

Carbon Credit Market Participation Terms and Conditions

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Tokyo Stock Exchange, Inc.

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Chapter 1 Market Operations

Article 1. Purpose

1. The purpose of these terms and conditions for participation in the Carbon Credit Market (hereinafter referred to as the "Terms and Conditions") is to stipulate the necessary items for trading and settlements in the Carbon Credit Market (hereinafter referred to as the "Market") established by Tokyo Stock Exchange, Inc. (TSE)
2. In addition to the items specified by TSE in the Terms and Conditions, TSE may also establish prescribe necessary details concerning its market operation in the supplementary rules for the items specified by TSE in the Terms and Conditions.

Article 2. Fair Price Formation

1. Carbon Credit Market participants (meaning Carbon Credit Market participants as described in Article 5) shall endeavor to ensure fair price formation and secure settlements on the Market, thereby improving the efficacy of carbon pricing.
2. To ensure fair price formation and smooth settlements, TSE shall monitor the status of orders, trades, and settlements of Carbon Credit Market participants in the Market in accordance with TSE's regulations.

Article 2-2. Definitions

The definitions of the terms referred to in each of the following items in the Terms and Conditions shall be as defined as follows:

- (1) A Carbon Credit shall refer to carbon dioxide equivalent quotas and other similar frameworks
- (2) Credit Registry shall refer to the electronic ledger established by the system operator to manage and record Carbon Credits
- (3) A Credit Account shall refer to an account opened by the account owner to hold Carbon Credits or to transfer them to others
- (4) A J-Credit shall refer to an amount of greenhouse gas emission reduction or removal which is certified based on rules for global warming countermeasures in Japan, which are administered by the Ministry of Economy, Trade and Industry (METI), the Ministry of the Environment, and the Ministry of Agriculture, Forestry and Fisheries, and includes credits transferred from the previous Domestic Credit and Offset Credit (J-VER; Japan's verified emissions reduction) Schemes, regional J-Credits, and those not yet transferred from the J-VER, regional J-VER, and Domestic Credit schemes.
- (5) A GX credit shall refer to an excess reduction quota stipulated in Section 3 of the GX League

(Reference Translation)

regulations specified by the GX League secretariat

- (6) A Designated Credit shall refer to a Carbon Credit referred to in the following items of the next article, designated by a Participant prescribed in Article 5 pursuant to the provisions of Article 8, Paragraph 2 or Article 12, Paragraph 2 to trade in the Market.

Article 3. Items Eligible for Trading

1. The Market will be for the trading of Carbon Credits referred to in the following items:

- (1) J-Credits
- (2) GX credits

Article 4. Trading Method

Trading will be conducted by auction.

Chapter 2 Carbon Credit Market Participants

Section 1 General Provisions

Article 5. Carbon Credit Market Participants

A Carbon Credit Market participant (hereinafter referred to as a "Participant") is a person registered with TSE as a person who is permitted to trade and settle on the Market.

Article 6. Agency

Participants may not act as agents for orders from others in the Market.

Section 2 Participant Registration

Article 7. Registration Requirements

Applicants must meet the following (1) through (6) to register as a Participant.

- (1) Being a corporation, government or local government, or voluntary organization ("*nin-i dantai*" under Japanese law)
- (2) Having a system in place to ensure stable operations
- (3) Having sound management, including having sufficient social credibility to be a TSE trading Participant and not being subject to the control or influence of any party lacking social credibility or any other party considered inappropriate in light of the objectives of TSE and its operation of the markets
- (4) Not being insolvent
- (5) Fulfill the criteria stipulated by TSE for settlements in the Market

(6) Not having representatives, directors, or important employees that fall under any of the following items:

- a. A person who does not have the appropriate recognition, judgement, or two-way communication abilities that are needed to carry out their business due to a mental disorder;
- b. A person for whom a decision of commencement of bankruptcy proceedings has been made and who has not obtained restoration of rights, or a person who is treated in the same manner under foreign laws and regulations; or
- c. A person who has been sentenced to a punishment at least as severe as imprisonment (including equivalent punishment under foreign laws and regulations), or fines under the provisions of the Commodity Derivatives Transaction Act or equivalent foreign laws and regulations (including equivalent punishment under foreign laws and regulations), where less than five years have passed since the date of completion or cancellation of said punishment.

Article 8. Application for Registration

1. Application for registration as a Participant shall be made by submitting to TSE the application form and documents prescribed by TSE.
2. An applicant who applies for registration (hereinafter referred to as an "Applicant") must designate Carbon Credits referred to in each item of Article 3 to trade in the Market.

Article 9. Payment of Registration Fee and Registration

1. The Applicant shall pay the registration fee to TSE as specified by TSE.
2. Upon the Applicant's payment of the registration fee prescribed in the preceding Paragraph and the deposit of the security money prescribed in Article 11, Paragraph 1, TSE shall register the Applicant as a Participant. However, TSE may not register the Applicant in any of the following cases:
 - (1) The Applicant does not meet the requirements listed in each item of Article 7
 - (2) The Applicant has made a false declaration with respect to any of the requirements listed in the items of Article 7
 - (3) If the Applicant submits an application form as described in the preceding Article, Paragraph 1 or documents containing false information
 - (4) If the Applicant is likely to violate the Terms and Conditions
 - (5) If the application is from a party who has violated the Terms and Conditions in the past
 - (6) In any other case where TSE deems the Applicant's participation to be inappropriate
3. In the event of a registration falling under any of the items in the preceding paragraph, TSE shall notify the Applicant to that effect.
4. TSE shall disclose the names of registered Participants.

5. If an Applicant fails to pay the registration fee prescribed in Paragraph 1 or the deposit prescribed in Article 11, Paragraph 1, the Applicant shall be deemed to have withdrawn its application for registration.

Section 3 Participant Obligations

Article 10. Payment of Fees Related to Market Participation

Participants must pay to TSE fees for market participation as stipulated by TSE.

Article 11. Deposit of Participant's Security Money

1. To ensure that Participants fulfill their obligations prescribed in the previous article TSE may require Participants to deposit the necessary participant security money as determined by TSE.
2. If deemed necessary due to market conditions, in addition to the provisions of the preceding paragraph, TSE may require Participants to deposit collateral necessary to ensure the fulfillment of settlements.

