

Discipline Regulations on Independence and Ethics

KPMG Ignition Tokyo Co., Ltd.

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Chapter I general provisions

Article 1 (Purpose)

These regulations shall apply to KPMG Ignition Tokyo Co., Ltd. (Hereinafter referred to as "our company".). members of the expert group

Enhancing the capabilities of the group, securing the status and independence of our company, maintaining its dignity and conducting business fairly

The purpose is to establish a code of professional ethics to be complied with in order to perform the duties and fulfill the duties.

Article 2 (Definitions)

Definitions of terms used in this manual are as follows:.

I . Member: all persons engaged in the work of our company.

A) Guaranteeing service means the service of reporting in conclusion the results of the assessment or measurement of the subject matter by the person responsible for the subject matter in light of the criteria, on the basis of the evidence obtained by the service provider, in order to give confidence to the prospective user in respect of the information or the subject matter itself, which represents the results of the assessment or measurement by the person responsible for the subject matter.

B) Assurance team Any person engaged in an assurance activity, or any other member capable of directly affecting the results of an assurance activity, including:.

(a) Engagement partners in assurance activities (EP, Definitions set forth in the following item.) in connection with the performance of assurance activities; or directly supervises, controls or otherwise supervises the responsible person. With respect to audit and attestation services, all senior positions above designated limited partners, up to and including the chief executive officer of our company, shall be held.

(b) a person who provides advice on technical matters for Guarantee Business or industry-specific matters, transactions or events;

(c) a person who performs quality control for the guarantee operation (Including those who conduct verification of assurance activities.);

I I . Engagement Partner (EP) A partner or associate partner who is responsible for the entrusted business (including the business performed by the subcontractor in the case of subcontracting the entrusted business), its implementation, and submissions issued in the name of the KPMG member firm.

I I I . Audit Services Team refers to an assurance services team that provides audit and attestation services.

C) Warranty client A client for which the KPMG member firm provides assurance services.

I V . A business entity with a high degree of social impact (Public Interest Entities (PIE)) that falls under the category of a large company, etc. as defined in the Certified Public Accountants Act, or a business entity with a large and diverse number of stakeholders as defined below.

- (a) labor banks, Shinkin banks, credit cooperatives, and federations of credit agricultural cooperatives with a deposit amount of 1 trillion 500 billion yen or more;
- (b) National Federation of Agricultural Cooperatives;

- (c) a person who is subject to an audit pursuant to the Act on Subsidies for Political Parties;
- (d) a branch office of a Foreign Bank that has obtained a license from the Prime Minister as referred to in Article 4, paragraph (1) of the Banking Act;
- (e) a foreign insurance company licensed by the Prime Minister as set forth in Article 185, paragraph (1) of the Insurance Business Act;

shop

A) Business entity equivalent to PIE The following business entities that do not fall under the preceding item but are specified by our company as having the same provisions as the business entities falling under the preceding item from the viewpoint of compliance with professional ethics and maintenance of independence in light of the number and nature of the interested parties:.

- (a) Labor banks, Shinkin banks, credit cooperatives and federations of credit agricultural cooperatives other than those listed in the preceding item (Excluding an entity that falls under the entity set forth in the preceding item.)
- (b) Incorporated Educational Institutions under the jurisdiction or jurisdiction of the Ministry of Education, Culture, Sports, Science and Technology and the Minister of Education, Culture, Sports, Science and Technology, etc.

B) The term "audit client assurance services" refers to clients that provide audit and attestation services, and includes companies that fall under any of the following items.

- (a) in cases where an audit client falls under the category of a listed company, etc., the Japanese Institute of Certified Public Accountants (Hereinafter referred to as "JICPA"); All related companies, etc. to the audit client as specified in the Code of Ethics and the Guidelines on Independence of the audit client
- (b) in cases where an audit client does not fall under the category of a listed company, etc., among the Affiliated Companies, etc. to said audit client which are specified by the JICPA Code of Ethics and the guidelines on independence, a company which is directly or indirectly controlled by the audit client;
- (c) when an audit client of a KPMG Member Firm other than KPMG AZSA LLC falls under the category of a listed company, a company, etc. that falls under the category of a related entity of said listed company as specified in the KPMG Global Quality & Risk Management Manual;
- (d) Other enterprises, etc. prescribed in the internal rules, etc. of KPMG AZSA LLC

C) Obstacles to independence means obstacles to compliance with the basic principles concerning the maintenance of independence set forth in these Regulations, and consists of "self-interest," "self-review," "advocacy," "collusion," and "threats under undue pressure."

I . Safety measures to be taken when a situation or relationship that is a hindrance to the independence of a safeguard is recognized.

A) Office means the office of our company. KPMG member firms with different legal personality from our company are defined as separate offices.

B) Monetary Interests: In addition to claims and obligations stipulated by laws and regulations, equity securities or other securities of an entity, or equity interests in unsecured

corporate bonds, bonds or other debt securities. It also includes the rights and obligations to acquire such equity and derivatives that are directly related to such equity. Financial interests include direct financial interests and indirect financial interests.

C) Direct financial interest: a financial interest that satisfies the conditions set forth in the following items:.

(a) Those directly owned and controlled by an individual or an Enterprise, etc. (based on a discretionary approach to other persons)

(b) of this section.)

- (b) a form of joint investment, which is beneficially owned via real property, a trust, or an intermediary, and of which equity is currently managed by an individual or an Enterprise, etc.;
- A) Indirect financial interest: a financial interest that is held for profit through collective investment products, real estate, trusts, or other intermediaries that are not controlled by an individual or an enterprise, etc.
- B) Affiliated Companies, etc.: Affiliated Companies, etc., as prescribed in the JICPA Code of Ethics and Independence Guidelines
- I I . Officers, etc.: The persons listed in the following items:
 - (a) an officer;
 - (b) a person equivalent to an officer;
 - (c) an employee who prepares accounting records and financial statements to be audited or who is the subject of guarantee services;
 - person in a position that has a material impact on the information that
 - (d) an advisor for whom our company is determined to be a person equivalent to an officer;
- C) "immediate family members" means spouses or equivalent persons, or other dependents.
- I I I . Close family members means parents, children, or siblings that do not meet the definition of family in this Manual.
- I V . Covered person means a person listed in the following items:
 - (a) Members of the audit team
 - (b) the same affairs as the office where the designated limited partner executes the services in relation to the audit and attestation services;
 - Partners and principals belonging to the place
 - (c) Partners or pre-partners who provide non-audit and attestation services for 10 hours or more to said audit client
 - Seal, Fellow, Director, Domain Director, Senior Manager, Senior Adme
 - Inleaders, managers or domain leaders
 - (d) Family members of the above-mentioned persons
- I . The term "Risk Management Partner (RMP)" shall mean the person responsible for maintaining the independence and quality control of our company.
- KPMG Independence Compliance System (KICS): A system that, as part of the provision and maintenance of information on the maintenance of independence by KPMG, has an automatic tracking function for investments in SEC registered companies and affiliates held by KPMG member firms or in stocks, bonds and mutual funds traded in the public market.
- Pre-Approval This is a requirement that an engagement be approved by a Designated Sentinel Lead Partner (SLP) prior to accepting an engagement for a specific client.
- I I . Lead Audit Engagement Partner (LAEP) Partners that sign a report on the consolidated financial statements of the audit client and, if the financial statements become part of the consolidated financial statements of the parent company and another report is issued to the entity, the entity shall be audited.

