

Book-Entry Transfer Business Operation Manual

March 2016

Ver. 1.0

Yangon Stock Exchange Joint-Venture Company Limited

-Revision History-

Version	Revision Date	Pages	Contents
1.0	March 2016	-	Newly created

Contents	Note
<p>I. Introduction</p> <p>When stocks are listed on YSX, share certificates pertaining to the stocks shall become invalid from the day of listing; meanwhile, rights embedded with the stocks shall be specified in accordance with the Transfer Account Book (hereinafter "TAB") record maintained by YSX and the Account Management Institution (hereinafter "AMI") under the Book-Entry Transfer System of Shares, etc. (hereinafter "the System").</p> <p>This Business Operation Procedures Manual shall stipulate business operations that YSX, AMIs, issuers, account opening customers, etc. shall conduct related to the System.</p>	<p>* Information related to the System shall be managed using alphanumeric characters. See the Appendix 100 for conversion of the National Registration Card Number (hereinafter "NRC") into alphanumeric characters.</p>
<p>II. General Provisions</p> <p>1. Eligible Shares</p> <p>Shares eligible for the System shall be those that are listed or scheduled to be listed (those approved to be listed) on YSX.</p>	
<p>2. Book-Entry Transfer Shares</p> <p>Eligible shares for which consent of the issuer specified in the following Item 5. is obtained are to be handled under the System from the day of listing.</p>	<p>* Shares handled under the System shall be referred to as "Book-Entry Transfer Shares".</p> <p>* Shares for listing shall become Book-Entry Transfer Shares on the day of listing, and share certificates pertaining to such shares shall become invalid.</p>
<p>3. Operation Hours</p> <p>Except as otherwise provided, the operation hours of the System shall be from 9:00 a.m. to 4:30 p.m.</p>	<p>* YSX may, when it deems necessary, temporarily change the operation hours upon issuing advance notice to related parties.</p>

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<p>4. Holidays</p> <p>The following shall be non-business days (holidays):</p> <ul style="list-style-type: none"> (i) Saturdays and Sundays; (ii) National holidays; (iii) Bank Holidays; and (iv) The day specified separately by YSX. 	<p>* YSX may, where it deems necessary, set a temporary holiday upon issuing advance notice to related parties.</p>
<p>5. Consent of the issuer</p> <p>(1) Consent of the issuer</p> <p>The issuer shall give consent in advance to its shares being handled under the System.</p> <p>The consent shall be given by submission of a written consent that contains the following matters on the day of listing approval. The certificate of matters to be registered, the Memorandum of Association and the Article of Association shall be attached to the written consent.</p> <ul style="list-style-type: none"> - Company Name; - Address of the head office or principal office; - Name and title of representative; - Shares for which the consent is given; - Statement on consent that shares for which the consent is given shall be handled under the System from the day of listing; and - Statement whereby the issuer consent to comply with the Business Regulations and other regulations of YSX as well as necessary measures to be taken by YSX from the day of submitting the written consent. 	<p>[Issuer => YSX]</p> <p>* See the Business Regulations for the form of the written consent.</p>

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<p>The issuer shall notify the following matters with the consent.</p> <ul style="list-style-type: none"> - Information on the account which the issuer has opened with the AMI (name of the AMI, name of the Account Holder, the account number of Account for Customer, etc.); - Statement that the issuer will make an application to YSX for opening a Special Account for shareholders that did not report account information for the New Record; - Name and title of the contact person; - Phone number, e-mail address and FAX number for contact; and - Other matters stipulated by YSX. 	<ul style="list-style-type: none"> * See Appendix 101 for the format of Special Account Opening Application and Notification Matters. * The issuer must open an account with the AMI in advance. * The issuer shall appoint at least two contact persons. * The e-mail address shall be, for example, a group address whereby at least two persons in charge can access necessary information.
<p>(2) Changes to the matters that were notified</p> <p>The issuer shall immediately notify to YSX when any change occurred to the matters that were notified at the time of consent.</p>	<p>[Issuer => YSX]</p> <ul style="list-style-type: none"> * See Appendix 104 for the format of Notice of Changes to Matters Notified (for Issuer).
<p>6. Notice of Matters Determined by the Issuer</p> <p>The issuer of the Book-Entry Transfer Shares shall immediately give notice to YSX by e-mail and FAX in cases where it has determined any of the following matters. If timely disclosure documents related to the notice is prepared, the issuer shall attach such documents to the notice.</p> <p>(1) Offering of new shares or existing shares Number of offering shares, schedule, name of the underwriter, etc.</p> <p>(2) Stock split or reverse stock split Schedule, split ratio, etc.</p> <p>(3) Gratis allotment of shares or rights offering</p>	<p>[Issuer => YSX]</p> <ul style="list-style-type: none"> * Contact information at YSX for the notice shall be as follows; Phone: 01-371167 E-mail: marketdept@ysx-mm.com ; and FAX: 01-371167 * See Appendix 105 for the format of Notice of Matters Determined.

