (hereinafter referred to as the "Direct Participant's Account [Proprietary ledger]"); and
 - (2) the account into which description or record of the Book-Entry JGSs to which the Customers of the relevant Direct Participant or its Lower-Positioned Institutions hold the rights shall be made (hereinafter referred to as the "Direct Participant's Account [Customer ledger]").
2. The Direct Participant's Account (Proprietary ledger) and the Direct Participant's Account (Customer ledger) shall have subdivisions for each Classification as separately provided by the Bank of Japan. In such case, the Direct Participant's Account (Proprietary ledger) shall have a subdivision into which the Book-Entry JGSs which are subject to a pledge are described or recorded and the other subdivision into which other Book-Entry JGSs are described or recorded.

Article 9 (Notification, etc., of Change in Name, etc., of Direct Participant)

1. The Direct Participant (excluding the Bank of Japan) shall, if any change in its name, address, or other matters separately provided by the Bank of Japan has been made, immediately notify the Bank of Japan of the same.
2. The Bank of Japan shall, if it knows of any change in the name of a Direct Participant, notify the other Direct Participants (excluding the Bank of Japan) of the same.
3. The Direct Participant for whom the Direct Participant's Account is established under the provision of Article 7, Paragraph 1 hereof shall, if it has ceased to be any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or Other Transfer Institution, immediately notify the Bank of Japan of the same.

Article 10 (Abolition of Direct Participant's Account)

1. The Direct Participant (excluding the Bank of Japan; the same shall apply in Paragraphs 2 and 3) may apply to the Bank of Japan for abolition of its own Direct Participant's Account. Such application shall be made by the day one (1) month

prior to the day on which the Direct Participant desires to abolish such account.

2. The Bank of Japan shall, if any Direct Participant falls under any of the following Items, abolish the Direct Participant's Account of such Direct Participant:
 - (1) when it made an application under the preceding Paragraph; or
 - (2) when it has ceased to be any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or Other Transfer Institution (limited to the Direct Participant for whom the Direct Participant's Account is established under the provision of Article 7, Paragraph 1 hereof).
3. The Bank of Japan may, if any Direct Participant falls under any of the following Items, abolish the Direct Participant's Account of such Direct Participant. In such case, an opportunity to explain shall be given to such Direct Participant in advance:
 - (1) when it has breached laws and regulations, administrative dispositions thereunder, these Regulations, or other matters determined by the Bank of Japan pursuant to the provision of Article 118 hereof; or
 - (2) other than the above, when the Bank of Japan considers that it does, or threatens to, prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation.
4. Abolition of the Direct Participant's Account under the provision of the preceding Paragraph shall not prevent the Bank of Japan from claiming for the damages.
5. The Direct Participant shall, if its own Direct Participant's Account is abolished pursuant to the provisions of Paragraph 2 or 3 hereof, before such abolition, complete the procedures to transfer the Book-Entry JGSs which are described or recorded in its own Direct Participant's Account (Proprietary ledger) to the Customer's Account which is established for such Direct Participant by another Participant, and complete the procedures to transfer the Book-Entry JGSs which are described or recorded in the Customers' Accounts established by such Direct Participant to other Customers' Accounts.

6. The Bank of Japan shall not be liable for any damages arising from the abolition of the Direct Participant's Account under the provisions of Paragraph 2 or 3 hereof.
7. The Bank of Japan shall, if it abolishes the Direct Participant's Account under the provisions of Paragraph 2 or 3 hereof, notify the Direct Participant of the date of such abolition.
8. The Bank of Japan shall, if it abolishes the Direct Participant's Account under the provisions of Paragraph 2, 3, or 9 hereof, notify the other Direct Participants (excluding the Bank of Japan) of the name of such Direct Participant and the date of such abolition.
9. The Bank of Japan may abolish its own Direct Participant's Account. In such case, it shall, before such abolition, complete the procedures to transfer the Book-Entry JGSs which are described or recorded in its own Direct Participant's Account (Proprietary ledger) to the Customer's Account which is established for the Bank of Japan by another Participant, and complete the procedures to transfer the Book-Entry JGSs which are described or recorded in the Customers' Accounts established by the Bank of Japan to other Customers' Accounts.

Section 2 Indirect Participant and Indirect Participant's Account

Article 11 (Approval for Indirect Participant)

1. The Bank of Japan shall, when it receives an application for approval of Article 2, Item 6 hereof (hereinafter referred to as the "Approval for Indirect Participant") and considers the applicant to meet the following requirements, approve the same on the condition that the Customer's Account is established by the Direct Participant designated by the Bank of Japan. Details of requirements provided for in Item 2 shall be separately provided by the Bank of Japan:
 - (1) the applicant shall be any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or Other Transfer Institutions; and
 - (2) it shall not threaten to prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation if the applicant becomes the Indirect Participant.

2. Any person who desires to obtain Approval for Indirect Participant shall submit to the Bank of Japan the Commercial Register and other documents separately specified by the Bank of Japan.
3. The Bank of Japan shall, when it grants Approval for Indirect Participant, notify the person to be approved of the date of such approval and the name of the Direct Participant designated by the Bank of Japan pursuant to Paragraph 1 above.
4. The Bank of Japan shall, when it grants Approval for Indirect Participant, notify the Direct Participants (excluding the Bank of Japan) of the name of the person to be approved, the date of such approval, and the name of the Direct Participant designated by the Bank of Japan pursuant to Paragraph 1 above.

Article 12 (Divisions of Indirect Participant's Account)

1. The Customer's Account which is established for an Indirect Participant by the Designated Direct Participant (hereinafter referred to as the "Indirect Participant's Account") shall be divided into the following:
 - (1) the account into which a description or record of the Book-Entry JGSs to which the relevant Indirect Participant holds the rights shall be made (hereinafter referred to as the "Indirect Participant's Account [Proprietary ledger]"); and
 - (2) the account into which a description or record of the Book-Entry JGSs to which the Customers of the relevant Indirect Participant or its Lower-Positioned Institutions hold the rights shall be made (hereinafter referred to as the "Indirect Participant's Account [Customer ledger]").
2. The Indirect Participant's Account (Proprietary ledger) and the Indirect Participant's Account (Customer ledger) shall have subdivisions for each Classification as separately provided by the Bank of Japan. In such case, the Indirect Participant's Account (Proprietary ledger) shall have a subdivision into which the Book-Entry JGSs which are subject to a pledge are described or recorded and the other subdivision into which other Book-Entry JGSs are described or recorded.

Article 13 (Notification, etc., of Change in Name, etc., of Indirect Participant)

1. The Indirect Participant shall, if any change in its name or address has been made, immediately notify the Bank of Japan of the same.
2. The Bank of Japan shall, if it has known any change in the name of an Indirect Participant, notify the Direct Participants (excluding the Bank of Japan) of the same.
3. The Indirect Participant shall, if it has ceased to be any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or Other Transfer Institution, immediately notify the Bank of Japan of the same.

Article 14 (Cancellation of Approval for Indirect Participant)

1. The Indirect Participant may apply to the Bank of Japan for cancellation of the Approval for Indirect Participant. Such application shall be made by the day one (1) month prior to the day on which the Indirect Participant desires to cancel such approval.
2. The Bank of Japan shall, if any Indirect Participant falls under any of the following Items, cancel the Approval for Indirect Participant:
 - (1) when it made an application under the preceding Paragraph; or
 - (2) when it has ceased to be any person provided for in Article 44, Paragraph 1, Items 1 through 12 of the Law or Other Transfer Institution.
3. The Bank of Japan may, if any Indirect Participant falls under any of the following Items, cancel the Approval for Indirect Participant. In such case, an opportunity to explain shall be given to such Indirect Participant in advance:
 - (1) when it has breached laws and regulations, administrative dispositions thereunder, these Regulations, or other matters determined by the Bank of Japan pursuant to the provision of Article 118 hereof; or

- (2) other than the above, when the Bank of Japan considers that it does, or threatens to, prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation.
4. Cancellation of the Approval for Indirect Participant under the provision of the preceding Paragraph shall not prevent the Bank of Japan from claiming damages.
5. The Indirect Participant shall, if its Approval for Indirect Participant is canceled, before such cancellation, complete the procedures to transfer the Book-Entry JGSs which are described or recorded in the Customers' Accounts established by such Indirect Participant to other Customers' Accounts.
6. The Bank of Japan shall not be liable for any damages arising from the cancellation of Approval for Indirect Participant.
7. The Bank of Japan shall, if it cancels the Approval for Indirect Participant, notify such Indirect Participant of the date of such cancellation.
8. The Bank of Japan shall, if it cancels the Approval for Indirect Participant, notify the Direct Participants (excluding the Bank of Japan) of the name of such Indirect Participant and the date of such cancellation.

Section 3 Foreign Indirect Participant and Foreign Indirect Participant's Account

Article 15 (Approval for Foreign Indirect Participant)

1. The Bank of Japan shall, when it receives an application for approval of Article 2, Item 7 hereof (hereinafter referred to as the "Approval for Foreign Indirect Participant") and considers the applicant to meet the following requirements, approve the same on the condition that the Customer's Account is established with the Participant designated by the Bank of Japan. Details of requirements provided for in Item 2 shall be separately provided by the Bank of Japan:
 - (1) the applicant shall be any person provided for in Article 44, Paragraph 1, Item 13 of the Law; and

- (2) it shall not threaten to prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation if the applicant becomes the Foreign Indirect Participant.
2. Any person who desires to obtain Approval for Foreign Indirect Participant shall submit to the Bank of Japan the Commercial Register and other documents separately specified by the Bank of Japan.
3. The Bank of Japan shall, when it grants Approval for Foreign Indirect Participant, notify the person to be approved of the date of such approval and the name of the Participant designated by the Bank of Japan pursuant to Paragraph 1 above.
4. The Bank of Japan shall, when it grants Approval for Foreign Indirect Participant, notify the Direct Participants (excluding the Bank of Japan) of the name of such person to be approved, the date of such approval, and the name of the Participant designated by the Bank of Japan pursuant to Paragraph 1 above. In such case, if the Participant designated by the Bank of Japan is Indirect Participant or Foreign Indirect Participant, it shall also notify such Indirect Participant or Foreign Indirect Participant of the same.

Article 16 (Divisions of Foreign Indirect Participant's Account)

1. The Customer's Account which is established for a Foreign Indirect Participant by the Designated Participant (hereinafter referred to as the "Foreign Indirect Participant's Account") shall be divided into the following:
 - (1) the account into which a description or record of the Book-Entry JGSs to which the relevant Foreign Indirect Participant holds the rights shall be made (hereinafter referred to as the "Foreign Indirect Participant's Account [Proprietary ledger]"); and
 - (2) the account into which a description or record of the Book-Entry JGSs to which the Customers of the relevant Foreign Indirect Participant or its Lower-Positioned Institutions hold the rights shall be made (hereinafter referred to as the "Foreign Indirect Participant's Account [Customer ledger]").

2. The Foreign Indirect Participant's Account (Proprietary ledger) and the Foreign Indirect Participant's Account (Customer ledger) shall have subdivisions for each Classification as separately provided by the Bank of Japan. In such case, the Foreign Indirect Participant's Account (Proprietary ledger) shall have a subdivision into which the Book-Entry JGSs which are subject to a pledge are described or recorded and the other subdivision into which other Book-Entry JGSs are described or recorded.

Article 17 (Notification, etc., of Change in Name, etc., of Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, if any change in its name, address, or any other matters separately specified by the Bank of Japan has been made, immediately notify the Bank of Japan of the same.
2. The Bank of Japan shall, if it knows of any change in the name of a Foreign Indirect Participant, notify the Direct Participants (excluding the Bank of Japan) of the same.
3. The Foreign Indirect Participant shall, if it has ceased to be any person provided for in Article 44, Paragraph 1, Item 13 of the Law, immediately notify the Bank of Japan of the same.

Article 18 (Cancellation of Approval for Foreign Indirect Participant)

1. The Foreign Indirect Participant may apply to the Bank of Japan for cancellation of the Approval for Foreign Indirect Participant. Such application shall be made by the day one (1) month prior to the day on which the Foreign Indirect Participant desires to cancel such approval.
2. The Bank of Japan shall, if any Foreign Indirect Participant falls under any of the following Items, cancel the Approval for Foreign Indirect Participant:
 - (1) when it made an application under the preceding Paragraph; or
 - (2) when it has ceased to be any person provided for in Article 44, Paragraph 1, Item 13 of the Law.

3. The Bank of Japan may, if any Foreign Indirect Participant falls under any of the following Items, cancel the Approval for Foreign Indirect Participant. In such case, an opportunity to explain shall be given to such Foreign Indirect Participant in advance:
 - (1) when it has breached laws and regulations, administrative dispositions thereunder, these Regulations, or other matters determined by the Bank of Japan pursuant to the provision of Article 118 hereof; or
 - (2) other than the above, when the Bank of Japan considers that it does, or threatens to, prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation.
4. Cancellation of the Approval for Foreign Indirect Participant under the provision of the preceding Paragraph shall not prevent the Bank of Japan from claiming damages.
5. The Foreign Indirect Participant shall, if its Approval for Foreign Indirect Participant is canceled, before such cancellation, complete the procedures to transfer the Book-Entry JGSs which are described or recorded in the Customers' Accounts established by such Foreign Indirect Participant to other Customers' Accounts.
6. The Bank of Japan shall not be liable for any damages arising from the cancellation of Approval for Foreign Indirect Participant.
7. The Bank of Japan shall, if it cancels the Approval for Foreign Indirect Participant, notify such Foreign Indirect Participant of the date of such cancellation.
8. The Bank of Japan shall, if it cancels the Approval for Foreign Indirect Participant, notify the Direct Participants (excluding the Bank of Japan) of the name of such Foreign Indirect Participant and the date of such cancellation. In such case, if the Designated Participant of such Foreign Indirect Participant is Indirect Participant or Foreign Indirect Participant, it shall also notify such Indirect Participant or Foreign Indirect Participant of the same.

Section 4 Customer's Account

Article 19 (Establishment of Customer's Account)

1. Only Participants (excluding the Direct Participants for whom the Direct Participants' Accounts are established pursuant to the provision of Article 7, Paragraph 2 hereof; the same shall apply hereinafter in this Section) may establish Customers' Accounts.
2. The Direct Participant or Indirect Participant shall identify the person for whom a Customer's Account is established by the method provided for in the Law on Personal Identification of Customers and Prevention of Unlawful Use of Depository Accounts (Law No. 32 of 2002).
3. The Foreign Indirect Participant shall identify the person for whom a Customer's Account is established by the method provided for in the preceding Paragraph or pursuant to the laws and regulations or customs of the country where such Foreign Indirect Participant establishes such Customer's Account.
4. The Bank of Japan shall, when it receives an application for establishment of a Customer's Account and determines that if the applicant becomes the Customer of the Bank of Japan, it will not threaten to prejudice the credibility of the JGB Book-Entry System or prevent its smooth operation, and that it meets such other requirements as are separately provided by the Bank of Japan, establish the Customer's Account for that applicant.

