

Enforcement Rules for Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning ToSTNeT Market

(as of May 17, 2021)

Tokyo Stock Exchange Inc.

Chapter 1 General Provisions

Rule 1. Purpose

These rules shall prescribe matters specified by the Exchange pursuant to the Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning ToSTNeT Market (hereinafter referred to as the "ToSTNeT Special Regulations").

Chapter 2 ToSTNeT Transactions Pertaining to Stocks and Convertible Bonds

Rule 2. Quantity, etc. of Single-Issue Transactions

The quantity and the amount of money specified by the Exchange as prescribed in Rule 4, Paragraph 1 of the ToSTNeT Special Regulations shall be as prescribed by each of the following items:

(1) Stocks:

Quantities specified in Rule 15, Item (1) through Item (4) of Business Regulations;
and

(2) Convertible bonds:

The amount of money specified in Rule 15, Item (6) of Business Regulations.

Rule 3. Number of Issues, etc. of Basket Transactions

The number of issues specified by the Exchange as prescribed in Rule 4, Paragraph 2 of the ToSTNeT Special Regulations shall be fifteen (15), and the amount specified by the Exchange shall be one hundred (100) million yen.

Rule 4. Trading Volume Weighted Average Prices

1. The trading volume weighted average price computed by the Exchange as prescribed in Rule 4, Paragraph 3 of the ToSTNeT Special Regulations shall be a price computed by the Exchange as a price (to be rounded to the nearest ten-thousandth of a Japanese yen; provided, however, that treatment of fractional numbers pertaining to securities designated by the Exchange shall be as specified by the Exchange on a case by case basis) obtained by dividing [the total of the amounts obtained by multiplying respective contract prices by volumes traded at such contract prices] by [the total quantities of such trading volumes], with respect to all contract prices in regular transactions in trading during a trading session of securities which are subject to the closing price transactions.
2. Any fraction of less than a yen of the trading value of a closing transaction at the trading volume weighted average price in the preceding paragraph shall be rounded down.

Rule 5. Prices of Single-Issue Transactions

1. Prices specified by the Exchange as prescribed in Rule 9, Paragraph 3, Item (1) of the ToSTNeT Special Regulations shall be those specified in each of the following items:

(1) Stock:

The price shall be as specified in any of the following Sub-items a. through d.:

- a. The price shall be integral multiples of 1/10,000 of one (1) yen within the range between the price obtained by deducting the amount computed by multiplying the last contract price in regular transactions by 7/100 (If such amount is less than five (5) yen, it shall be five (5) yen; the same shall apply in this Sub-item a.) from said contract price and the price obtained by adding such contract price to the price computed by multiplying such contract price by 7/100.

In this instance, if a special quote is displayed pursuant to Rule 10 of the Rules Concerning Bids/Offers or a sequential trade quote is displayed pursuant to Rule 11 of the same rules, the last contract price shall be said special quote price or said sequential trade quote. In cases where there was no contract price (including prices of special quotes displayed pursuant to Rule 10 of the same rules) in regular transactions on the previous day (if it falls on a non-business day, it shall be moved up in order; the same shall apply hereinafter) or where the Exchange deems otherwise that it is inappropriate to employ said last contract price, the multiplied price shall be a base price for the price limits on bids and offers prescribed in Rule 4 of the Rules Concerning Price Limits On Bids and Offers until the first contract price of a regular transaction in the trading session on the day of the transaction (including prices of special quotes displayed pursuant to Rule 10 of the Rules Concerning Bids/Offers) is determined. With respect to the last contract price in regular transactions, the same shall apply hereinafter in this rule and the next rule.

Moreover, in the above case, any fraction less than a yen in the trading value shall be rounded down.

