

Enforcement Rules for Clearing and Settlement Regulations

(as of July 16, 2019)

Tokyo Stock Exchange, Inc.

Rule 1. Purpose

These rules shall prescribe matters specified by the Exchange pursuant to the provisions of Clearing and Settlement Regulations (hereinafter referred to as the "Regulations").

Rules 2 through 5. Deleted.

Rule 6. Treatment of Deferred Settlement of Non-Clearing Participants

1. A non-clearing participant may not carry out deferment of settlement as prescribed in Rule 12 of the Regulations on a day which Japan Securities Clearing Corporation (hereinafter referred to as "JSCC") specifies as a day on which JSCC deems it necessary that unsettled securities transactions must not occur with respect to delivery of securities pertaining to transactions subject to DVP settlement as prescribed in the business rules of JSCC.
2. In cases where a non-clearing participant conducts deferment of delivery of securities pertaining to transactions other than transactions prescribed in the preceding paragraph, delivery of securities pertaining to such deferment shall be made by the fourth day counting from the day on which delivery of such securities is deferred (hereinafter referred to as the "cutoff time of delivery of securities pertaining to the deferment" in this rule); provided, however, that in cases where a day referred to in each of the following items arrives during the period from the day of deferment of delivery of such securities to the cutoff time of delivery of securities pertaining to the deferment, delivery of securities pertaining to such deferment must be completed by the day prior to a day referred to in each of such items (if the day referred to in each of such items falls on a non-business day, it shall be the day two days prior to that day), except when the designated clearing participant gives approval.
 - (1) A day which is the record date to fix the shareholders (including equity contributors, preferred equity contributors, beneficiaries, investors, and holders), etc.:
 - (2) The following four days:

- (i) The day prior to a day on which any change in the acquisition value for stock issued by a domestic corporation as specified by the issuer of the stock (including suspension of the acquisition claim period) is made (or where intermediation of the acquisition claim of stocks with the rights to claim for acquisition is suspended at Japan Securities Depository Center, Inc. (hereinafter referred to as "JASDEC") on the said day, it shall be the final day of the period during which the acquisition claim may be made on the claiming terms before the change);
 - (ii) The day prior to a day on which any change in the number of displayed shares as specified by a depository institution pertaining to foreign stock depository receipts (or the commencement day of a period in which an exchange between foreign stock depository receipts and foreign shares pertaining to the rights represented in such foreign stock depository receipts is suspended or restricted in cases where such period is set by such depository institution) (It shall be a day designated by the Exchange on a case-by-case basis if the Exchange deems it necessary to specify a day other than such day.);
 - (iii) The day prior to a day on which any change in exercise terms (including a suspension of an exercise period) as specified by the issuer of a convertible bond) is made (Where intermediation of the exercise claim is suspended at JASDEC on the said day, it shall be the final day of the period for which the exercise claim may be made on the exercise terms before the change); or
 - (iv) The day prior to a day on which any change in exchange terms (including a suspension of an exchange claim period) as specified by the issuer of an exchangeable corporate bond is made
- (3) A maturity date of the period of redemption before maturity of convertible bonds and exchangeable corporate bonds with rights to claim for redemption before maturity;
 - (4) In cases where JASDEC commissions beneficiary registration request with regard to investment trust beneficiary certificates, the date to fix such beneficiaries
 - (5) In cases where JASDEC reports on beneficiaries concerning beneficiary certificates of a beneficiary certificate issuing trust, the date to fix such beneficiaries
 - (6) The day prior to an interest payment day of interest bearing bonds (excluding government bonds as well as convertible bonds which JASDEC does not handle in its custody and book-entry transfer operations)

3. If a non-clearing participant defers delivery of government bonds pursuant to the provisions of Rule 19 of the Regulations, it must deliver such government bonds by the fourth day after the settlement day (excluding non-business days).

Rule 7. Amount of Trading Margin

The amount of trading margin as prescribed in Rule 17, Paragraph 1 of the Regulations shall be at least an amount computed by multiplying (i) the trading margin base price specified by JSCC by (ii) 10/100 (any fraction less than one yen shall be rounded up to JPY one (1)).