Article 20 (Agreement with Customer)

1. The Participants shall, upon establishing a Customer's Account, enter into an agreement with the Customer which shall include the following matters, except for establishment of the Customer's Account of the person separately specified by the Bank of Japan:
 - (1) the Customer's Account shall be established under the JGB Book-Entry System and treatment thereof shall be subject to such agreement, the Law and other laws and regulations, and these Regulations and other matters determined by the Bank of Japan in respect of the JGB Book-Entry System;

- (2) only the Book-Entry JGSs to which the Customer has rights shall be described or recorded in the Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]; the same shall apply to Items 3 through 6);
- (3) the Customer may apply to the Participants for transfer (excluding that made in connection with assignment or pledge prohibited by the provisions of laws and regulations or any transfer otherwise specified by the Bank of Japan) of the Book-Entry JGSs which have been described or recorded in the Customer's Account (excluding the Book-Entry JGSs of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations); provided that such application for transfer shall not be made during the period, as determined by the Bank of Japan, which shall be within the scope from three (3) business days prior to the date of redemption or date of interest payment of the Book-Entry JGSs through the immediately preceding business day thereof;
- (4) if the Customer falls under the requirements specified by the Minister of Finance, provided for in Article 93, Paragraph 3 of the Law, the Customer may apply to the Participants for Separation of the Book-Entry JGSs Eligible for STRIPS which have been described or recorded in the subdivisions of the Customer's Account determined by the Bank of Japan (excluding the Book-Entry JGSs Eligible for STRIPS of which, such as those being attached, Separation or application thereof is prohibited by the provisions of laws and regulations); provided that such application for Separation shall not be made during the period, as determined by the Bank of Japan, which shall be within the scope from three (3) business days prior to the date of redemption or date of interest payment of the Book-Entry JGSs Eligible for STRIPS through the immediately preceding business day thereof;
- (5) if the Customer falls under the requirements specified by the Minister of Finance, provided for in Article 93, Paragraph 3 of the Law, the Customer may apply to the Participants for Consolidation of the Separated Principal Components and Separated Coupon Components which have been

described or recorded in the subdivisions of the Customer's Account determined by the Bank of Japan (excluding the Separated Principal Components and Separated Coupon Components of which, such as those being attached, Consolidation or application thereof is prohibited by the provisions of laws and regulations); provided that such application for Consolidation shall not be made during the period, as determined by the Bank of Japan, which shall be within the scope from three (3) business days prior to the date of redemption or date of interest payment of the Book-Entry JGSs Eligible for STRIPS which have the same name and number as the Separated Principal Components through the immediately preceding business day thereof;

- (6) if redemption (in the case of the Separated Coupon Components, payment of interest) is made in respect of the Book-Entry JGSs which have been described or recorded in the Customer's Account, the Customer shall be deemed to have applied to the Participants for obliteration of the description or record of the Book-Entry JGSs;
- (7) principal and interest of the Book-Entry JGSs which have been described or recorded in the Customer's Account (excluding the Book-Entry JGSs of which, such as those being attached, obliteration or application thereof is prohibited by the provisions of laws and regulations) shall be received by the Participants on behalf of the Customer, and distributed to the Customer;
- (8) if the Participants are Direct Participants (excluding the Bank of Japan), such Direct Participants, who are authorized to receive such principal and interest as provided for in the preceding Item and pursuant to the same Item, shall further authorize the Bank of Japan to receive the same;
- (9) if the Participants are Indirect Participants, such Indirect Participants, who are authorized to receive such principal and interest as provided for in Item 7 and pursuant to the same Item, shall further authorize their Designated Direct Participants, and such Designated Direct Participants in turn shall authorize the Bank of Japan to receive the same;
- (10) if the Participants are Foreign Indirect Participants, authorization to receive such principal and interest as provided for in Item 7 shall be granted as

follows:

- a. the Foreign Indirect Participants authorized under the provision of Item 7 or the Foreign Indirect Participants who are the Designated Participants authorized under this Item shall authorize their Designated Participants;
 - b. the Indirect Participants who are the Designated Participants authorized under the provision of a. above shall authorize their Designated Direct Participants; and
 - c. the Direct Participants who are the Designated Participants authorized under the provision of a. above or the Designated Direct Participants authorized under the provision of b. above shall authorize the Bank of Japan;
- (11) if there is any change in name or address of the Customer, the Customer shall immediately notify the Participants thereof;
 - (12) if the Participants are Direct Participants (excluding the Bank of Japan), and the Customer is the Investor provided for in Article 11, Paragraph 2 of the Law, the Direct Participants shall guarantee jointly and severally that the Bank of Japan performs all obligations owed to the Customer, provided for in Article 105, Paragraph 2 or Article 109, Paragraph 3 of the Law; and
 - (13) if the Participants are Indirect Participants and the Customer is the Investor provided for in Article 11, Paragraph 2 of the Law, the Indirect Participants shall guarantee jointly and severally that the Bank of Japan or the Designated Direct Participants perform all obligations owed to the Customer, provided for in Article 105, Paragraph 2, Article 106, Paragraph 2, Article 109, Paragraph 3, or Article 110, Paragraph 3 of the Law.
2. The transfer provided for in the proviso of Paragraph 1, Item 3 hereof may be limited to that which requires description or record of the decrease and increase of the amount in the Direct Participants' Accounts.
 3. Notwithstanding the provision of Paragraph 1, Item 7 above, the Participants may

agree with the Customer, upon request by the Customer, to distribute all or any part of interest on the Book-Entry JGSs which have been described or recorded in the Customer's Account of the Customer (excluding the Book-Entry JGSs of which, such as those being attached, obliteration or application thereof is prohibited by the provisions of laws and regulations) to any person other than the Customer.

Article 21 (Divisions of Customer's Account)

1. Only the Book-Entry JGSs to which a Customer holds the rights shall be described or recorded in the Customer's Account (excluding the Indirect Participant's Account and the Foreign Indirect Participant's Account; the same shall apply in the following Paragraph).
2. The Customer's Account shall have subdivisions for each Classification as separately provided by the Bank of Japan. In such case, the Customer's Account shall have a subdivision into which the Book-Entry JGSs which are subject to a pledge are described or recorded and the other subdivision into which other Book-Entry JGSs are described or recorded.

Chapter III Transfer, etc.

Section 1 Transfer Account Book

Article 22 (Location of Transfer Account Book)

1. The Bank of Japan and the Participants (excluding the Participant for whom the Direct Participant's Account is established under the provision of Article 7, Paragraph 2 hereof) shall keep the transfer account book at their offices or places of business (in the case of the Bank of Japan, the Direct Participants, and the Indirect Participants, limited to the offices or places of business in Japan).
2. The transfer account book may be prepared by electromagnetic record provided for in Article 91, Paragraph 6 of the Law.

Article 23 (Matters to Be Described or Recorded in Transfer Account Book)

1. The transfer account book kept by the Bank of Japan (excluding the transfer account book kept by the Bank of Japan as a Direct Participant) shall be divided by each Direct Participant's Account and the transfer account book kept by the Participants shall be divided by each Customer's Account.
2. The following matters shall be described or recorded in each Direct Participant's Account in the transfer account book kept by the Bank of Japan:
 - (1) name and address of the Direct Participant;
 - (2) Issue;
 - (3) increase or decrease and balance of each Classification and subdivision of the Direct Participant's Account (Proprietary ledger) by each Issue;
 - (4) increase or decrease and balance of each Classification and subdivision of the Direct Participant's Account (Customer ledger) by each Issue; and
 - (5) matters relating to limitation of disposition.
3. The following matters shall be described or recorded in each Customer's Account (excluding the Indirect Participant's Account and Foreign Indirect Participant's Account) in the transfer account book kept by the Participants:
 - (1) name and address of the Customer;
 - (2) Issue;
 - (3) increase or decrease and balance of each Classification and subdivision by each Issue; and
 - (4) matters relating to limitation of disposition.
4. The following matters shall be described or recorded in each Indirect Participant's Account in the transfer account book kept by the Designated Direct Participant:
 - (1) name and address of the Indirect Participant;

- (2) Issue;
 - (3) increase or decrease and balance of each Classification and subdivision of the Indirect Participant's Account (Proprietary ledger) by each Issue;
 - (4) increase or decrease and balance of each Classification and subdivision of the Indirect Participant's Account (Customer ledger) by each Issue; and
 - (5) matters relating to limitation of disposition.
5. The following matters shall be described or recorded in each Foreign Indirect Participant's Account in the transfer account book kept by the Designated Participant:
- (1) name and address of the Foreign Indirect Participant;
 - (2) Issue;
 - (3) increase or decrease and balance of each Classification and subdivision of the Foreign Indirect Participant's Account (Proprietary ledger) by each Issue;
 - (4) increase or decrease and balance of each Classification and subdivision of the Foreign Indirect Participant's Account (Customer ledger) by each Issue;
 - (5) matters relating to limitation of disposition; and
 - (6) in the case that the Designated Participant is the Direct Participant or the Indirect Participant, any other matter separately provided by the Bank of Japan.

Article 24 (Unit of Amount of Book-Entry JGSs to Be Described or Recorded in Transfer Account Book)

The amount of Book-Entry JGSs to be described or recorded in the transfer account book shall be an integral multiple of the minimum amount of face value

(hereinafter referred to as the "Minimum Face Value") of the Book-Entry JGSs.

Article 25 (Maintenance of Transfer Account Book)

The Bank of Japan and the Participants shall maintain the transfer account book for ten (10) years after preparation thereof. In such case, the transfer account book shall be maintained in due care not to be defaced, mutilated, lost, or destroyed.

Article 26 (Change or Correction of Description or Record of Transfer Account Book)

1. The Bank of Japan and the Participants shall, when they know of any change in matters described or recorded in the transfer account book kept by themselves, immediately describe or record such change in the transfer account book.
2. The Bank of Japan and the Participants shall, when they find any error described or recorded in the transfer account book kept by themselves, immediately correct such description or record.

Article 27 (Notice of Increase or Decrease and Balance of Direct Participant's Account)

The Bank of Japan shall, when it has described or recorded an increase or decrease in a Direct Participant's Account (excluding the Direct Participant's Account of the Bank of Japan) in the transfer account book kept by itself (excluding the description or record relating to obliteration resulting from redemption [in the case of the Separated Coupon Component, payment of interest]), notify the Direct Participant for whom the Direct Participant's Account is established of the amount of increase or decrease and the balance thereof.

Section 2 New Description or Record

Article 28 (Provision of Accounts, etc., to Paying Person)

1. When the Book-Entry JGSs are issued, any person who desires to obtain such Book-Entry JGSs initially (including any person who desires to obtain description

or record of the increase in its own Direct Participant's Account [Proprietary ledger] or Customer's Account [excluding the Indirect Participant's Account {Customer ledger} and the Foreign Indirect Participant's Account {Customer ledger}] on behalf of the person who makes an application provided for in Article 112 of the Law, and excluding any person who makes payment of the amount to be paid relating to such Book-Entry JGSs to the Bank of Japan [hereinafter referred to as the "Paying Person"]) shall, before the issuance, provide the Paying Person with the following matters:

- (1) its own Direct Participant's Account or Customer's Account; and
 - (2) the Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account or the Customer's Account provided for in the preceding Item, and the amount of the Book-Entry JGSs for each Classification and subdivision.
2. Subdivisions for description or record of the Book-Entry JGSs which are subject to a pledge shall not be used as subdivisions provided for in Paragraph 1, Item 2 hereof.
 3. The amount of Paragraph 1, Item 2 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs.

Article 29 (Notice to the Bank of Japan from Paying Person)

1. When the Book-Entry JGSs are issued, the Paying Person shall, before the issuance, notify the Bank of Japan of the following matters pursuant to the provisions separately provided by the Bank of Japan:
 - (1) Issue of the Book-Entry JGSs;
 - (2) the Direct Participant's Account into which the increase shall be described or recorded;
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account provided for in the preceding Item, and the amount of the Book-Entry JGSs for each Classification and

subdivision;

- (4) if Customers initially obtain the Book-Entry JGSs, the following matters:
 - a. name and the Customer's Account of each Customer; and
 - b. Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of each Customer, and the amount of the Book-Entry JGSs for each Classification and subdivision; and
 - (5) any other matters separately provided by the Bank of Japan.
2. Subdivisions for description or record of the Book-Entry JGSs which are subject to a pledge shall not be used as subdivisions provided for in Paragraph 1, Item 3 (limited to the subdivisions of the Direct Participant's Account [Proprietary ledger]) and subdivisions provided for in the preceding Paragraph, Item 4, b.
 3. The amount of Paragraph 1, Item 3 and Item 4, b. shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs.

Article 30 (New Description or Record and Notice by the Bank of Japan)

1. The Bank of Japan shall, when it has received payment relating to the Book-Entry JGSs from the Paying Person, describe or record the increase based on the notice provided for in Article 29, Paragraph 1 hereof in the Direct Participant's Account in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Bank of Japan shall, when it describes or records the increase in the Direct Participant's Account (Customer ledger) (excluding the Direct Participant's Account [Customer ledger] of the Bank of Japan), notify the Direct Participant for whom such Direct Participant's Account (Customer ledger) is established of the following matters among those of which it has been notified:
 - (1) Issue of the Book-Entry JGSs;

- (2) name and the Customer's Account of each Customer of the Direct Participant or its Lower-Positioned Institutions; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of each Customer provided for in the preceding Item, and the amount of the Book-Entry JGSs for each Classification and subdivision.
3. In the case of Paragraph 1, the Bank of Japan shall, when it describes or records the increase in its own Direct Participant's Account (Customer ledger), describe or record the increase based on the notice in the Customer's Account in the transfer account book kept by itself.

Article 31 (New Description or Record and Notice by Direct Participant)

1. The Direct Participant shall, when it has received the notice provided for in Article 30, Paragraph 2, describe or record the increase based on the notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Direct Participant shall, when it describes or records the increase in the Indirect Participant's Account (Customer ledger) or the Foreign Indirect Participant's Account (Customer ledger), notify the Indirect Participant or the Foreign Indirect Participant for whom such Indirect Participant's Account (Customer ledger) or Foreign Indirect Participant's Account (Customer ledger) is established of the following matters among those of which it has been notified:
 - (1) Issue of the Book-Entry JGSs;
 - (2) name and the Customer's Account of each Customer of the Indirect Participant, Foreign Indirect Participant, or their Lower-Positioned Institutions; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of each Customer provided for in the preceding Item, and the amount of the Book-Entry JGSs for each Classification and subdivision.

Article 32 (New Description or Record and Notice by Indirect Participant)

1. The Indirect Participant shall, when it has received the notice provided for in Article 31, Paragraph 2, describe or record the increase based on the notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Indirect Participant shall, when it describes or records the increase in the Foreign Indirect Participant's Account (Customer ledger), notify the Foreign Indirect Participant for whom such Foreign Indirect Participant's Account (Customer ledger) is established of the following matters among those of which it has been notified:
 - (1) Issue of the Book-Entry JGSs;
 - (2) name and Customer's Account of each Customer of the Foreign Indirect Participant or its Lower-Positioned Institutions; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of each Customer provided for in the preceding Item, and the amount of the Book-Entry JGSs for each Classification and subdivision.

Article 33 (New Description or Record and Notice by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the notice provided for in Article 31, Paragraph 2, Article 32, Paragraph 2, or the following Paragraph hereof, describe or record the increase based on the notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Foreign Indirect Participant shall, when it describes or records the increase in the Foreign Indirect Participant's Account (Customer ledger), notify the Foreign Indirect Participant for whom such Foreign Indirect Participant's Account (Customer ledger) is established of the following matters among those of which it has been notified:

- (1) Issue of the Book-Entry JGSs;
- (2) name and the Customer's Account of each Customer of the Foreign Indirect Participant or its Lower-Positioned Institutions; and
- (3) Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of each Customer provided for in the preceding Item, and the amount of the Book-Entry JGSs for each Classification and subdivision.

Section 3 Transfer

Part 1 Transfer to Other Accounts

Article 34 (Application for Transfer by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan) may, pursuant to the provisions separately provided by the Bank of Japan, apply to the Bank of Japan for transfer (excluding that made in connection with assignment or pledge prohibited by provisions of the Law concerning Japanese Government Securities [Law No. 34 of 1906] and any other laws and regulations or any transfer otherwise specified by the Bank of Japan; the same shall apply hereinafter) of the Book-Entry JGSs which have been described or recorded in its own Direct Participant's Account (Proprietary ledger) (excluding the Book-Entry JGSs of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations) to other Direct Participants' Accounts (Proprietary ledger) or Customers' Accounts (excluding the Indirect Participants' Accounts [Customer ledger] and the Foreign Indirect Participants' Accounts [Customer ledger]). Upon such application, the Direct Participant shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Proprietary ledger) of the Direct Participant;

- (3) the Direct Participant's Account into which the increase shall be described or recorded;
 - (4) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account provided for in the preceding Item;
 - (5) if the account to which the transfer is made (which means, in the case of transfer to a Direct Participant's Account [Proprietary ledger], such Direct Participant's Account and in the case of transfer to a Customer's Account, such Customer's Account; the same shall apply hereinafter) is a Customer's Account (excluding the cases separately provided by the Bank of Japan set out in the following Paragraph), the following matters:
 - a. the account to which the transfer is made; and
 - b. Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made; and
 - (6) other matters separately provided by the Bank of Japan.
2. The Direct Participant who makes the application provided for in the preceding Paragraph shall, in the case separately provided by the Bank of Japan (limited to the case that the account to which the transfer is made is a Customer's Account), notify the Direct Participant for whom the Direct Participant's Account provided for in Paragraph 1, Item 3 hereof is established of the following matters:
- (1) Issue of the Book-Entry JGSs in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) the account to which the transfer is made; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.

3. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs.