- b. In the event that a cross transaction (limited to a cross transaction in which an offer or bid entrusted by a customer is matched with a bid or offer made for own account; the same shall apply in the next sub-item c.) is for guaranteeing the trade execution according to on a trading volume weighted average price and will be executed at a price obtained by adding an amount corresponding to commissions to said trading volume weighted average price or deducting said amount from said trading volume weighted average price, the price shall be any of prices specified in the following (a) to (c) in accordance with the classification of trading hours referred to in said (a) to (c). In this case, said price shall be integral multiples of 1/10,000 of one (1) yen, and any fraction of less than one (1) yen of the trading value shall be rounded down:

(a) From 8:20 a.m. to 9:00 a.m.:

A price obtained by (i) adding an amount corresponding to commissions agreed to beforehand with a customer to, or (ii) deducting said amount from, the trading volume weighted average price on the previous day as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item d of the ToSTNeT Special Regulations;

(b) From 11:30 a.m. to 12:30 p.m.:

A price obtained by (i) adding an amount corresponding to commissions agreed to beforehand with a customer to, or (ii) deducting said amount from, the trading volume weighted average price in the morning session as prescribed in Rule 9, Paragraph 3,

- Item (3), Sub-item e of the ToSTNeT Special Regulations; and
- (c) From 3:00 p.m. to 5:30 p.m.:
A price obtained by (i) adding an amount corresponding to commissions agreed to beforehand with a customer to, or (ii) deducting said amount from, the trading volume weighted average price in the afternoon session as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item f of the ToSTNeT Special Regulations or the trading volume weighted average price on the trade day as prescribed in sub-item g of said item.
- c. In cases of a cross transaction which is agreed beforehand with a customer to be executed at either price of the following (i) or (ii), the price shall be a price specified in the following (a) or (b) in accordance with the classification of the trading hours referred to in the following (a) or (b) (including a price obtained by adding an amount corresponding to commissions agreed beforehand with a customer to or deducting said amount from):
- (i) a price obtained by dividing [the total sales proceeds of the securities which the trading participant has sold in installments by trades in a trading session in advance, targeting a trading volume weighted average price] by [the total sales volume]; or
 - (ii) a price obtained by dividing [the total purchase consideration of the securities which the trading participant has purchased in installments by trades in a trading session in advance, targeting a trading volume weighted average price] by [the total purchase volume]
- In this case, such prices shall be integral multiples of 1/10,000 of one (1) yen, and any fraction less than a yen of the trading value shall be rounded down.
- (a) From 11:30 a.m. to 12:30 p.m.:
- (i) a price obtained by dividing [the total sales proceeds of the securities which the trading participant has sold in installments in a trading session in advance, targeting the trading volume weighted average price of the morning session as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item e. of the ToSTNeT Special Regulations] by [the total sales volume]; or
 - (ii) a price obtained by dividing [the total purchase consideration of the securities which the trading participant has purchased in installments in a trading session in advance, targeting the trading volume weighted average price of the morning session as prescribed in the same sub-item] by [the total purchase volume]
- (b) From 3:00 p.m. to 5:30 p.m.:
- (i) a price obtained by dividing [the total sales proceeds of the securities which the trading participant has sold in installments by trades in a trading session in advance targeting the trading volume weighted average price of the afternoon session as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item f. of the ToSTNeT Special Regulations] by [the total sales volume]; or
 - (ii) a price obtained by dividing [the total purchase consideration of the securities which the trading participant has purchased in installments by trades in a trading session in advance, targeting the trading volume weighted average price of the morning session as prescribed in the same sub-item] by [the total purchase volume]
- d. When a cross transaction in which an offer or bid entrusted by a customer is matched by the same trading participant according to a trading volume weighted average price, the price shall be any of prices specified in the following (a) through (c) in accordance with

the classification of trading hours referred to in said (a) through (c). In this case, the said price shall be integral multiples of 1/10,000 of one (1) yen, and any fraction of less than one (1) yen of the trading value shall be rounded down:

(a) From 8:20 a.m. to 9:00 a.m.:

A trading volume weighted average price on the previous day as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item d. of the ToSTNeT Special Regulations;

(b) From 11:30 a.m. to 12:30 p.m.:

A trading volume weighted average price on the morning session as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item e. of the ToSTNeT Special Regulations; and

(c) From 3:00 p.m. to 5:30 p.m.:

A trading volume weighted average price on the afternoon session as prescribed in Rule 9, Paragraph 3, Item (3), Sub-item f. of the ToSTNeT Special Regulations or that on the day as prescribed in Sub-item g. of the same item.