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<p>Schedule, allotment ratio, etc.</p> <p>(4) Merger, etc.</p> <p>Schedule, details of the consideration, etc.</p> <p>(5) Payment of dividends</p> <p>Record Date for dividends, start date of dividend payment, amount of dividend per share, etc.</p> <p>(6) Setting of a Record Date</p> <p>Record Date, rights pertaining to the Record Date, etc.</p> <p>(7) Application for delisting</p> <p>Delisting date, the reasons for delisting application, etc.</p> <p>(8) Amendment to the Memorandum of Association or the Article of Association</p> <p>Effective date for amendment, details of the amendment, etc.</p>	<p>* The Record Date is the date on which the issuer determines shareholders that have rights for the Book-Entry Transfer Shares.</p> <p>* The notice will not be required if the issuer is to be delisted pursuant to the regulations of YSX.</p>
<p>7. Opening an AMI Account</p> <p>(1) Preservation of Transfer Account Book</p> <p>YSX and the AMI shall retain and maintain the TAB in a proper and reliable manner; provided, however, that any matter recorded digitally or in writing may be deleted, or any portion relating to such matter may be discarded if more than ten (10) years have elapsed since the date of its creation.</p>	<p>[YSX and the AMI]</p>
<p>(2) Application for opening an AMI Account</p> <p>A party that intends to open an AMI Account and become an AMI (hereinafter "Applicant") shall file to YSX an AMI Account Opening Application (hereinafter "Application") which contains the following matters. Copies of the registration certificate, the Memorandum of Association, the Article of Association, and a document certifying the securities license of the Applicant shall be attached to the Application:</p>	<p>[AMI => YSX]</p> <p>* Both the Self Account and Customer Account shall be opened under the AMI Account.</p> <p>* See Documents for Application for Trading Qualification for the format of the AMI Account Opening Application.</p>

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<ul style="list-style-type: none"> - Company Name; - Address of the head office or principal office; - Name and title of the representative; - Statement that the Applicant is applying to open an AMI Account (Self Account / Customer Account); - Name and title of the contact person; and - Phone number, e-mail address and FAX number for contact. 	<p>* The Applicant shall appoint at least two contact persons.</p> <p>* The e-mail address shall be, for example, a group address, whereby at least two persons in charge can access necessary information.</p>
<p>(3) Examination for opening an AMI Account</p> <p>When YSX receives the Application from the Applicant, YSX shall conduct examination from the following viewpoints:</p> <ul style="list-style-type: none"> - There is no deficiency in the Application and the attached documents; and - Trust in the System or its efficient operation will not be undermined if the Applicant becomes an AMI. 	<p>[YSX]</p> <p>* Examination on the Applicant shall be conducted in tandem with the examination on the Trading Participant.</p>
<p>(4) Approval on opening an AMI Account</p> <p>When YSX approves the Application, YSX shall notify the Applicant of the following matters by e-mail and FAX and announce such approval on the YSX website:</p> <ul style="list-style-type: none"> - Company Name of the Applicant; - Account opening day; and - Codes of the Self Account and Customer Account (18 digits) 	<p>[YSX => applicant]</p> <p>[YSX => publication]</p> <p>* The account code of the AMI Account shall be "AMI code" (7 digits) + "share settlement account number" (9 digits) + "share settlement account division" (2 digits).</p>

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<p>(5) Conclusion of the AMI Consent The AMI shall conclude the AMI Consent specified by YSX with YSX.</p>	<p>[AMI] * See the Business Regulations for the form of the AMI Consent.</p>
<p>(6) Matters Recorded in Transfer Account Book The AMI shall notify YSX of the Matters Recorded in Transfer Account Book.</p>	<p>[AMI] * See Appendix 108 for the format of Notice of Matters Recorded in Transfer Account Book.</p>
<p>(7) Opening of the AMI Account YSX shall open the approved AMI Account on the account opening day.</p>	<p>[YSX]</p>
<p>(8) Changes to the matters that were notified The AMI shall immediately notify YSX of any change to the matters that were notified at the time of the Application.</p>	<p>[AMI => YSX] * See Appendix 110 for the format of Notice of Changes to Matters Notified (for AMI).</p>
<p>8. Closing an AMI Account (1) Application for closing an AMI Account When the AMI intends to close the AMI Account, it shall file with YSX an AMI Account Closing Application (hereinafter "the Account Closing Application") which contains the following matters by one month before the day the AMI wishes to close the account:</p> <ul style="list-style-type: none"> - Name of the AMI; - Address of the head office or principal office; - Name and title of the representative; - Statement that the AMI is applying to close the AMI Account; and - Account closing day (at least one month from the application date) 	<p>[AMI => YSX] * When the AMI no longer meets the requirements for AMI, YSX shall close the AMI Account of such AMI. * See Appendix 111 for the format of AMI Account Closing Application.</p>