Article 12. Changes, etc. in Registration Details

1. The Participant shall notify TSE without delay of any change in its registration details (excluding Designated Credit) by stating the required items on the prescribed notification of change form.
2. The Participant may change the Designated Credit as specified by TSE. In this case, the Participant must submit an application form for alteration and an attached document to TSE as specified by TSE

Article 13. Items to Be Reported

The Participant shall immediately report to TSE the following events by stating the necessary items in the prescribed report form

- (1) If any of the requirements listed in each item of Article 7 is no longer satisfied
- (2) If a Participant falls under Item 3 or Item 4 of Paragraph 1 of Article 17, or if any event occurs that makes it difficult for the Participant to continue business
- (3) If the Participant defaults on a settlement as prescribed in the items of Article 45 ~~or 45-14~~, or if the Participant violates or is at risk of violating any other item of the Terms and Conditions.
- (4) If the Participant has been subjected to disciplinary action or punished pursuant to the provisions of laws and regulations, if a hearing or a vindication opportunity pertaining to regulatory disposition as prescribed by laws and regulations is given, or if improvement measures, etc. have been reported to an administrative agency in regard to such a disciplinary action or punishment.

Article 14. Investigation

1. If TSE deems it necessary based on trade monitoring or the operation of the Market as described in Article 2, Paragraph 2, TSE may request a Participant to submit reports or documents that provide information on trading or settlements in the Market of the Participant or its operations or assets pertaining to Carbon Credits.
2. Upon receiving a request pursuant to the preceding paragraph, a Participant shall submit reports or documents without delay.

Section 4 Cancellation of Participant Registration

Article 15. Cancellation of Participant Registration

1. When a Participant wishes to cancel its registration, it shall submit the prescribed cancellation notice to TSE by the date specified by TSE.
2. TSE shall cancel the registration of the Participant on the date specified by the Participant. However, if TSE deems the date specified by the Participant to be inappropriate, the date may be changed.
3. In the event of cancellation of registration pursuant to the preceding paragraph, TSE shall notify the relevant Participant to that effect.

Article 16. Refund of Participant's Security Money

If a Participant cancels its registration in accordance with the preceding Article or its registration is canceled in accordance with the following Article, TSE shall return the participant security money to the Participant after deducting the trading participant fees prescribed in Article 10 owed by the Participant to TSE.

Section 5 Disciplinary Actions and Sanctions against Participants

Article 17. Disciplinary Actions and Sanctions against Participants

1. In cases where a Participant falls under any of the following items, TSE may, after requesting an explanation from the Participant as necessary, suspend or restrict trading, cancel the registration (hereinafter referred to as a Trading Halt), or request improvements.
 - (1) If a Participant no longer satisfies any of the requirements listed in the items of Article 7
 - (2) If a Participant is registered by fraudulent means
 - (3) If the Participant becomes insolvent or ceases to make payments, or is the subject of a petition for bankruptcy, corporate reorganization proceedings, civil rehabilitation proceedings, or other legal liquidation proceedings, or receives such a petition, or files such a petition on its own behalf
 - (4) The Participant is expected to cease to exist due to merger, dissolution, etc.
 - (5) If the Participant defaults on a settlement as prescribed in the items of Article 45 ~~or 45-14~~
 - (6) If TSE recognizes that the Participant has violated or is likely to violate the Terms and Conditions.

- (7) If TSE deems that the Participant has acted or is likely to act in a manner that inappropriately interferes with the operation of the Market
- (8) The Participant fails to pay the set market Participant fees to TSE as prescribed in Article 10, or fails to deposit the trading participant security money or other security requested by TSE as prescribed in Article 11
- (9) If the Participant has been subjected to disciplinary action or punished pursuant to the provisions of laws and regulations, if a hearing or a vindication opportunity pertaining to regulatory disposition as prescribed by laws and regulations is given, or if improvement measures, etc. have been reported to an administrative agency in regard to such a disciplinary action or punishment.
2. When TSE implements a Trading Halt or issues an improvement order as prescribed in the preceding paragraph, TSE shall notify the Participant to that effect.
3. In the event of a Trading Halt or request for improvement as prescribed in Paragraph 1, TSE may make a public announcement to that effect.
4. The Trading Halt under Paragraph 1 shall take effect on the day when TSE issues the notice under Paragraph 2. However, if TSE has issued a notice specifying the date on which the Trading Halt under Paragraph 1 will take effect, it will take effect on the said date.
5. A Participant who has been subject to a Trading Halt pursuant to the provisions of Paragraph 1 may continue to settle only those transactions that were executed before said Trading Halt took effect. However, this shall not apply when the Trading Halt falls under Article 45, Item 4 ~~or Article 45-14,, Item 4.~~
6. If the Participant incurs costs or damages as a result of a Trading Halt or a request for improvement pursuant to Paragraph 1, TSE shall not be liable to the Participant for any damages caused thereby.

Article 18. Regulatory Actions Against Defaulting Participants

If a Participant has defaulted on a settlement as prescribed in the items of Article 45 ~~or 45-14~~ which led to the cancellation of a transaction (including those who have not fulfilled obligations of restitution set forth in Article 49, Paragraph 1), TSE will request a report on the cause of the default, its analysis, and measures taken to prevent recurrence.

Chapter 3 Trading During Trading Session

Article 19. Carbon Credit Market System

Trading sessions shall be conducted through the Carbon Credit Market System (hereinafter referred to as the "System"), which is a computer-based system established by TSE.

Article 20. Trading Hours

Trading hours for trading sessions shall be determined by TSE.

Article 21. Order Acceptance Period

The order acceptance period for the Market shall be determined by TSE.

Article 22. Non-business Days

1. The following days shall be non-business days on TSE

(1) Sundays

(2) National holidays

(3) When a national holiday falls on a Sunday, the next working day after that Sunday

(4) A day on which the preceding or following day is a national holiday

(5) Saturdays

(6) The first three days of the New Year

(7) December 31

2. TSE may establish non-regular non-business days when it deems necessary.

3. Trading sessions and any other business shall not be conducted on non-business days.

Article 23. Irregular Market Closures, Irregular Trading Halts, and Irregular Conducting of Trading Sessions

1. In the event of a System failure or the Credit Registry, TSE may temporarily close the Market or suspend all or part of the trading of Carbon Credits.

2. In addition to the preceding paragraph, TSE may, when it deems necessary, hold a non-regular market closures or temporarily suspend all or part of the trading or conduct an additional temporary trading session.

3. During non-regular market closures, trading sessions and all other operations related to the Market shall not be conducted.

Article 24. Notice of Non-regular Non-business Days, etc. and Exemption from Liability

1. When TSE has set a non-regular non-business day as prescribed in Article 22, Paragraph 2, or non-regular market closure or Trading Halt as prescribed in the preceding article, or conducts a non-regular trading session as set forth in the preceding article, TSE shall notify Participants of such an event in advance.

2. TSE shall not be liable to any Participant for any costs or damages incurred by the Participant as a result of a non-business day as prescribed in Article 22, Paragraph 2 or extraordinary non-business days, a temporary Trading Halt, or the conducting of a temporary trading session as set forth in the

preceding articles.