(2) Convertible bonds:

The provisions of the preceding paragraph shall apply mutatis mutandis to convertible bonds. In this case, the term "The price shall be integral multiples of 1/10,000 of one (1) yen" shall be deemed to be replaced with "the price shall be integral multiples of 1/100 of 0.01 yen per face value of one hundred (100) yen".

2. Notwithstanding the provisions of the preceding paragraph, prices during the period specified in each of the following items of transactions whose settlement is carried out on the day prescribed in Rule 8, Item (1), Sub-item a. or Item (2), Sub-item a. of the ToSTNeT Special Regulations shall be specified by the Exchange on a case by case basis:

(1) A period from {(i) an ex-dividend, etc. date prescribed in Rule 25, Paragraph 1 of the Business Regulations for regular transactions, (ii) a date on which trading starts for stock after a reverse stock split prescribed in Rule 25-2 of the same regulations, (iii) a date of change in the acquisition value or (iv) a date of change in the represented number of shares prescribed in Rule 26 of the same regulations} to {the time when the first contract price in a trading session of regular transactions on or after the third day (excluding non-business days; the same shall apply hereinafter in calculation of the number of days.) counting from such date is determined}

(2) A period from {(i) a date of change in exercise conditions as prescribed in Rule 26 of the Business Regulations or (ii) a date on which a transaction is effected as an ex-rights pertaining to the rights to claim for redemption before maturity as prescribed in the provisions of Rule 26-2 of the same regulations} to {the time when the first contract price in a trading session of regular transactions on or after the fourth day (excluding non-business days; the same shall apply hereinafter in calculation of the number of days.) counting from such date (if it is specified in Rule 9, Paragraph 5 of the Business Regulations with respect to trading in interest-bearing convertible bonds, the fifth day counting from such date.) is determined}

3. Notwithstanding the provisions of Paragraph 1, prices of transactions whose settlement is carried out on the day prescribed in Rule 8, Item (1), Sub-item b. of the ToSTNeT Special Regulations for the following period shall be specified by the Exchange on a case by case basis:

A period from {(i) an ex-dividend, etc. date prescribed in Rule 25, Paragraph 1 of the Business Regulations for regular transactions, (ii) a date on which trading starts for stock

after a reverse stock split prescribed in Rule 25-2 of the same regulations, (iii) a date of change in the acquisition value or (iv) a date of changing the represented number of shares prescribed in Rule 26 of the same regulations} to {a point in time when the first contract price in a trading session of regular transactions on or after the second day counting from such date is determined}

4. Notwithstanding the provisions of Paragraph 1, prices of transactions whose settlement is carried out on the day prescribed in Rule 8, Item (1), Sub-item c. or d., or Item (2), Sub-item b. of the ToSTNeT Special Regulations for the following period shall be specified by the Exchange on a case by case basis:

A period {from 8:20 a.m. on (i) an ex-dividend, etc. date prescribed in Rule 18-2 of the same regulations, (ii) a date on which trading starts for stocks after the reverse stock split as prescribed in Rule 18-3 of the same regulations, (iii) a date of changing the acquisition value, or the represented number of shares as prescribed in Rule 18-4, (iv) a date of changing the exercise conditions as prescribed in Rule 26 of the Business Regulations, or (v) a date on which a transaction is effected as an ex-rights transaction pertaining to the rights to claim for redemption before maturity as prescribed in the provisions of Rule 26-2 of the Business Regulations} to {the time when the first contract price in a trading session of regular transactions is determined}

Rule 6. Consideration of Basket Transactions

1. Trading values pertaining to basket transactions specified by the Exchange as prescribed in Rule 9, Paragraph 3, Item (2) of the ToSTNeT Special Regulations shall be as specified in each of the following items:

(1) Stocks:

The amount shall be within the range from the following amount (A) to the following amount (B) with regard to issues for which basket transactions are effected (hereinafter referred to as the "basket component issues"):