Article 35 (Application for Transfer by Customer)

1. The Customer may apply to the Participant who established the Customer's Account for transfer of the Book-Entry JGSs which have been described or recorded in its own Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]; the same shall apply hereinafter in this Article) (excluding the Book-Entry JGSs of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations) to Direct Participant's Accounts (Proprietary ledger) or other Customers' Accounts. Upon such application, the Customer shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Customer's Account of the Customer;
 - (3) the account to which the transfer is made; and
 - (4) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs.

Article 36 (Application for Transfer by Person Other than Direct Participant and Customer)

1. The provision of Article 34 (excluding Paragraph 2) hereof shall apply *mutatis mutandis* to the case where any person other than the Direct Participant for whom the Direct Participant's Account (Proprietary ledger) is established applies, based on the provision of laws and regulations, for transfer of the Book-Entry JGSs which have been described or recorded in that Participant's Account (Proprietary

ledger).

2. The provision of Article 35 shall apply *mutatis mutandis* to the case where any person other than the Customer for whom the Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]) is established applies, based on the provision of laws and regulations, for transfer of the Book-Entry JGSs which have been described or recorded in that Customer's Account.

Article 37 (Description or Record and Notice Relating to Transfer by the Bank of Japan)

1. The Bank of Japan shall, when it has received the application provided for in Article 34, Paragraph 1 or Article 36, Paragraph 1 or the notice provided for in Article 38, Paragraph 3 hereof, describe or record the decrease and increase based on the application or notice in the Direct Participants' Accounts in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Bank of Japan shall, if the account to which the transfer is made is the Customer's Account established by the Bank of Japan, describe or record the increase based on the application or notice in the Customer's Account in the transfer account book kept by itself.
3. The Bank of Japan shall, when it has received the application provided for in Article 35, Paragraph 1 or Article 36, Paragraph 2 hereof, describe or record the decrease based on the application in the Customer's Account in the transfer account book kept by itself.
4. In the case of the preceding Paragraph, the Bank of Japan shall, if the account to which the transfer is made is the Customer's Account established by the Bank of Japan, describe or record the increase based on the application in the Customer's Account in the transfer account book kept by itself.
5. In the case of Paragraph 3 hereof, the Bank of Japan shall, if the account to which the transfer is made is not the Customer's Account established by the Bank of Japan, describe or record the decrease and increase based on the application in the Direct Participants' Accounts in the transfer account book kept by itself.

6. The Bank of Japan shall, when it has decided to make transfer of the Book-Entry JGSs which have been described or recorded in its own Direct Participant's Account (Proprietary ledger) to other Direct Participants' Accounts (Proprietary ledger) or Customers' Accounts (excluding the Indirect Participants' Accounts [Customer ledger] and the Foreign Indirect Participants' Accounts [Customer ledger]), describe or record the decrease and increase relating to such transfer in the Direct Participants' Accounts in the transfer account book kept by itself.
7. In the case of the preceding Paragraph, the Bank of Japan shall, if the account to which the transfer is made is the Customer's Account established by the Bank of Japan, describe or record the increase relating to the transfer in the Customer's Account in the transfer account book kept by itself.
8. In the case of Paragraph 1 (excluding the case separately provided by the Bank of Japan set out in Article 34, Paragraph 2 and the case separately provided by the Bank of Japan set out in Article 38, Paragraph 4), 5, or 6, the Bank of Japan shall, when it describes or records the increase in the Direct Participant's Account (Customer ledger) (excluding the Direct Participant's Account [Customer ledger] of the Bank of Japan), notify the Direct Participant for whom the Direct Participant's Account (Customer ledger) is established of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) the account to which the transfer is made; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.

Article 38 (Description or Record and Notice Relating to Transfer by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan; the same shall apply hereinafter in this Article) shall, when it has received the application provided for in Article 35, Paragraph 1 or Article 36, Paragraph 2, or the notice provided for in Article 39, Paragraph 3 or Article 40, Paragraph 3 hereof, describe or record the

decrease based on the application or notice in the transfer account book kept by itself.

2. In the case of the preceding Paragraph, the Direct Participant shall, if the account to which the transfer is made is the Customer's Account established by the Direct Participant or its Lower-Positioned Institutions, describe or record the increase based on the application or notice in the transfer account book kept by itself.
3. In the case of Paragraph 1, the Direct Participant shall, if the account to which the transfer is made is not the Customer's Account established by the Direct Participant or its Lower-Positioned Institutions, notify the Bank of Japan of the following matters pursuant to the provisions separately provided by the Bank of Japan:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Customer ledger) of the Direct Participant;
 - (3) the Direct Participant's Account into which the increase shall be described or recorded;
 - (4) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account provided for in the preceding Item;
 - (5) in the case that the account to which the transfer is made is a Customer's Account (excluding the cases separately provided by the Bank of Japan set out in the following Paragraph), the following matters:
 - a. the account to which the transfer is made; and
 - b. Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made; and

- (6) other matters separately provided by the Bank of Japan.
4. The Direct Participant who makes notice provided for in the preceding Paragraph shall, in the case separately provided by the Bank of Japan (limited to the case when the account to which the transfer is made is a Customer's Account), notify the Direct Participant for whom the Direct Participant's Account provided for in the same Paragraph, Item 3 is established of the following matters. In such case, the Direct Participant may cause the Customer who applied for such transfer, or the Indirect Participant or the Foreign Indirect Participant who made the notice of Article 39, Paragraph 3 or Article 40, Paragraph 3 in respect of the transfer, to make such notice on its behalf:
 - (1) Issue of the Book-Entry JGSs in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) the account to which the transfer is made; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.
 5. The Direct Participant shall, when it has received the notice provided for in Article 34, Paragraph 2, Article 37, Paragraph 8, or the preceding Paragraph, describe or record the increase based on the notice in the transfer account book kept by itself.
 6. In the case of Paragraph 2 or 5, the Direct Participant shall, when it describes or records the increase in the Indirect Participant's Account (Customer ledger) or the Foreign Indirect Participant's Account (Customer ledger), notify the Indirect Participant or the Foreign Indirect Participant for whom the Indirect Participant's Account (Customer ledger) or the Foreign Indirect Participant's Account (Customer ledger) is established of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) the account to which the transfer is made; and

- (3) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.

Article 39 (Description or Record and Notice Relating to Transfer by Indirect Participant)

1. The Indirect Participant shall, when it has received the application provided for in Article 35, Paragraph 1 or Article 36, Paragraph 2, or the notice provided for in Article 40, Paragraph 3 hereof, describe or record the decrease based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Indirect Participant shall, if the account to which the transfer is made is the Customer's Account established by the Indirect Participant or its Lower-Positioned Institutions, describe or record the increase based on the application or notice in the transfer account book kept by itself.
3. In the case of Paragraph 1, the Indirect Participant shall, if the account to which the transfer is made is not the Customer's Account established by the Indirect Participant or its Lower-Positioned Institutions, notify its Designated Direct Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Indirect Participant's Account (Customer ledger) of the Indirect Participant;
 - (3) the account to which the transfer is made; and
 - (4) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.
4. The Indirect Participant shall, when it has received the notice provided for in Article 38, Paragraph 6 hereof, describe or record the increase based on the notice in the transfer account book kept by itself.

5. In the case of Paragraph 2 or 4 hereof, the Indirect Participant shall, when it describes or records the increase in the Foreign Indirect Participant's Account (Customer ledger), notify the Foreign Indirect Participant for whom the Foreign Indirect Participant's Account (Customer ledger) is established of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) the account to which the transfer is made; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.

Article 40 (Description or Record and Notice Relating to Transfer by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the application provided for in Article 35, Paragraph 1 or Article 36, Paragraph 2, or the notice provided for in Paragraph 3 hereof, describe or record the decrease based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Foreign Indirect Participant shall, if the account to which the transfer is made is the Customer's Account established by the Foreign Indirect Participant or its Lower-Positioned Institutions, describe or record the increase based on the application or notice in the transfer account book kept by itself.
3. In the case of Paragraph 1, the Foreign Indirect Participant shall, if the account to which the transfer is made is not the Customer's Account established by the Foreign Indirect Participant or its Lower-Positioned Institutions, notify its Designated Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described

or recorded in the Foreign Indirect Participant's Account (Customer ledger) of the Foreign Indirect Participant;

- (3) the account to which the transfer is made; and
 - (4) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.
4. The Foreign Indirect Participant shall, when it has received the notice provided for in Article 38, Paragraph 6, Article 39, Paragraph 5, or the following Paragraph hereof, describe or record the increase based on the notice in the transfer account book kept by itself.
5. In the case of Paragraph 2 or 4 hereof, the Foreign Indirect Participant shall, when it describes or records the increase in the Foreign Indirect Participant's Account (Customer ledger), notify the Foreign Indirect Participant for whom the Foreign Indirect Participant's Account (Customer ledger) is established of the following matters:
- (1) Issue of the Book-Entry JGSs in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) the account to which the transfer is made; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the account to which the transfer is made.

Part 2 Transfer among Subdivisions

Article 41 (Application for Transfer among Subdivisions by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan) may, in respect of the Book-Entry JGSs which have been described or recorded in its own Direct Participant's Account (Proprietary ledger), pursuant to the provisions separately provided by the Bank of Japan, apply to the Bank of Japan for transfer among the subdivisions in the Direct Participant's Account (Proprietary ledger) (which means transfer to other subdivisions [including the subdivisions of other Classifications])

in the same account; the same shall apply hereinafter). Upon such application, the Direct Participant shall specify the following matters:

- (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Proprietary ledger);
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account (Proprietary ledger); and
 - (4) other matters separately provided by the Bank of Japan.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of such Book-Entry JGSs.

Article 42 (Application for Transfer among Subdivisions by Customer)

1. The Customer may, in respect of the Book-Entry JGSs which have been described or recorded in its own Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]), apply to the Participant who established the Customer's Account for transfer among the subdivisions in the Customer's Account. Upon such application, the Customer shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Customer's Account; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of such Book-Entry JGSs.

Article 43 (Description or Record Relating to Transfer among Subdivisions by the Bank of Japan)

1. The Bank of Japan shall, when it has received the application provided for in Article 41, Paragraph 1 or the notice provided for in Article 44, Paragraph 3 hereof, describe or record the decrease and increase based on the application or notice in the Direct Participant's Account in the transfer account book kept by itself.
2. The Bank of Japan shall, when it has received the application provided for in Article 42, Paragraph 1 hereof, describe or record the decrease and increase based on the application in the Customer's Account in the transfer account book kept by itself.
3. The Bank of Japan shall, other than the case provided for in the preceding Paragraph, in respect of the Book-Entry JGSs which have been described or recorded in the Customer's Account established by the Bank of Japan, if it knows that the transfer among the subdivisions in the Customer's Account has become necessary, describe or record the decrease and increase relating to the transfer among such subdivisions in the Customer's Account in the transfer account book kept by itself.
4. In the case of Article 37, Paragraph 4 or the preceding two (2) Paragraphs hereof, the Bank of Japan shall, if the transfer among the subdivisions in its own Direct Participant's Account (Customer ledger) has become necessary, describe or record the decrease and increase relating to the transfer among the subdivisions in the Direct Participant's Account in the transfer account book kept by itself.
5. The Bank of Japan shall, in respect of the Book-Entry JGSs which have been described or recorded in its own Direct Participant's Account (Proprietary ledger), when it has decided to make transfer among the subdivisions in the Direct Participant's Account (Proprietary ledger), describe or record the decrease and increase relating to the transfer among the subdivisions in the Direct Participant's Account in the transfer account book kept by itself.
6. The Bank of Japan shall, other than the case provided for in Paragraph 1, 4, or 5, in respect of the Book-Entry JGSs which have been described or recorded in the

Direct Participant's Account, if it has known that the transfer among the subdivisions in the Direct Participant's Account has become necessary, describe or record the decrease and increase relating to the transfer among the subdivisions in the Direct Participant's Account in the transfer account book kept by itself.

Article 44 (Description or Record and Notice Relating to Transfer among Subdivisions by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan; the same shall apply hereinafter in this Article) shall, when it has received the application provided for in Article 42, Paragraph 1, or the notice provided for in Article 45, Paragraph 3 or Article 46, Paragraph 3 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. The Direct Participant shall, other than the case provided for in the preceding Paragraph, in respect of the Book-Entry JGSs which have been described or recorded in the Customer's Account established by the Direct Participant, if it knows that the transfer among the subdivisions in the Customer's Account has become necessary, describe or record the decrease and increase relating to the transfer among the subdivisions in the transfer account book kept by itself.
3. In the case of Article 38, Paragraph 2 or the preceding two (2) Paragraphs hereof, the Direct Participant shall, if the transfer among the subdivisions in its own Direct Participant's Account (Customer ledger) has become necessary, notify the Bank of Japan of the following matters pursuant to the provisions separately provided by the Bank of Japan:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Customer ledger);
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account (Customer ledger); and
 - (4) other matters separately provided by the Bank of Japan.

Article 45 (Description or Record and Notice Relating to Transfer among Subdivisions by Indirect Participant)

1. The Indirect Participant shall, when it has received the application provided for in Article 42, Paragraph 1 or the notice provided for in Article 46, Paragraph 3 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. The Indirect Participant shall, other than the case provided for in the preceding Paragraph, in respect of the Book-Entry JGSs which have been described or recorded in the Customer's Account established by the Indirect Participant, if it knows that the transfer among the subdivisions in the Customer's Account has become necessary, describe or record the decrease and increase relating to the transfer among the subdivisions in the transfer account book kept by itself.
3. In the case of Article 39, Paragraph 2 or the preceding two (2) Paragraphs hereof, the Indirect Participant shall, if the transfer among the subdivisions in its own Indirect Participant's Account (Customer ledger) has become necessary, notify its Designated Direct Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Indirect Participant's Account (Customer ledger); and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Indirect Participant's Account (Customer ledger).

Article 46 (Description or Record and Notice Relating to Transfer among Subdivisions by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the application provided for in Article 42, Paragraph 1 or the notice provided for in Paragraph 3 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.

2. The Foreign Indirect Participant shall, other than the case provided for in the preceding Paragraph, in respect of the Book-Entry JGSs which have been described or recorded in the Customer's Account established by the Foreign Indirect Participant, if it knows that the transfer among the subdivisions in the Customer's Account has become necessary, describe or record the decrease and increase relating to the transfer among the subdivisions in the transfer account book kept by itself.
3. In the case of Article 40, Paragraph 2 or the preceding two (2) Paragraphs hereof, the Foreign Indirect Participant shall, if the transfer among the subdivisions in its own Foreign Indirect Participant's Account (Customer ledger) has become necessary, notify its Designated Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Foreign Indirect Participant's Account (Customer ledger); and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Foreign Indirect Participant's Account (Customer ledger).

Section 4 Separation

Article 47 (Application for Separation by Direct Participant)

1. The Direct Participant (limited to the person who falls under the criteria specified by the Minister of Finance as provided for in Article 93, Paragraph 3 of the Law) may, in respect of the Book-Entry JGSs Eligible for STRIPS which have been described or recorded in the subdivision provided for in Article 53, Paragraph 1 hereof in its own Direct Participant's Account (Proprietary ledger) (excluding the Book-Entry JGSs Eligible for STRIPS of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations), apply to the Bank of Japan for the Separation pursuant to the provisions separately provided by the Bank of Japan. Upon such application, the

Direct Participant shall specify the following matters:

- (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the decrease shall be described or recorded and the amount thereof;
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Direct Participant's Account (Proprietary ledger); and
 - (3) other matters separately provided by the Bank of Japan.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs Eligible for STRIPS, and the amount of each coupon of the Book-Entry JGSs Eligible for STRIPS shall also be an integral multiple thereof.

Article 48 (Application for Separation by Customer)

1. The Customer (limited to the person who falls under the criteria specified by the Minister of Finance provided for in Article 93, Paragraph 3 of the Law) may, in respect of the Book-Entry JGSs Eligible for STRIPS which have been described or recorded in the subdivision provided for in Article 53, Paragraph 1 hereof in its own Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]) (excluding the Book-Entry JGSs Eligible for STRIPS of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations), apply to the Participant who established the Customer's Account for the Separation. Upon such application, the Customer shall specify the following matters:
- (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the decrease shall be described or recorded and the amount thereof; and
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Customer's Account.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs Eligible for STRIPS, and the

amount of each coupon of the Book-Entry JGSs Eligible for STRIPS shall also be an integral multiple thereof.