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<p>The AMI that intends to close the AMI Account shall transfer the shares recorded in such account to the AMI Account of another AMI by the account closing day.</p>	<p>* When the AMI that opened an account that the issuer has notified to YSX intends to close its AMI Account, the issuer shall open an Account for Customer with another AMI by the account closing day and notify YSX of the information on such account.</p>
<p>(2) Approval on closing an AMI Account When YSX approves the Account Closing Application, it shall promptly notify the AMI of the following matters by e-mail and FAX, and announce such fact on the YSX website:</p> <ul style="list-style-type: none"> - Name of the AMI; - Account closing day; and - Codes of the Self Account and the Customer Account (18 digits) 	<p>[YSX => Applicant] [YSX => Announcement]</p>
<p>9. Opening an Account for Customer (1) Opening an Account for Customer The AMI may open an Account for Customer for another person based on a request from such person (hereinafter "account opening customer").</p>	<p>[AMI] * Accounts for Customers shall be classified into the Account for Customer (for holding) and the Account for Customer (for collateral).</p>
<p>(2) Agreement between the AMI and the account opening customer For opening an Account for Customer, the AMI shall conclude an agreement containing the following matters with the account opening customer:</p> <ul style="list-style-type: none"> - The account opening customer's account shall be opened under the System; and, as for matters relating to the System such as handling of the account opening customer's account, the parties shall comply with the provisions of such agreement, as well as the Act, other laws, regulations, Business Regulations, and other provisions prescribed by 	<p>[Account opening customer => AMI]</p>

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<p>YSX with regard to the System;</p> <ul style="list-style-type: none"> - The account opening customer shall agree to handling of the information on the account opening customer as prescribed in Business Regulations and other provisions prescribed by YSX with regard to the System; and - Any other matters deemed necessary by YSX. 	
<p>(3) Reporting Customer Information</p> <p>The account opening customer shall notify the AMI of the following matters:</p> <ul style="list-style-type: none"> - Division of individual / corporation; - Name / company name; - NRC / registration number; - Address; - Date of birth / foundation; and - Bank account information 	<p>[Account opening customer => AMI]</p> <p>* In the case of co-ownership, a representative shall be selected and information on all co-owners shall be notified; provided, however, that for bank account information, only information on the representative shall be notified.</p>
<p>(4) Changes to customer information</p> <p>In cases where any change has occurred to the matters notified at the time of opening the account, the account opening customer shall promptly notify the AMI of such change.</p>	<p>[Account opening customer => AMI]</p>
<p>10. TAB and Matters for Recording, etc.</p> <p>(1) Structure of the AMI Account and the Special Account managed by YSX</p> <p>YSX shall manage AMI Accounts and Special Accounts. AMI Accounts shall be managed for each AMI by Self Account (for holding or collateral) or by Customer Account. Special Accounts shall be managed by stock.</p> <p>The structure of accounts managed by YSX shall be as below:</p>	<p>[YSX]</p> <p>* In the case of co-ownership, information on all co-owners shall be recorded.</p>

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<ul style="list-style-type: none"> - AMI Accounts managed by YSX shall be classified into the Self Account, in which shares for which the AMI holds rights are recorded, and the Customer Account, in which shares for which account opening customers of the AMI hold rights are recorded. - The Self Account of the AMI shall be classified into a holding account, in which shares that are not designated as collateral are recorded, and a collateral account, in which shares that are designated as collateral are recorded. - The Customer Account shall maintain the total number of shares held by the account opening customers of the AMI. - A Special Account shall be opened for each issuer, and maintain the total number of shares recorded in the Special Account, as well as information on each shareholder in the Special Account. 	<p>* YSX will not obtain information on individual account opening customers.</p>
<p>(2) Matters to be recorded in the TAB related to the Book-Entry Transfer Account maintained by YSX:</p> <p>(a) Matters to be recorded in the TAB of the Self Account (for holding)</p> <ul style="list-style-type: none"> - Division of individual / corporation; - Name / company name; - NRC / registration number; - Address; - Date of birth / foundation; - Issue name of stocks; - Number of shares for each issue of stocks; - Number and date of increase / decrease in shares for each issue of stocks; - Account code; and - Bank account information 	<p>[YSX]</p> <p>* The account code of the AMI Account shall be "AMI code" (7 digits) + "share settlement account number" (9 digits) + "share</p>

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<p>(b) Matters to be recorded in the TAB of the Self Account (for collateral)</p> <ul style="list-style-type: none"> - Division of individual / corporation; - Name / company name; - NRC / registration number; - Address; - Date of birth / foundation; - Account code; and - Bank account information <p>[Information on each collateral pledgee]</p> <ul style="list-style-type: none"> - Division of individual / corporation; - Name / company name; - NRC / registration number; - Address; - Date of birth / foundation; - Issue name of collateral stocks; - Number of shares for each collateral issue; - Number and date of increase / decrease in shares by collateral issue; and - Account code 	<p>settlement account division"(2 digits).</p> <p>* The account number of the Account for Customer consists of the AMI Account code and "the account number of Account for Customer" (9 digits).</p> <p>* Bank account information shall consist of the bank code, branch code, account number, and Account Holder name.</p>