(A) An amount obtained by deducting [an amount obtained by 5/100 of the total of amounts obtained by multiplying the immediate prior contract price of a regular transaction by a sale quantity or purchase quantity pertaining to each issue] from [said total of amounts]

(B) An amount obtained by adding [an amount obtained by multiplying said total of amounts by 5/100] to [said total of amounts]

In this case, the price of each security of the basket component issues shall be a price of integral multiples of 1/10,000 of one (1) yen per share, unit or security, and any fraction less than a yen of a trading value of each issue shall be rounded off; and

(2) Convertible bonds:

The provisions of the preceding paragraph shall apply mutatis mutandis to convertible bonds. In this case, the term "sale quantity" shall be deemed to be replaced with "1/100 of the sale face value"; the term "purchase quantity" with "1/100 of the purchase face value"; the term "a price of integral multiples of 1/10,000 of one (1) yen per share, unit or security" with "a price of integral multiples of 1/10,000 of 1/100 of one (1) yen per face value of one hundred (100) yen", respectively.

2. The provisions of Paragraphs 2 through 4 of the preceding rule shall apply mutatis mutandis to trading values pertaining to basket transactions referred to in the preceding paragraph.

Rule 6-2. Classification of Trading Strategy Pertaining to Low Latency Trading

A trade pertaining to low latency trading as prescribed in Article 9, Paragraph 5 of the ToSTNeT Special Regulations must be clearly indicated to that effect, with the classification of the trading strategy pertaining to low latency trading as specified separately by the Exchange.

Rule 7. Matters Concerning Bids and Offers

Matters which the Exchange specifies concerning bids and offers for ToSTNeT transactions pursuant to the provisions of Rule 9, Paragraph 7 of the ToSTNeT Special Regulations shall be matters specified in each of the following items:

(1) Specifying settlement dates:

When a bid or offer of a single-issue transaction or basket transaction is made, the settlement dates prescribed in Rule 8 of the ToSTNeT Special Regulations shall be specified;

(2) Validity of a bid or offer:

A bid or offer of a single-issue transaction and basket transaction shall become invalid at the time referred to below:

(A) The time at which trading hours specified in Rule 10, Paragraph 1 of the ToSTNeT Special Regulations ends

(B) In addition, a bid or offer of a closing price transaction shall become invalid at the end of trading hours as specified in each item of Paragraph 1 of Rule 11 of the ToSTNeT Special Regulations;

Provided, however, a bid or offer may be invalidated by the Exchange in cases where trading pertaining to ToSTNeT transactions is halted pursuant to the provisions of each item of Rule 19 of the ToSTNeT Special Regulations;

(3) Restriction on bids and offers:

Trading participants shall not make a bid or offer of securities referred to in the following sub-items until the initial contract price in trading in a trading session after listing is determined:

a. A newly listed security (excluding securities designated by the Exchange on a case by case-basis), out of the stocks (excluding stocks listed or continuously traded on the Exchange, any other financial instruments exchange in Japan, or a financial instruments exchange or organized OTC market in a foreign country); and

b. Newly listed convertible bonds other than those that were listed on any other financial instruments exchange in Japan immediately prior to the listing date (if a listed company carries out an absorption-type merger of another listed company or a TSE-unlisted company whose stock has been listed on any other financial instruments exchange in Japan, these shall include securities which are newly listed as convertible bonds issued by a surviving company after convertible bonds issued by the merged company are delisted from the Exchange or any other financial instruments exchange in Japan due to such merger) , out of newly listed issues of convertible bonds;

(4) Method of making a bid or offer:

A bid or offer shall be made by inputting its details through trading participant terminal equipment. In this case, if transactions are carried out at a price specified in Rule 5, Paragraph 1, Item (1), Sub-items b. through d., the trading participant shall clarify that fact, as specified by the Exchange.

Rule 8. Order of Bids or Offers for Closing Price Transactions

The order of bids or offers made simultaneously as prescribed in Rule 11, Paragraph 2, Item (2) of the ToSTNeT Special Regulations shall be an order of record in the trading systems.

Rule 9. Notification of Off-Auction Own Share Repurchase Transactions

Notification as prescribed in Rule 12, Paragraph 2 of the ToSTNeT Special Regulations shall be given immediately after the end of a trading session in a form predetermined by the Exchange.