Article 49 (Description or Record Relating to Separation by the Bank of Japan)

1. The Bank of Japan shall, when it has received the application provided for in Article 47, Paragraph 1 or the notice provided for in Article 50, Paragraph 2 hereof, describe or record the decrease and increase based on the application or notice in the Direct Participant's Account in the transfer account book kept by itself.
2. The Bank of Japan shall, when it has received the application provided for in Article 48, Paragraph 1 hereof, describe or record the decrease and increase based on the application in the Customer's Account and the Direct Participant's Account in the transfer account book kept by itself.
3. The Bank of Japan shall, when it has decided to make Separation in respect of the Book-Entry JGSs Eligible for STRIPS which have been described or recorded in the subdivisions provided for in Article 53, Paragraph 1 hereof in its own Direct Participant's Account (Proprietary ledger), describe or record the decrease and increase relating to the Separation in the Direct Participant's Account in the transfer account book kept by itself.

Article 50 (Description or Record and Notice Relating to Separation by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan) shall, when it has received the application provided for in Article 48, Paragraph 1, or the notice provided for in Article 51, Paragraph 2 or Article 52, Paragraph 2 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Direct Participant shall notify the Bank of Japan of the following matters pursuant to the provisions separately provided by the Bank of Japan:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the decrease shall be described or recorded and the amount thereof;

- (2) Classifications into which the decrease and increase shall be described or recorded in the Direct Participant's Account (Customer ledger) of the Direct Participant; and
- (3) other matters separately provided by the Bank of Japan.

Article 51 (Description or Record and Notice Relating to Separation by Indirect Participant)

1. The Indirect Participant shall, when it has received the application provided for in Article 48, Paragraph 1 or the notice provided for in Article 52, Paragraph 2 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Indirect Participant shall notify its Designated Direct Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the decrease shall be described or recorded and the amount thereof; and
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Indirect Participant's Account (Customer ledger) of the Indirect Participant.

Article 52 (Description or Record and Notice Relating to Separation by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the application provided for in Article 48, Paragraph 1 or the notice provided for in the following Paragraph hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Foreign Indirect Participant shall notify its Designated Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the

decrease shall be described or recorded and the amount thereof; and

- (2) Classifications into which the decrease and increase shall be described or recorded in the Foreign Indirect Participant's Account (Customer ledger) of the Foreign Indirect Participant.

Article 53 (Subdivisions, etc., into which Description or Record Relating to Separation Is Made)

1. Subdivisions into which the description or record of the decrease and increase is made pursuant to Articles 49 through 52 shall be separately provided by the Bank of Japan.
2. Subdivisions separately provided by the Bank of Japan pursuant to the preceding Paragraph shall be, in respect of the Direct Participant's Account (Proprietary ledger) and the Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]), limited to subdivisions other than those into which the Book-Entry JGSs which are subject to a pledge are described or recorded.
3. Description or record of the increase provided for in Articles 49 through 52 shall be made in respect of the amount provided for in the following items relating to the Book-Entry JGSs provided for in the relevant items:
 - (1) the Book-Entry JGSs which compose principal of the Book-Entry JGSs Eligible for STRIPS in respect of which the decrease shall be described or recorded: the amount equal to the amount of such Book-Entry JGSs Eligible for STRIPS; and
 - (2) the Book-Entry JGSs which compose a coupon of the Book-Entry JGSs Eligible for STRIPS in respect of which the decrease shall be described or recorded: the amount equal to the amount of each coupon of such Book-Entry JGSs Eligible for STRIPS.

Section 5 Consolidation

Article 54 (Application for Consolidation by Direct Participant)

1. The Direct Participant (limited to the person who falls under the criteria specified by the Minister of Finance provided for in Article 93, Paragraph 3 of the Law) may, in respect of the Separated Principal Components and Separated Coupon Components which have been described or recorded in the subdivision provided for in Article 60, Paragraph 1 hereof in its own Direct Participant's Account (Proprietary ledger) (excluding the Separated Principal Components and Separated Coupon Components of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations), apply to the Bank of Japan for Consolidation pursuant to the provisions separately provided by the Bank of Japan. Upon such application, the Direct Participant shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Direct Participant's Account (Proprietary ledger); and
 - (3) other matters separately provided by the Bank of Japan.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs Eligible for STRIPS, and the amount of each coupon of the Book-Entry JGSs Eligible for STRIPS shall also be an integral multiple thereof.

Article 55 (Application for Consolidation by Customer)

1. The Customer (limited to the person who falls under the criteria specified by the Minister of Finance provided for in Article 93, Paragraph 3 of the Law) may, in respect of the Separated Principal Components and the Separated Coupon Components which have been described or recorded in the subdivision provided for in Article 60, Paragraph 1 hereof in its own Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]) (excluding the Separated Principal Components and Separated Coupon Components of which, such as those being

attached, transfer or application thereof is prohibited by the provisions of laws and regulations), apply to the Participant who established the Customer's Account for Consolidation. Upon such application, the Customer shall specify the following matters:

- (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded and the amount thereof; and
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Customer's Account.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs Eligible for STRIPS, and the amount of each coupon of the Book-Entry JGSs Eligible for STRIPS shall also be an integral multiple thereof.

Article 56 (Description or Record Relating to Consolidation by the Bank of Japan)

1. The Bank of Japan shall, when it has received the application provided for in Article 54, Paragraph 1 or the notice provided for in Article 57, Paragraph 2 hereof, describe or record the decrease and increase based on the application or notice in the Direct Participant's Account in the transfer account book kept by itself.
2. The Bank of Japan shall, when it has received the application provided for in Article 55, Paragraph 1 hereof, describe or record the decrease and increase based on the application in the Customer's Account and the Direct Participant's Account in the transfer account book kept by itself.
3. The Bank of Japan shall, when it has decided to make Consolidation in respect of the Separated Principal Components and Separated Coupon Components which have been described or recorded in the subdivisions provided for in Article 60, Paragraph 1 in its own Direct Participant's Account (Proprietary ledger), describe or record the decrease and increase relating to such Consolidation in the Direct Participant's Account in the transfer account book kept by itself.

Article 57 (Description or Record and Notice Relating to Consolidation by Direct

Participant)

1. The Direct Participant (excluding the Bank of Japan) shall, when it has received the application provided for in Article 55, Paragraph 1, or the notice provided for in Article 58, Paragraph 2 or Article 59, Paragraph 2 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Direct Participant shall notify the Bank of Japan of the following matters pursuant to the provisions separately provided by the Bank of Japan:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded and the amount thereof;
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Direct Participant's Account (Customer ledger) of the Direct Participant; and
 - (3) other matters separately provided by the Bank of Japan.

Article 58 (Description or Record and Notice Relating to Consolidation by Indirect Participant)

1. The Indirect Participant shall, when it has received the application provided for in Article 55, Paragraph 1 or the notice provided for in Article 59, Paragraph 2 hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Indirect Participant shall notify its Designated Direct Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded and the amount thereof; and
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Indirect Participant's Account (Customer ledger) of the

Indirect Participant.

Article 59 (Description or Record and Notice Relating to Consolidation by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the application provided for in Article 55, Paragraph 1 or the notice provided for in the following Paragraph hereof, describe or record the decrease and increase based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Foreign Indirect Participant shall notify its Designated Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded and the amount thereof; and
 - (2) Classifications into which the decrease and increase shall be described or recorded in the Foreign Indirect Participant's Account (Customer ledger) of the Foreign Indirect Participant.

Article 60 (Subdivisions, etc., into which Description or Record Relating to Consolidation Is Made)

1. Subdivisions into which the description or record of the decrease and increase is made pursuant to Articles 56 through 59 shall be separately provided by the Bank of Japan.
2. Subdivisions separately provided by the Bank of Japan pursuant to the preceding Paragraph shall be, in respect of the Direct Participant's Account (Proprietary ledger) and the Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]), limited to subdivisions other than those into which the Book-Entry JGSs which are subject to a pledge are described or recorded.
3. Description or record of the decrease provided for in Articles 56 through 59 shall be made in respect of the amount provided for in the following Items relating to the Book-Entry JGSs provided for in the relevant Items:

- (1) the Separated Principal Component which has the same name and number as the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded: the amount equal to the amount of such Book-Entry JGSs Eligible for STRIPS; and
- (2) each Separated Coupon Component which has the same date of interest payment as each coupon of the Book-Entry JGSs Eligible for STRIPS in respect of which the increase shall be described or recorded: the amount equal to the amount of each coupon of such Book-Entry JGS Eligible for STRIPS.

Section 6 Obliteration

Article 61 (Application for Obliteration by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan) shall, if the obliteration in respect of the Book-Entry JGSs which have been described or recorded in its own Direct Participant's Account (Proprietary ledger) (excluding the Book-Entry JGSs of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations) has become necessary, apply to the Bank of Japan for obliteration pursuant to the provisions separately provided by the Bank of Japan. Upon such application, the Direct Participant shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Proprietary ledger); and
 - (3) other matters separately provided by the Bank of Japan.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs.

Article 62 (Application for Obliteration by Customer)

1. The Customer shall, if the obliteration in respect of the Book-Entry JGSs which have been described or recorded in its own Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]) (excluding the Book-Entry JGSs of which, such as those being attached, transfer or application thereof is prohibited by the provisions of laws and regulations) has become necessary, apply for obliteration to the Participant who established the Customer's Account. Upon such application, the Customer shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease shall be described or recorded and the amount thereof; and
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Customer's Account.
2. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs.

Article 63 (Application for Obliteration by Person Other than Direct Participant and Customer)

1. The provision of Article 61 hereof shall apply *mutatis mutandis* to the case where any person other than the Direct Participant for whom the Direct Participant's Account (Proprietary ledger) is established applies, based on the provision of laws and regulations, for obliteration in respect of the Book-Entry JGSs which have been described or recorded in that Direct Participant's Account (Proprietary ledger).
2. The provision of the preceding Paragraph shall apply *mutatis mutandis* to the case where any person other than the Customer for whom the Customer's Account (excluding the Indirect Participant's Account [Customer ledger] and the Foreign Indirect Participant's Account [Customer ledger]) is established applies, based on the provision of laws and regulations, for obliteration in respect of the Book-Entry JGSs which have been described or recorded in that Customer's Account.

Article 64 (Description or Record Relating to Obliteration by the Bank of Japan)

1. The Bank of Japan shall, when it has received the application provided for in Article 61, Paragraph 1 or Article 63, Paragraph 1, or the notice provided for in Article 65, Paragraph 2 hereof, describe or record the decrease based on the application or notice in the Direct Participant's Account in the transfer account book kept by itself.
2. The Bank of Japan shall, when it has received the application provided for in Article 62, Paragraph 1 or Article 63, Paragraph 2 hereof, describe or record the decrease based on the application in the Customer's Account and the Direct Participant's Account in the transfer account book kept by itself.
3. The Bank of Japan shall, when the obliteration in respect of the Book-Entry JGSs which have been described or recorded in its own Direct Participant's Account (Proprietary ledger) has become necessary, describe or record the decrease relating to such obliteration in the Direct Participant's Account in the transfer account book kept by itself.

Article 65 (Description or Record and Notice Relating to Obliteration by Direct Participant)

1. The Direct Participant (excluding the Bank of Japan) shall, when it has received the application provided for in Article 62, Paragraph 1 or Article 63, Paragraph 2, or the notice provided for in Article 66, Paragraph 2 or Article 67, Paragraph 2 hereof, describe or record the decrease based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Direct Participant shall notify the Bank of Japan of the following matters pursuant to the provisions separately provided by the Bank of Japan:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Customer ledger) of the

Direct Participant; and

- (3) other matters separately provided by the Bank of Japan.

Article 66 (Description or Record and Notice Relating to Obliteration by Indirect Participant)

1. The Indirect Participant shall, when it has received the application provided for in Article 62, Paragraph 1 or Article 63, Paragraph 2, or the notice provided for in Article 67, Paragraph 2 hereof, describe or record the decrease based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Indirect Participant shall notify its Designated Direct Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease shall be described or recorded and the amount thereof; and
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Indirect Participant's Account (Customer ledger) of the Indirect Participant.

Article 67 (Description or Record and Notice Relating to Obliteration by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the application provided for in Article 62, Paragraph 1 or Article 63, Paragraph 2, or the notice provided for in the following Paragraph hereof, describe or record the decrease based on the application or notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Foreign Indirect Participant shall notify its Designated Participant of the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease shall be described or recorded and the amount thereof; and
 - (2) Classifications and subdivisions into which the decrease shall be described

or recorded in the Foreign Indirect Participant's Account (Customer ledger) of the Foreign Indirect Participant.

Article 68 (Description or Record Relating to Obliteration Accompanied by Redemption)

1. If redemption (in the case of the Separated Coupon Components, payment of interest) is made in respect of the Book-Entry JGSs (excluding the Book-Entry JGSs which have been described or recorded in the Direct Participant's Account [Proprietary ledger] of the Bank of Japan), the application or application and notice (as the case may be) provided for in each Item shall be deemed to be made in respect of the Book-Entry JGSs provided for in the relevant Item, and the Bank of Japan and the Participant which are deemed to have received the application or notice shall describe or record the decrease in the transfer account book kept by themselves individually pursuant to the provisions of Article 64, Paragraph 1 or 2, Article 65, Paragraph 1, Article 66, Paragraph 1, or Article 67, Paragraph 1 hereof:
 - (1) the Book-Entry JGSs which have been described or recorded in Direct Participants' Accounts (Proprietary ledger): the application of Article 61, Paragraph 1;
 - (2) the Book-Entry JGSs which have been described or recorded in Customers' Accounts (excluding Indirect Participants' Accounts [Customer ledger] and Foreign Indirect Participants' Accounts [Customer ledger]) established by Direct Participants (excluding the Bank of Japan): the application of Article 62, Paragraph 1 and the notice of Article 65, Paragraph 2;
 - (3) the Book-Entry JGSs which have been described or recorded in Customers' Accounts (excluding Foreign Indirect Participants' Accounts [Customer ledger]) established by Indirect Participants: the application of Article 62, Paragraph 1, the notice of Article 66, Paragraph 2 and the notice of Article 65, Paragraph 2;
 - (4) the Book-Entry JGSs which have been described or recorded in Customers' Accounts (excluding Foreign Indirect Participants' Accounts [Customer ledger]) established by Foreign Indirect Participants: the application of Article 62, Paragraph 1, the notice of Article 67, Paragraph 2, the notice of

Article 66, Paragraph 2 (limited to the case where the Foreign Indirect Participant is the Lower-Positioned Institution of an Indirect Participant), and the notice of Article 65, Paragraph 2; or

- (5) the Book-Entry JGSs which have been described or recorded in Customers' Accounts established by the Bank of Japan: the application of Article 62, Paragraph 1.
2. If redemption (in the case of the Separated Coupon Components, payment of interest) is made in respect of Book-Entry JGSs which have been described or recorded in the Direct Participant's Account (Proprietary ledger) of the Bank of Japan, the Bank of Japan shall describe or record the decrease in the Direct Participant's Account in the transfer account book kept by itself pursuant to the provision of Article 64, Paragraph 3 hereof.

Section 7 Description or Record of Trust

Article 69 (Description or Record of Trust)

1. In the case of each Item that follows, the person provided for therein shall apply for the transfer to describe or record the increase in the Trust Account in the Direct Participant's Account or the Customer's Account of the trustee of a trust (hereinafter referred to as the "Trustee" in this Section) ("Trust Account" means the Classification into which the Book-Entry JGSs which are trust property of a trust whose Trustee is the relevant Direct Participant or Customer are described or recorded; the same shall apply hereinafter) pursuant to Article 34, Paragraph 1, Article 35, Paragraph 1, Article 41, Paragraph 1, or Article 42, Paragraph 1:
 - (1) when the Book-Entry JGSs become trust property as a result of assignment or pledge of the Book-Entry JGSs by the trustor of a trust (hereinafter referred to as the "Trustor") to the Trustee: the Trustor; or
 - (2) when the Book-Entry JGSs become trust property due to any reasons other than that provided for in the preceding Item: the Trustee (including any person who is the Direct Participant or the Customer assigning to the Trustee the rights to the relevant Book-Entry JGSs and who is granted the power of attorney to the relevant application from the Trustee).