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<p>(c) Matters to be recorded in the TAB of the Customer Account</p> <ul style="list-style-type: none"> - Division of individual / corporation; - Name / company name; - NRC / registration number; - Address; - Date of birth / foundation; - Issue name of stocks; - Number of shares for each issue of stocks; - Number and date of increase / decrease in shares by issue; and - Account code 	<p>* YSX shall record the number of shares for each stock as well as the number and date of increase / decrease in shares for each stock for the total number of all Accounts for Customers of the AMI.</p>
<p>(d) Matters to be recorded in the TAB of the Special Account</p> <ul style="list-style-type: none"> - Issue name of stocks; - Number of shares; - Number and date of increase / decrease in shares; and - Account code 	<p>* YSX shall record the number of shares as well as the number and date of increase / decrease in shares for the total number of the Special Account.</p> <p>* For detailed information, YSX only manages the information kept by the issuer. As such, some items such as division of individual / corporation may not be managed.</p>
<p>[Details on each shareholder in the Special Account]</p> <ul style="list-style-type: none"> - Division of individual / corporation; - Name / company name; - NRC / registration number; - Address; - Date of birth / foundation; - Number of shares; and - Number and date of increase / decrease in shares 	

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<p>(3) Structure of the Account for Customer managed by the AMI</p> <p>The AMI shall manage the Account for Customer for each customer that opens an account with the AMI.</p> <p>The structure of the Account for Customer managed by the AMI shall be as follows:</p> <ul style="list-style-type: none"> - In the Account for Customer, only shares for which the account opening customer holds rights shall be recorded; and - Accounts for Customers shall be classified into the Account for Customer (for holding), in which shares not designated as collateral are recorded, and the Account for Customer (for collateral), in which shares designated as collateral are recorded. 	<p>[AMI]</p> <p>* In the case of co-ownership, information on all co-owners shall be recorded.</p>
<p>(4) Matters to be recorded in the TAB of Accounts for Customers managed by the AMI</p> <p>(a) Matters to be recorded in the TAB of Accounts for Customers (for holding) Same as the Self Account (for holding) of the AMI managed by YSX.</p> <p>(b) Matters to be recorded in the TAB of Accounts for Customers (for collateral) Same as the Self Account (for collateral) of the AMI managed by YSX.</p>	<p>[AMI]</p>
<p>(5) Changes or correction to records of the TAB</p> <p>When YSX and the AMI notices any changes to the matters recorded in the TAB managed by them, YSX and the AMI shall immediately record such changes in the TAB.</p> <p>When the matters recorded in the TAB managed by YSX or the AMI are found to be in error, YSX and the AMI shall immediately correct the record.</p>	<p>[YSX, AMI]</p> <p>* When correcting the record, YSX and the AMI shall contact each other for adjustment. In addition, they shall contact the account opening customer for adjustment, if necessary.</p>

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<p>(6) Handling of information on shareholders in the Special Account</p> <p>The issuer shall manage information on shareholders in the Special Account, and when there is any change in the information, the issuer shall promptly notify YSX.</p> <p>In cases where the information on shareholders in the Special Account is changed, the issuer shall notify YSX of such change by submitting the Special Account Shareholders List.</p> <p>When information on shareholders in the Special Account managed by the issuer is found to be in error, the issuer shall notify YSX and immediately correct the information.</p>	<p>[Issuer => YSX]</p> <p>* The information on shareholders in the Special Account managed by the issuer shall be the same as the detailed information on each shareholder in the Special Account managed by YSX on the TAB.</p> <p>* See the Appendix 1. “Operational Flow for New Record” for the new record procedures.</p> <p>* See Appendix 3-2 for the format of the Special Account Shareholders List.</p>
<p>III. Operational Procedures</p> <p>1. New Record</p> <p>(1) Outline of New Record</p> <p>When issued shares are listed on YSX, share certificates pertaining to such shares shall become invalid from the day of listing. Rights of such shares shall be treated based on the TAB record maintained by YSX and AMIs under the System. The record of pure increase in the number of shares in such case shall be referred to as the "New Record."</p> <p>The flow of the New Record for existing shareholders at initial listing shall be as follows (see Notes for the New Record for public offering);</p> <p>(i) The issuer gives notice to shareholders, based on the information (name, address, number of shares, etc.) in the shareholders register, to the effect that they should inform the issuer of information on their accounts for the New Record.</p>	<p>* The New Record shall also be made in cases such as new share issuance due to public offering, etc. At the time of initial listing, the New Record for public offering may be made at the same time in addition to the New Record for existing shareholders.</p>

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<p>(ii) The shareholder who receives the notice shall open an account with an AMI, and notify the issuer via the AMI and YSX of the information on such account for the New Record.</p> <p>(iii) The issuer who receives the account information, etc. from the shareholder shall give instruction of the New Record to the AMI via YSX, by specifying the account and the number of shares to be recorded as the New Record.</p> <p>(iv) On the day of the New Record, YSX and the AMI shall make a record of increase to accounts that it maintains for the New Record in accordance with the instruction from the issuer.</p>	<p>* In the case of a public offering, the underwriter shall notify the issuer beforehand of the information on the Self Account for the New Record.</p> <p>* Shareholders are not allowed to notify the issuer of the information on 2 or more accounts relating to a specific New Record.</p> <p>* Shares of a shareholder who did not notify the account information for the New Record shall be recorded in the Special Account opened with YSX. See the next item for the Special Account.</p> <p>* In the case of a public offering, the New Record shall be first made to the Self Accounts of the underwriters, and then transferred to the accounts of subscribers.</p>
<p>(2) Special Account</p> <p>When a shareholder did not notify the issuer of the account information for the New Record, the issuer cannot give instruction of the New Record designating the account. The rights of shares of those shareholders shall be maintained by making a record in the Special Account opened with YSX based on the application from the issuer, however, the relevant parties shall pay attention to the following points:</p>	

