

Rules Regarding Trading Units of Foreign Stocks

(as of August 1, 2020)

Tokyo Stock Exchange, Inc.

Rule 1. Purpose

These Rules shall prescribe necessary matters concerning the trading units of foreign stocks pursuant to Rule 15, Item (1), Sub-item b, and Items (3) and (4) of the Business Regulations.

Rule 2. Trading Units

The trading units of foreign stocks (excluding foreign indicator-tracking securities, foreign investment trust beneficiary certificates, foreign investment securities, foreign stock depositary receipts, foreign securities trust beneficiary certificates, and beneficiary certificates of foreign beneficiary certificate issuing trusts; hereinafter the same) shall be as prescribed in accordance with the classifications of the prices converted into yen (translated the average of closing prices or quote prices at main foreign financial instruments exchanges (including organized OTC markets; hereinafter the same) during one year dating back from a day within two weeks prior to the listing application day of said stock into yen with the middle rate of the TTS and TTB in the Tokyo foreign exchange market on the listing application day; hereinafter the same) of said stocks set forth in each of the following items; provided, however, where the Exchange deems it inappropriate to use said trading units specified in each item in light of the company system, etc. in the home country of the stock issuer, the trading units shall be determined by the Exchange on a case by case basis. In this instance, where the Exchange deems it inappropriate to use the middle rate of the TTS and TTB, the Exchange shall designate a foreign exchange rate on a case by case basis. Moreover, the prices translated the average of closing prices or quote prices at main foreign financial instruments exchanges on the listing application day into yen with the middle rate of the TTS and TTB in the Tokyo foreign exchange market on the listing application day shall be an amount determined by the Exchange in light of an issue price or a secondary offering price at the time of issuing a new stock due to a general subscription of a stock (public offering) or a secondary offering conducted during the period from the listing application day to the day immediately prior to the listing day if a foreign stock has no closing price or quote price at foreign financial instruments exchanges.

- (1) In the case of less than one hundred (100) yen
Ten thousand (1,000) shares per unit
- (2) In the case of one hundred (100) yen or more, but less than five hundred (500) yen
Five hundred (500) shares per unit
- (3) In the case of five hundred (500) yen or more, but less than five thousand (5,000) yen
One hundred (100) shares per unit

- (4) In the case of five thousand (5,000) yen or more, but less than ten thousand (10,000) yen
Fifty (50) shares per unit
- (5) In the case of ten thousand (10,000) yen or more, but less than fifty thousand (50,000) yen
Ten (10) shares per unit
- (6) In the case of fifty thousand (50,000) yen or more
One (1) share per unit

2. The trading units of foreign investment trust beneficiary certificates, foreign investment securities, beneficiary certificates of a beneficiary certificate issuing trust (limited to those whose trust assets are ETNs, foreign investment trust beneficiary certificates, foreign investment securities, or beneficiary certificates of a foreign beneficiary certificate issuing trust), and beneficiary certificates of a foreign beneficiary certificate issuing trust (hereinafter referred to as "foreign investment trust beneficiary certificates, etc.") shall be as specified in each of the following items in accordance with the classification of the prices converted into yen of said foreign investment trust beneficiary certificates, etc. specified in such items; provided, however, that, if the Exchange deems it inappropriate to use said trading units in light of the legal system, etc. in the home country of the issuer of said foreign investment trust beneficiary certificates, etc., the Exchange shall designate trading units on a case by case basis.

- (1) In the case of less than 500 yen: One hundred (100) lots per unit (in the case of foreign investment securities similar to investment corporation bonds, one lot shall be equivalent to one security; hereinafter the same shall apply)
- (2) In the case of 500 yen or more, but less than 5,000 yen: Ten (10) lots per unit
- (3) In the case of 5,000 yen or more: One (1) lot per unit

Rule 3. Change in Trading Units

- 1. When a reverse stock split or stock split is made, ex-rights takes place, or merger, etc. is conducted, and the Exchange deems it necessary, the Exchange shall change the trading units based on estimated prices, etc. after said reverse stock split or stock split, after ex-rights, or after merger, etc. from the day when the Exchange deems appropriate.
- 2. In addition to the provisions of the preceding paragraph, when the Exchange deems inappropriate the price per trading unit of listed issues that are foreign stocks or foreign investment trust beneficiary certificates, etc. from a viewpoint of ensuring a smooth distribution, it may change the trading unit of the issue to that the Exchange deems appropriate from a date deemed appropriate by the Exchange.

Rule 4. Trading Units of New Stocks and Subscription Warrant Securities

Notwithstanding the provisions of Rules 2 and 3, the trading units of new shares and subscription warrant securities shall be the same as those of old stocks.

Rule 5. Provisions Applied Mutatis Mutandis

The provisions of Rule 2, Paragraph 1, Rule 3, and Rule 4 shall apply mutatis mutandis to foreign stock depositary receipts and beneficiary certificates of a beneficiary certificate issuing trust (limited to those whose trust assets are foreign stocks).