

Specified Investors System under the Financial Instruments and Exchange Act

1. Specified Investors System

The Financial Instruments and Exchange Act (the "Act") classifies investors into two categories: Specified Investors and General Investors.

Specified Investors, as so-called professional investors, have sufficient expertise, experience, and risk management capabilities with respect to financial instruments. Therefore, some of the regulations under the Financial Instruments and Exchange Act are not applicable to financial instruments business operators when they sell and solicit financial instruments to specified investors.

Examples of Conduct Regulations under the Act which are Not Applicable to Specified Investors

- Regulations on advertisements, etc. (Article 37)
- Obligation to disclose conditions of transactions in advance (Article 37-2)
- Issuance of documents prior to the conclusion of a contract (Article 37-3)
- Issuance of documents at the time of conclusion of a contract (Article 37-4)
- Principle of suitability (Article 40, Item 1)
- Issuance of documents describing the best execution policy, etc. in advance (Article 40-2, Paragraph 4)
- Restrictions on offering clients' securities as collateral, etc. (Article 43-4)
- Issuance of documents pertaining to receipt of security deposits (Article 37-5)
- Prohibition of solicitation without consent (Article 38, Item 4)
- Confirmation of intention to accept solicitation (Article 38, Item 5)
- Prohibition of repeated solicitation (Article 38, Item 6)

Investor Classification under the Financial Instruments and Exchange Act

Specified Investor	<ol style="list-style-type: none"> 1. Qualified institutional investor 2. National government 3. Bank of Japan 	They cannot be converted to general investors.
	<ol style="list-style-type: none"> 4. Government-affiliated corporation/ Independent Administrative Agency 5. Specific Purpose Company 6. Listed Company 7. Stock Company with a capital of 500 million yen or more 8. Financial Instruments Business Operator / Specially Permitted Business Notifier 9. Foreign Corporation 10. Investor Protection Fund 11. Deposit Insurance Corporation of Japan 12. Agricultural and Fishery Co- operative Savings Insurance Corporation 13. Policyholders Protection Corporation 	They can be converted to general investors at their discretion.
General Investor	<ol style="list-style-type: none"> 14. Corporations other than specified investors 15. Individuals who enter into tokumei kumiai (silent partnership) agreements 16. Individuals who meet any of the requirements of each item of Article 62, Paragraph 1 of the Cabinet Order on Financial Instruments Business, etc 	They can be converted to general investors at their discretion.
	<ol style="list-style-type: none"> 17. Individuals other than 15 and 16 	They cannot be transferred to specified investors.

2. Transfer Procedure from Specified Investors to General Investors

We conduct transfer procedures upon request from our specified investors. If you would like to know about the specific procedures, please contact us at info@loadstarcapital.com.

Clients who have been transferred to general investors may return to specified investors at any time upon their request and our approval.

If you would like to return to specified investors, please contact us at the above-mentioned e-mail address.

3. Transfer from General Investors to Specified Investors

We conduct transfer procedures from general investors to specified investors when we approve requests from general investors.

In the event that clients are transferred from general investors to specified investors, in principle, clients will be treated as specified investors until the expiration date set by us, which will be within one year from the date of our approval of the transfer.

If clients would like to continue to be treated as specified investors after the expiration date, clients must apply for renewal each time the expiration date arrives (automatic renewal is not allowed under the law).

Even before the expiration date, if clients would like to return to general investors, clients may do so at any time by contacting us.