A partner who inspects. If consolidated financial statements are not prepared, the partner responsible for signing the audit report of the financial statements.

I . The term "Sentinel Lead Partner (SLP)" means a partner who has been authorized by Sentinel to approve an engagement application. For audit clients, EP (or LAEP) is SLP unless otherwise stated.

○ International Publicly Held Audit Client listing (PHAC) An audit client that is a listed company of KPMG Member Firm and provides information on "public companies" as part of KPMG's provision of information and maintenance of independence.

I I . Sentinel: A system for the purpose of KPMG SLP pre-approval and conflict verification.

28 "Affiliates" means affiliates as defined in SEC Regulation S/X 201.

Article 3 (Provisions on Professional Ethics)

Members shall comply with the provisions of the following laws, regulations, etc., that are applicable to our company Members (hereinafter referred to as "the provisions on professional ethics").

the provisions of this Regulation".) shall be observed.

I . Certified Public Accountants Act and other related laws and regulations

I I . Financial Instruments and Exchange Act and other relevant laws and regulations

I I I . Companies Act and other relevant laws and regulations

○ JICPA Constitution and Code of Ethics

— Guidelines on independence and interpretations on professional ethics published by JICPA

○ KPMG Global Quality & Risk Management Manual

SEC auditing (Including SEC Referral Services.), see KPMG Global Quality

Chapter 20 of the & Risk Management Manual and related sections

I V . Other overseas laws and regulations, standards, interpretations, etc., applied according to the nature of business

V . Laws, standards, interpretations, etc. concerning compliance with professional ethics and maintenance of independence stipulated after the enforcement of these regulations

Article 4 (Responsibility as a KPMG Member Firm)

As a member of the KPMG member firm, the members are trusted by other member firms.

We must strive to develop KPMG and have the responsibility and awareness to comply with its rules.

Article 5 (Maintenance of Quality)

Members shall deal with the acquisition and maintenance of business with pride as professional experts.

protecting the dignity of our company by doing so and acting with due respect for good faith and eliminating excessive commercialism I have to.

Article 6 (Maintenance of Fame)

Members may, in undertaking services, be prejudiced against the reputation of our company by undertaking such services.

It shall be ensured that there is no such risk and that there is no undue risk.

Article 7 (Fairness)

In making professional or professional judgments, members shall be free from prejudice, avoid conflicts of interest and shall not yield to unjust influences from others, and shall always maintain a fair position.

Article 8 (Duty of Loyalty)

The members shall faithfully perform their duties for our company.

Article 9 (Business Name)

Members shall carry out all the business of our company in principle under the name of our company.

Chapter II Confidentiality and Insider Trading Regulations

Article 10 (Confidentiality)

Any member shall, during his/her term of office and after his/her retirement, disclose any confidential information (The definition is in accordance with Article 2 (6) of the Unfair Competition Prevention Act.) our company which he/she has learned in the course of his/her duties and information subject to our company's contractual confidentiality obligations.) shall not divulge to others or use for their own or third party's benefit, and shall not instruct other members, whether explicit or not, to divulge or use any confidential information learned in the course of business.

2. Members shall strictly manage business documents and electronic data, etc. with due care.

Article 11 (Compliance with Laws and Regulations Concerning Regulation on Insider Trading)

Members shall comply with the relevant laws and regulations, etc. concerning regulations on insider trading under the Financial Instruments and Exchange Act.

The Company shall observe the "Rules for the Prevention of Insider Trading" established by the Company.

Article 12 (Submission of Written Pledge of Confidentiality)

Members shall submit a written pledge of confidentiality at the time of employment, once a year during their employment and at the time of retirement.

Chapter III Maintain Independence

Article 13 (Maintenance of Independence)

Members shall comply with the provisions on professional ethics and maintain their position independent of the assurance client.

I have to.

2. The members shall take care not to have any circumstances or relationships in which other members or KPMG member firms may be suspected of maintaining independence from the assurance clients.
3. Members shall maintain both mental and external independence.

— spiritual independence

ability to express opinions without being affected by incentives or pressures that jeopardize professional judgment

To have God, to act with integrity, and to maintain fairness and professional skepticism.

○ external independence

The absence of material facts and circumstances that could reasonably be determined by a third party with knowledge of all relevant information, including applicable laws and regulations, to be detrimental to the integrity, impartiality or professional skepticism of our company or members of the assurance team;.

4. A member may not only have an interest in his or her assurance client, but may also be a member of his or her family or close relatives (Hereinafter referred to as "relatives"). It should be recognized that independence may also be regulated in the case of a family member, and sufficient care should be taken to ensure that independence as a professional expert is not undermined by the interests of a certain range of relatives.

Chapter IV Application of the conceptual framework approach to independence

Article 14 (Basic Principles)

A member shall maintain independence by assessing the degree of importance of an impediment to independence if the member recognizes the impediment and, if the degree of importance of the impediment is assessed to be unacceptable, reviewing and applying safeguards to eliminate the impediment or reduce the degree of importance to an acceptable level. Members should also consider the relationship between other members or KPMG member firms and their assurance clients to determine if there are any impediments to independence.

Article 15 (Consideration of Affiliated Enterprises, etc.)

In addition to the provisions concerning professional ethics, the members shall fully consider the interests and relationships of the audit client with the affiliated companies, etc. If there is a situation in which an enterprise, etc. related to a client providing assurance services other than audit and attestation services is considered to have a relationship that requires consideration of the evaluation of independence,

the members must consider the interests and relationships with the enterprise, etc. when considering impediments to independence and safeguards.

Article 16 (Time to Start Review)

The obligation to assess the degree of importance of impediments to independence and to apply safeguards arises when our company, KPMG member firms or members become aware of, or should be reasonably aware of, situations or relationships that could impair their independence.

Article 17 (Report)

If a member recognizes an impediment to independence, he/she shall promptly provide a risk management partner.

- I have to report.

Article 18 (Guarantee Business Period)

Independence from the assurance client is required not only for the duration of the assurance engagement but also for the period covered by the subject information (information resulting from applying the criteria to the subject). The guarantee operation period is from the start of the operation to the issuance of the guarantee report.

2. If the guarantee operation is performed on an ongoing basis, the end of the guarantee operation period will be at the time either the party notifies the other party that the operation is finally completed or at the time the final guarantee report is issued, whichever is later.

Chapter V Procedures to ensure independence

Article 19 (Inquiry of expert opinion)

The members may question or question the interpretation or application of the Code or the provisions on professional ethics.

If there are concerns, the risk management partner shall be referred.