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<p>(a) The shareholder cannot sell / transfer shares to others directly from the Special Account. For selling / transferring shares recorded in the Special Account to others, the shareholder is required to transfer the balance to its own account opened with the AMI in advance (hereinafter "ordinary account"). => The shareholder is able to sell / transfer shares recorded in the ordinary account to others directly.</p>	<p>* See 2. Non-Exchange Transaction Transfer (NETT) and 3. Book-Entry Transfer related to Settlement of Exchange Transactions. * It is assumed that sale / transfer of shares recorded in the Special Account will take more time than those recorded in ordinary accounts.</p>
<p>(b) To receive dividends on shares recorded in the Special Account, the shareholder is required to conduct procedures directly with the issuer. =>Dividends on shares recorded in the ordinary account shall be transferred to the bank account, which the shareholder designated when opening the account, from YSX without any additional procedures.</p>	<p>* See 7. Payment of Dividends (under consideration).</p>
<p>(c) When the shareholder intends to exercise rights of minority shareholders on the shares recorded in the Special Account, the shareholder must conduct procedures directly with the issuer. =>To exercise rights of minority shareholders on the shares recorded in the ordinary account, the shareholder shall conduct procedures with the AMI.</p>	<p>* See 5. Individual Shareholders Confirmation.</p>
<p>(d) To transfer shares from the Special Account to the ordinary account, the shareholder is required to make an application to the issuer for transfer. =>An application for transfer related to shares recorded in the ordinary account shall be made to the AMI.</p>	<p>* The transferee account from the Special Account is limited to the ordinary account under the name of the same holder in the Special Account.</p>
<p>(e) The shareholder of shares in the Special Account must notify the issuer immediately of any changes made to its name / company name, NRC / registration number, address, etc.</p>	

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=>The shareholder of shares in the ordinary account shall give such notification to the AMI.	
<p>(3) Operations related to New Record at the time of Initial Listing See Appendix 1. "Operational Flow for New Record" for details.</p>	
<p>2. Non-Exchange Transaction Transfer (NETT)</p> <p>(1) Outline of NETT</p> <p>Transfer of rights on shares under the System shall be made by transfer between accounts (decrease in balance in the transferor account and increase in balance in the transferee account). Therefore, when selling / transferring shares, the seller / transferor (hereinafter "Transferor, etc.") shall designate the account of the buyer / transferee (hereinafter "Transferee, etc.") and make a request for transfer to the AMI.</p> <p>With respect to the transfer related to settlement of exchange transactions, the relationship between the Transferor, etc. and the Transferee, etc. cannot be specified and requires a separate procedure. As such, a transfer other than a transfer related to settlement of exchange transactions shall be referred to as Non-Exchange Transaction Transfer (hereafter "NETT") in contrast to the transfer related to settlement of exchange transactions.</p> <p>The flow of the NETT shall be as follows.</p> <p>(i) The Transferor, etc. shall designate an account of the Transferee, etc. (hereinafter "Transferee Account") and make a request for the transfer to the AMI, with which their account (limited to the account in which shares to be transferred is recorded; hereinafter "Transferor Account") is opened.</p> <p>(ii) The AMI which has the Transferor Account (hereinafter "Transferor AMI") shall check</p>	<p>* See 3. Book-Entry Transfer related to Settlement of Exchange Transactions.</p> <p>* In cases where the Transferor, etc. is an AMI, the AMI shall make a request for transfer to YSX.</p> <p>* In cases where the Transferor AMI and the Transferee AMI is the</p>

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<p>the existence of the Transferee Account with the AMI which has the Transferee Account (hereinafter "Transferee AMI").</p> <p>(iii) The Transferor AMI shall make a request for transfer to YSX and, at the same time, give notice of the Transferee Account Information.</p> <p>(iv) YSX shall, on the day of the transfer, make a transfer (record of increase and decrease) between the Transferor Account (Self Account or Customer Account) and the Transferee Account (Self Account or Customer Account). In addition, The Transferor AMI shall make a record of decrease to the Transferor Account, and the Transferee AMI shall make a record of increase to the Transferee Account.</p>	<p>same, the AMI shall check the existence of the account internally.</p> <p>* In cases where the Transferor Account and the Transferee Account are accounts related to the Customer Account of the same AMI, the Transferor AMI is not required to make a request for the transfer to YSX.</p> <p>* In cases where either the Transferor Account or the Transferee Account is the Self Account of the AMI, the AMI is not required to make a record of increase / decrease (YSX shall make the record).</p>
<p>(2) Operations Related to NETT</p> <p>See Appendix 2. “Operational Flow for Non-Exchange Transaction Transfer (Transfers between Ordinary Accounts)”, Appendix 3. “Operational Flow for Non-Exchange Transaction Transfer (Transfers from Special Accounts to Ordinary Accounts)” and Appendix 7. “Operational Flow for Non-Exchange Transaction Transfer (Transfers related to Self-Accounts of AMIs)” for details.</p>	
<p>3. Transfer related to Settlement of Exchange Transactions</p> <p>(1) Outline of Settlement of Exchange Transactions</p> <p>Shares traded in the market operated by YSX shall be settled (delivery of sold shares and receipt of purchased shares) on the 4th business day counting from the trade day.</p>	<p>* See the "Clearing and Settlement Business Operations Manual" for the process of fund settlement, netting, transfer instruction and DB (due bill) issuance, etc.</p>