Article 24-2. Auction Trading Days for GX Credits

Auction trading for GX credits shall be conducted on days as prescribed by TSE, other than non-business days, non-regular non-business days, and non-regular market closures.

Article 25. Settlement Dates for Transactions

Settlement of an executed transaction on the Market shall be ~~as prescribed in each of the following items in accordance with the relevant classification of trading referred to in said items:~~ conducted on the sixth trading day (excluding non-business days, non-regular non-business days, and non-regular market closures. The same shall apply to the calculation of the number of days below) counting from the trading day on which the trade is executed.

~~(1) J-Credit~~

~~The sixth trading day (excluding non-business days, non-regular non-business days, and non-regular market closures. The same shall apply to the calculation of the number of days below) counting from the trading day on which the trade is executed.~~

~~(2) GX credit~~

~~The tenth day counting from the trading day on which the trade is executed~~

Article 26. Auction Trading

1. Trading through trading sessions shall be conducted through auction.
2. The order of priority for bids and offers in auctions shall be as follows
 - (1) A lower offer shall have precedence over higher offers, and a higher bid shall have precedence over lower bids.
 - (2) Where two or more bids or offers are made at the same price, precedence shall be determined in the order of the time at which such bids or offers were made: i.e., an earlier bid or offer shall have precedence over later bids or offers. In such cases, if the conditions of a. or b. below apply, the following provisions shall apply.
 - a. If an amendment reduces the volume of an order, time precedence will be based on the pre-amendment order.
 - b. If an amendment changes the price and the volume of an order, time precedence will be based on the post-amendment order.

Article 27. Trading Categories

1. TSE shall establish standardized trading categories based on the properties and other conditions of Carbon Credits on the Market, taking into consideration price formation and supply and demand

(Reference Translation)

for Carbon Credits.

2. The trading categories referred to in the preceding paragraph shall be set by TSE.

Article 28. Execution by *Itayose* Method

1. For each of the trading sections referred to in the preceding article, when the total volume of bids and offers listed in the following items converge at a particular price through competition among offers, competition among bids, or competitive matching of bids and offers, TSE shall set the execution price, and trades shall be effected between corresponding bids and offers in accordance with the precedence of bids and offers as prescribed in Article 26, Paragraph 2.

(1) The total volume of all offers lower than the matching price and the total volume of all bids higher than the matching price.

(2) For bids and offers at the matching price, the total volume of all bids or all offers.

2. In the cases prescribed in the preceding paragraph, when there are two or more prices at which the total volume of offers and the total volume of bids match, the execution price shall be the base price determined by TSE (hereinafter in this paragraph referred to as the "base price"). If there is no price identical to the base price, the price closest to the base price shall be used. However, if TSE deems it inappropriate to use the base price, the price shall be determined by TSE on a case-by-case basis.

Article 29. Bids and Offers

1. A Participant shall make a bid or offer when it intends to conduct auction trading. Participants shall make clear the following matters to TSE when making bids or offers:

(1) Category of trading

(2) Whether the order is a sale or a purchase

(3) If a sale pertaining to J-Credits, the credit certification number of the J-Credits to be transferred if said sale is executed (the number assigned to each project at the time of J-Credits certification; the same shall apply hereinafter.)

(4) Order quantity

(5) Order price

2. Only orders at specified prices will be accepted

3. In addition to any provisions hereunder, TSE may determine further necessary matters relating to bids and/or offers.

Article 30. Tick Sizes and Trading Units

The tick sizes and trading units in the Market shall be determined by TSE.

Article 31. Price Limits on Bids and Offers

Orders which exceed the price limits on bids and offers will not be placed.

Article 32. Regulatory measures for trading, etc.

1. TSE may, when deemed necessary for ensuring stability in the operation of the market, take regulatory actions regarding transactions or settlements that TSE deems appropriate such as the following.
 - (1) Restrictions on the total selling quantity or total buying quantity
 - (2) Restrictions on the quantity or value per order
 - (3) Restrictions on the number of orders able to be placed by one Participant or by all Participants
 - (4) Restrictions on the designation of credit certification numbers or on the transfer of credit in settlement
 - (5) Postponement or bringing forward of the settlement date or settlement time
2. If a Participant incurs costs or damages as a result of the regulatory actions described in the preceding paragraph, TSE shall not be liable to the Participant for any damages caused thereby.

Article 32-2. Market Maker Scheme

1. TSE will establish a market maker scheme for Carbon Credits (hereinafter referred to as the "Market Maker Scheme").
2. TSE will implement the Market Maker Scheme with the following points in mind:
 - (1) Contribution to fair price formation of Carbon Credits through market transactions
 - (2) Smooth circulation of Carbon Credits in the Market
3. In addition to comply with the provisions of Article 2, market makers for Carbon Credits will endeavor to ensure that the price formation of Carbon Credits on the Market more closely reflects actual conditions while ensuring the smooth circulation of Carbon Credits on the Market.
4. TSE will decide whether to designate a participant as a market maker for Carbon Credits after reviewing its application for the designation, as specified by TSE.
5. Market makers for Carbon Credits designated pursuant to the provision of the preceding paragraph will make continuous quoting of bids and offers.
6. TSE may suspend or cancel the designation described in Paragraph 4 as specified by TSE.
7. TSE will announce the market maker designation for Carbon Credits, or suspension or cancellation of such designation.
8. In addition to the provisions of the preceding paragraphs, other necessary matters concerning the Market Maker Scheme shall be specified by TSE.

Chapter 4 Settlement

~~Section 1 Settlement Pertaining to J-Credit~~

Article 33. Settlement Method

For settlement of trades ~~pertaining to J-Credit~~ executed on the Market, the following shall be conducted in the manner prescribed by TSE in accordance with the provisions of this ~~section~~chapter separately for each execution determined through the method specified in Article 28

- a. the transfer of ~~J-Carbon~~ Credits that are in the same trading category prescribed in Article 27 and equivalent to the quantity of the relevant executed trade
- b. delivery/receipt of the amount of money equivalent to the trading value of said executed trade (that is, the amount equivalent to the total of trading value and related consumption tax (including local consumption tax; the same shall apply hereinafter. This amount is calculated using the execution price multiplied by the executed quantity as a tax calculation base; any amount less than JPY 1 shall be rounded down)).

Article 34. Qualified Invoices

TSE will conduct the administrative work related to the qualified Invoice (meaning a qualified invoice as defined in the Consumption Tax Law (Shōhizeiō, Law No. 108, 1988)~~;~~ the same shall apply hereinafter) for the settlement of the trading contracts ~~pertaining to J-Credits~~ executed in the Market in accordance with the special provisions for intermediary delivery (meaning a special exception for the delivery of qualified invoices by an intermediary as stipulated in Article 70-12 of the Enforcement Order of the Consumption Tax Law (Cabinet Order No. 360 of 1988)~~;~~ the same shall apply hereinafter).