2. In the case of Paragraph 1, Item 2 hereof, the beneficiary of the trust or the Trustor may make the application provided for in the preceding Paragraph as subrogee for the Trustee. In such case, the beneficiary of the trust or the Trustor shall, upon such application, provide the Bank of Japan or the Participant receiving such application with the name and address of the Trustee and the cause of subrogation, and submit materials which certify the cause of subrogation and certify that the Book-Entry JGSs relating to the application are trust property.
3. If the Book-Entry JGSs are trust property at the time of issuance thereof, the Trustee may, instead of the application of Paragraph 1 hereof, pursuant to the provision of Article 28, Paragraph 1 or Article 29, Paragraph 1 hereof, specify or notify of the Trust Account as the Classification into which the increase shall be described or recorded in the Direct Participant's Account or the Customer's Account of the Trustee.

Article 70 (Obliteration of Description or Record of Trust)

1. In the following cases, the Trustee shall apply for transfer to describe or record the decrease in the Trust Account of the Direct Participant's Account or the Customer's Account of the Trustee pursuant to Article 34, Paragraph 1, Article 35, Paragraph 1, Article 41, Paragraph 1, or Article 42, Paragraph 1 hereof:
 - (1) when the Book-Entry JGSs are no longer trust property as a result of assignment of the rights to the Book-Entry JGSs; and
 - (2) when the Book-Entry JGSs are no longer trust property as they become the Trustee's own property.
2. In the case of Paragraph 1, Item 2 hereof, the beneficiary of the trust shall, jointly with the Trustee, make the application provided for in the preceding Paragraph. In such case, the beneficiary of the trust shall, in making such application, provide the Bank of Japan or the Participant receiving such application with the grounds for the application together with such materials which certify the grounds for the application.

Article 71 (Description or Record of Trust, etc., upon Change of Trustee)

1. When the Trustee is changed, the former Trustee provided for in Article 59, Paragraph 1 of the Trust Law (Law No. 108 of 2006) (hereinafter referred to as the "Former Trustee") shall, pursuant to Article 34, Paragraph 1 or Article 35, Paragraph 1 hereof, apply for transfer to describe or record the decrease in the Trust Account in the Direct Participant's Account or the Customer's Account of the Former Trustee and to describe or record the increase in the Trust Account in the Direct Participant's Account or the Customer's Account of the new Trustee provided for in Article 62, Paragraph 1 thereof (hereinafter referred to as the "New Trustee"); provided that in the case of termination of duties of the Trustee and change of the Trustee pursuant to the provision of Article 56, Paragraph 1, Items 1 through 4 or Item 6, or Article 8 of the Law concerning Charitable Trust (Law No. 62 of 1922), the New Trustee may also make such application pursuant to the provision of Article 34, Paragraph 1 applied *mutatis mutandis* by Article 36, Paragraph 1 or Article 35, Paragraph 1 applied *mutatis mutandis* by Article 36, Paragraph 2 hereof.
2. The Former Trustee or the New Trustee who makes the application of the preceding Paragraph shall, upon such application, submit materials which certify the change to the Bank of Japan or the Participant receiving such application.

Section 8 Miscellaneous Provisions

Article 72 (Prohibition of Application for Transfer, etc., during Specified Period)

1. During the period separately specified by the Bank of Japan within the scope from three (3) business days prior to the date of redemption or date of interest payment of the Book-Entry JGSs through the immediately preceding business day thereof, any application for transfer or obliteration relating to such Book-Entry JGSs shall not be made, except for any application for transfer which does not require description or record of the decrease and increase in the Direct Participant's Account.
2. During the period separately specified by the Bank of Japan within the scope from three (3) business days prior to the date of redemption or date of interest payment of the Book-Entry JGSs Eligible for STRIPS through the immediately preceding

business day thereof, any application for Separation relating to the Book-Entry JGSs Eligible for STRIPS or Consolidation relating to the Separated Principal Components which have the same names and numbers as the Book-Entry JGSs Eligible for STRIPS shall not be made.

Chapter IV Distribution of Principal and Interest

Article 73 (Distribution of Principal and Interest)

1. The Bank of Japan shall, on the date of redemption or the date of interest payment of the Book-Entry JGSs (excluding the Book-Entry JGSs of which, such as those being attached, obliteration or application thereof is prohibited by the provisions of laws and regulations; the same shall apply hereinafter in this Article), receive the principal and interest from the Japanese government in sum, and distribute the same to the Direct Participants pursuant to the provisions separately provided by the Bank of Japan.
2. The Direct Participant shall, when it has received the distribution of the principal or interest of the Book-Entry JGSs which have been described or recorded in the Customers' Accounts established by the Direct Participant pursuant to the provision of the preceding Paragraph, distribute the same to the Customers.
3. The Indirect Participant shall, when it has received the distribution of the principal or interest of the Book-Entry JGSs which have been described or recorded in the Customers' Accounts established by the Indirect Participant pursuant to the provision of the preceding Paragraph, distribute the same to the Customers.
4. The Foreign Indirect Participant shall, when it has received the distribution of the principal or interest of the Book-Entry JGSs which have been described or recorded in the Customers' Accounts established by the Foreign Indirect Participant pursuant to the provision of the preceding two (2) Paragraphs or this Paragraph, distribute the same to the Customers.
5. Notwithstanding the preceding three (3) Paragraphs hereof, upon application from a Customer, the Participants may distribute all or a part of the interest of the Book-Entry JGSs which have been described or recorded in the Customer's Account of the Customer to any persons other than such Customer.

Chapter V Fees

Article 74 (Fees)

The Bank of Japan may collect fees from the Direct Participants and the Customers of the Bank of Japan as separately specified by the Bank of Japan.

Chapter VI Performance of Bearing Duty

Article 75 (Treatment of Performance of Bearing Duty by the Bank of Japan)

1. The Bank of Japan shall, if the amount of Item 1 exceeds the amount of Item 2 in the case provided for in Article 103, Paragraph 1 of the Law, express to the Japanese government its intention to discharge all duties in respect of the Book-Entry JGSs of the Issue provided for therein of the amount equal to such excess:
 - (1) the total amount of the Book-Entry JGSs of the Issue which have been described or recorded in the Direct Participants' Accounts in the transfer account book kept by the Bank of Japan; and
 - (2) the total amount of issue of the Book-Entry JGSs of the Issue (excluding the amount in respect of which the redemption or the retirement by purchase has been made).
2. The amount referred to in Paragraph 1, Item 1 hereof shall, if there is no accrual, assignment, or extinguishment of rights corresponding to the description or record of the increase or decrease in the Direct Participants' Accounts referred to therein and it is certified that no person has obtained the Book-Entry JGSs of the amount of such description or record pursuant to the provision of Article 102 of the Law, be the amount as if there were no such description or record.
3. In the case of Paragraph 1 hereof, the Bank of Japan shall, if there is no description or record of the Book-Entry JGSs of the Issue of the amount equal to such excess in its own Direct Participant's Account (Proprietary ledger) (excluding the subdivisions into which the Book-Entry JGSs which are subject to a pledge are

described or recorded; the same shall apply hereinafter in this Article), obtain the Book-Entry JGSs of the Issue up to such excess amount before it expresses its intention of discharge pursuant to the provision thereof.

4. The Bank of Japan shall, when it has expressed its intention of discharge pursuant to the provision of Paragraph 1 hereof, immediately describe or record the decrease pursuant to the provision of Article 64, Paragraph 3 hereof in the Direct Participant's Account of the transfer account book kept by itself in respect of the Book-Entry JGSs subject to such intention of discharge which have been described or recorded in its own Direct Participant's Account (Proprietary ledger).

Article 76 (Treatment of Performance of Bearing Duty by Direct Participant)

1. The Direct Participant shall, if the amount of Item 1 exceeds the amount of Item 2 in the case provided for in Article 103, Paragraph 1 of the Law, express to the Japanese government its intention to discharge all duties in respect of the Book-Entry JGSs of the Issue provided for therein of the amount equal to such excess:
 - (1) the total amount of the Book-Entry JGSs of the Issue which have been described or recorded in the Customers' Accounts in the transfer account book kept by the Direct Participant; and
 - (2) the amount of the Book-Entry JGSs of the Issue which have been described or recorded in the Direct Participant's Account (Customer ledger) of the Direct Participant in the transfer account book kept by the Bank of Japan.
2. The amount referred to in each Item of Paragraph 1 hereof shall, if there is no accrual, assignment, or extinguishment of rights corresponding to the description or record of the increase or decrease in the Customers' Accounts referred to in Item 1 or the Direct Participant's Account (Customer ledger) referred to in Item 2 and it is certified that no person has obtained the Book-Entry JGSs of the amount of such description or record pursuant to the provision of Article 102 of the Law, be the amount as if there were no such description or record.
3. In the case of Paragraph 1 hereof, the Direct Participant shall, if there is no description or record of the Book-Entry JGSs of the Issue of the amount equal to

such excess in its own Direct Participant's Account (Proprietary ledger) (excluding the subdivisions into which the Book-Entry JGSs which are subject to a pledge are described or recorded; the same shall apply hereinafter in this Article), obtain the Book-Entry JGSs of the Issue up to such excess amount before it expresses its intention of discharge pursuant to the provision thereof.

4. The Direct Participant (excluding the Bank of Japan) shall, when it has expressed its intention of discharge pursuant to the provision of Paragraph 1 hereof, immediately apply to the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan, for transfer of the Book-Entry JGSs subject to such intention of discharge which have been described or recorded in its own Direct Participant's Account (Proprietary ledger) to its own Direct Participant's Account (Customer ledger). Upon such application, the Direct Participant shall specify the following matters:
 - (1) Issue of the Book-Entry JGSs in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Proprietary ledger);
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account (Customer ledger); and
 - (4) other matters separately provided by the Bank of Japan.
5. The Bank of Japan shall, when it has received the application provided for in the preceding Paragraph hereof, immediately describe or record the decrease and increase based on the application in the Direct Participant's Account in the transfer account book kept by itself.
6. The Bank of Japan shall, if it has expressed its intention of discharge pursuant to the provision of Paragraph 1 hereof, immediately describe or record the decrease and increase relating to the transfer to its own Direct Participant's Account (Customer ledger) in the Direct Participant's Account in the transfer account book kept by itself in respect of the Book-Entry JGSs subject to the intention of discharge which have been described or recorded in its own Direct Participant's

Account (Proprietary ledger).

Article 77 (Treatment of Performance of Bearing Duty by Indirect Participant)

The provisions of Paragraphs 1 through 4 (excluding Item 4) of Article 76 shall apply *mutatis mutandis* to the Indirect Participant and the provision of Article 76, Paragraph 5 shall apply *mutatis mutandis* to the Designated Direct Participant. In such case, the "Direct Participant" in Article 76, Paragraphs 1 and 3 and the "Direct Participant (excluding the Bank of Japan)" in Article 76, Paragraph 4 shall be read as the "Indirect Participant" and the "Bank of Japan" in Article 76, Paragraphs 1 and 5 shall be read as the "Designated Direct Participant" and the "Direct Participant's Account (Customer ledger)" in Article 76, Paragraphs 1, 2, and 4 shall be read as the "Indirect Participant's Account (Customer ledger)" and the "Direct Participant's Account (Proprietary ledger)" in Article 76, Paragraphs 3 and 4 shall be read as the "Indirect Participant's Account (Proprietary ledger)" and "to the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan," in Article 76, Paragraph 4 shall be read as "to its Designated Direct Participant" and the "Direct Participant's Account" in Article 76, Paragraph 5 shall be read as the "Indirect Participant's Account."

Article 78 (Treatment of Performance of Bearing Duty by Foreign Indirect Participant)

The provisions of Paragraphs 1 through 4 (excluding Item 4) of Article 76 shall apply *mutatis mutandis* to the Foreign Indirect Participant and the provision of Article 76, Paragraph 5 shall apply *mutatis mutandis* to the Designated Participant. In such case, the "Direct Participant" in Article 76, Paragraphs 1 and 3 and the "Direct Participant (excluding the Bank of Japan)" in Article 76, Paragraph 4 shall be read as the "Foreign Indirect Participant" and the "Bank of Japan" in Article 76, Paragraphs 1 and 5 shall be read as the "Designated Participant" and the "Direct Participant's Account (Customer ledger)" in Article 76, Paragraphs 1, 2, and 4 shall be read as the "Foreign Indirect Participant's Account (Customer ledger)" and the "Direct Participant's Account (Proprietary ledger)" in Article 76, Paragraphs 3 and 4 shall be read as the "Foreign Indirect Participant's Account (Proprietary ledger)" and "to the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan" in Article 76, Paragraph 4 shall be read as "to its Designated Participant" and the "Direct Participant's Account" in Article 76, Paragraph 5 shall

be read as the "Foreign Indirect Participant's Account."

Article 79 (Treatment of Performance of Bearing Duty Relating to Book-Entry JGSs Eligible for STRIPS, etc., by the Bank of Japan)

1. The Bank of Japan shall, if there is any Separated Principal Component or the Separated Interest Component of the Issue in respect of which the amount of Item 1 exceeds the amount of Item 2 in the case provided for in Article 107, Paragraph 1 of the Law, express to the Japanese government its intention to discharge all duties in respect of the Separated Principal Components or the Separated Interest Components of the relevant Issue of the amount equal to such excess:
 - (1) the total amount of the Separated Principal Components and the Separated Interest Components of each Issue to be described or recorded in the Direct Participants' Accounts in the transfer account book kept by the Bank of Japan when calculated as if the procedures for Separation were followed in respect of all Book-Entry JGSs Eligible for STRIPS which have been described or recorded in the Direct Participants' Accounts in the transfer account book kept by the Bank of Japan; and
 - (2) the total amount of the Separated Principal Components and the Separated Interest Components of each Issue when calculated as if the procedures for Separation were followed in respect of the total amount of issue of all Book-Entry JGSs Eligible for STRIPS (excluding the amount in respect of which the redemption or the retirement by purchase has been made).
2. The amount referred to in Paragraph 1, Item 1 hereof shall, if there is no accrual, assignment, or extinguishment of rights corresponding to the description or record of the increase or decrease in the Direct Participants' Accounts referred to therein and it is certified that no person has obtained the Book-Entry JGSs Eligible for STRIPS, etc., of the amount of such description or record pursuant to the provision of Article 102 of the Law, be the amount as if there were no such description or record.
3. In the case of Paragraph 1 hereof, the Bank of Japan shall, if there is no description or record of the Separated Principal Components or the Separated Interest Components of the Issue of the amount equal to such excess in its own

Direct Participant's Account (Proprietary ledger) (excluding the subdivisions into which the Book-Entry JGSs which are subject to a pledge are described or recorded; the same shall apply hereinafter in this Article), obtain the Separated Principal Components or the Separated Interest Components of the Issue up to such excess amount before it expresses its intention of discharge pursuant to the provision thereof.

4. In the case of Paragraphs 1 and 3 hereof, if the amount of Paragraph 1, Item 1 exceeds the amount of Paragraph 1, Item 2 in respect of the Separated Principal Component and each Separated Coupon Component which has the same date of interest payment as each coupon of the Book-Entry JGSs Eligible for STRIPS whose name and number is the same as that Separated Principal Component, the Book-Entry JGSs Eligible for STRIPS whose name and number are the same as the Separated Principal Component shall be substituted for the Separated Principal Component of the amount equal to the amount of such Book-Entry JGSs Eligible for STRIPS and each Separated Interest Component of the amount equal to the amount of each interest of such Book-Entry JGSs Eligible for STRIPS.
5. The Bank of Japan shall, if it has expressed its intention of discharge pursuant to the provision of Paragraph 1 hereof, immediately describe or record the decrease in the Direct Participant's Account in the transfer account book kept by itself pursuant to the provision of Article 64, Paragraph 3 hereof in respect of the Separated Principal Components or the Separated Interest Components subject to the intention of discharge (in the case where the intention of discharge is expressed in respect of the Book-Entry JGSs Eligible for STRIPS in the preceding Paragraph, such Book-Entry JGSs Eligible for STRIPS) which have been described or recorded in its own Direct Participant's Account (Proprietary ledger).

