

Tax Treatment Related to Use of the TSE Co-Location Service by Foreign Investors

Tokyo, June 11, 2010 -- The Tokyo Stock Exchange, Inc. (TSE) submitted an inquiry to the National Tax Agency (NTA, the tax authority in Japan) on the tax treatment of foreign investors' use of the TSE Co-Location Service, and received a response from NTA.

The following is an unofficial reference translation by TSE of the statement received in response from NTA:

“With regards to your (TSE) inquiry, on the basis of the facts stated in the inquiry, your view stated in the inquiry will be affirmed. That is, if a foreign investor sets up and saves computer programs and other data to be used for placing orders to buy/sell stocks, etc., and operates such programs, on the server of a Trading Participant located at TSE's Primary Site or access points pursuant to the terms of the TSE Co-Location Service, on the basis of the facts stated in the inquiry, such foreign investor will not be treated as having a permanent establishment in Japan solely by reason of such activities.”

TSE has previously made available to Trading Participants, on an individual basis, the content of the above-mentioned inquiry and NTA's response thereto. However, in response to [numerous] requests that the relevant information be made publicly available, in an effort to enhance the convenience of foreign investors, TSE will make available the content of the inquiry submitted to NTA on “Tax treatment related to the use of TSE Co-Location Service.”

Foreign investors are hereby advised to satisfy themselves as to the overall tax consequences with respect to their individual specific cases at their own responsibility.

*Due to the fact that the inquiry and reply was made in Japanese, the content is currently available only in Japanese. We are in the process of preparing an English translation.