Article 35. Notification for Settlement Units

After a trading contract ~~pertaining to J-Credits~~ is executed, TSE shall notify the Participants involved in the trade of ~~the quantity of J-Credits, credit certification number, trading value, etc. matters specified in each of the following items in accordance with the classification of matters referred to in said items~~ for each settlement unit prescribed in Article 33 (hereinafter “settlement unit” in this ~~section~~chapter) through the System.

(1) J-Credits

The quantity of Carbon Credits, trading value, credit certification number, and other information related to these matters

(2) GX credits

The quantity of Carbon Credits, trading value, and other information related to these matters

Article 36. Notice of Error in Credit Certification Numbers, etc. [for J-Credits](#)

1. A selling Participant shall check the notification prescribed in the preceding Article against the J-credits it holds (including those held and transferable by the date and time stipulated in Article 39, Paragraph 1), and if there is an error in credit certification number designated pursuant to Article 29, Paragraph 1, Item 3, or if the quantity of notified J-Credits specified in the preceding Article cannot be transferred, it shall immediately report this fact and the following matters to TSE in accordance with TSE's regulations
 - (1) If said Participant holds separate J-Credits of at least the same volume as the relevant executed trade and relating to a different credit certification number in the same trading category, and wishes to settle said trade with these credits, this fact and the credit certification number of the new credits
 - (2) If said Participant does not hold separate J-Credits of at least the same volume as the relevant executed trade and relating to a different credit certification number in the same trading category, or does hold these but does not wish to settle said trade with them, that they will not be able to transfer ~~all or some of the J-Credits~~ [for Delivery pertaining to said executed trade](#).
2. If a selling Participant reports the information in (1) above, the relevant executed trade shall be settled using the J-Credits related to the new credit certification number.

Article 36-2. Notice that Transfer of GX Credits will not be Possible

[A selling Participant shall check the notification prescribed in Article 35 against the GX credits it holds \(including those held and transferable by the date and time stipulated in Article 39, Paragraph 1\), and if the quantity of GX credits notified pursuant to Article 35 cannot be transferred, it shall immediately report this fact to TSE, as prescribed by TSE.](#)

Article 37. Amounts to Be Transferred in Settlements

1. The amount to be transferred for a funds settlement pertaining to [J-Carbon](#) Credits [traded](#) by a Participant shall be in accordance with the following categories, as specified in each of the following items
 - (1) Funds for Delivery

The total amount of trading value for [J-Carbon](#) Credit purchases on a single day for each [buying](#) Participant (in the case where [TSE approves the designation of multiple bank accounts or credit accounts in the name of a market Participant based on an application from said Participant, each bank account or credit account in the name of said buying Participant](#) ~~a Participant has multiple bank accounts, each such account shall be considered as a single Participant~~ [hereinafter in the next article](#)).
 - (2) Funds for Receipt

The total amount of trading value for J-Carbon Credit sales on a single day for each selling Participant (in the case where TSE approves the designation of multiple bank accounts or credit accounts in the name of a market Participant based on an application from said Participant, each bank account or credit account in the name of said selling Participant. The same shall apply in the next article)-

2. For the payment and receipt specified in the items of the preceding paragraph, funds for payment and for receipt for the same Participant will not be offset.

Article 38. J-Carbon Credits to be Transferred in Settlements

1. The J-Carbon Credits to be transferred by a Participant in settlement of J-Carbon Credits shall be in accordance with the following categories, as specified in each of the following items

(1) Credits for Delivery

Of the Carbon Credits which have been executed in a single day, for J-Credits, Tthe total amount of J-Credits for each selling Participant and credit certification number as specified in Article 29, Paragraph 1, Item 3, and for GX credits, the total amount for each selling Participant of the J-Credits which have been executed in a single day.

(2) Credits for Receipt

Of the Carbon Credits which have been executed in a single day, for J-Credits, Tthe total amount of J-Credits for each buying Participant and credit certification number as specified in Article 29, Paragraph 1, Item 3, and for GX credits, the total amount for each buying Participant executed in a single day.

2. With respect to credits for delivery and receipt specified in each item of the preceding Paragraph, there will be no netting for Carbon Credits if the same Participant sells and purchases J-Credits which have the same certification number or sells and purchases GX credits, there will be no netting with respect to credits for delivery and receipt specified in each item of the preceding Paragraph.

Article 39. Pre-transfer of J-Carbon Credits from Selling Participant to TSE

1. A selling Participant shall transfer credits for delivery to TSE from its account in the name of said selling Participant to a credit account in the name of TSE in the Credit Registry by 11:00 a.m. of the trading day preceding the settlement date.

2. For transfers to TSE's credit account as specified in the preceding paragraph, transfers pertaining to GX credits shall be made by TSE on behalf of the selling Participant in the Credit Registry pertaining to GX credits. If said transfer is not completed through the transfer application, the selling Participant shall apply for the transfer to TSE's credit account.

23. TSE shall hold the transferred J-Carbon Credits as prescribed in the preceding item Paragraph 1 on

behalf of the selling Participant until the buying Participant pays the funds for delivery as prescribed in the following article.

Article 40. Payment of Funds for Delivery by a Buying Participant

1. A buying Participant shall pay Funds for Delivery ~~pertaining to J-Credits~~ to TSE on the settlement date, and no later than 11:00 a.m., by depositing them into a bank account in the name of TSE (hereinafter referred to as "TSE's Fund Account") at a financial institution designated by TSE (hereinafter referred to as "Fund Settlement Bank") by 11:00 a.m. on the settlement date. However, if TSE approves, the funds may be transferred from a deposit or savings account approved by TSE.
2. If the funds are transferred to TSE's Fund Account prior to the settlement date, TSE will return them to the buying Participant.
3. TSE shall receive the funds transferred in accordance with item 1 for the benefit of the selling Participant. Upon receipt of such Funds for Delivery by TSE, the selling Participant shall be deemed to have received the Funds for Delivery from the buying Participant and may not thereafter claim Funds for Delivery from the buying Participant.
4. When TSE confirms that the Funds for Delivery have been transferred to TSE's Fund Account, TSE shall notify the Participants involved in the trading contract to that effect through the System.

Article 41. Hold and Transfer of ~~J-Carbon~~ Credits by TSE

From the point that TSE receives Funds for Delivery as described in the preceding article (only when the full amount has been transferred) ~~J-Carbon~~ Credits linked to the settlement units covered by said Funds for Delivery which are held by TSE on behalf of a selling Participant as indicated in Article 39, Paragraph ~~23~~ shall then be deemed to be held on behalf of the Participant who bought said settlement units.