Article 80 (Treatment of Performance of Bearing Duty Relating to Book-Entry JGSs Eligible for STRIPS, etc., by Direct Participant)

1. The Direct Participant shall, if there are any Book-Entry JGSs Eligible for STRIPS, etc., of the Issue in respect of which the amount of Item 1 exceeds the amount of Item 2 in the case provided for in Article 107, Paragraph 1 of the Law, express to the Japanese government its intention to discharge all duties in respect of the Book-Entry JGSs Eligible for STRIPS, etc., of the Issue of the amount equal to such excess:

- (1) the total amount of the Book-Entry JGSs Eligible for STRIPS, etc., of each Issue which have been described or recorded in the Customers' Accounts in the transfer account book kept by the Direct Participant; and
 - (2) the amount of the Book-Entry JGSs Eligible for STRIPS, etc., of each Issue which have been described or recorded in the Direct Participant's Account (Customer ledger) of the Direct Participant in the transfer account book kept by the Bank of Japan.
2. The amount referred to in each Item of Paragraph 1 hereof shall, if there is no accrual, assignment, or extinguishment of rights corresponding to the description or record of the increase or decrease in the Customers' Accounts referred to in Item 1 or the Direct Participant's Account (Customer ledger) referred to in Item 2 and it is certified that no person has obtained the Book-Entry JGSs Eligible for STRIPS, etc., of the amount of such description or record pursuant to the provision of Article 102 of the Law, be the amount as if there were no such description or record.
3. In the case of Paragraph 1 hereof, the Direct Participant shall, if there is no description or record of the Book-Entry JGSs Eligible for STRIPS, etc., of the Issue of the amount equal to such excess in its own Direct Participant's Account (Proprietary ledger) (excluding the subdivisions into which the Book-Entry JGSs which are subject to a pledge are described or recorded; the same shall apply hereinafter in this Article), obtain the Book-Entry JGSs Eligible for STRIPS, etc., of the Issue up to such excess amount before it expresses its intention of discharge pursuant to the provision thereof.
4. The Direct Participant (excluding the Bank of Japan) shall, when it has expressed its intention of discharge pursuant to the provision of Paragraph 1 hereof, immediately apply to the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan, for transfer of the Book-Entry JGSs Eligible for STRIPS, etc., subject to such intention of discharge which have been described or recorded in its own Direct Participant's Account (Proprietary ledger) to its own Direct Participant's Account (Customer ledger). Upon such application, the Direct Participant shall specify the following matters:

- (1) Issue of the Book-Entry JGSs Eligible for STRIPS, etc., in respect of which the decrease and increase shall be described or recorded and the amount thereof;
 - (2) Classifications and subdivisions into which the decrease shall be described or recorded in the Direct Participant's Account (Proprietary ledger);
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account (Customer ledger); and
 - (4) other matters separately provided by the Bank of Japan.
5. The Bank of Japan shall, when it has received the application provided for in the preceding Paragraph, immediately describe or record the decrease and increase based on the application in the Direct Participant's Account in the transfer account book kept by itself.
 6. The Bank of Japan shall, if it has expressed its intention of discharge pursuant to the provision of Paragraph 1 hereof, immediately describe or record the decrease and increase relating to the transfer to its own Direct Participant's Account (Customer ledger) in the Direct Participant's Account in the transfer account book kept by itself in respect of the Book-Entry JGSs Eligible for STRIPS, etc., subject to the intention of discharge which have been described or recorded in its own Direct Participant's Account (Proprietary ledger).

Article 81 (Treatment of Performance of Bearing Duty Relating to Book-Entry JGSs Eligible for STRIPS, etc., by Indirect Participant)

The provisions of Paragraphs 1 through 4 (excluding Item 4) of Article 80 shall apply *mutatis mutandis* to the Indirect Participant and the provision of Article 80, Paragraph 5 shall apply *mutatis mutandis* to the Designated Direct Participant. In such case, the "Direct Participant" in Article 80, Paragraphs 1 and 3 and the "Direct Participant (excluding the Bank of Japan)" in Article 80, Paragraph 4 shall be read as the "Indirect Participant" and the "Bank of Japan" in Article 80, Paragraphs 1 and 5 shall be read as the "Designated Direct Participant" and the "Direct Participant's Account (Customer ledger)" in Article 80, Paragraphs 1, 2, and 4 shall be read as the "Indirect Participant's Account (Customer ledger)" and

the "Direct Participant's Account (Proprietary ledger)" in Article 80, Paragraphs 3 and 4 shall be read as the "Indirect Participant's Account (Proprietary ledger)" and "to the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan," in Article 80, Paragraph 4 shall be read as "to its Designated Direct Participant" and the "Direct Participant's Account" in Article 80, Paragraph 5 shall be read as the "Indirect Participant's Account."

Article 82 (Treatment of Performance of Bearing Duty Relating to Book-Entry JGSs Eligible for STRIPS, etc., by Foreign Indirect Participant)

The provisions of Paragraphs 1 through 4 (excluding Item 4) of Article 80 shall apply *mutatis mutandis* to the Foreign Indirect Participant and the provision of Article 80, Paragraph 5 shall apply *mutatis mutandis* to the Designated Participant. In such case, the "Direct Participant" in Article 80, Paragraphs 1 and 3 and the "Direct Participant (excluding the Bank of Japan)" in Article 80, Paragraph 4 shall be read as the "Foreign Indirect Participant" and the "Bank of Japan" in Article 80, Paragraphs 1 and 5 shall be read as the "Designated Participant" and the "Direct Participant's Account (Customer ledger)" in Article 80, Paragraphs 1, 2, and 4 shall be read as the "Foreign Indirect Participant's Account (Customer ledger)" and the "Direct Participant's Account (Proprietary ledger)" in Article 80, Paragraphs 3 and 4 shall be read as the "Foreign Indirect Participant's Account (Proprietary ledger)" and "to the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan," in Article 80, Paragraph 4 shall be read as "to its Designated Participant" and the "Direct Participant's Account" in Article 80, Paragraph 5 shall be read as the "Foreign Indirect Participant's Account."

Chapter VII Investors' Meeting

Article 83 (Investors' Meeting)

1. The Bank of Japan shall, if it transfers its business as provided for in Article 31, Paragraph 1 of the Law, obtain approval from the Investors (as defined below) by way of resolution of a meeting (hereinafter referred to as the "Investors' Meeting") of the Direct Participants (excluding the Bank of Japan) and the Customers of the Bank of Japan (collectively, referred to as the "Investors" hereinafter in this Chapter).

2. Convocation, resolution, and other related matters of the Investors' Meeting shall be subject to the provisions of this Chapter and the provisions of Article 34 and Articles 36 through 39 of the Law, and Articles 24 (excluding Items 2 through 4) through 32 of the Ordinance to Supervise Special Book-Entry Transfer Institutions (Ministerial Ordinance of Cabinet Office, Ministry of Justice, and Ministry of Finance No. 1 of 2002).

Article 84 (Chairman of Investors' Meeting)

The chairman of the Investors' Meeting shall be determined by the Governor of the Bank of Japan from officers and employees of the Bank of Japan at each convocation.

Article 85 (Voting Right of Investor)

The voting right of each Investor shall be equal; provided that the Japanese government and the governmental institutions among the Investors shall not have voting rights.

Article 86 (Exercise of Voting Right by Electromagnetic Method)

The Bank of Japan shall separately provide for the matters necessary for exercise of voting rights by electromagnetic method.

Article 87 (Deemed Approval)

If any Investor (excluding the Japanese government and the governmental institutions) does not attend an Investors' Meeting and does not exercise its voting right, such Investor shall be deemed to have approved the bill submitted at such Investors' Meeting.

Chapter VIII Investor Protection Trust

Section 1 General Provisions

Article 88 (Definitions)

For the purpose of this Chapter, the following terms shall have the meanings provided for in the following Items:

- (1) "Investor Protection Trust" shall mean the participant protection trust provided for in Article 2, Paragraph 11 of the Law;
- (2) "Investor Protection Trust Order" shall mean the Ordinance concerning Participant Protection Trust (Ministerial Ordinance of Cabinet Office, Ministry of Justice, and Ministry of Finance No. 4 of 2002);
- (3) "Contribution" shall mean the dues provided for in Article 62, Paragraph 1 of the Law;
- (4) "Trust Business Year" shall mean any trust business year (April 1-March 31) ("Business Year" prior to fiscal year 2006) of the Investor Protection Trust;
- (5) "Next Trust Business Year" shall mean, with respect to a Trust Business Year, the Trust Business Year following that Trust Business Year;
- (6) "Participating Year" shall mean, with respect to a Direct Participant (excluding the Direct Participants for whom the Direct Participants' Accounts are established pursuant to the provision of Article 7, Paragraph 2; the same shall apply in this Chapter) or Indirect Participant, any Trust Business Year which includes the day on which the Direct Participant's Account was established or the Indirect Participant obtained Approval for Indirect Participant; provided that, with respect to a Direct Participant for whom the Direct Participant's Account was established during or prior to fiscal year 2002 or the Indirect Participant who obtained Approval for Indirect Participant during or prior to fiscal year 2002, the Participating Year shall be Trust Business Year 2003;
- (7) "Participant in Reserve Period" shall mean any Direct Participant or Indirect Participant whose Participating Year is, or prior to, Trust Business Year 2007;
- (8) "Participant after Reserve Period" shall mean any Direct Participant or Indirect Participant whose Participating Year is, or after, Trust Business

Year 2008;

- (9) "Basic Balance of Account Book" shall mean the aggregate balance of the Customers' Accounts established by the Participants in Reserve Period (excluding the Customers' Accounts established for the Indirect Participants or Foreign Indirect Participants) at the end of March in each Trust Business Year; and
- (10) "Trustee" shall mean the trustee of the Investor Protection Trust.

Article 89 (Notice and Report of Determination of Commencement of Bankruptcy Procedure, etc.)

Any Direct Participant Indirect Participant who becomes a bankrupt nearest upper-positioned institution, etc., provided for in Article 58 of the Law shall immediately notify the Trustee that the commencement of bankruptcy procedure, etc., provided for in the same Article has been decided and such other matters specified by the Investor Protection Trust Order and report the same to the Commissioner of the Financial Services Agency, Minister of Justice, Minister of Finance, and the Bank of Japan.

Article 90 (Payment Obligation of Contribution, etc., Owed by the Bank of Japan, Direct Participants, and Indirect Participants)

1. The Bank of Japan shall have, at the end of March in each Trust Business Year from Trust Business Year 2003 through 2007, an obligation to pay the Contribution for the relevant Trust Business Year in the amount calculated pursuant to the provision of Article 94, Paragraph 1.
2. The Participant in Reserve Period shall have, at the end of March in each Trust Business Year from Trust Business Year 2003 through 2007, an obligation to pay the Contribution for the relevant Trust Business Year in the amount calculated pursuant to the provision of Article 94, Paragraph 2.
3. The Participant in Reserve Period shall assume, at the end of March in each Trust Business Year from Trust Business Year 2003 through 2007, the payment obligation of the amount calculated pursuant to the provision of Article 94,

Paragraph 3 (hereinafter in this Chapter referred to as the "Assumed Amount") which is part of the payment obligation of the Contribution of the Bank of Japan provided for in Paragraph 1.

4. The payment obligation of the Assumed Amount of each Participant in Reserve Period shall, for the purpose of allocation with the Bank of Japan, entirely be borne by each Participant in Reserve Period.
5. In the case of any Assumed Amount or reallocated amount not paid in each Trust Business Year from Trust Business Year 2004 through 2007, the Participant in Reserve Period in the relevant Trust Business Year shall have, at the end of March in the relevant Trust Business Year, an obligation to pay the amount calculated pursuant to the provision of Article 94, Paragraph 4 (hereinafter in this Chapter referred to as the "Reallocated Amount") to the Bank of Japan.
6. In the case of any Contribution for Trust Business Year 2007 not paid by the end of August in Trust Business Year 2008, the Participant in Reserve Period in Trust Business Year 2007 (including those who cease being a Direct Participant or Indirect Participant after the end of March in Trust Business Year 2007) shall have an obligation to pay the Contribution of the amount calculated pursuant to the provision of Article 94, Paragraph 5 (hereinafter in this Chapter referred to as the "Additional Contribution").
7. In the case of any Assumed Amount or Reallocated Amount for Trust Business Year 2007 not paid by the end of August in Trust Business Year 2008, the Participant in Reserve Period in Trust Business Year 2007 (including those who cease being a Direct Participant or Indirect Participant after the end of March in Trust Business Year 2007) shall have an obligation to pay the amount calculated pursuant to the provision of Article 94, Paragraph 6 (hereinafter in this Chapter referred to as the "Specified Reallocated Amount") to the Bank of Japan.
8. The Participant after Reserve Period shall, upon establishment of the Direct Participant's Account or Approval for Indirect Participant, have an obligation to pay the Contribution in the amount provided for in Article 95.
9. If the Bank of Japan, Direct Participant, or Indirect Participant ceases to be the book-entry transfer institution, Direct Participant, or Indirect Participant,

respectively, it shall not have an obligation to pay the Contribution, Assumed Amount, Reallocated Amount, Additional Contribution, or Specified Reallocated Amount pursuant to the preceding Paragraphs after the relevant day; provided that no obligation to pay the Contribution, Assumed Amount, Reallocated Amount, Additional Contribution, or Specified Reallocated Amount which has already arisen shall be exempted.

Article 91 (Designation of Order of Repayment and Notice of Designation)

1. If the Participant in Reserve Period bears more than two (2) among Contribution, Assumed Amount, and Reallocated Amount in one (1) Trust Business Year, it shall repay in order of Contribution, Assumed Amount, and Reallocated Amount.
2. If the Participant in Reserve Period of Trust Business Year 2007 bears both Additional Contribution and Specified Reallocated Amount, it shall repay in order of Additional Contribution and Specified Reallocated Amount.
3. The Participant in Reserve Period shall authorize the Bank of Japan to make necessary notice to designate the order of repayment pursuant to the provisions of the preceding two (2) Paragraphs and the Bank of Japan shall provide prior notice to the Trustee of the order of repayment pursuant to the provisions of the preceding two (2) Paragraphs on behalf of the Participant in Reserve Period.

Article 92 (Entrustment to Trustee)

1. The Bank of Japan shall, based on the Investor Protection Trust Order and the participant protection trust contract and pursuant to this Chapter, entrust to the Trustee the calculation, determination of payment date and method, notice, collection, and other related matters in respect of the Contributions and Additional Contributions.
2. The Bank of Japan shall, based on the participant protection trust contract and pursuant to this Chapter, entrust to the Trustee the calculation, determination of payment date and method, notice, collection, and other related matters in respect of the Assumed Amounts, Reallocated Amounts, and Specified Reallocated Amounts.

Section 2 Calculation Method of Contribution, etc.

Article 93 (Calculation Method of Basic Amount for Calculating Contribution of Single Trust Business Year under JGB Book-Entry System)

The Amount which is the basis for calculating the Contributions of the Bank of Japan and Participants in Reserve Period in each Trust Business Year from Trust Business Year 2003 through 2007 (hereinafter in this Chapter referred to as the "Basic Amount for Calculating Contribution of Single Trust Business Year under the JGB Book-Entry System") shall be the product (rounded up to the nearest yen) of the amount received by the Investor Protection Trust based on the participant protection trust contract in each Trust Business Year during five (5) Trust Business Years from and including Trust Business Year 2003 multiplied by the ratio of the balance of the transfer account book kept by the Bank of Japan at the end of March in the relevant Trust Business Year to the aggregate balance of the transfer account books kept by the Other Transfer Institutions and the Bank of Japan at the end of March in the relevant Trust Business Year.

Article 94 (Amount, etc., of Contribution, Assumed Amount, Reallocated Amount, Additional Contribution, and Specified Reallocated Amount of the Bank of Japan and Participants in Reserve Period)

1. The Contribution of the Bank of Japan in each Trust Business Year from Trust Business Year 2003 through 2007 shall be the product (rounded up to the nearest yen) of the Basic Amount for Calculating Contribution of Single Trust Business Year under the JGB Book-Entry System multiplied by 3 percent.
2. The Contribution of the Participant in Reserve Period in each Trust Business Year from Trust Business Year 2003 through 2007 shall be the sum of the fixed Contribution provided for in Item 1 and the proportionate Contribution provided for in Item 2 (rounded up to the nearest yen); provided that the Contribution of the Participant in Reserve Period in the Participating Year shall be the sum of the fixed Contribution, proportionate Contribution, and Contribution for the unpaid period provided for in Item 3:

- (1) fixed Contribution: 150,000 yen;

- (2) proportionate Contribution:
 (Basic Amount for Calculating Contribution of Single Trust Business Year under the JGB Book-Entry System – Contribution of the Bank of Japan – fixed Contribution x number of Participants in Reserve Period in the relevant Trust Business Year + Contribution not paid in the previous Trust Business Year provided for in Article 96, Paragraph 1) x Basic Balance of Account Book of the relevant Participant in Reserve Period in the relevant Trust Business Year / total Basic Balance of Account Books of all Participants in Reserve Period in the relevant Trust Business Year; and
 - (3) Contribution for unpaid period:
 (the Participating Year of the relevant Participant in Reserve Period – 2003) x 150,000 yen.
3. The Assumed Amount of the Participant in Reserve Period in each Trust Business Year from Trust Business Year 2003 through 2007 shall be the sum of the fixed Assumed Amount provided for in Item 1 and the proportionate Assumed Amount provided for in Item 2 (rounded up to the nearest yen):
- (1) fixed Assumed Amount: 4,500 yen; and
 - (2) proportionate Assumed Amount:
 (Contribution of the Bank of Japan – fixed Assumed Amount x number of Participants in Reserve Period in the relevant Trust Business Year) x Basic Balance of Account Book of the relevant Participant in Reserve Period in the relevant Trust Business Year / total Basic Balance of Account Books of all Participants in Reserve Period in the relevant Trust Business Year.
4. The Reallocated Amount of the Participant in Reserve Period in each Trust Business Year from Trust Business Year 2004 through 2007 shall be the amount calculated by the following formula:
 Assumed Amount, etc., not paid in the previous Trust Business Year provided for in Article 96, Paragraph 2 x Basic Balance of Account Book of the relevant Participant in Reserve Period in the relevant Trust Business Year / total Basic Balance of Account Books of all Participants in Reserve Period in the relevant Trust Business Year.