Rule 10. Base Prices Pertaining to Off-Auction Own Share Repurchase Transactions

Base prices specified by the Exchange as prescribed in Rule 13 of the ToSTNeT Special Regulations shall be prices computed in accordance with "Table Concerning Base Price Computation", an Appendix of Rules Concerning Price Limits on Bids and Offers.

Rule 11. Sale Application for Off-Auction Own Shares Repurchase Transactions

1. Application for sale against off-auction own share repurchase transactions as prescribed in Rule 14 of the ToSTNeT Special Regulations shall be made as prescribed in each of the following items:
 - (1) Method of sale application:

Application for sale against off-auction own share repurchase transactions shall be made by notifying the Exchange of it by the method of inputting details through trading participant terminal equipment; and
 - (2) Unit of the quantity of sale application:

The unit of the quantity of sale application shall be equivalent to the trading unit of such security in a trading session.
2. The provisions of the proviso in Rule 7, Item (2) shall be applied mutatis mutandis to application for sale against off-auction own share repurchase transactions.

Rule 12. Matching Order of Off-Auction Own Shares Repurchase Transactions

The order specified by the Exchange as prescribed in Rule 15 of the ToSTNeT Special Regulations shall be as prescribed in each of the following items:

- (1) Matching order shall be as follows:
 - a. The first order:

Sale application quantity based on the entrustment of customers (excluding financial instruments firms (limited to persons who have made registration for business pertaining to acts enumerated in Article 28, Paragraph 1, Item (1) of the Act; the same shall apply hereinafter in this item.) and exchange trading authorized firms); and
 - b. The second order:

Sale application quantity of financial instruments firms and exchange trading authorized firms for their own account; and
- (2) The matching order of respective sale application quantities as prescribed in the Sub-items a. and b. of the preceding item shall be as follows. In this case, if the sale application quantity exceeds the purchase application total quantity of the same trading participant, such sale application quantity shall be the same quantity of the purchase application total quantity:
 - a. Matching shall be made in order from trading participants whose application quantity

- is larger to trading participants whose application quantity is smaller per trading participant who has made application for sale (in the order recorded in the trading systems with respect to trading participants whose application quantity is the same), giving preference to the minimum trading unit over the quantity of any other part of the sale application; and
- b. Quantities other than the minimum trading unit shall be matched pro rata to that quantity per trading participant; provided, however, that any fraction less than the minimum trading unit shall be rounded down; and
- (3) The part rounded down pursuant to the provisos of Sub-item b of the preceding item shall be matched with the minimum unit in the order from trading participants whose rounded down quantity is larger to those whose said quantity is smaller; provided, however, that trading participants whose quantity is the same shall be matched in the order recorded in the trading systems.

Rule 13. Cancellation of Transactions Pertaining to ToSTNeT Trading

1. Cancellation of transactions pertaining to ToSTNeT transactions which is carried out pursuant to the provisions of Rule 18, Paragraph 1 of the ToSTNeT Special Regulations shall be as specified in each of the following items:

- (1) If a transaction exceeding a quantity or an amount specified in the following sub-items a. to c. due to an erroneous order is effected, and settlement of said transaction is extremely difficult, the trading participant who has placed such erroneous order may apply for cancellation of said transaction in a form predetermined by the Exchange during a period from any of the following times, whichever is earlier, to the time when, as a general rule, sixty (60) minutes have lapsed:

- (i) When transactions in a trading session are halted pursuant to the provisions of Rule 29, Item (5) of Business Regulations;
- (ii) When ToSTNeT transactions are halted pursuant to the provisions of Rule 19, Item (5) of the ToSTNeT Special Regulations; or
- (iii) When said erroneous order is made public pursuant to the provisions of Rule 77-2 of Business Regulations:

- a. Domestic stocks (meaning stocks issued by domestic corporations, subscription warrant securities issued by domestic corporations, equity contribution securities, preferred equity contribution securities, investment trust beneficiary certificates, investment securities, and new investment unit subscription warrant securities; the same shall apply hereinafter):