Article 20 (Registration and Accumulation of Information on Investment Relationships of Individuals)

Members (Provided, however, that only in this Article, senior consultants and temporary employees in positions below senior administrator shall be excluded.) KICS is responsible for logging in to KICS according to the prescribed procedures, checking whether there are transactions subject to reporting, and if there are transactions subject to reporting, registering the necessary information pertaining to the transactions in its own portfolio. In addition, prior to conducting investment transactions, etc., members shall search for KICS and "REL (Restricted Entities List)", "Publicly held audit clients listing", "Sentinel Affiliate Tool", etc., and confirm the regulatory status of the business partner, and shall confirm that

such transactions do not violate these Regulations and the "Regulations for the Prevention of Insider Trading."

2. In order to ensure the integrity and accuracy of the data relating to the reportable transactions registered in their portfolios, members shall periodically verify and correctly update the contents of the registration data in accordance with prescribed procedures.

Article 21 (Procedures for Confirmation of Independence)

Members shall carry out confirmation of their independence in accordance with the procedures prescribed at the time of joining the company.

Yes.

- 2 . The risk management partner shall confirm the independence of all members at the time of promotion to a manager or business professional, partner, associate partner, or principal, in accordance with prescribed procedures as appropriate.
- 0 . In addition to the checks referred to in the preceding two paragraphs, members shall carry out checks of independence, in accordance with the prescribed procedures, at least once a year and at the appropriate time.

Article 22 (Implementation of Investigation on Detailed Information of Individual Assets)

Members shall be selected as the subject of investigations in which they request the provision of detailed information on the status of possession of personal property, etc.

The manufacturer shall cooperate with the investigation.

Article 23 (Procedures for Confirmation of Independence at the Time of Conclusion of a New Business or Renewal of a Business)

Where a business is newly entrusted or continued, the EP of the business shall be determined in accordance with prescribed procedures.
and shall confirm the independence of the business client concerned.

Article 24 (Implementation and Thorough Training Concerning Independence)

Members shall ensure that they take the independence training they have been designated as a mandatory participant, in accordance with the designated methods, during the designated period. Departmental managers in each department shall ensure that the opportunities for participants are appropriately secured and that they are thoroughly attended.

Article 25 (Restrictions on Financial Interests)

A member is restricted or prohibited from having a financial interest in a certain assurance client that is inferred to impair his or her independence because of his or her position in the organization. However, it is not possible to enumerate all cases because the types of financial interests are diverse. Therefore, our company's basic policies on representative financial interests and those financial interests are shown in the attached table.

2. Although not listed in the appended table of the preceding paragraph, a member who is considering having a certain interest with an assurance business client that is likely to impair independence shall refer to the risk management partner to confirm that there is no impact on independence before holding such interest.

Article 26 (Resolution of Monetary Interests Arising from Unavoidable Circumstances, etc. on Inheritance, Testamentary Gift, etc.)

Money for which a member is prohibited due to unavoidable circumstances not based on the intention of the person himself/herself, such as inheritance or testamentary gift

In the event of a conflict of interest, promptly notify the risk management partner of the fact.

After reporting, measures shall be taken, such as disposing of securities, etc. that are prohibited from being held within 30 days at the latest from the date on which the person comes to have the financial interest, to eliminate the interest that conflicts with independence.

- 2 . If the financial interest set forth in the preceding paragraph is with respect to a Guarantee Business Client who is a member of the Guarantee Business Team, the financial interest shall be promptly reported to the Risk Management Partner and resolved within five (5) business days from the date on which the financial interest was received or from the date on which it should be known that the financial interest was received.
- 3 . If a member becomes aware of or is informed of the fact that he/she has a prohibited financial interest in spite of the absence of the unavoidable circumstances set forth in Paragraph 1, he/she shall immediately report the fact to the risk management partner and, in principle, dissolve the financial interest within five business days including the day on which he/she became aware of the fact. Provided, however, that if there are circumstances in which it is found to be substantially impossible to eliminate the financial interest within five business days in consideration of various circumstances such as the transaction market or transaction volume, the financial interest shall be eliminated at the earliest possible time after reporting to the risk management partner to that effect.
- 4 . Notwithstanding the provisions of the preceding 3 paragraphs, if there is a concern that a transaction planned for the purpose of eliminating a financial interest that is prohibited from being held may infringe insider trading regulations on securities, the Financial Instruments Business Operator shall promptly report to the risk management partner, seek an expert opinion on whether or not to dispose of the securities, and follow the instruction of the risk management partner.

Chapter VII business relationship

Article 27 (Close Business Relationship with Guarantee Business Clients)

Where a close business relationship with a Guarantee Business Client or its management is accompanied by a business interest or a general financial interest, and there is a possibility that an impediment to independence may arise, members shall carry out prescribed procedures before having such a relationship.

2. A member shall not re-entrust all or part of the business entrusted from another client to the audit client.

Chapter VIII Restrictions on Status and Interests

Article 28 (Observance of Independence pertaining to Status)

Members shall be fully aware that their independence as professional experts may be impaired by personal or family status with certain assurance clients and by their assumption of or employment as an officer, etc. of an assurance client after leaving a partner, principal or fellow or after leaving our company.

2. Guarantees certain personal interests that may undermine independence with the client

Prior to having such an interest, any member considering holding such an interest shall refer to the risk management partner.

3. The risk management partner shall assess the importance of the impediments to independence in the matters set forth in the Articles of this Chapter and eliminate the impediments by taking safeguards or reduce their importance to an acceptable level.

Article 29 (Restriction on Employment of Guarantee Business Clients)

Former our company Partners, Principals, and Fellows and former members of the Guarantee Operations Team shall not assume positions as officers, equivalent persons, or employees of the Guarantee Operations Client of KPMG AZSA LLC that have a material impact on the preparation of accounting records and audited financial statements. Provided, however, that this shall not apply to cases where the following items are satisfied:.

(1) Such person shall not receive any economic benefit or payment of money from KPMG AZSA LLC or our company (except for those stipulated in advance). In addition, the amount of debt owed by KPMG AZSA LLC or our company to such entity shall not be material enough to undermine the independence of KPMG AZSA LLC or our company.

(2) The person is not substantially or formally involved as a professional in the services provided by KPMG AZSA LLC or our company to clients.

2. Any former our company partner, principal or fellow and any former member of the audit team of the SEC audit client who assumes a position that has a material impact on the preparation of the accounting records and audited financial statements of the SEC audit client shall terminate all financial

relationships with the member firm in which he or she was or was a member. In addition, members of the audit team who have provided audit, review, and assurance services to SEC audit clients for at least 10 hours shall not assume a position that has a material impact on the preparation of audited financial statements from the date of filing of the SEC audit client's annual report for the most recent accounting period in which they were involved to the date of filing of the next accounting period's annual report (However, this does not apply to cases where one year has passed since the person ceased to be a member of the audit team of the SEC audit client.).

Article 30 (Notification of Employment as a Guarantee Business Client)

If any of the following items is applicable, the risk management partner shall immediately provide the risk management partner with the information in Attachment 1. must be submitted in the form prescribed.