Article 42. Payment of Funds for Receipt to Selling Participant

1. Starting at 11:00 a.m. on the settlement date, for settlement of executed trades for which TSE has confirmed payment of Funds for Delivery as indicated in Article 40, Paragraph 4, TSE shall transfer the Funds for Receipt to the bank account in the name of the selling Participant.
2. Notwithstanding the provisions of the preceding item, TSE may transfer the Funds for Receipt on or after the day following the settlement date, depending on the conditions of the settlement and other factors. In such a case, TSE shall notify the selling Participant to whom the Funds for Receipt will be transferred to that effect.

Article 43. Transfer of ~~J-Carbon~~ Credits to Buying Participants

1. After confirming payment of Funds for Delivery, starting at 11:00 a.m. on the settlement date, TSE

shall transfer the Credits for Receipt transferred pursuant to Article 39, Paragraph 1 to the credit account in the name of the buying Participant on the same day.

2. Depending on settlement conditions and other factors, TSE may conduct the transfer described in the preceding item by a different unit from the settlement unit.
3. Notwithstanding the provisions of the item 1, TSE may transfer Credits for Receipt on or after the day following the settlement date, depending on the conditions of the settlement and other factors. In such a case, TSE shall notify the buying Participant to whom the Credits for Receipt will be transferred to that effect.

Article 44. Deferral of Settlement Date ~~in the Event of System Failure, etc.~~

1. In the event that the operation of a system installed by TSE or an organization other than TSE, which is necessary for the settlement of transactions ~~pertaining to J-Credits~~, is disrupted, or for any other unavoidable reason, TSE deems it ~~impossible or~~ difficult to settle transactions using those systems or deems it inappropriate to perform settlement based on an execution due to reasons such as the need to confirm whether the Carbon Credits transferred in the settlement of the execution fall under the circumstances prescribed in Article 45-2, Paragraph 1, TSE may defer the settlement date for all or part of the settlement to the day following the settlement date or later. In such cases, TSE shall notify the Participant to that effect in advance.
2. Necessary matters concerning the deferral of the settlement date as prescribed in the preceding item shall be determined by TSE on a case-by-case basis.

Article 45. Cancellation of a Trade due to Default on Settlement, etc.

In the event that a market Participant fails to settle a trade execution ~~pertaining to J-Credits~~, or falls under any of the following cases where it is difficult to execute such settlement, the execution will be cancelled, no further procedures pertaining to settlement will be conducted, and settlements that have taken place will be reversed.

- (1) When a report as prescribed in Article 36, Paragraph 1, Item 2 or Article 36-2 has been made
 - a. TSE shall cancel the execution for the relevant Credits for Delivery.
 - b TSE shall notify the buying Participant of such cancellation promptly after the cancellation described in the preceding a. and no later than 4:00 p.m. two days prior to the settlement date.
- (2) When a selling Participant fails to transfer all ~~or part~~ of the Credits for Delivery prescribed in Article 38, Paragraph 1.
 - a. If the Credits for Delivery have not been transferred in full, TSE shall cancel the execution related to those credits.
 - b. ~~If the Credits for Delivery have been only partially transferred, settlements pertaining to the credit certification number of the credits that were only partially transferred will be carried out~~

~~in ascending order from the one with the fewest J-Credits (or by lottery if the numbers are equal), the execution of settlement units not covered by the amount of credits received by TSE will be cancelled.~~

~~c.~~ If a settlement is cancelled as prescribed in the preceding a. ~~or the preceding b.~~, TSE shall promptly notify the buying Participant of the cancellation after the cancellation.

~~d.~~ If TSE holds a portion of the J-Carbon Credits of the settlement unit for the cancelled execution, TSE shall return the J-Carbon Credits to the selling Participant.

(3) When a buying Participant fails to pay the Funds for Delivery prescribed in Article 40, Paragraph 1

a. TSE shall cancel all executions in which such Participant is the buying Participant.

b. TSE shall promptly notify the selling Participant of such cancellation after the cancellation described in a., and return the J-Carbon Credits pertaining to such cancellation that have been transferred by TSE pursuant to Article 39, Paragraph 1.

c. If the buying Participant has already transferred a portion of the Funds for Delivery to TSE's fund account, TSE shall return the funds to the buying Participant.

(4) If a Participant has been subject to a Trading Halt pursuant to Article 17, Paragraph 1, and TSE deems that it is difficult for the Participant to settle trades that were executed before the Trading Halt came into effect

a. TSE shall cancel all executions to which the Participant is a party.

b. TSE shall promptly notify the counterparty of a cancellation as prescribed in a. after the cancellation.

c. Before the cancellation is finalized, the J-Carbon Credits pertaining to said cancellation that were transferred to TSE as indicated in Article 39, Paragraph 1 shall be returned to the selling Participant

Section 2 Settlement of GX Credits

Article 45-2. Settlement Method~~Cancellation of Defective Executions~~

~~For settlement of trades pertaining to GX credits executed on the Market, the following shall be conducted in the manner prescribed by TSE in accordance with the provisions of this section separately for each execution determined through the method specified in Article 28~~

~~a. The transfer equivalent to the quantity of the relevant executed trade~~

~~b. Delivery/receipt of the amount of money equivalent to the trading value of said executed trade~~

1. Regarding Carbon Credits to be transferred in the settlement of an execution, if a trade has been executed with an error in the classification of the trade under Article 27, or if a Carbon Credit pertaining to the execution contains a material defect, and TSE determines that it is inappropriate to proceed with settlement based on said execution, TSE may cancel the execution.

2. When TSE intends to cancel an execution pursuant to the preceding paragraph, it shall notify in

advance the selling and buying Participants involved in said execution.

~~Article 45-3. Qualified Invoices~~

~~TSE will conduct the administrative work related to the qualified invoice for the settlement of trading contracts pertaining to GX credits executed in the Market in accordance with the special provisions for intermediary delivery.~~

~~Article 45-4. Notification for Settlement Units~~

~~After a trading contract pertaining to GX credits is executed, TSE shall notify the Participants involved in the trade via the System of the quantity of GX credits, trading value, etc., for each settlement unit prescribed in Article 45-2 (hereinafter "settlement unit" in this section).~~

~~Article 45-5. A Report that Transfer of GX Credits will not be Possible~~

~~A selling Participant shall check the notification prescribed in the preceding Article against the GX credits it holds (including those held and transferable by the date and time stipulated in Article 45-8, Paragraph 1), and if the quantity of GX credits specified in the preceding Article cannot be transferred, it shall immediately report this fact to TSE in accordance with TSE's regulations.~~

~~Article 45-6. Amounts to Be Transferred in Settlements~~

- ~~1. The amount to be transferred for a funds settlement pertaining to GX credits by a Participant shall be in accordance with the following categories, as specified in each of the following items.~~
 - ~~a. Funds for Delivery~~