5. The Additional Contribution of the Participant in Reserve Period in Trust Business Year 2008 shall be the amount calculated by the following formula:
Contribution for Trust Business Year 2007 not paid by the end of August in Trust Business Year 2008 x Basic Balance of Account Book in the relevant Trust Business Year of the Participant in Reserve Period in Trust Business Year 2007 / total Basic Balance of Account Books of all Participants in Reserve Period in the relevant Trust Business Year.
6. The Specified Reallocated Amount of the Participant in Reserve Period in Trust Business Year 2008 shall be the amount calculated by the following formula:
Assumed Amount, etc., not paid in the previous Trust Business Year provided for in Article 96, Paragraph 2 x Basic Balance of Account Book in the relevant Trust Business Year of the Participant in Reserve Period in Trust Business Year 2007 / total Basic Balance of Account Books of all Participants in Reserve Period in Trust Business Year 2007.

Article 95 (Amount of Contribution of Participants after Reserve Period)

The Amount of Contribution of Participant after Reserve Period shall be 750,000 yen.

Article 96 (Contribution Not Paid in Previous Trust Business Year and Assumed Amount, etc., Not Paid in Previous Trust Business Year)

1. The Contribution not paid in the previous Trust Business Year shall, in respect of each Trust Business Year from Trust Business Year 2004 through 2007, be the aggregate amount of the Contribution of each Participant in Reserve Period in the previous Trust Business Year, which has not been paid to the Trustee by the end of March in the relevant Trust Business Year.
2. The Assumed Amount, etc., not paid in the previous Trust Business Year shall, in respect of each Trust Business Year from Trust Business Year 2004 through 2008, be the total amount of the Assumed Amount paid by the Bank of Japan pursuant to the provision of Article 105, Paragraph 2 and the Reallocated Amount not paid to the Trustee by the end of August in the relevant Trust Business Year out of the Assumed Amount and Reallocated Amount of each Participant in Reserve Period in the previous Trust Business Year.

Section 3 Procedures, etc.

Article 97 (Calculation and Notice of Basic Amount for Calculating Contribution of Single Trust Business Year under the JGB Book-Entry System)

1. The Bank of Japan shall notify the Trustee of the balance of the transfer account book kept by itself at the end of March in each Trust Business Year from Trust Business Year 2003 through 2007, not later than the last day of April in the Next Trust Business Year (if such day falls on a holiday for the BOJ's Book-Entry Business, the following business day).
2. When the Trustee receives notices from the Bank of Japan and Other Transfer Institutions of the balance of the transfer account book kept by them at the end of March in each Trust Business Year from Trust Business Year 2003 through 2007, it shall calculate the Basic Amount for Calculating Contribution of Single Trust Business Year under the JGB Book-Entry System pursuant to the calculation method provided for in Article 93.

Article 98 (Record of Participating Year by Direct Participant and Indirect Participant)

1. The Direct Participant and Indirect Participant shall record their own Participating Years using appropriate procedures.
2. The Direct Participant shall record the Participating Year of the Indirect Participant whose Designated Direct Participant is itself using appropriate procedures.

Article 99 (Preparation of Register of Participants in Reserve Period)

1. The Direct Participant shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, as separately specified by the Bank of Japan, prepare by the end of March in each Trust Business Year a register regarding itself and all the Indirect Participants whose Designated Direct Participant is itself at the end of March in the relevant Trust Business Year describing names, addresses, contact addresses, Participating Years, and any other matters separately specified by the Bank of Japan and immediately submit the register to the Bank of Japan.

2. The Indirect Participant shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, provide prior notice to its Designated Direct Participant of matters necessary for preparation of the register provided for in the preceding Paragraph by such Designated Direct Participant.
3. The Bank of Japan shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, as separately specified by the Bank of Japan, prepare a register regarding the Participants in Reserve Period in each Trust Business Year (hereinafter in this Chapter referred to as the "Register of Participants in Reserve Period") based on the register provided for in Paragraph 1.
4. The Bank of Japan shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, deliver the Register of Participants in Reserve Period to the Trustee not later than the last day of April in the Next Trust Business Year (if such day falls on a holiday for the BOJ's Book-Entry Business, the following business day).

Article 100 (Notice of Basic Balance of Account Book by Participant in Reserve Period)

The Participant in Reserve Period shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, notify the Trustee of the Basic Balance of Account Book by the end of April in the Next Trust Business Year as separately specified by the Bank of Japan.

Article 101 (Reminder by Trustee in Case of Notice of Basic Balance of Account Book Not Received)

The Trustee shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, if it has not received the notice provided for in the preceding Article from a Participant in Reserve Period by the end of April in the Next Trust Business Year, remind by appropriate procedures that Participant in Reserve Period to promptly give such notice by the end of May in the Next Trust Business Year.

Article 102 (Calculation of Contribution, Assumed Amount, and Reallocated

Amount, and Notice to Participants in Reserve Period by Trustee)

1. The Trustee shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, calculate the Contributions, Assumed Amounts, and Reallocated Amounts of the Participants in Reserve Period based on the Basic Amounts for Calculating Contribution of Single Trust Business Year under the JGB Book-Entry System provided for in Article 97, the Registers of Participants in Reserve Period, and the notices received by the end of May in the Next Trust Business Year pursuant to Article 100 or the reminder in the preceding Article and in accordance with the provision of Article 94, and notify the Participants in Reserve Period of the amounts, payment date, and payment method of Contributions, Assumed Amounts, and Reallocated Amounts by the end of June in the Next Trust Business Year.
2. The payment date provided for in the preceding Paragraph shall be the end of July in the Next Trust Business Year and the payment method shall be remittance to the account designated by the Trustee or any other method specified by the Trustee.

Article 103 (Payment by Participants in Reserve Period)

The Participant in Reserve Period who has received the notice as provided for in Article 102, Paragraph 1, shall pay the Contribution, Assumed Amount, and Reallocated Amount to the Trustee pursuant to such notice.

Article 104 (Treatment, etc., in Case of Non-payment of Contribution, etc.)

1. The Trustee shall, if any Participant in Reserve Period fails to pay the Contribution, Assumed Amount, or Reallocated Amount by the payment date provided for in Article 102, Paragraph 2, demand by appropriate procedures and designating the due date which is within three (3) weeks that such Participant in Reserve Period promptly pay the same.
2. If any Participant in Reserve Period fails to pay the Contribution or Additional Contribution by the payment date (which means before demand), such Participant in Reserve Period shall, as specified by the Law and the Trustee, pay to the Trustee the delinquency charges as trust property of the Investor Protection Trust.

3. The amount of delinquency charges provided for in the preceding Paragraph shall be the product (rounded up to the nearest yen) of the unpaid amount of Contribution and Additional Contribution multiplied by 14.5 percent proportionately to the number of days from the following day of respective payment due date (which means before demand) through the date of actual payment.

Article 105 (Notice in Case of Non-payment of Assumed Amount, etc., and Payment by the Bank of Japan)

1. The Trustee shall, with respect to each Trust Business Year from Trust Business Year 2003 through 2007, if any Participant in Reserve Period fails to pay the Assumed Amount or Reallocated Amount by the due date after demand provided for in Article 104, Paragraph 1, promptly notify the Bank of Japan of the amount of Assumed Amount or Reallocated Amount not paid and the total amount thereof and the name of such Participant in Reserve Period.
2. The Bank of Japan shall, if it has received the notice provided for in the preceding Paragraph, pay to the Trustee the total amount of Assumed Amount not paid promptly after confirming the fact of non-payment.

Article 106 (Calculation of Additional Contribution and Notice to Participants in Reserve Period by Trustee)

1. The Trustee shall, if there is any Contribution not paid at the end of August in Trust Business Year 2008, calculate the Additional Contributions of the Participants in Reserve Period pursuant to the provision of Article 94, Paragraph 5 and notify the Participants in Reserve Period of the amounts, payment date, and payment method thereof.
2. The payment date provided for in the preceding Paragraph shall be determined by the Trustee after consultation with the Bank of Japan.
3. The Participant in Reserve Period who has received the notice provided for in Paragraph 1 shall pay the Additional Contribution to the Trustee pursuant to such notice. In such case, the provision of Article 104, Paragraph 1 shall apply *mutatis mutandis* thereto.

Article 107 (Calculation of Specified Reallocated Amount and Notice to Participants in Reserve Period by Trustee)

1. The Trustee shall, if there is any Assumed Amount or Reallocated Amount not paid at the end of August in Trust Business Year 2008, calculate the Specified Reallocated Amounts of the Participants in Reserve Period pursuant to the provision of Article 94, Paragraph 6, and notify the Participants in Reserve Period of the amounts, payment date, and payment method thereof.
2. The payment date provided for in the preceding Paragraph shall be determined by the Trustee after consultation with the Bank of Japan and the notice in the preceding Paragraph shall be given together with the notice provided for in Article 106, Paragraph 1.
3. The Participant in Reserve Period who has received the notice provided for in Paragraph 1 shall pay the Specified Reallocated Amount to the Trustee pursuant to such notice. In such case, the provision of Article 104, Paragraph 1 shall apply *mutatis mutandis* thereto.

Article 108 (Payment Method of Contribution of Participants after Reserve Period)

1. The Bank of Japan shall, if it is to establish the Direct Participant's Account or grant Approval for Indirect Participant based on an application provided for in Article 7, Paragraph 1 or Article 11, Paragraph 1 for a Direct Participant or Indirect Participant whose Participating Year is after Trust Business Year 2008, give notice designating the payment date which is within two (2) weeks to the person who made such application (hereinafter in this Article referred to as the "Applicant") that it shall pay the Contribution provided for in Article 95 to the Trustee, and also notify the Trustee of the fact that it has given such notice.
2. The Trustee shall, if it has received the notice provided for in the preceding Paragraph from the Bank of Japan, notify the Applicant of the amount and payment date of the Contribution provided for in the preceding Paragraph and payment method specified by the Trustee.

3. The Applicant shall pay the Contribution to the Trustee pursuant to the notices provided for in the preceding two (2) Paragraphs.
4. The Trustee shall, if it has received the payment of Contribution provided for in the preceding Paragraph from the Applicant, promptly notify the Bank of Japan of the same.
5. The Bank of Japan shall not take any steps to establish the Direct Participant's Account as provided for in Article 7, Paragraphs 4 and 5 or to grant Approval for Indirect Participant as provided for in Article 11, Paragraphs 3 and 4 unless it receives the notice provided for in the preceding Paragraph.

Article 109 (Report to the Bank of Japan)

1. The Trustee shall report to the Bank of Japan the following matters in each Trust Business Year not later than the dates provided for in the following Items:
 - (1) details of notices to the Participants in Reserve Period pursuant to the provisions of Article 102, Paragraph 1, Article 106, Paragraph 1, and Article 107, Paragraph 1: promptly after the notices;
 - (2) collected amount of the Contribution, Assumed Amount, and Reallocated Amount and the Participating Year of each Participant in Reserve Period: at the end of August in the Next Trust Business Year; and
 - (3) collected amount of the Additional Contribution and Specified Reallocated Amount of each Participant in Reserve Period: promptly after collection.
2. The Trustee shall submit the documents listed in each Item of Article 15 of the Investor Protection Trust Order, to the Bank of Japan not later than the day after the expiration of three (3) months after the end of each Trust Business Year.

Section 4 Miscellaneous Provisions

Article 110 (Treatment of Participating Year in Case of Merger, Corporate Separation, Transfer of Book-Entry Business, etc.)

1. In the case of merger of Direct Participants or Indirect Participants, the Participating Year of the Direct Participant or Indirect Participant after the merger shall be the oldest Participating Year among those of Direct Participants or Indirect Participants before the merger.
2. In the case of corporate separation of a Direct Participant or Indirect Participant, the Participating Year of the Direct Participant or Indirect Participant after the corporate separation shall be the oldest Participating Year among those of the Direct Participant or Indirect Participant who succeeded to the business by corporate separation and Direct Participant or Indirect Participant before the corporate separation.
3. In the case of transfer of business relating to the book-entry business of a Direct Participant or Indirect Participant, the Participating Year of the Direct Participant or Indirect Participant to whom the business is transferred shall be the oldest Participating Year among those of the Direct Participant or Indirect Participant who transferred the business and the Direct Participant or Indirect Participant to whom the business is transferred.
4. In the case that a Direct Participant changes its status to Indirect Participant or vice versa, the Participating Year of the Direct Participant or Indirect Participant after the change shall be the same Participating Year as that of Direct Participant or Indirect Participant before the change.
5. In the case that a Direct Participant or Indirect Participant abolishes the Direct Participant's Account or has its Approval for Indirect Participant canceled, and then re-establishes the Participant's Account or obtains Approval for Indirect Participant (excluding the case of the preceding Paragraph), the Participating Year of such Direct Participant or Indirect Participant shall be Trust Business Year in which it re-establishes the Direct Participant's Account or obtains Approval for Indirect Participant.

Article 111 (Response to Notice of Basic Balance of Account Book Not Received, etc.)

The Trustee shall promptly notify the Bank of Japan of the name of the Participant in Reserve Period to whom it sent the reminder as provided for in Article 101 and

the Participant in Reserve Period whose notice of the Basic Balance of Account Book has not been received by the due date after such reminder.

Article 112 (Response to Non-payment of Contribution, etc.)

The Trustee shall notify the Bank of Japan of the name of the Participant in Reserve Period to whom it made the demand provided for in Article 104, Paragraph 1 (including the case where the same provision is applied *mutatis mutandis* by Article 106, Paragraph 3 or Article 107, Paragraph 3) and the Participant in Reserve Period who fails to pay by the due date after such demand, type of obligation (Contribution, Assumed Amount, Reallocated Amount, Additional Contribution, or Specified Reallocated Amount) not paid, and the amount of each obligation.

Article 113 (Determination of Amount of Contribution, etc.)

The amount of the payment obligations of the Contribution, Assumed Amount, Reallocated Amount, Additional Contribution, and Specified Reallocated Amount of the Participants in Reserve Period shall not be changed even if any error is found in the Registers of Participants in Reserve Period or the notices of Basic Balances of Account Books (including the case of no notice) after the Trustee has notified the amount of Contribution, Assumed Amount, and Reallocated Amount pursuant to the provision of Article 102, Paragraph 1, after the Trustee has notified the amount of Additional Contribution pursuant to the provision of Article 106, Paragraph 1 or after the Trustee has notified the amount of Specified Reallocated Amount pursuant to the provision of Article 107, Paragraph 1.

Article 114 (Others)

1. The Bank of Japan may take any measure which it considers necessary against the Direct Participant or Indirect Participant who fails to perform its duties specified in this Chapter, considering such failure a violation of these Regulations, and shall cooperate with competent ministry of such Direct Participant or Indirect Participant as necessary.
2. The Bank of Japan shall, even if an error is found in the description of the Registers of Participants in Reserve Period prepared pursuant to the provision of

Article 99, Paragraph 3, if such error is caused by any error or omission in Article 99, Paragraph 1 or 2, have no liability for any loss attributable to such error or omission.