- (1) When a member of the guarantee operation team starts job negotiation with the client during the operation period stipulated in Article 18.
- (3) Partners, principals, fellows and covered persons begin job negotiations with SEC audit clients of KPMG member firms.
- (4) Partners, Principals, Fellows or Principals are the audit clients (PIE only.) of the KPMG member firm. when he/she starts negotiations with someone for employment.

(4) A retired Partner, Principal or Fellow who has an economic relationship with our company has been appointed as an Audit Client (Limited to listed companies.) of KPMG Member Firm. when he/she starts negotiations with someone for employment.

Article 31 (Prohibition of Subsidiary Business)

Members shall not assume or take office as officers, etc. of guarantee business clients. They shall also: No person shall assume office as an Officer, etc. of any Juridical Person, etc., except in the following cases:

- (1) When assuming office as an officer, etc. of a nonprofit organization or a juridical person, etc. established for personal family reasons
- (2) Cases where a Designated Custodian is appointed in Trustee Services and becomes a Trustee

Article 32 (Restriction on Family Status)

In addition to personal relationships that are regulated individually under the provisions on professional ethics, members who fall under the category of members of an audit team may not allow their families to serve as officers, etc. at audit clients that provide audit services. In addition, it should be noted that factors that hinder independence may arise from the status relationship of relatives.

2. A member who is a covered person of an SEC audit client may not have his or her close relative engage in accounting or financial reporting supervision at the SEC audit client or Affiliates.

Chapter IX Restrictions on Compensation Contracts

Article 33 (Restrictions on Fee Contracts That Are Performance-Based or Value-Added)

When a member enters into a contingent or value-added remuneration agreement, he or she shall apply the conceptual framework agreement. Safeguards in applying the conceptual framework approach include, for example:.

- (1) To agree with the client in advance in writing on the basis of the remuneration calculation
- (2) To disclose to prospective users the content of business conducted by our company and the criteria for calculating remuneration
- (3) Establishing quality control policies and procedures
- (4) Requesting an independent third party to verify the work performed

However, there is a possibility that impediments may arise from the perspective of independence, and it is not possible to conclude a remuneration contract that does not reduce the importance of impediments to an acceptable level. In addition, no performance-based or value-added remuneration agreement shall be entered into for guarantee services provided to guarantee business clients.

2. SEC audit clients and affiliates may not enter into contingent or value-added compensation agreements for non-assurance activities.

Article 34 (Restriction on Transfer of Introduction Fees, etc.)

A member pays a referral fee to a third party to obtain a warranty service, or our company pays a referral fee to a third party to obtain a warranty service.

It is prohibited to receive fees in exchange for introducing a business to a third party.

- 2 . Members shall not, in principle, pay or receive introduction fees when introducing non-guarantee business, receiving introduction, or providing third party goods or services to clients.
- 3 . Notwithstanding the preceding two paragraphs, a member shall not pay a referral fee in return for a referral to an audit client for non-assurance work.

Article 35 (Unpaid Remuneration/Limitation on Low-Cost Remuneration)

When compensation for services provided to guarantee business clients has not been paid for a long period of time, particularly when the proportion of unpaid compensation is large even at the stage of submission of the guarantee report for the following fiscal year, "self-interest" will be generated that impairs independence. If it has not been paid after the submission of the assurance report for the

following year, the existence and the degree of significance of the impediments shall be assessed and safeguards shall be applied as necessary to eliminate the impediments or reduce the degree of significance to an acceptable level. If accrued compensation is material, it must be determined whether the accrued compensation should be considered equivalent to a loan to the client and referred to the risk management partner as to whether it is appropriate to continue operations, taking into account the importance of the amount of the past due portion.

2. Members shall claim reasonable remuneration based on the nature and value of the work to be rendered, and shall not present or claim reasonable remuneration without due cause.

Chapter X Services for which simultaneous provision with guarantee services is prohibited

Article 36 (Concurrent Prohibition of Provision)

Members are assumed to have lost their independence as well as their assurance responsibilities to their assurance clients.
shall not provide such non-assurance services.

Chapter 11 Other Relationships or Appearances of Which the Maintenance of Independence is Suspected

Article 37 (Moderate Attendance with Clients)

Congratulation, condolence, gift, and entertainment with our clients.
The handling of the association of the two or more items shall be specified separately.

Chapter 12 Report on Litigation, etc.

Article 38 (Report on Litigation and Possibility)

A member shall not immediately report to the risk management partner if it recognizes the following circumstances:

I have to.

- (1) Appeals or lawsuits resulting from non-compliance with professional standards, regulations or legal requirements by KPMG member firms
- (2) Lawsuit for KPMG Member Firm's Non-compliance with Quality Management Policies
- (3) Inadequacies in the development or implementation of KPMG member firms' quality control policies or procedures
- (4) KPMG Member Firm or Member Individuals (Includes individuals from each member farm.) Claim against (including criminal action)
- (0) A request for questioning or investigation from a regulatory authority or investigating body (including requests for documents and testimony as witnesses). The request may relate to KPMG, the Client or a third party.
- (1) Request for documents or witness testimony on actual or potential legal proceedings, whether directly involving KPMG or not.
- (0) Situations likely to lead to appeals, lawsuits, claims, questions from regulatory authorities or requests for evidence. 2. A member shall not respond to any appeal, action, claim, regulatory question, or evidence request without consulting the risk management partner (or an attorney or other attorney appointed by the risk management partner), unless required by law or regulation. In addition, a member shall not, without the permission of the risk management partner (or an attorney, etc., appointed by the risk management partner), grant liability for actual or potential claims and non-compliance with professional standards, regulations, or legal requirements.

Chapter 13 Revision and Abolition

Article 39 (Revision and abolition)

Revision or abolition of these Regulations shall be in accordance with the Regulations Management Regulations. However, for the attached table, the risk management

It is decided by the partner.

Article 40 (Unspecified Matters)

This Manual (Including appended tables.) The risk management partner shall decide on matters not specified in the above.

Supplementary Provisions

1. These Regulations shall come into force on September 28, 2022.

(Appended Table) Basic Policy on Financial Interests

"Common" in the Apply column is the rule that applies to all audit clients. SEC for SEC-regulated clients and AICPA for AICPA-regulated clients

These are the rules that apply to.

*1 Both the "Common" rule and the "SEC" or "AICPA" rule apply to SEC compliant clients and AICPA compliant clients, and the stricter rule applies to them.

*(2) Regulated people include themselves and their families (Spouse or a person equivalent thereto, or a dependent other than the spouse or a person equivalent thereto) unless otherwise noted.

*(3) The following abbreviations are used for descriptions of base laws and regulations, etc.