~~The total amount of trading value for GX credit purchases on a single day for each Participant.~~
 - ~~b. Funds for Receipt~~

~~The total amount of trading value for GX credit sales on a single day for each Participant.~~
- ~~2. For the payment and receipt specified in the items of the preceding Paragraph, funds for payment and for receipt for the same Participant will not be offset.~~

~~Article 45-7. GX Credits to be Transferred in Settlements~~

- ~~1. The amount to be transferred for a GX credit settlement by a Participant shall be in accordance with the following categories, as specified in each of the following items~~
 - ~~(1) Credits for Delivery~~

~~The total amount of GX credits sold by each selling Participant that are executed in a single day~~
 - ~~(2) Credits for Receipt~~

~~The total amount of GX credits bought by each buying Participant that are executed in a single day~~

~~Article 45-8. Pre-transfer of GX Credits from Selling Participant to TSE~~

- ~~1. A selling Participant shall transfer credits for delivery pertaining to settlement of execution for GX credits to TSE from a credit account in the name of said selling Participant to that in the name of TSE by 11:00 a.m. on the seventh day counting from the trading day on which the trading is executed.~~
- ~~2. TSE shall hold the transferred GX credits as prescribed in the preceding Paragraph on behalf of the selling Participant until the buying Participant pays the funds for delivery as prescribed in the following article.~~
- ~~3. In order to transfer credits as indicated in Paragraph 1, a selling Participant shall apply to the GX League secretariat for transfer of Credits for Delivery pertaining to settlement of execution on the fifth day counting from the trading day on which the trade is executed no later than 11:00 a.m.~~

~~Article 45-9. Payment of Funds for Delivery by a Buying Participant~~

- ~~1. A buying Participant shall pay Funds for Delivery pertaining to settlement of execution pertaining to GX credits on the eighth day counting from the trading day on which the trade is executed no later than 11:00 a.m., by transferring them from a deposit or savings account in the name of said buying Participant into TSE's Fund Account. However, if TSE approves, the funds may be transferred from a deposit or savings account approved by TSE.~~
- ~~2. If the funds are transferred to TSE's Fund Account prior to the eighth day counting from the trading day on which the trade is, TSE will not treat them as Funds for Delivery pertaining to settlement of execution but return them to the buying Participant.~~
- ~~3. TSE shall receive the funds transferred in accordance with Paragraph 1 for the benefit of the selling Participant. Upon receipt of such Funds for Delivery by TSE, the selling Participant shall be deemed to have received the Funds for Delivery from the buying Participant and may not thereafter claim Funds for Delivery from the buying Participant.~~
- ~~4. When TSE confirms that the Funds for Delivery have been transferred to TSE's Fund Account, TSE shall notify the Participants involved in the trading contract to that effect through the System.~~

~~Article 45-10. Hold and Transfer of GX Credits by TSE~~

~~From the time that TSE receives Funds for Delivery as described in the preceding Article (only when the full amount has been transferred) GX credits linked to the settlement units covered by said Funds for Delivery held by TSE on behalf of the selling Participant as indicated in Article 45-8, Paragraph 2 shall then be deemed to be held on behalf of the Participant who bought said settlement units.~~

~~Article 45-11. Payment of Funds for Receipt to Selling Participant~~

- ~~1. Starting at 11:00 a.m. on the settlement date, for settlement of executed trades for which TSE has confirmed payment of Funds for Delivery as indicated in Article 45-9, Paragraph 4, TSE~~

shall transfer the Funds for Receipt into a deposit or savings account in the name of the selling Participant.

2. Notwithstanding the provisions of the preceding Item, TSE may transfer the Funds for Receipt on or after the day following the settlement date, depending on the conditions of the settlement and other factors. In such cases, TSE shall notify the selling Participant to whom the Funds for Receipt will be transferred to that effect.

Article 45-12. Transfer of GX Credits to Buying Participants

1. After confirming payment of Funds for Delivery, TSE shall transfer the Credits for Receipt that have been transferred pursuant to Article 45-8, Paragraph 1 to the credit account in the name of buying Participant by 11:00 a.m. on the settlement date.
2. Depending on settlement conditions and other factors, TSE may conduct the transfer described in the preceding Item by a unit different from the settlement unit.
3. Notwithstanding the provisions of the item 1, TSE may transfer Credits for Receipt on or after the day following the settlement date, depending on the conditions of the settlement and other factors. In such cases, TSE shall notify the buying Participant to whom the Credits for Receipt will be transferred to that effect.
4. In order to transfer credits as indicated in Paragraph 1, after confirming payment has been received on the eighth day counting from the trading day on which the trade is executed, TSE shall apply to the GX League secretariat for transfer of Credits for Receipt pertaining to settlement of said execution.

Article 45-13. Deferral of Settlement Date in the Event of System Failure, etc

1. In the event that the operation of a system installed by TSE or an organization other than TSE, which is necessary for the settlement of transactions pertaining to GX credits, is disrupted, or for any other unavoidable reason TSE deems it impossible or difficult to settle transactions using those systems, TSE may defer the settlement date for all or part of the settlement to the day following the settlement date or later. In such cases, TSE shall notify the Participant to that effect in advance.
2. Necessary matters concerning the deferral of the settlement date as prescribed in the preceding Item shall be determined by TSE on a case-by-case basis.

Article 45-14. Cancellation of a Trade due to Default on Settlement, etc.

In the event that a market Participant fails to settle a trade execution pertaining to GX credits, or falls under any of the following cases where it is difficult to execute such settlement, the execution will be cancelled, no further procedures pertaining to settlement will be conducted,

~~and settlements that have taken place will be reversed.~~

~~(1) When a report as prescribed in Article 45-5 has been made~~

~~a. TSE shall cancel the execution for the relevant Credits for Delivery.~~

~~b. TSE shall notify the buying Participant of such cancellation promptly after the cancellation described in the preceding a. and no later than 4:00 p.m. on the sixth day counting from the day on which the trade is executed.~~

~~(2) When a selling Participant fails to transfer all or part of the Credits for Delivery prescribed in Article 45-7, Paragraph 1, Item 1.~~

~~a. If the Credits for Delivery have not been transferred in full, TSE shall cancel the execution related to those credits.~~

~~b. If the Credits for Delivery have been only partially transferred, settlements pertaining to said Credits for Delivery that were only partially transferred will be carried out in ascending order from the one with the fewest GX credits (or by lottery if the numbers are equal), the execution of settlement units not covered by the amount of credits received by TSE will be cancelled.~~

~~c. If a settlement is cancelled as prescribed in a. or the preceding b., TSE shall promptly notify the buying Participant of the cancellation after the cancellation.~~