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<p>On the trade day, YSX conducts clearing (netting) and gives instructions on the transfer amounts (delivery amount and receiving amount) required for settlement to the AMIs. Based on the instruction, each delivering AMI and receiving AMI makes transfer requests between Self Accounts and Customer Accounts to YSX on the business day before the settlement day, and on the settlement day, YSX conducts transfers between Self Accounts and Customer Accounts and transfers from each delivering AMI to each receiving AMI.</p>	<p>* When the delivering AMI cannot prepare shares for settlement, the delivering AMI shall issue a DB to the receiving AMI via YSX. With such issuance, settlement is deemed to have completed. The delivering AMI who issued a DB must deliver required shares and settle the DB by the prescribed deadline.</p>
<p>The flow of the Transfer related to Settlement of Exchange Transactions shall be as follows:</p>	
<p>(i) On the business day before the settlement day, the delivering AMI shall, based on the scheduled amount to be transferred notified by YSX on the trade day, make an application for transfer from the Customer Account to the Self Account and prepare for the transfer to the Clearing Account of YSX on the settlement day.</p>	<p>* The transfer from / to the Clearing Account of YSX shall be made to / from the Self Account of the AMI.</p>
<p>(ii) On the business day before the settlement day, the receiving AMI shall, based on the scheduled amount to be transferred notified by YSX on the trade day, make an application for transfer from the Self Account to the Customer Account and prepare for the transfer from the Clearing Account of YSX on the settlement day.</p>	<p>* The transfer from / to the Clearing Account of YSX shall be made to / from the Self Account of the AMI.</p>
<p>(iii) On the settlement day, YSX shall make the transfer from the Customer Account to the Self Account of the delivering AMI based on the transfer application from the delivering AMI on the previous business day.</p>	
<p>(iv) On the settlement day at 9:30, YSX shall make the transfer from the Self Account of the delivering AMI to the Clearing Account of YSX (automatic debit).</p>	<p>* Automatic debit means the transfer from the Transferor based on the instruction from the Transferee.</p>

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<p>(v) On the settlement day at 11:30, YSX shall make the transfer from the Clearing Account of YSX to the Self Account of the receiving AMI.</p> <p>(vi) On the settlement day, YSX shall make the transfer from the Self Account to the Customer Account of the receiving AMI based on the transfer application from the receiving AMI on the previous business day.</p>	
<p>(2) Operations regarding Transfer related to Settlement of Exchange Transactions See Appendix 4. "Operational Flow for Transfer Related to Settlement of Exchange Transactions" for details.</p>	
<p>4. General Shareholders Confirmation</p> <p>(1) Outline of General Shareholders Confirmation</p> <p>Under the System which handles listed shares, transaction of shares occurs on a daily basis, while the shareholders register shall be renewed by the General Shareholders Confirmation on the day below (hereinafter referred to as the "Record Date for Shareholders" (hereinafter "RDS")).</p> <p>When the RDS is set, YSX shall notify all shareholders information (excluding those of shareholders in the Special Account) to the issuer. This is referred to as the General Shareholders Confirmation (hereinafter "GSC").</p> <ul style="list-style-type: none"> - When an issuer sets a record date in relation to the rights of shareholders of the Book-Entry Shares: Such Record Date; - When YSX discontinues the handling of Book-Entry Shares: The day prior to the day of discontinuing handling; and 	<p>* The shareholders information includes name / company name, address, NRC / registration number, account code, number of shares held, bank account information, etc. of each shareholder.</p>

Contents	Note
<p>– When an issuer requests the GSC (limited to cases for justifiable grounds): A day designated by the issuer.</p> <p>Since YSX does not have information on the details of the Customer Account of the AMI (information on each Account for Customer), such information on the details of the Customer Account need to be notified by the AMI to YSX in order for YSX to make the GSC to the issuer.</p> <p>When YSX receives the details of the Customer Account of the AMI from the AMI, YSX shall notify all the information, including the information on the Self Account of the AMI maintained by YSX, as the GSC.</p> <p>The flow for the GSC is as follows:</p> <p>(i) On the business day following the RDS, the AMI shall notify YSX of the detailed information on the Customer Account as of the end of the RDS.</p> <p>(ii) On the forth business day counting from the RDS, YSX shall issue the GSC that contains detailed information on the Customer Account notified from AMIs and information on the Self Accounts of AMIs.</p>	<p>* For co-ownership, the AMI shall report details separately.</p> <p>* By the eleventh business day counting from the RDS, YSX shall prepare the shareholders register based on the information in the GSC and information on shareholders in the Special Account, and notify the issuer of the information on the shareholders register.</p>
<p>(2) Operations related to General Shareholders Confirmation See Appendix 5. “Operational Flow for General Shareholders Confirmation” for details.</p>	