- Order for Enforcement of the Certified Public Accountants Act: Order for Enforcement of the Certified Public Accountants Act: Regulation for Enforcement of the Certified Public Accountants Act: Guidelines on Independence (Japan Institute of Certified Public Accountants): Guidelines on Independence
- SEC Regulation S-X: S-X ● Code of Professional Conduct (AICPA): ET
- Global Quality & Risk Management Manual (KPMG): G-QRMM
- Investment Trust (Fund) Ownership Restrictions (KPMG AZSA: Investment Trust Ownership Restrictions)

Item	&	Contents	Basis of Laws and
Investment	Common	Partners, principals, fellows, directors, domain directors, senior managers, senior domain leaders, managers and domain leaders (Note 1) are prohibited from holding direct investments (Note 3) and significant indirect investments in stocks, equity investments and corporate bonds issued by audit clients of KPMG member firms around the world (Note 2). Senior and staff members who are members of the audit team are prohibited from holding direct and significant indirect investments such as shares, equity investments and bonds issued by the audit client. *Please note that in addition to these regulations, Article 6 of the Insider Trading Prevention Regulations provides as follows. Article 6 (Prohibition of Purchase of Shares, etc. by Audit Clients)	G-QRMM 6.2.1, 7.2.1 Article 7 (1) (iv) of the Enforcement Order
	SEC	Partners, principals, fellows, and covered persons (Note 4) are prohibited from having a direct financial interest or an indirect but significant financial interest in the SEC audit client.	S-X2-01 (c)(1) (i) (A), (D) G-QRMM 20.2.1

Item	& Apply	Contents	Basis of Laws and
	AICPA	Covered members (Note 5) are prohibited from having a direct financial interest or an indirect but significant financial interest in the AICPA audit client.	ET 1.240
Fund (Direct Investment)	Common	<p>If the fund is an audit client (Note 6), a covered person of the audit client shall invest in the fund.</p> <p>You are prohibited from doing so.</p> <p>The above provisions also apply to the MRF (Money Reserve Fund), an investment trust dedicated to securities and general accounts.</p> <p>If the MRF falls under the regulated fund, the MRF service of the account must be cancelled.</p> <p>The above provisions also apply to REITs (real estate investment trusts) and ETFs (exchange-traded funds).</p> <p>In addition, partners, associate partners, and principals, even if they are not covered persons</p> <p>(k) a fund subject to regulation that does not satisfy any of the following conditions (pursuant to the independence rules of the fund subject to audit and the SEC)</p> <p>It is prohibited to invest in regulated funds.</p>	G-QRMM 6.2.1, 7.2.1 G-QRMM 20.2.1
	SEC	In the case of an investment company complex (Note 7), covered persons are prohibited from investing in all funds of the fund group of related entities including the fund, the investment management company (Note 8) of the fund and the parent company controlling the investment management company.	S-X2-01 (c) (1) (i) (D), (ii) (G)
	AICPA	Covered members are prohibited from investing in mutual funds that are AICPA audit clients.	ET 1.240
Fund (Indirect Investment)	Common	If the fund or the assignment firm of the fund is not an audit client (not a direct investment), holding of the fund is permitted in principle. However, if an individual stock such as stocks issued by the SEC audit client is included as an investment target of the fund, the fund is regarded as an indirect investment. Covered persons of the SEC audit client are prohibited from holding indirect investments that fall under “material indirect investments” (Note 9).	Restrictions on holding investment trusts
	SEC	If the fund or the assignment firm of the fund is not an SEC audit client (not a direct investment), in principle	S-X2-01 (c) (i) (1) (D)

Item	& Apply	Contents	Basis of Laws and
		<p>is permitted to hold the fund. However, if an individual stock such as stocks issued by the SEC audit client is included as an investment target of the fund, the fund is regarded as an indirect investment.</p> <p>A covered person is prohibited from investing in a non-diversified investment fund (Note 10) if the SEC audit client is included in the investment and the equity interest is material. In the case of a diversified investment fund (Note 10), holding of less than 5% of the issued equity securities of the fund is permitted.</p>	G-QRMM 20.2.1
	AICPA	<p>If the fund or the assignment firm of the fund is not an audit client (not a direct investment), holding of the fund is permitted in principle. However, if an individual issue such as shares issued by an audit client is included as an investment target of the fund, the fund is an indirect investment.</p> <p>A covered member may not have a significant interest in the fund's basic investment if the audit client is included in the investee of the non-diversified investment fund (Note 11). In the case of a diversified investment fund, holding is permitted if it is less than 5% of the issued equity securities of the fund.</p>	ET 1.240.030
rights or derived financial interests as employees of the family	Common	<p>Financial interests in the audit client held by the families of partners, principals, fellows, directors, domain directors, senior managers, senior domain leaders, managers, and domain leaders providing the audit client with 10 hours or more of non-audit and attestation services are exceptionally admitted through employment rights (E.G., shareholding plans, pension plans or stock option plans).</p> <p>However, as the above exception ceases to be effective upon termination, dismissal or resignation of the family's employment relationship, the investment must be disposed of as soon as possible after termination of the employment contract. If family members acquire the right to dispose of their financial interest or are able to exercise their stock options, they must dispose of their financial interest or exercise their stock options as soon as possible.</p>	Guidance on independence, para. 111 G-QRMM 6.2.1, 7.2.1
	SEC	<p>The spouse or dependents of any member of the audit team may not have any financial interest derived from the employee rights of the SEC audit client.</p> <p>A spouse or dependent of a covered person other than a member of the audit team or a Chain of Command (Note 12) has a financial interest derived from the employee rights of the SEC audit client in accordance with the financial interest.</p>	SX -2 01 (c) (1) (iii) (C) G-QRMM 20.2.3

Item	& Apply	Contents	Basis of Laws and
		<p>It is an unavoidable result of the employee compensation or benefit plan and is acceptable in the following cases.</p> <p>① in the event that it is assumed that it will be disposed of as early as possible within 30 days of having the right to do so;</p> <p>② Unexecuted stock options</p>	
	AICPA	Any family member of a covered member is prohibited from having a financial interest in the AICPA audit client. Provided that the family members of covered members, other than members of the audit team, participate in a retirement pension or benefit plan sponsored by the AICPA audit client or the AICPA audit client, and the plan is provided equally to all employees.	ET 1.270
Certain companies to which the audit client has a	Common	US > The audit team members must ensure that the audit client (Including officers, quasi-officers, and controlling shareholders, etc.) is prohibited from having a material financial interest in the company in which it invests and has a material impact.	G-QRMM 6.2.4, 6.2.5 Guidance on independence, para. 112
close business relationship	Common	<p>US > The audit team members must ensure that the audit client (Including management.) You are prohibited from having a close business relationship with (Joint ventures, joint ventures, joint marketing, etc.).</p> <p>However, the financial interest from the business relationship is not material and the business relationship is not critical to the audit client (Including management.). Unless it is not important to.</p>	G-QRMM 6.4.1, 7.4.1 Guidance on independence, para. 124
	SEC	<p>Members of the audit team shall submit to the SEC audit client (Including officers, quasi-officers, and controlling shareholders, etc.) close business relationship with (Joint ventures, joint marketing agreements, limited partnership agreements, prime/subcontract agreements, investments in suppliers and customers, lease agreements (Excluding leases and tenants that are not important.)) is prohibited from having.</p> <p>However, the financial interest from the business relationship is not material and the business relationship is not material to the SEC audit client (Including officers, quasi-officers, and controlling shareholders, etc.). except when not important to</p>	S-X2-01 (c) (iii) G-QRMM 20.5.1