~~d. If TSE holds a portion of the GX credits of the settlement unit for the cancelled execution, TSE shall return the GX credits to the selling Participant.~~

~~(3) When a buying Participant fails to pay the Funds for Delivery prescribed in Article 45-9, Paragraph 1~~

~~a. TSE shall cancel all executions in which such Participant is the buying Participant.~~

~~b. TSE shall promptly notify the selling Participant of such cancellation after the cancellation described in the preceding a., and return the GX credits pertaining to such cancellation that have been transferred by TSE pursuant to Article 45-8, Paragraph 1.~~

~~c. If the buying Participant has already transferred a portion of the Funds for Delivery to TSE's Fund Account, TSE shall return the funds to the buying Participant.~~

~~(4) If a Participant has been subject to a Trading Halt pursuant to Article 17, Paragraph 1, and TSE deems that it is difficult for the Participant to settle trades that were executed before the Trading Halt came into effect~~

~~a. TSE shall cancel all executions to which the Participant is a party.~~

~~b. TSE shall promptly notify the counterparty of a cancellation as prescribed in the preceding a. after the cancellation.~~

~~c. Before the cancellation is finalized, the GX credits pertaining to said cancellation that were transferred to TSE on the trading day prior to the settlement date as indicated in Article 45-8, Paragraph 1 shall be returned to the selling Participant.~~

~~Section 3 Miscellaneous Provisions Concerning Settlement~~

Article 46. Cancellation of Execution Due to Natural Disasters and Other Unavoidable Circumstances

1. When TSE deems it difficult to execute a settlement due to a natural disaster or other unavoidable circumstances, TSE may cancel all or part of the trade.
2. When TSE intends to cancel an execution pursuant to the preceding paragraph, it shall notify in advance the selling and buying Participants involved in said execution.

Article 47. Result of a Cancellation of an Execution

If TSE cancels an execution pursuant to the provisions of ~~Article 45 or~~ the preceding ~~two~~three articles, the trade shall be deemed to have never been executed in the first place.

Article 48. Disclaimer Regarding Settlement of Transactions

1. TSE shall not be liable for any costs or damages incurred by a Participant as a result of a transfer of funds or Carbon Credits executed by TSE after the settlement date due to the provisions of Article 42, Paragraph 2 or Article 43, Paragraph 3, ~~45-11, Paragraph 2, or 45-12, Paragraph 3~~ or for any other reason.
2. If there is an error in the fund or credit account designated by a Participant, any transfer of funds or Carbon Credits made by TSE based on such account information shall be deemed to have been validly made.
3. TSE shall not be liable for any costs or damages incurred by a Participant in the event that the settlement date is deferred pursuant to Article 44 ~~or 45-13~~, unless such costs or damage are caused by TSE's willful intent or gross negligence.
4. If a Participant suffers damages as a result of TSE cancelling an execution, the Participant may not claim compensation from TSE or the Participant who caused the cancellation of the execution pursuant to Articles 45 through, ~~45-14, or~~ 46.
5. If a Participant suffers damages due to modification or amendment of the rights by the system operator of the Carbon Credits after the Carbon Credits traded on the Market, the Participant may not claim compensation from TSE or the counterparty to the execution for Carbon Credits traded on the market.

Article 49. Obligation to Return Carbon Credits Transferred or Funds Received due to an Error, etc.

1. If TSE informs a Participant that Carbon Credits have been transferred or funds have been received due to an error by TSE in the Credit Registry in the settlement of an execution in the Market, the Participant shall promptly return those Carbon Credits or funds to TSE after confirming the details

of such transfer or receipt.

2. For the transfer of Carbon Credits as stipulated in Article 43 ~~or 45-12~~, or the return of Carbon Credits as stipulated in Article 45, Item 2, ~~dc.~~, Item 3, b., or Item 4, c., ~~or 45-14, Item 2, d., Item 3, b., or Item 4, c.~~, if TSE is unable to transfer or return Carbon Credits to the buying or selling Participant due to its intention or error, notwithstanding the provisions of Article 56, TSE shall transfer or return other Carbon Credits in the same quantity and in the same trading category as the trade of said Carbon Credits, or compensate the buying and selling Participant for any damages incurred up to the amount of the price of the trade of said Carbon Credits.

Chapter 5 Miscellaneous Provisions

Article 50. Handling of Sales of Government-held Credits

If the government sells credits which it holds on the Market, TSE may, if it deems necessary, handle such credits differently than prescribed in the Terms and Conditions.

Article 51. Publication of Execution Price

1. When a transaction is executed, TSE shall publish the execution price and trading volume in accordance with the rules and regulations of TSE.
2. A Participant shall not publish, reprint, or do any other similar act with respect to its own orders, executions, settlements, and all execution prices and trading volume for each trading session without the written permission of TSE.

Article 52. Reference Time

The Market shall be based on Japan Standard Time (JST).

Article 53. Exclusion of Anti-social Forces

1. Each Participant shall declare to TSE that it will have no relationship with anti-social forces, and shall understand the significance of such declaration and cooperate with TSE to realize such declaration.
2. Anti-Social Forces in these the Terms and Conditions shall refer to any of the following
 - (1) An organized criminal group;
 - (2) A member of any organized criminal group;
 - (3) A person or entity (including its officers (regardless of their titles such as advisor and counselor; the same shall apply hereinafter), its employees, and any other constituent members; the same shall apply hereinafter) that has close relationships with any organized criminal group or any

member of an organized criminal group;

- (4) A corporate extortionist;
- (5) A person or entity which has made unreasonable demands to citizens or enterprises in the name of social activism, human rights movements, or political activism, etc.;
- (6) A person or entity which commits any act which undermines social order or civic safety, etc.; or
- (7) A person or entity which is deemed to have a relationship subject to social criticism with any person/entity enumerated in any of the above six items.

3. The Participant shall pledge that any person or entity enumerated in the following items does not fall under Anti-Social Forces:

- (1) The Participant, its shareholders (limited to those that have de facto participation in the management of the Customer), its officers, or its employees; or
- (2) A person or entity that is an agent or intermediary of the Participant with regard to transactions with TSE.

4. The Participant shall, as needed, in relation to surveys on whether or not a person or entity enumerated in the items of the preceding paragraph or the following items falls under Anti-Social Forces, and submit materials, etc. requested by TSE.

5. If a Participant falls under any of the following items, TSE may immediately take such regulatory actions as cancellation of registration and prohibition of access to the System without any notice, and the Participant may not make any objection thereto. In addition, TSE shall not be liable to the Participant for any loss or damage incurred by the Participant as a result of such regulatory action.