Chapter IX Miscellaneous Provisions

Article 115 (Certification of Description or Record in Transfer Account Book)

1. The Direct Participant (excluding the Bank of Japan) may request the Bank of Japan, pursuant to the provisions separately provided by the Bank of Japan, to issue a written certification of the matters which have been described or recorded in its own Direct Participant's Account. The same shall apply to any interested party relating to such Direct Participant's Account (which means any person who has a right to administer and dispose of the properties of the person for whom such account is established; the same shall apply hereinafter).
2. The Customer may request the Participant who established its own Customer's Account to issue a written certification of the matters which have been described or recorded in its own Customer's Account. The same shall apply to any interested party relating to such Customer's Account.
3. The Direct Participant, Customer, and interested parties shall, if they request as provided for in the preceding two (2) Paragraphs hereof, submit the written request containing the following matters to the Bank of Japan or the Participant receiving such request:
 - (1) name and address of person making the request;
 - (2) purpose of request;
 - (3) the Direct Participant's Account or the Customer's Account which is the subject of the request; and
 - (4) other matters sufficient to specify the matters to be certified.
4. In the case of the preceding Paragraph hereof, when the interested party makes such request, it shall attach to the written request a document which clarifies that it

has a right to administer and dispose of the properties.

Article 116 (Report and Inspection of Transfer Account Book)

1. The Participant (excluding the Bank of Japan; the same shall apply hereinafter in this Article) shall, in the case of Article 76, Paragraph 1 hereof (including the case where the same Paragraph is applied *mutatis mutandis* by Article 77 and Article 78 or Article 80, Paragraph 1 hereof (including the case where the same Paragraph is applied *mutatis mutandis* by Article 81 and Article 82), or otherwise in the case of an accident provided for in Article 19 of the Law known to them, immediately report the following matters to the Bank of Japan:
 - (1) name of the office where the accident occurred;
 - (2) name and title of the director, accounting counselor (if the accounting counselor is a corporation, including those of the employee performing such duties), auditor, executive officer, or employee who caused the accident; and
 - (3) summary of the accident.
2. The Participant shall, when the details of the accident reported pursuant to the provision of the preceding Paragraph come out, without delay, report the following matters to the Bank of Japan:
 - (1) details of the accident; and
 - (2) remedial measures.
3. The Participant shall, upon request from the Bank of Japan, report or submit the materials to the Bank of Japan in respect of the balance of the Customers' Accounts or other matters relating to the JGB Book-Entry System.
4. The Bank of Japan may, in the case provided for in Paragraph 1 or otherwise if it considers it necessary for smooth operation of the JGB Book-Entry System, inspect the transfer account books kept by the Participants.

Article 117 (Disclaimer)

1. The Bank of Japan shall not be liable for any damage caused by the matters dealt with using due care in accordance with the applications, notices, etc., from the Direct Participants based on these Regulations and the matters provided by the Bank of Japan in accordance with the following Article.
2. The Bank of Japan shall not be liable for any damage caused by any reason not attributable to the Bank of Japan other than that provided for in these Regulations.

Article 118 (Determination of Necessary Matters, etc.)

The Bank of Japan may determine any necessary matters or take any necessary measures for smooth operation of the JGB Book-Entry System other than those provided for in these Regulations.

Article 119 (Abolition of System)

1. The Bank of Japan may, if it considers it unnecessary to continue the JGB Book-Entry System, abolish the same by providing a six (6)-month announcement period except for the case where the designation provided for in Article 47, Paragraph 1 of the Law is canceled pursuant to the provision of Article 22, Paragraph 1 of the Law applied *mutatis mutandis* in Article 48 of the Law.
2. The Bank of Japan shall separately provide for the necessary matters relating to the abolition of the JGB Book-Entry System pursuant to the provision of the preceding Paragraph.

Article 120 (Amendment of Regulations)

The Bank of Japan may, if it considers it necessary for smooth operation of the JGB Book-Entry System, amend these Regulations upon permission of the Commissioner of the Financial Services Agency, the Minister of Justice, and the Minister of Finance of Japan.

Article 121 (Waiver of Sovereign Immunity)

The Participants shall, even if they have the right to be exempted from any legal proceedings, enforcement proceedings, attachment proceedings or any other exercise of Japanese judicial power relating to the Participants themselves or any of their current and future properties, waive such rights to the fullest extent permissible in respect of rights and obligations between themselves and the Bank of Japan relating to the JGB Book-Entry System.

Article 122 (Governing Law and Agreed Jurisdiction)

1. The governing law in respect of rights and obligations between the Bank of Japan and the Participants relating to the JGB Book-Entry System shall be the laws of Japan.
2. Any controversy in the case of any dispute in respect of the rights and obligations between the Bank of Japan and the Participants relating to the JGB Book-Entry System shall be subject to the exclusive jurisdiction of the Tokyo District Court; provided that the Bank of Japan shall not be prevented from filing suit against the Participants in any competent court outside Japan.

Supplementary Provisions

Article 1 (Date of Enforcement)

These Regulations shall take effect as of January 27, 2003; provided that the provision of Article 3 of the Supplementary Provisions shall take effect as of the date on which the Bank of Japan is designated as provided for in Article 47, Paragraph 1 of the Law.

Article 2 (Special Exception of Book-Entry JGSs)

Special JGSs (which means special rule JGSs provided for in Article 19 of the Supplementary Provisions of the Law; the same shall apply hereinafter) which are bearer internal bonds in respect of which the Bank of Japan obtained approval of the Japanese government as provided for in Article 13, Paragraph 1 of the Law and which are described or recorded in the transfer acceptance book shall be deemed as the Book-Entry JGSs and the provisions of these Regulations (excluding the

provisions of Chapter III, Sections 2, 4, and 5 and Articles 79 through 82) shall be applied thereto. In such case, regarding a provision in the first column of the following table, the phrase in the second column thereof shall be replaced with the phrase in the third column thereof.

First Column	Second Column	Third Column
Article 69, Paragraph 3	at the issuance thereof	at the time when description or record is made in the transfer acceptance book
	pursuant to the provision of Article 28, Paragraph 1 or Article 29, Paragraph 1 hereof, specify or notify of the Trust Account as the Classification into which the increase shall be described or recorded in the Direct Participant's Account or the Customer's Account of the Trustee	pursuant to the provision of Article 5, Paragraph 1 of the Supplementary Provisions hereof, specify the Trust Account as the Classification into which the increase shall be described or recorded in the Direct Participant's Account or the Customer's Account of the Trustee
Article 75, Paragraph 1, Item 2	the total amount of issue of the Book-Entry JGSs of the Issue (excluding the amount in respect of which the redemption or the retirement by purchase has been made)	the total amount described or recorded in the transfer acceptance book in respect of the Book-Entry JGSs of the Issue (excluding the amount relating to such description or record in the case where such description or record is not effective and the amount in respect of which the redemption or the retirement by purchase has been made)
Article 75, Paragraph 2	accrual, assignment, or extinguishment	accrual (including accrual of effect of description or record in the transfer acceptance book), assignment, or extinguishment (including extinguishment of effect of description or record in the transfer acceptance book)

First Column	Second Column	Third Column
	of such description or record	of such description or record in the Direct Participants' Accounts
Article 76, Paragraph 2	accrual, assignment, or extinguishment	accrual (including accrual of effect of description or record in the transfer acceptance book), assignment, or extinguishment (including extinguishment of effect of description or record in the transfer acceptance book)
	of such description or record	of such description or record in the Customers' Accounts or the Direct Participant's Account (Customer ledger)

Article 3 (Public Notice concerning Approval of Issuer Relating to Special JGSs)

The Bank of Japan shall, if it obtains approval of the Japanese government as provided for in Article 13, Paragraph 1 of the Law in respect of special JGSs, notify the public of the same in an official gazette without delay.

Article 4 (Location of Transfer Acceptance Book)

The Bank of Japan shall keep the transfer acceptance book.

Article 5 (Application for Description or Record in Transfer Acceptance Book Relating to Special JGSs)

1. Any creditor (excluding the Bank of Japan; hereinafter referred to as the "Creditor") of the special JGSs (limited to bearer internal bonds in respect of which the Bank of Japan obtained approval of the Japanese government as provided for in Article 13, Paragraph 1 of the Law; the same shall apply hereinafter) may apply to the Bank of Japan for description or record in the transfer acceptance book in respect of the special JGSs held by itself pursuant to the provisions separately provided by the Bank of Japan. Upon such application, the Creditor shall specify the following matters:
 - (1) Issue of the special JGSs and the amount thereof;

- (2) the Direct Participant's Account into which the increase shall be described or recorded;
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Direct Participant's Account of the preceding Item;
 - (4) in the case that the Creditor is a Customer, the following matters:
 - a. name and the Customer's Account of the Creditor; and
 - b. Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of a. above; and
 - (5) other matters separately provided by the Bank of Japan.
2. The application of the preceding Paragraph shall be made by the Bank of Japan on behalf of the Creditors if the special JGSs relating to such application are the JGSs under package registration (which mean JGSs in respect of which the Package Registration provided for in Article 2, Item 2 of the Ministerial Ordinance concerning Package Registration of JGSs (Ministerial Ordinance of the Ministry of Finance No. 4 of 1980) has been made and the Bank of Japan has been authorized by the Creditors to make the application; the same shall apply hereinafter). In such case, instead of the matters referred to in each Item of Paragraph 1 hereof, the Creditors may specify that the matters described in the book relating to the JGSs under package registration are true.
3. The application of Paragraph 1 hereof shall be made by the Direct Participant for whom the Direct Participant's Account provided for in Paragraph 1, Item 2 hereof is established and who has been authorized by the Creditors to make the application, on behalf of the Creditors if the Creditors are Customers (excluding the case provided for in the preceding Paragraph).
4. If the special JGSs relating to the application of Paragraph 1 hereof are JGS certificates, the Creditors or the Direct Participant provided for in the preceding Paragraph shall, upon such application, submit such JGS certificates (limited to JGS certificates which include all coupons not yet due) to the Bank of Japan.

5. If the special JGSs relating to the application in Paragraph 1 hereof are the registered JGSs provided for in the proviso of Article 22, Paragraph 2 of the Supplementary Provisions of the Law (including the JGSs under package registration), the Creditors (in the case of the JGSs under package registration, the Bank of Japan authorized by the Creditors) shall concurrently with the application request the Bank of Japan to eliminate the registration and to make certification provided for in Article 22, Paragraph 3 of the Supplementary Provisions of the Law in respect of the special JGSs.
6. The amount of Paragraph 1, Item 1 hereof shall be an integral multiple of the Minimum Face Value of the Book-Entry JGSs relating to the special JGSs.
7. Subdivisions for description or record of the Book-Entry JGSs which are subject to a pledge shall not be used as subdivisions of Paragraph 1, Item 3 (in the case that the Creditors are Customers, the subdivisions of Paragraph 1, Item 4, b.) hereof.

Article 6 (Description or Record in Transfer Acceptance Book and Transfer Account Book and Notice Relating to Special JGSs by the Bank of Japan)

1. The Bank of Japan shall, when it has received the application provided for in Article 5, Paragraph 1 hereof, describe or record the matters referred to in each Item of Article 20, Paragraph 1 of the Supplementary Provisions of the Law in the transfer acceptance book, and describe or record the increase based on the application in the Direct Participant's Account in the transfer account book kept by itself in respect of the special JGSs relating to the application.
2. In the case of the preceding Paragraph, the Bank of Japan shall, when it describes or records the increase in the Direct Participant's Account (Customer ledger) (excluding the Direct Participant's Account [Customer ledger] of the Bank of Japan), notify the Direct Participant for whom the Direct Participant's Account (Customer ledger) is established of the following matters; provided that if the special JGSs are the JGSs under package registration, the Bank of Japan shall notify that the matters described in the book relating to the JGSs under package registration are true instead of such matters listed below:
 - (1) Issue of the special JGSs and the amount thereof;

- (2) name and the Customer's Account of the Creditor; and
 - (3) Classifications and subdivisions into which the increase shall be described or recorded in the Customer's Account of the preceding Item.
3. In the case of Paragraph 1 hereof, the Bank of Japan shall, when it describes or records the increase in its own Direct Participant's Account (Customer ledger), describe or record the increase based on the application in the Customer's Account in the transfer account book kept by itself.
4. If the Bank of Japan has decided to describe or record in the transfer acceptance book in respect of the Special JGSs held by itself, it shall describe or record the matters referred to in each Item of Article 20, Paragraph 1 of the Supplementary Provisions of the Law in the transfer acceptance book and describe or record the increase in the Direct Participant's Account in the transfer account book kept by itself in respect of the special JGSs.
5. When the Bank of Japan describes or records in the transfer acceptance book pursuant to Paragraph 1 or 5 hereof, the notice provided for in Article 22, Paragraph 5, Item 1 of the Supplementary Provisions of the Law, or Article 22, Paragraph 9, Item 1 thereof applied *mutatis mutandis* by Article 48 of the Law shall be deemed to be made at the time of such description or record.

Article 7 (Description or Record in Transfer Account Book and Notice Relating to Special JGSs by Direct Participant)

1. The Direct Participant shall, when it has received the notice provided for in Article 6, Paragraph 2 hereof, describe or record the increase based on the notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Direct Participant shall, when it describes or records the increase in the Indirect Participant's Account (Customer ledger) or the Foreign Indirect Participant's Account (Customer ledger), notify the Indirect Participant or the Foreign Indirect Participant for whom the Indirect Participant's Account (Customer ledger) or the Foreign Indirect Participant's Account (Customer ledger) is established of the notified matters (if it is notified

that the matters described in the book relating to the JGSs under package registration are true, notify the fact accordingly).

Article 8 (Description or Record in Transfer Account Book and Notice Relating to Special JGSs by Indirect Participant)

1. The Indirect Participant shall, when it has received the notice provided for in Article 7, Paragraph 2 hereof, describe or record the increase based on the notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Indirect Participant shall, when it describes or records the increase in the Foreign Indirect Participant's Account (Customer ledger), notify the Foreign Indirect Participant for whom the Foreign Indirect Participant's Account (Customer ledger) is established of the notified matters (if it is notified that the matters described in the book relating to the JGSs under package registration are true, notify the fact accordingly).

Article 9 (Description or Record in Transfer Account Book and Notice Relating to Special JGSs by Foreign Indirect Participant)

1. The Foreign Indirect Participant shall, when it has received the notice provided for in Article 7, Paragraph 2, Article 8, Paragraph 2, or the following Paragraph of the Supplementary Provisions, describe or record the increase based on the notice in the transfer account book kept by itself.
2. In the case of the preceding Paragraph, the Foreign Indirect Participant shall, when it describes or records the increase in the Foreign Indirect Participant's Account (Customer ledger), notify the Foreign Indirect Participant for whom the Foreign Indirect Participant's Account (Customer ledger) is established of the notified matters (if it is notified that the matters described in the book relating to the JGSs under package registration are true, notify the fact accordingly).

Article 10 (Suspension Period for Description or Record in Transfer Acceptance Book Relating to Special JGSs)

The Bank of Japan may separately specify a certain period within the scope from eight (8) business days prior to the date of redemption or date of interest payment

of the special JGSs through the immediately preceding business day thereof as the period during which description or record shall not be made in the transfer acceptance book relating to the special JGSs.

Article 11 (Obliteration of Description or Record in Transfer Acceptance Book Relating to Special JGSs)

1. The Creditor may, if the description or record was made in the transfer acceptance book upon application by any person who is not entitled to make the application provided for in Article 5, Paragraph 1 of the Supplementary Provisions in respect of the Special JGSs held by itself and when the application for obliteration provided for in Article 61, Paragraph 1, Article 62, Paragraph 1, or Article 63, Paragraph 1 or 2 has been made in respect of the special JGSs, apply to the Bank of Japan for obliteration of description or record in the transfer acceptance book relating to the special JGSs pursuant to the provisions separately provided by the Bank of Japan.
2. The Bank of Japan shall, when it has received the application for obliteration of description or record in the transfer acceptance book as provided for in the preceding Paragraph, obliterate the description or record in the transfer acceptance book in respect of the special JGSs relating to the application.
3. When the Bank of Japan obliterates the description or record in the transfer acceptance book pursuant to the preceding Paragraph, the notice provided for in the provision of Article 24, Paragraph 3 of the Supplementary Provisions of the Law shall be deemed to be made at the time of obliteration of such description or record.

Article 12 (Other Transitional Measures)

The Bank of Japan shall determine other transitional measures necessary for enforcement of these Regulations in addition to those provided for in these Supplementary Provisions.