Item	&	Contents	Basis of Laws and
		Su.	
Loans	Comm on	<p>Members of the audit team shall receive loans or loans (b) from the audit client unless all of the following conditions are met:</p> <p>It is prohibited to get the warranty of Ren.</p> <p>① The audit client is a financial institution</p> <p>② Borrowings under normal financing procedures and terms (Collateral, Repayment, Interest Rate, etc.)</p> <p>③ fall under any of the following three categories</p> <p>a) mortgages with collateral executed prior to the audit</p> <p>b) Automobile loans executed prior to audit</p> <p>c) Debt of less than 1 million yen</p> <p>A covered person who is not a member of the audit team shall, unless all of the following conditions are met:</p> <p>It is prohibited to obtain a loan or loan guarantee from an account.</p> <p>① The audit client is a financial institution</p>	<p>Guidance on independence, para. 118 ~ 120</p> <p>Article 7 (1) (iv)</p> <p>Enforcement Regulations Article 2 (1) (13) and (15) G-QRMM 6.3.1, 6.3.2, 7.3.1, 7.3.2</p>
	SEC	<p>① card loan</p> <p>Covered persons are prohibited from holding a card loan agreement with a financial institution that is the SEC audit client (Including officers who can make decisions at the audited company and substantial shareholders who have a material influence on the audited company).</p> <p>② Loans other than credit card loans</p> <p>Covered persons may not have any debt or credit related to such borrowings or loans with such SEC audit client (Including officers who can make decisions at the audited company and substantial shareholders who have a material influence on the audited company). However, borrowings from financial institutions that have been executed under normal procedures and conditions and satisfy any of the following conditions are acceptable.</p> <ul style="list-style-type: none"> Automobile loans or automobile leases secured by automobiles 	<p>S-X2-01 (c) (1) (ii) (A)</p> <p>G-QRMM 20.3.1</p>

Item	& Apply	Contents	Basis of Laws and
		<ul style="list-style-type: none"> • a loan that is fully secured by the surrender value of an insurance contract • a loan secured entirely by deposits from the same financial institution • a secured housing loan (including a home improvement loan) secured by the principal residence and executed before becoming a covered person • a student loan that was made before a person became a covered person • Consumer loans that meet all of the following criteria <ul style="list-style-type: none"> >(Note that card loan obligations are not permitted.) >The total outstanding debt for each lender in the normal billing cycle has decreased to less than US \$10,000 after settlement on due dates (including grace periods) 	
	AICPA	Same regulations for AICPA audit clients. However, unsecured loans may be held if they are not material to the net assets of covered members.	ET 1.260
bank account	Common	Deposits and savings accounts opened at financial institutions that are audit clients are permitted to be held under normal conditions.	Guidance on independence, para. 123 Article 2 (1) (i) and (ii) of the Enforcement Regulations
	SEC	<p>① foreign currency deposit account</p> <p>Covered persons may not hold foreign currency deposit accounts with financial institutions that are SEC audit clients.</p> <p>Yes.</p> <p>② accounts other than foreign currency deposits</p> <p>The covered person must notify the financial institution that is the SEC audit client, either the Federal Deposit Insurance Corporation (Note 13) or a similar institution.</p>	S-X2-01 (c) (1) (ii) (B) G-QRMM 20.3.3

Item	& Apply	Contents	Basis of Laws and
	AICPA	Same regulations for AICPA audit clients. However, holdings are permitted if the amount not protected by insurance is not material to the net worth of the covered member.	ET 1.255.010
overdraft account	Common	You are permitted to have an overdraft account with a financial institution that is an audit client, as long as the terms and conditions are normal.	guidelines for independence Point 120
	SEC	Covered persons are prohibited from holding overdraft accounts with financial institutions that are SEC audit clients.	S-X2-01 (c) (1) (ii) (B)
	AICPA	Covered members are permitted to hold overdraft accounts with a balance of \$10,000 or less by the due date and the grace period for payment to the financial institution that is the audit client of the AICPA.	ET 1.260.020.04
securities account	Common	Covered persons are permitted to hold securities trading accounts with the audit client as long as such accounts are subject to the normal terms and conditions of the transaction. However, if an MRF is to be contracted for services at the time of opening a securities transaction account, it is necessary to confirm whether the MRF itself falls under the definition of Investment Company Complex of the audit client or SEC audit client and to comply with the provisions of “Fund (Direct	guidelines for independence Point 123 G-QRMM 6.3.3, 7.3.3
	SEC	Covered persons are prohibited from holding securities trading accounts with securities companies that are SEC audit clients. However, holding of shares is permitted in the following cases. ① to have no assets other than cash or securities in a securities trading account ② If the asset value held by the account is within the insurance ceiling of the Securities Investor Protection Corporation (Note 14) or a similar institution, and if the customer intends to contract for MRF services at the time of opening a securities trading account which is an SEC audit client, the customer must confirm whether the MRF itself falls under the definition of the Investment Company Complex of the audit client or SEC audit client and follow the provisions of the “Fund (Direct Investment)” in this table.	S-X2-01 (c) (1) (ii) (C) G-QRMM 20.3.4
	AICPA	Covered members are prohibited from holding assets in the securities trading account of the AICPA audit client. except in the following cases:.	ET 1.255.020

Item	& Apply	Contents	Basis of Laws and
		<p>① Under normal trade procedures and conditions; and</p> <p>② If the covered member's assets are not at risk of loss due to the bankruptcy of a securities company, etc., or if the assets are covered by the covered member</p>	
futures account	Common	<p>The covered person shall open a transaction account (all futures accounts, commodity accounts) with the futures commission merchant who is the audit client.</p> <p>Including futures transaction accounts or similar transaction accounts maintained by futures brokers.) You are prohibited from owning. foreign exchange</p> <p>This provision applies to margin transaction accounts. Unless all of the following conditions are satisfied:.</p> <p>④ If the covered person has a transaction account (includes any futures account, commodity futures trading account, or similar trading account maintained by a futures broker.) with the futures commission merchant that is the SEC audit client. You</p>	Apply G-QRMM 20.3.4 provisions
	SEC	The covered person has a transaction account (Includes any futures account, commodity futures trading account, or similar trading account maintained by a futures broker.) with the futures commission merchant that is the SEC audit client. You	S-X2 -1 (c) (1) (ii) (D) G-QRMM 20.3.4
margin account	Common	Covered persons are prohibited from holding margin loans (credit loans) associated with margin transactions to brokers and dealers (securities companies, etc.) who are audit clients.	G-QRMM 20.3.4 Apply "MARGIN LOAN" provisions
	SEC/AICPA	Same regulations for SEC/AICPA audit clients.	S-X2 -1 (c) (1) (ii) (A) G-QRMM 20.3.4
personal insurance products	Common	Covered persons are permitted to hold personal insurance policies sold by the insurance company that is the audit client, as long as such policies are under normal terms and conditions.	Article 2 (1) (11) and (12) of the Enforcement
	SEC	Covered persons are prohibited from holding personal insurance policies sold by the insurance company that is the SEC audit client, with the exception of certain exceptions (Note 16) under the Grand Father Clause (Note 15).	S-X2-01 (c) (1) (ii) (F) G-QRMM 20.4.1
	AICPA	Covered members are permitted to hold personal insurance policies sold by the insurance company that is an AICPA audit client, but only under the normal terms and conditions and procedures.	ET 1.257.010
variable life insurance,	Common	A covered person may not hold variable life, variable annuity or similar insurance contracts (Note 17) sold by the insurance company that is the audit client if the covered person has control over the investment (which may affect the investment	G-QRMM 20.4. Application of the