- (1) Where the Participant has, by itself or by means of a third party, committed acts such as violence, fraud, threatening statement, and obstruction of the conduct of business;
- (2) Where the Participant has committed, or is likely to commit, by itself or by means of a third party, an act which undermines the reputation of or trust in TSE;
- (3) Where any of the entities enumerated in 2(3) of this article is found to fall under Anti-Social Forces;
- (4) Where the Participant does not cooperate with TSE on the survey prescribed in the preceding paragraph nor submit materials, etc. requested by TSE without reasonable grounds; or
- (5) Where the Participant has violated Article 21 or 24 of the "Tokyo Metropolitan Ordinance for Eliminating Organized Crime Groups" (Tokyo Metropolitan Government Ordinance No. 54) or similar provisions of prefectural or municipal ordinances, etc. enacted by any prefecture, city, special ward, town, or village.

Article 54. Handling of Personal Information and Transaction Information

1. TSE shall handle personal information of Participants obtained in connection with the operation of the Market in accordance with the following items as stipulated by TSE.

(1) Handling of Personal Information

<https://www.jpx.co.jp/english/corporate/governance/security/personal-information/index.html>

(2) Privacy Policy

<https://www.jpx.co.jp/english/corporate/governance/security/privacy-policy/index.html>

2. In addition to the personal information specified in the preceding paragraph, TSE shall handle order information, execution information, and other trade-related information (hereinafter referred to as "Trade Information") in the TSE market.
3. The Participant will agree in advance that TSE may provide the personal information and Trade Information obtained pursuant to the provisions of the preceding two paragraphs to the Financial Services Agency or other administrative agencies for the purpose of ascertaining the trading conditions, etc. in the Market.
4. The Participant will agree in advance that TSE may provide the personal information and Trade Information obtained pursuant to the provisions of Paragraphs 1 and 2 to an entity who has been entrusted with a project in relation to the operation of the Market by an administrative agency (hereinafter referred to as the "trustee" in this paragraph) based on a confidentiality agreement concluded with TSE. Said information shall be provided for the purpose of allowing the trustee to ascertain the trading conditions, etc. in the Market related to the commissioned project.

Article 55. Exemption from Liability

1. TSE shall not be liable for any loss or damage incurred by a Participant in the event that TSE is unable to provide all or part of the services pertaining to the Market due to an earthquake, fire, tsunami, flood, war, riot, civil commotion, terrorist activity, cyber-attack, strike, lockout, or any other force majeure beyond the control of TSE.
2. TSE does not guarantee the accuracy, completeness, or usefulness of information it shares regarding market conditions and the operation of the Market, and shall not be liable for any loss or damage incurred by Participants due to the use of such information, unless such loss or damage are caused by TSE's willful intent or gross negligence.
3. Concerning items eligible for trading prescribed in Article 3, TSE shall not be liable, unless any loss or damage is caused by TSE's willful intent or gross negligence, for any loss or damage incurred by a Participant arising from any action (including omission) taken by TSE in accordance with the Terms and Conditions or otherwise related to the operation of the Market, based on any certification, decision, announcement, or other action by the system operator pertaining to Carbon Credits (including, but not limited to, the secretariat and committee belonging to said system).

Article 56. Damages

1. As well as being exempted from liability as stipulated in the Terms and Conditions, TSE shall not be

liable for any loss or damage arising out of or in connection with the suspension of the Market, system amendments, terminations, Trading Halts, or any other actions (including omissions) taken by TSE in connection with the regulatory dispositions under the Terms and Conditions or the operation of the Market, unless such damages are caused by the willful misconduct or gross negligence of TSE.

2. Except as otherwise stipulated in the Terms and Conditions, if a Participant causes damage to TSE by any act in violation of the Terms and Conditions or any other act while using the Market, the Participant shall indemnify TSE for such damage (including any direct or indirect special damage (whether foreseeable or not), lost profits and reasonable attorney fees).
3. If TSE is liable to a Participant for damages, etc., the liability of TSE shall be limited to direct and ordinary damages actually incurred by the Participant, regardless of whether the claim is based on default, tort, or any other cause of claim.

Article 57. Dispute Resolution

1. If a dispute arises between Participants in relation to any aspect of trading and settlement in the Market, TSE shall, in principle, allow the parties concerned to settle the dispute among themselves.
2. The parties shall report to TSE the details of the dispute in writing or by electromagnetic means, and TSE may report such reports to the Financial Services Agency or other administrative agencies.

Article 58. Court of Jurisdiction

The Tokyo District Court shall have exclusive jurisdiction in the first instance over any litigation relating to the Terms and Conditions.

Article 59. Governing Law

The Terms and Conditions shall be governed by the laws of Japan.

Article 60. Misinterpretation

In the event of any ambiguity in the interpretation of the Terms and Conditions, or in the event that any extraordinary regulatory action is required with respect to any matter not expressly provided for in the Terms and Conditions, the decision of TSE shall prevail.

Article 61. Amendments of Terms and Conditions

1. TSE may amend the Terms and Conditions when it deems it necessary. In such cases, Participants shall comply with the Terms and Conditions as amended.
2. TSE shall give prior written or electronic notice of any amendment to the Terms and Conditions, the content of the amended terms and conditions, and the effective date of the amendment, or

(Reference Translation)

disseminate such information via the Internet or other appropriate means.

Supplementary Provisions

The Terms and Conditions shall take effect on October 2, 2023 or any other date determined by TSE.

Supplementary Provisions

1. The Terms and Conditions shall take effect on May 15, 2024.
2. Notwithstanding the provisions of the preceding paragraph, in the event that TSE deems it inappropriate to enforce these revisions from May 15, 2024 due to a hindrance in the operation of the System or other unavoidable reasons, these revisions shall take effect on a later date determined by TSE.

Supplementary Provisions

1. These revisions shall take effect on November 1, 2024.
2. Notwithstanding the provisions of the preceding Paragraph, in the event that TSE deems it inappropriate to enforce these revisions from November 1, 2024 due to a hindrance in the operation of the System or other unavoidable reasons, these revisions shall take effect on a later date determined by TSE.
3. A Participant as of October 31, 2024 shall be deemed to have designated J-Credits as Designated Credits on the day of the revised rules pursuant to the provisions of Article 8, Paragraph 2 after these revisions.

Supplementary Provisions

1. These revisions shall take effect on July 28, 2025.
2. Notwithstanding the provisions of the preceding Paragraph, in the event that TSE deems it inappropriate to enforce these revisions from July 28, 2025 due to a hindrance in the operation of the System or other unavoidable reasons, these revisions shall take effect on a later date determined by TSE.

Supplementary Provisions

1. These revisions shall take effect on November 7, 2025.
2. Notwithstanding the provisions of the preceding Paragraph, in the event that TSE deems it inappropriate to enforce these revisions from November 7, 2025 due to a hindrance in the operation of the System or other unavoidable reasons, these revisions shall take effect on a later date determined by TSE.