

Dear MSUSA Clients,

### Confirming Requirement for Short Sales in Japanese Securities

Effective December 16, 2008, the Japanese Financial Services Agency (FSA) has announced additional measures regarding the requirements for short sales.

An outline of the new requirement for short sales in Japanese securities is described below. In addition, brokers are required to obtain the following information, if necessary, before accepting sell orders from clients. If the specific information is not received from a client, MSUSA may be restricted from accepting any other short sale orders from a client.

#### 1) Short Sales

Brokers are required to confirm stock lending arrangements made by clients when accepting short sale orders. Therefore, we would appreciate you providing us with a full list of your stock lending providers and pledge counterparties from which you will borrow Japanese securities. Please use the "Confirmation for Short Selling" form (the "Form") to submit the information. The Form is included/located in this section. Also, please notify us if there are any additions in the future.

#### 2) Short sell exempt

Brokers are required to confirm the type of short sale exempt orders (i.e. CB hedge or index arbitrage) when accepting short sale orders from its customers. Therefore, we would appreciate it if you could provide us with a full list of possible short sale exempt orders that you might submit. Please use the "Confirmation for Short Selling" form (the "Form") to submit the information. The Form is included/located in this section. Also, please notify us if there are any additions in the future.

When accepting long sales, brokers must confirm which client custodian(s) will transfer Japanese securities. In this regard, you do not have to provide any documentation in advance because you have already designated trust banks or custodians when you established your account(s) with us. However, please notify us if you designate any **new** trust banks or custodians other than those previously provided.

Thank you very much for your understanding and cooperation.

Sales Trading  
Mizuho Securities USA Inc.

#### Disclaimer

In the current environment, short selling regulations are subject to change without notice. The above represents our best efforts to summarize the Japanese short sale rules however may not capture each and every requirement. We will do our best to update this document as the rules are clarified by the local regulators. Please be advised that you are responsible for complying with the short sale restrictions in all jurisdictions.