

Rules on Admission Fee and Membership Fee

This translation is solely aimed to serve as a reference, and accordingly all questions that may arise with regard to the meaning of the words or expressions herein shall be dealt with in accordance with the original Japanese text.

Chapter 1. General Provisions

Article 1. Purpose

The purpose of these Rules is to prescribe necessary matters related to the amount and payment method of admission fee and membership fee to be applied to the funds for the Association's activities and management based on Paragraph 2 of Article 8 and Paragraph 3 of Article 9 of its Articles of Incorporation.

Article 2. Definitions

In these Rules, the following terms shall have the following meanings.

- (1) Investment Management Business Operators: persons who have obtained registration for investment management business under Article 29 of the Financial Instruments and Exchange Act (hereinafter referred to as the "Act") (including trust banks that conduct investment management business pursuant to Article 33-2 and Article 33-8, Paragraph 1 of the Act and limited to those that conduct the acts prescribed in Article 2, Paragraph 8, Item 12 (b) or Item 15 of the Act)
- (2) Investment Management Members: persons who have obtained the registration mentioned in the preceding item and are a member of the Association
- (3) Investment Advisory & Agency Business Operators: persons who have obtained registration for investment advisory & agency business under Article 29 of the Act (including trust banks that conduct investment advisory & agency business pursuant to Article 33-2 and Article 33-8, Paragraph 1 of the Act and registered financial institutions that conduct investment advisory & agency business pursuant to Article 33-2 of the Act)
- (4) Investment Advisory & Agency Members: persons who have obtained the registration mentioned in the preceding item and are a member of the Association

Chapter 2. Admission Fee

Article 3. Amount of Admission Fee

1. The amount of admission fee shall be as follows.
 - (1) Investment Management Business Operators: 1,000,000 yen
 - (2) Investment Advisory & Agency Business Operators: 200,000 yen

2. If an Investment Advisory & Agency Member obtains the registration mentioned in Item 1 of the preceding article, the member shall pay the difference between Item 1 and Item 2 of the preceding paragraph as its admission fee.
3. The provisions applied to Investment Management Business Operators shall be applied to persons who conduct both of investment management business and investment advisory & agency business (the same shall apply hereinafter).

Article 4. Treatment of Admission Fee in Case of Merger or the Like between Member and Non-Member

1. Payment of admission fee will be exempted if a merger or the like between a non-member company and an Investment Management Member or Investment Advisory & Agency Member falls under any one of the following items.
 - (1) A non-member company conducts a merger with an Investment Management Member or Investment Advisory & Agency Member and the newly incorporated company becomes a member.
 - (2) A non-member company conducts a merger with an Investment Management Member or Investment Advisory & Agency Member and the non-member company newly becomes a member as the surviving company.
 - (3) A business of an Investment Management Member or Investment Advisory & Agency Member is transferred to a non-member company and the non-member company newly becomes a member (however, this is limited to the case where the member transferring the business and the new member have human and capital continuity).
2. In each item of the preceding paragraph, if a non-member Investment Management Business Operator merges with an Investment Advisory & Agency Member and the newly incorporated company becomes a member or the non-member Investment Management Business Operator newly becomes a member as the surviving company or if a business of an Investment Advisory & Agency Member is transferred to a non-member Investment Management Business Operator and the non-member Investment Management Business Operator newly becomes a member, the difference between Item 1 and Item 2 of Paragraph 1 of Article 3 shall be its admission fee.

Article 5. Payment of Admission Fee

1. The obligation to pay the admission fee shall occur on the day on which the applicable membership is approved by the board of directors.
2. The admission fee shall be paid by transfer to the Association's account at a financial institution designated by the Association within one month from the day on which the notice of approval of membership by the board of directors stated in the preceding paragraph is delivered to the applicant. The transfer fee shall be borne by the payer.
3. The payment obligation under Paragraph 2 of Article 3 shall occur on the day on which the registration is obtained and the payment obligation under Paragraph 2 of the preceding article shall occur on the day on which the merger is conducted or the

business is transferred, and these payments shall be made within one month from the day on which the applicable payment obligation occurred.

Chapter 3. Membership Fee

Section 1. Membership Fee of Investment Management Members

Article 6. Amount of Membership Fee

The annual membership fee of Investment Management Members shall be the amount calculated by multiplying the total operating revenue from investment management business, etc. (hereinafter referred to as the “Total Operating Revenue”) by the prescribed coefficient set forth in Article 9, but if the calculated amount is above 8,000,000 yen, the annual membership fee shall be 8,000,000 yen and if the calculated amount is below 400,000 yen, the annual membership fee shall be 400,000 yen.