The quantity obtained by multiplying the quantity specified in Rule 16, Item (1) by two (2) (if settlement of such transaction is deemed to be especially difficult, the quantity specified in the said item);

- b. Foreign stocks:

- (a) Foreign securities listed on multiple markets (as defined as follows)

- (i) Foreign stocks listed or continuously traded on a financial instruments exchange or an organized OTC market in a foreign country (hereinafter referred to as the "foreign financial instruments exchange, etc.");
- (ii) Foreign stocks whose rights are displayed on foreign stock depository receipts that which are listed or continuously traded on the foreign financial instruments exchange, etc.;
- (iii) Foreign stock depository receipts whose underlying foreign stocks pertaining to

the displayed rights are listed or continuously traded on a foreign financial instruments exchange, etc. and foreign stocks which are trust assets, or beneficiary certificates of a beneficiary certificate issuing trust whose foreign stock depository receipts displaying the rights pertaining to such foreign stocks are listed or continuously traded on a foreign financial instruments exchange, etc.; the same shall apply hereinafter):

The quantity specified in Rule 16, Item (2), Sub-item a; and

(b) Securities other than those in the preceding (a):

The quantity obtained by multiplying the quantity specified in Rule 16, Item (2), Sub-item b by two (2) (if settlement of such transaction is deemed to be especially difficult, the quantity specified in the said item); and

c. Convertible bonds:

The amount specified in Rule 16, Item (3); and

(2) In cases where an application in the preceding item is made, if the Exchange conducts hearings on the circumstances with a trading participant who has made such application, and deems that settlement of the transaction pertaining to such application is extremely difficult and that there is a likelihood that the market of the Exchange may be disrupted, the Exchange shall cancel the transaction.

2. In addition to the provisions of the preceding paragraph, in cases where the Exchange deems that the settlement of a transaction pertaining to a ToSTNeT transaction effected based on an erroneous order and that it is necessary to avoid disruption of the market of the Exchange, the Exchange shall cancel the ToSTNeT transaction pursuant to the provisions of Rule 18, Paragraph 1 of the ToSTNeT Special Regulations.

Rule 14. Scope of Cancellation of Transactions Pertaining to ToSTNeT Transactions

Transactions pertaining to ToSTNeT trading specified by the Exchange as prescribed by Rule 18, Paragraph 1 of the ToSTNeT Special Regulations shall be all transactions effected (limited to transactions of securities for which an erroneous order is placed) during a period from the time when the first transaction pertaining to the erroneous order is effected to the time when transactions are halted pursuant to the provisions of Rule 19, Item (5) of the ToSTNeT Special Regulations (or, in cases where transactions are not halted, to the time when such erroneous order is publicized pursuant to the provisions of Rule 77-2 of Business Regulations.).

Rule 15. Halt in Transactions

Trading halts in cases referred to in each item of Rule 19 of the ToSTNeT Special Regulations shall be implemented for a period deemed necessary by the Exchange on a case by case basis.

Rule 16. Cases Where Making Public Knowledge the Possibility of Cancellation Is Necessary

Cases where transactions pertaining to ToSTNeT trading are halted as referred to in Rule 19, Item (5) of the ToSTNeT Special Regulations shall be those cases where, as a general rule, transactions of a quantity or an amount exceeding the quantity or the amount specified in each of such items are effected due to the erroneous order in accordance with the classification of securities referred to in each of the following items:

(1) Domestic stocks and domestic commodity trust beneficiary certificates:

The quantity corresponding to 10% of the number of listed shares (meaning the number of listed subscription warrants in cases of subscription warrant securities; the number of listed equity contribution units in cases of equity contribution securities; the number of listed preferred equity contribution units in cases of preferred equity contribution securities; the number of listed beneficiary right units in cases of investment trust beneficiary certificates and domestic commodity trust beneficiary certificates; the number of listed investment units in cases of investment securities, and listed new investment unit subscription warrants in cases of new investment unit subscription warrant securities); and

(2) Foreign stocks:

a. Foreign stocks listed on multiple markets:

The quantity corresponding to 20,000 times the trading unit; and

b. Foreign stocks other than those in the preceding a:

The quantity corresponding to 10% of the number of listed shares (meaning (i) the number of listed beneficiary right units in cases of foreign investment trust beneficiary certificates, foreign securities trust beneficiary certificates, and beneficiary certificates of a foreign beneficiary certificate issuing trust; (ii) the number of listed investment units in the case of foreign investment securities (in the case of foreign investment securities similar to investment corporation bonds, it means the quantity of such foreign investment securities); and (iii) the number of listed depository receipts in the case of foreign stock depository receipts); and

(3) Convertible bonds:

A face value of two (2) billion yen.

Rule 17. Application for Approval of Transactions for Correcting Error, etc.

A trading participant who intends to receive the approval of the Exchange pursuant to the provisions of Rule 20 of the ToSTNeT Special Regulations shall make an application in a form predetermined by the Exchange.

Rule 18. Transactions for Reinstatement

1. A trading participant who intends to receive the approval of the Exchange pursuant to the provisions of Rule 21 of the ToSTNeT Special Regulations shall make an application in a form predetermined by the Exchange.
2. The Exchange shall approve of the application in the preceding paragraph if it falls under all of the following items:
 - (1) Any of the following transactions (hereinafter referred to as "sequence transactions") have been carried out during the period from the time when the first transaction pertaining to the erroneous order is effected to the time when transactions are halted pursuant to the provisions of Rule 18, Item (5) of the ToSTNeT Special Regulations (or, in cases where transactions are not halted, to the time when such erroneous order is publicized pursuant to the provisions of Rule 77-2 of Business Regulations):
 - a. [A purchase using sale proceeds after a sale pertaining to such cancelled transaction] or [a sale of such purchased security after a purchase pertaining to such cancelled transaction] which a customer who entrusted an order pertaining to such cancelled transaction has carried out by entrusting an order(s) to the same trading participant as the trading participant to whom the customer entrusted an order(s) pertaining to such cancelled transaction;

- b. A transaction for satisfaction of purchase consideration or sold security loaned through a margin transaction (limited to the satisfaction on the day which is the deadline for rescheduling the satisfaction); and
 - c. A transaction for settlement of a transaction of the underlying security which is effected due to an exercise of rights pertaining to an individual security options contract;
- (2) A sale or a purchase pertaining to the cancelled transaction shall not have been carried out under a discretionary trading agreement or for own account of a financial instruments firm (limited to firms which have registered business pertaining to acts enumerated in Article 28, Paragraph 1, Item (1) of the Act) or an exchange trading authorized firm; and
 - (3) The inability of the entrustor to settle sequence transactions due to cancellation of the transaction.
3. In accordance with the classification of securities referred to in each of the following items, the quantity of a transaction for reinstatement per customer shall be up to the quantity prescribed in each of such items; provided, however, that, if the customer makes application prescribed in Rule 27-2, Paragraph 1 of the Enforcement Rules for Business Regulations, said upper limit shall apply to the total of transactions in Rule 41-2, Paragraph 1 of Business Regulations and Rule 21, Paragraph 1 of the ToSTNeT Special Regulations,:
- (1) Stocks:

The quantity obtained (any fraction less than ten (10) shall be rounded up) by dividing [the quantity obtained by dividing 20 million yen by the base price on the day on which such transaction of the security pertaining to the cancelled transaction (if there is no base price, a price determined by the Exchange on a case by case basis; the same shall apply hereinafter in the next item)] by the trading unit of such security; and
 - (2) Convertible bonds:

The quantity obtained (any fraction less than ten (10) shall be rounded up) by multiplying {the amount obtained by dividing [the quantity obtained by dividing 20 million yen by the base price on the day on which such transaction of the security pertaining to the cancelled transaction] by [the face value of such security]}} by {100}.

Rule 19. Notification and Announcement of Total Transaction Volume, etc.

The amount specified by the Exchange as prescribed in Rule 22 of the ToSTNeT Special Regulations shall be five (5) billion yen, and the day and hour specified by the Exchange shall be 4:00 p.m. on the day following the day on which such transaction is effected.