Contents	Note
<p>5. Individual Shareholders Confirmation</p> <p>(1) Outline of Individual Shareholders Confirmation</p> <p>Under the System, the shareholders register shall be updated based only on the GSC as of the RDS. Therefore, to exercise the rights as a shareholder on an occasion other than on the RDS, the shareholder is required to notify the issuer individually of the information such as the number of shares held (such notice of the individual shareholder shall be hereinafter referred to as the Individual Shareholders Confirmation "ISC").</p> <p>Via the ISC, a shareholder (excluding those of shareholders in the Special Account) exercises the rights by receiving a certification of the number of shares held, etc. from the AMI, with which the shareholder's account is opened, by making a request, and presenting the certification to the issuer. On the other hand, the AMI which received the request for the ISC shall notify such information to the issuer via YSX.</p> <p>The flow for the ISC is as follows:</p> <p>(i) A shareholder who makes a request for the ISC (excluding shareholders in the Special Account) shall make a request to the AMI, with which the shareholder's account is opened, and receive a certification of the number of shares held, etc. from the AMI.</p> <p>(ii) The AMI which received a request for the ISC shall notify the issuer via YSX of the information related to such request.</p> <p>(iii) The shareholder who made the request for the ISC shall exercise the rights by presenting the certification received from the AMI to the issuer.</p> <p>(iv) The issuer shall check the information of the ISC received from AMI via YSX and the</p>	<p>* A shareholder who intends to exercise the rights related to the shares recorded in the Special Account is required to directly make the ISC to the issuer.</p> <p>* The shareholder is required to make the request to the AMI, with which the account, in which the shares to exercise the rights are recorded, is opened.</p>

Contents	Note
content of the certification presented by the shareholder.	
<p>(2) Operations related to Individual Shareholders Confirmation See Appendix 6. “Operational Flow for Individual Shareholders Confirmation” for details.</p>	
<p>6. Stock Split, Reverse Stock Split, and Gratis Allotment of Shares (hereinafter referred to as "Stock Split, etc.")</p> <p>(1) Outline of Stock Split, etc.</p> <p>In the case of a Stock Split, etc., the number of shares recorded in accounts at YSX and AMIs will be increased / decreased by a certain ratio. In such case, fractional shares may occur depending on the ratio.</p> <p>For fractional shares, YSX shall add up all fractional shares of shareholders and record those in the integer portion of the total in the account of the issuer. The issuer shall cash the shares by selling them and distribute money obtained by such sale to the shareholders of the fractional shares.</p> <p>In the case of a Stock Split, etc., the GSC is required to be issued because the Record Date needs to be set. Therefore, fractional shares are required to be processed in tandem with the operations for the GSC.</p> <p>For shares subject to a Stock Split, etc., the Book-Entry Transfer shall be suspended on the Record Date.</p>	<p>* Primarily, the accounts subject to increase / decrease in the number of shares by a certain ratio are the Self Account of AMIs, each Account for Customer at the AMI and the Special Account (details on each shareholder). For the Customer Accounts of each AMI, the total of the integer portion of each Account for Customer shall be recorded. In cases where there is a possibility that a fraction will occur, YSX cannot confirm the amount of fractional shares for the Account for Customers at AMIs. Therefore, for recording to the Customer Account of each AMI, the reports from AMIs are necessary.</p> <p>* In the case of a stock split or reverse stock split, trading of the relevant stock shall be suspended from the day that is four (4) business days prior counting from the Record Date to the Record Date, and the Book-Entry Transfer shall be suspended on the Record Date.</p> <p>* In the case of a gratis allotment of shares, trading of the relevant stock shall be suspended on the day that is four (4) business days prior counting from the Record Date, and the Book-Entry Transfer</p>

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<p>corresponding to the total of the fractional portion of number of shares recorded in the issuer's account (limited to the integer portion) and distribute money obtained to the shareholders after completing such sales.</p>	<p>distributed in a manner equivalent to that in the case of dividend payment (see Shareholders' Agency Business Operations Procedure Manual).</p>
<p>(2) Operations related to Stock Split, etc. See Appendix XX. "Operational Flow for Stock Split, etc." (Preparing) for details. (under consideration)</p>	
<p>7. Payment of Dividends (under consideration) (1) Outline of Payment of Dividends Under the System, the GSC shall be issued on the Record Date for payment of dividends, and all the bank account information of shareholders excluding those recorded in the Special Account shall be notified to the issuer via YSX. For dividends to shareholders whose bank account information has been notified to the issuer by YSX, YSX shall make a direct bank transfer to each shareholder's bank account using the bank account information based on the entrustment of the issuer. For making the bank transfer of dividends, YSX shall receive the amount of money equivalent to the total amount of dividends from the issuer in advance and transfer dividends to each bank account of shareholders. YSX shall return dividends of shareholders for whom the bank transfer could not be made due to errors in bank account information, etc.</p>	<p>* For dividends of shares recorded in the Special Account, the shareholders shall directly request payment from the issuer (same for shareholders in the cases where the bank transfer failed).</p> <p>* The issuer is able to identify the amount of dividends to be paid via YSX from the information on the GSC.</p>
<p>(2) Operations related to the payment of dividends See "Shareholders' Agency Business Operations Procedure Manual" for details of the operations related to the payment of dividends.</p>	