Article 7. Total Operating Revenue

1. The Total Operating Revenue defined in the preceding article shall be the total amount of the “management trust fee” under the status of business related to discretionary investment contracts, the “management trust fee and other fees related to the acts prescribed in Article 2, Paragraph 8, Item 15 of the Act” under the status of business related to the acts prescribed in Article 2, Paragraph 8, Item 15 of the Act, the “investment advisory fee” under the status of investment advisory business, and the “agency and intermediary fee” under the status of agency and intermediary business in the business report prepared under Article 172, Paragraph 1 and Article 182, Paragraph 1 and Article 187 of the Cabinet Office Order on Financial Instruments Business, etc. (hereinafter referred to as the “Business Report”).
2. The Total Operating Revenue shall be the settled figure of the last settlement period ending during the Association’s business year immediately preceding the Association’s business year (from April of a year to March of the following year) in which the membership fee must be paid, but if the settlement period has a business record of less than 12 months, the Total Operating Revenue shall be the figure recalculated (annualized) by the following formula.

Total Operating Revenue × 12 months ÷ number of operating months (number of days less than one month shall be rounded off)

Article 8. Treatment of Total Operating Revenue in Case of Merger or the Like

The Total Operating Revenue that is the basis of calculation of membership fee of each surviving company in a merger (hereinafter referred to as the “Surviving Company”), each transferee company in a transfer of a whole business (hereinafter referred to as the “Transferee Company”), each newly incorporated company in a consolidation-type merger (hereinafter referred to as the “Newly Incorporated Company”), or each non-member company that newly becomes a member as the Surviving Company after a merger with a member Investment Management Business Operator shall be treated as follows.

- (1) In the case that the Surviving Company is a member
- a. If the merger is conducted on April 1, the Total Operating Revenue that is the basis of calculation of membership fee for the Association's business year in which the date of merger falls shall be:

the sum of the Total Operating Revenue of the Surviving Company's settlement period ended during the Association's business year immediately preceding the above Association's business year and the Total Operating Revenue of the Disappearing Company (meaning the company disappearing in the merger; the same shall apply hereinafter) for the 12 months immediately preceding the date of merger (if there are two or more Disappearing Companies, the sum of their Total Operating Revenues; the same shall apply hereinafter).
 - b. If the merger is conducted on or after April 2, the Total Operating Revenue that is the basis of calculation of membership fee for the Association's business year immediately following the Association's business year in which the date of merger falls shall be:
 - (i) if the Surviving Company's settlement period in which the date of merger falls ends before the Association's following business year,

the sum of the Total Operating Revenue of the Surviving Company for that settlement period and the Total Operating Revenue of the Disappearing Company for the period from the day which is 12 months before the last day of that settlement period to the date of merger; or
 - (ii) if the Surviving Company's settlement period in which the date of merger falls ends after the Association's following business year,

the sum of the Total Operating Revenue of the Surviving Company for that settlement period ending during the Association's business year in which the date of merger falls and the Total Operating Revenue of the Disappearing Company for the 12 months immediately preceding the date of merger.
- (2) In the case that the Transferee Company is a member
- The preceding item shall be applied to the Transferee Company's Total Operating Revenue that is the basis of calculation of membership fee by reading "merger" as "transfer of the whole business," "date of merger" as "date on which the whole business is transferred," "Surviving Company" as "Transferee Company," and "Disappearing Company" as "company transferring the whole business."
- The Total Operating Revenue of a company transferring its whole investment management business only shall be the Total Operating Revenue of that business.
- (3) In the case that the Newly Incorporated Company becomes a member
- Item 1 shall be applied by reading "Surviving Company" as "Newly Incorporated Company" and the Total Operating Revenue shall be the sum of the "Total Operating Revenues of the Disappearing Companies" that disappear in the consolidation-type merger.
- (4) In the case that the non-member company newly becomes a member as the Surviving Company after a merger with a member Investment Management Business Operator

Item 1 shall be applied.

Article 9. Prescribed Coefficient

The prescribed coefficient mentioned in Article 6 shall be based on 0.25% and may be increased or decreased in the range of 30% (between 0.175% and 0.325%) by a resolution of the board of directors.

Section 2. Membership Fee of Investment Advisory & Agency Members

Article 10. Amount of Membership Fee

The annual membership fee of Investment Advisory & Agency Members shall be 100,000 yen.

Article 11. Reduction of Membership Fee

1. Any member whose investment advisory fee or agency and intermediary fee (if the member conducts both of investment advisory business and agency and intermediary business, the sum of its investment advisory fee and agency and intermediary fee) for the last settlement period ended during the Association's business year preceding the Association's business year (from April of a year to March of the following year) in which its membership fee must be paid was less than 10,000,000 yen, the member may apply to the chairman for reduction of its membership fee. In such case, a copy of its Business Report for the last settlement period shall be attached.
2. In the preceding paragraph, if the chairman approves the reduction, the member's annual membership fee shall be 50,000 yen.