Item	& Apply	Contents	Basis of Laws and
similar insurance contracts		It will stop.	
	SEC/AICPA	Covered persons and members are prohibited from holding variable life, variable annuity or similar policies sold by the insurance company that is the audit client of the SEC/AICPA. The grandfathering clause does not apply to variable life insurance, variable annuity or similar insurance under the SEC Rules. Therefore, when you become a covered person, you must change to a fixed-amount contract.	G-QRMM 20.4.1 ET 1.257.020
credit card balance	Common	A member of the audit team shall pay a credit card to the audit client if all of the following conditions are met: You are allowed to have a usage balance. ① Obligations based on ordinary trade terms ② The balance of credit card use in the normal billing cycle is added up by each card issuing company, and the due date (payment The grace period is also included.) The amount shall not exceed 1 million yen after settlement in x.	Article 7 (1) (iv) of the Enforcement Order SEC S-X2-01 (c) (ii) (E) Guidance on independence, para. 120 G-QRMM 6.3.1, 7.3.1
	SEC/AICPA	Covered persons and members are permitted to have credit card balances with the financial institution, which is an SEC/AICPA audit client, if the credit card balances during the normal billing cycle are less than or equal to US \$10,000 after settlement on the due date (including the grace period) for each card issuer.	S-X2-01 (c) (ii) (E) ET 1.260.020.04 G-QRMM 20.3.5
Other receivables and payables arising from transactions	Common	Any member of the audit team may not engage in any transaction with the audit client as a consumer or user without the same terms and conditions as a normal third party transaction. In addition, even if the terms and conditions are the same as those of an ordinary third party transaction, it is prohibited to have a balance of receivables and payables exceeding 1 million yen with the audit client in connection with the transaction.	Article 7 (1) (iv) of the Enforcement Order G-QRMM 6.4.3, 7.4.2 Guidance on

Item	& Apply	Contents	Basis of Laws and
	SEC	If the covered person does not meet the requirements of the SEC audit client (Including officers, etc., persons with decision-making authority, and shareholders, etc.), You are prohibited from having any material business relationship, direct or indirect, with. This relationship does not include a covered person providing professional services or being a consumer in the normal course of business.	S-X2-01 (c) (3) G-QRMM 20.5.1
	AICPA	Partners, principals, fellows, directors, domain directors, senior managers, senior domain leaders, managers and domain leaders are prohibited from having the following relationships with AICPA audit clients during the engagement period.: <ul style="list-style-type: none"> • Employees who have abilities equivalent to officers, persons equivalent to officers, or management members • Promoters, underwriters, and trustees • trustee of a pension or profit-sharing trust 	ET 1.275
crypto asset	Common	Partners, principals, fellows, directors, domain directors, senior managers, senior domain leaders, managers, and domain leaders are deemed to have invested in crypto assets issued by a udit clients that meet one of the following criteria.: <ul style="list-style-type: none"> • to be traded on public or private exchanges • It is issued by New Crypto Assets Disclosure (ICO) for the purpose of fund raising or fund management. • Providing benefits to asset owners (including, but not limited to, voting rights and dividends) The holding of direct financial interest in the audit client and significant indirect financial interest in the audit client through the investments described above Possession of harm is prohibited.	G-QRMM 6.2.1, 7.2.1 Article 7 (1) (iv) of the Enforcement Order
trading accounts for crypto assets	Common	Covered persons are prohibited from holding trading accounts for crypto assets at the audit client.	S-X2 -1 (c) (1) (ii) (B) (C) GQRMM 20.3.3, 20.3.4

< Notes >

* 1 Partners, principals, fellows, directors, domain directors, senior managers, senior domain leaders, managers, and domain leaders are subject to regulation.

Our company's rules are stricter than the global rules because the global rules regulate partners and covered persons.

G-QRMM 6.2.1

“None of the following shall have a direct financial interest or a material indirect financial interests in an audit client:

- a covered person (which includes their immediate family); or
- any partner in any KPMG firm or their immediate family "

(Note 2) Audit client

The audit client also includes companies and their relationship entities for which the KPMG member firm provides audit services. In addition to auditing, the auditing work includes review work. For companies providing assurance services other than auditing, the related entity is the company providing the assurance services and its parent company (G-QRMM 7.2.1). In this table, G-QRMM Chapter 7 (7.X.X) is a reference for guarantee business clients. Keep in mind, however, that our company's rules may be stricter than global rules.

(Note 3) Direct investment in stocks, investments, bonds, etc.

Golf Membership (Either the stock method or the deposit method may be used.) is treated as an equivalent to securities, so the purchase is considered a direct investment in the client.

(Note 4) Covered person

A covered person is a person in each of the following items.

① Audit team members (including Chain of Command)

② Partners, principals and employees who belong to the same office where designated limited partners (or LAEP, if applicable) perform their duties in connection with audit and attestation services.

Fellow (*)

③ Partners, principals, fellows, directors, domain directors, senior managers, senior managers, and senior managers who provide at least 10 hours of non-audit certification services to the audit client.

Main leaders, managers and domain leaders

④ Family members of the above

* Partners, principals and fellows of our company are not eligible.

(Note 5) Covered members

A covered member is a person in each of the following items.

- ① Members of the audit team
- ② Those who can influence audit engagement
- ③ Partners, principals, fellows, directors, domain directors, senior managers, senior managers, and senior managers who provide at least 10 hours of non-audit certification services to the audit client.

Main leaders, managers and domain leaders

④ Partners, principals, and fellows (*) who belong to the same office as the office where designated limited partners execute services related to audit and attestation services

⑤ Farm and Farm Retirement Plan

* Partners, principals and fellows of our company are not eligible.

(Note 6) Fund that is an audit client

The audit client, the securities investment trust and its investment management company, are updated and posted on the KICS website every three months.

① For investment trusts under consideration, confirm the assignation firm (establishment/management firm) and whether the assignation firm is included in the "list of assignation firms" sheet.

Shame on you.

② If the investment management company is not included in the list of investment management companies, investment is possible. In cases where the Management Company is included in the sheet of the list of Management Companies, the Management Company shall be included in the sheet of the Management Company.