Contents	Note
<p>8. Checking the Number of Shares</p> <p>(1) Outline of Checking the Number of Shares</p> <p>Under the System, rights of shareholders shall be processed by the record in the account; therefore the consistency between the total number of issued shares which the issuer recognizes and the number of shares recorded in both the accounts maintained by YSX (AMI Accounts (Self Account and Customer Account)) and Special Account) and the accounts maintained by AMIs (Accounts for Customers) is extremely important.</p> <p>In order to check the consistency, YSX and AMIs shall check the number of shares recorded in accounts that each maintains, after the Book-Entry Transfers have been completed every business day, based on the total number of issued shares which the issuer recognizes.</p>	<p>* When the result of the check does not match, the issuer, YSX and AMIs shall investigate the cause immediately with mutual cooperation and take necessary measures to correct the records in the accounts.</p>
<p>(2) Operations related to Checking the Number of Shares</p> <p>See Appendix 8. “Operational Flow for Checking Number of Shares” for details.</p>	
<p>9. Excess Records</p> <p>(1) Response by YSX to Excess Record</p> <p>When YSX finds, by checking the number of shares, etc., that the number of shares recorded in the accounts maintained by YSX exceeds the total number of issued shares, YSX shall report it to the issuer immediately, investigate the cause of the excess record with cooperation of AMIs and take necessary measures to correct the records in the accounts.</p>	<p>* In order to correct the records in the accounts, YSX may, if necessary, reduce the rights of shares recorded in the accounts.</p>
<p>(2) Response by AMI to Excess Record</p> <p>When an AMI finds that the total number of shares recorded in Accounts for Customers</p>	<p>* In order to correct the records in the accounts, YSX may, if</p>

Contents	Note
<p>maintained by the AMI exceeds the number of shares recorded in the Customer Account of the AMI, the AMI shall report it to YSX and account opening customers immediately, investigate the cause of the excess record, and take necessary measures to correct the records in the accounts.</p>	<p>necessary, reduce the rights of shares recorded in the accounts.</p>
<p>10. Discontinuing Book-Entry Handling</p> <p>In the case of delisting, the handling of the shares under the System shall be discontinued on the business day following the settlement day pertaining to the last trading day.</p> <p>For discontinuing handling under the System, the GSC which is based on the day prior to the day of discontinuing the handling under the System shall be issued to notify the issuer of the final status of shareholders under the System.</p> <p>On the day of discontinuing the handling under the System, all the records in the accounts of YSX and AMIs related to the delisted shares shall be deleted.</p>	<p>* YSX may continue to handle the Book-Entry Shares under the System even after delisting if it deems it necessary.</p>
<p>11. Certification on matters recorded in TAB</p> <p>An account opening person may request for documents, etc. that certify the record of the account to the AMI or YSX maintaining such account by indicating the following matters:</p> <ul style="list-style-type: none"> - Name / company name, NRC / registration number, date of birth / foundation, and address; - Purpose of the request; and - Account subject to the request <p>The AMI or YSX that receives the request shall verify the identity of the requester and accept the request.</p>	<p>* See Appendix 116 for Request for Certification of Matters Recorded in Transfer Account Book (for AMI).</p>
<p>12. Collateral</p>	

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<p>Collateral may be pledged on the Book-Entry Shares by making record of such as collateral pledgee information, name of the stock, number of shares, etc. in the Self Account (for Collateral) or the Account for Customer (for Collateral) of a collateral pledger (shareholder) (hereinafter "Collateral Account " in this item).</p> <p>Procedures for pledge of collateral, termination of pledge, and foreclosure of collateral are as below.</p>	
<p>(1) Pledge of Collateral</p> <p>In order to pledge the Book-Entry Shares as collateral, the collateral pledger (shareholder) shall make a request for a Book-Entry Transfer from the account for holding to the account for collateral to YSX or the AMI with which the account is opened, jointly with the pledgee.</p> <p>The pledger shall notify the pledgee information to YSX or the AMI at the time of request for the Book-Entry Transfer for pledging collateral, and submit a confirmation letter stating that the pledger and pledgee shall conduct necessary procedures together for pledge of collateral, termination of pledge, and foreclosure of collateral.</p>	<p>* A method of "jointly with the pledgee" may be one where the pledger will submit a written confirmation, etc. of the pledgee regarding pledge of collateral at the time of the request for the Book-Entry Transfer.</p> <p>* The pledgee is required to open an account.</p> <p>* See XX (Preparing) for the format of the confirmation letter.</p>
<p>(2) Termination of pledge</p> <p>For terminating a pledge of collateral, the collateral pledger (shareholder) shall make a request for a Book-Entry Transfer from the account for collateral to the account for holding to YSX or the AMI with which the account is opened, jointly with the pledgee.</p>	

Contents	Note
<p>(3) Foreclosure of collateral</p> <p>For foreclosure of collateral, the pledgee shall make a request for a Book-Entry Transfer from the account for collateral of the pledger to the account for holding, etc. of the pledgee to YSX or the AMI with which the account of the pledger is opened, jointly with the pledger.</p>	<p>* When the accounts of the pledger and pledgee were opened with different AMIs (or when those are the Customer Account and the Self Account of the same AMI), the procedures for NETT is required.</p>