Section 3. Payment of Membership Fee

Article 12. Day on Which Payment Obligation Occurs

The obligation to pay the membership fee shall occur on April 1 of each business year.

Article 13. Due Date for Payment

The due date for payment of membership fee shall be the last day of July of each business year for Investment Management Members and the last day of April of each business year for Investment Advisory & Agency Members, and if the due date is Saturday or Sunday, then it shall be the immediately following Monday. However, if the amount of membership fee of an Investment Management Member is not fixed because the settlement figure that is the basis for calculation of its membership fee is not fixed on the due date, then it shall be as designated by the Association within one month from the day on which the amount of membership fee is fixed.

Article 14. Treatment in Case of Change in Member's Status during Business Year

Admission, any change in member categories, and any loss of membership during a business year shall be treated as follows.

- (1) The membership fee for a member who is admitted during a business year shall be calculated on a monthly basis for its membership period deeming that it is admitted in the month in which the day of approval of the admission falls.
- (2) The membership fee for a member whose category changes during a business year shall be calculated on a monthly basis for its membership period deeming that the change is made in the month in which the day of change falls.
- (3) The membership fee for a member who loses its membership during a business year shall be calculated on a monthly basis for its membership period deeming that it loses its membership in the month in which the day of loss of membership falls.

Article 15. Method of Payment

1. The membership fee shall be paid by transfer to the Association's account at a financial institution designated by the Association. The transfer fee shall be borne by the payer.
2. When paying the membership fee, each Investment Management Member shall provide the Association with a Membership Fee Payment Letter (Appended Form) designated by the Association and a copy of the parts of the Business Report mentioned in Paragraph 1 of Article 7 by the day designated by the Association. In such case, if the member has not prepared a Business Report because it does not have a business record or for any other reason, a copy of the profit and loss statement in its Business Report shall be submitted instead of that Business Report. However, if the said copy is already submitted to the Association, the member does not need to attach the copy.

Article 16. Rounding off Fractions

Any amount less than 1,000 yen in the membership fee shall be rounded off.

Article 17. Payment in Installments of Membership Fee of Investment Advisory & Agency Members

Each Investment Advisory & Agency Member may pay its membership fee in two installments and shall complete the payment by the end of the applicable business year of the Association, unless the fee is reduced as set forth in Article 11.

Supplementary Provisions (February 20, 2012)

1. These Rules shall become effective on the day of registration of incorporation of a general incorporated association (July 2, 2012) provided for in Article 106, Paragraph 1 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated

Associations and Public Interest Incorporated Foundations (hereinafter referred to as the “Arrangement Act”) as applied *mutatis mutandis* pursuant to Article 121, Paragraph 1 of the Arrangement Act following the deemed replacement of terms.

2. The “Rules on Admission Fee and Annual Membership Fee” (resolved by the board of directors on July 5, 1988) shall be abolished on the day of registration of incorporation of a general incorporated association (July 2, 2012) provided for in Article 106, Paragraph 1 of the Arrangement Act as applied *mutatis mutandis* pursuant to Article 121, Paragraph 1 of the Arrangement Act.

Membership Fee Payment Letter

Day month, year

To: Japan Investment Advisers Association

Name of the member
 Number of the member
 (Contact person: Telephone:)

The member pays its annual membership fee for business year XXXX as in the following details.

Details

Amount of membership fee: yen

<<Basis of calculation>> (A) × prescribed coefficient (%) = yen (the amount less than 1,000 yen is rounded off)

(If the calculated amount is above 8,000,000 yen, the fee shall be 8,000,000 yen and if the calculated amount is below 400,000 yen, the fee shall be 400,000 yen.)

(Unit: million yen)

	Amount in the business report (for the period from to)	Annualized amount of the amount in the left column	Notes
Management trust fee related to discretionary investment contracts (a)			
Management trust fee related to the acts prescribed in Article 2, Paragraph 8, Item 15 of the Act (b)			
Investment advisory fee (c)			
Agency and intermediary fee (d)			
Total operating revenue (a) + (b) + (c) + (d) = (A)			

Note 1. The total operating revenue shall be the settled figure of the last settlement period ended during the Association's business year immediately preceding the Association's business year (from April of a year to March of the following year) in which the membership fee must be paid.

If the settlement period has a business record of less than 12 months, the total operating revenue shall be the figure recalculated (annualized) by multiplying by 12 months/number of operating months (number of days less than one month shall be rounded off).

Note 2. The membership fee of a member who is admitted during a business year shall be calculated on a monthly basis deeming that it is admitted in the month in which the day of approval of admission falls.

Note 3. A copy of the applicable parts of the business report shall be attached.