Please confirm whether or not there is an applicable investment trust.

③ If the investment trust is listed on the investment management company's sheet, it falls under regulated investment trusts. In cases where the relevant Investment Trust is not listed on the sheet of the relevant Settlor Company:

Please make sure to contact risk management individually before investing.

(Note 7) Investment Company Complex

A group of affiliates included in a mutual fund organization, including:

① Investment company and its investment advisor or sponsor

② A company that is controlled by (1) above, a company that controls (1) above, or a company that is under common control with (1) above, and that falls under any of the following:

- Be an investment adviser or sponsor
- Provides management, spot custody, underwriting, and stock transfer services to investment companies, investment advisors, or sponsors

③ An investment company or entity that becomes an investment company that receives the provision of services from an investment advisor or sponsor as defined in (1) or (2) above (provided, however, that the U.S. 1940

Excluding entities subject to section 3 (c) of the Investment Company Act.) .

For the purposes of this definition, investment advisors do not include subadvisors who meet any of the following criteria:.

- The primary role is portfolio management
- to be subcontracted by or supervised by another investment advisor

From the viewpoint of this definition, the sponsor is a company that establishes a unit-type investment trust (S-X2-01 (f) (14)).

The Investment Company Complex rules apply only to SEC audit clients.

(Note 8) Management company of the Fund

A company to which the business of the fund (issuance of securities, etc., management of assets, management of administrative procedures, etc.) is entrusted.

(Note 9) Significant indirect investment

Basically, the fund holder is responsible for monitoring fund information, such as the individual portfolio stocks and portfolio ratios that the fund invests in. However, due to the complexity of analyzing fund information, the Risk Management Department of KPMG AZSA & Co., Ltd., has adopted a process to determine whether or not the fund can be held. Fund holders must calculate the ratio of the number of units of interest they hold (or the total number of units of interest if a family member holds the same fund) to the number of

outstanding shares of the fund as of the most recent record date (or the ratio of interest). If the ratio exceeds 0.5%, they must promptly report it to the KICS Help Desk (JP-FM KICS) managed by the Risk Management Department, KPMG AZSA LLC.

The Risk Management Department of KPMG AZSA & Co., Ltd. uses various disclosures to carefully analyze detailed information on the reported funds, such as whether they fall under the category of mutual funds (decentralized type and non-decentralized type) under the Investment Company Act of the United States, and investment restrictions, types of incorporated assets, individual stocks, and incorporation ratios. As a result, if it is identified that an individual issue issued by the SEC audit client is included as an investment target of the fund, and

if it is determined that it is an important indirect investment because the incorporation ratio is considerably high, the holding of the fund is prohibited and that fact is reported to the holder.

With regard to REITs and ETFs, it is acceptable not to perform individual analysis of the incorporation status of individual issues by SEC audit clients, taking into account the type of incorporated assets to be invested or the composition of individual issues.

(Note 10) Diversified and Non-Diversified Investment Funds

In the United States, the Investment Corporation Law provides for diversified and non-diversified mutual funds. In the case of diversified investment, in order not to concentrate on a specific investment destination, investment restrictions are set in such a way that the scope in which investment is possible for the same issuer of investment securities is limited to 5% of the total assets of the investment company and does not exceed 10% of the voting rights of the same issuer. Non-distributed, on the other hand, means something other than distributed. If the fund is a non-audit client, it is not a material indirect investment and may be held if it does not exceed 5% of the issued equity securities of the diversified investment trust. This is because even if there is an indirect investment in a regulated client, the ratio of incorporation into the same stock \times the investment ratio of the regulated party = 0.25% (= $5\% \times 5\%$) or less.

(Note 11) AICPA: Important Indirect Investment (Fund)

A covered member's ownership of less than 5% of the issued and outstanding shares of a diversified mutual fund that is a non-audit client is not considered a significant indirect investment in a basic investment. If a covered member owns 5% or more of the issued interest of a non-audit client's diversified mutual fund, or if the mutual fund is non-diversified, the basic investment of the mutual fund shall be evaluated to determine whether the covered member has significant indirect investments in the basic investment. The evaluation method is as follows.

- A non-decentralized mutual fund holds an interest in audit client A.

- Mutual funds have a net worth of US \$10 million.
- Covered Member B holds 1% of the outstanding mutual fund equity, or US \$100,000.
- Mutual funds invest 10% of their net worth in Company A.
- As a result, B's interest in Company A amounts to US \$10,000, which is measured by whether the amount is material to B's net asset value.

(Note 12) Chain of Command

Those who can influence the outcome of the audit engagement. It means: .

Those who determine the compensation of LAEP in relation to the performance of audit engagement, those who directly supervise LAEP, and those who are senior to the head of the office of LAEP.

provide technical advice in connection with the identification of audit engagements, transactions, or events.

Provide quality management for audit engagement.

It shall also include members of other member firms who can have a direct impact on audit engagement.

(*) There is no applicable person in our company.

(Note 13) Federal Deposit Insurance Corporation (FDIC)

The Federal Deposit Insurance Corporation's current insurance ceiling is \$250,000. The organization equivalent to FDIC in Japan is the Deposit Insurance Corporation, and the following are the scope of protection.

Current deposits without interest: Full protection

General deposits, etc. (Ordinary deposits, time deposits, money trusts with principal contracts, etc.): Principal 10 million yen and its interest are protected.

Does not fall under protection: Foreign currency deposits, negotiable deposits, etc.

(Note 14) Securities Investor Protection Corporation (SIPC)

The Security Investor Protection Corporation's insurance ceiling is \$500,000, including current cash of \$100,000. An organization that is equivalent to an SIPC in Japan is an "Investor Protection Fund" and is a member

Money and securities deposited with a securities company will be compensated up to 10 million yen.

(Note 15) Grand Father Clause

The SEC has the following provisions for insurance policies (excluding variable insurance) that are subject to the grandfathering provisions (vested rights provisions that are exempt from the regulations) (G-

QRMM 20.4.1).

Concluded on or before May 7, 2001

contract with someone before it became

renewal of a contract with someone before it became

an insurance policy that extends the coverage of an existing insurance policy. No other expansion of coverage is permitted.

If you wish to renew your contract or expand your existing coverage in accordance with the original contract, please contact risk management.

(Note 16) Exceptions that may own the products of an insurance company that is an SEC audit client

A covered person may hold a fixed insurance policy of an SEC audit client's insurance company if all of the following conditions are met:.

to be in accordance with the usual terms and conditions

to be covered by an SEC audit client

Very low risk of insolvency for SEC audit clients.

However, variable life insurance policies and variable annuity contracts are not permitted to be held in any way and the grandfather provision is not applicable. Therefore, when you become a covered person, you must dispose of it or change it to a fixed-amount contract.

(Note 17) Variable life insurance, variable annuity or similar insurance contracts

A special account (fund) in which insurance premiums received from customers by an insurance company are managed mainly in stocks and bonds, and the amount of insurance money is cancelled and refunded according to the performance of the fund.

It is an insurance that changes money.