

Carbon Credit Market Participation Terms and Conditions

Supplementary Provisions

~~Jul~~November 2025

Tokyo Stock Exchange, Inc.

Article 1. Purpose

These supplementary provisions for the Terms and Conditions for Participation in The Carbon Credit Market (hereinafter referred to as the "Supplementary Provisions") shall provide the matters to be determined by Tokyo Stock Exchange, Inc (TSE) in accordance with the Terms and Conditions for Participation in the Carbon Credit Market (hereinafter referred to as the "Terms and Conditions").

Article 2. Monitoring of Trades and Settlements

For the monitoring stipulated in Article 2, Paragraph 2, TSE shall review the following acts

- (1) Where the same Participant places an order to sell and an order to buy Carbon Credits in the same trading category as prescribed in Article 27 at the same time and at the same price, without the purpose of transferring the rights of Carbon Credits (meaning Carbon Credits as prescribed in Article 2-2, Item 1 of the Terms and Conditions; the same shall apply hereinafter.)
- (2) Where a Participant, with prior collusion, repeatedly and continuously buys or sells Carbon Credits in the same trading category as prescribed in Article 27 at the same time and at the same price as another Participant sells or buys.
- (3) Where a Participant makes an order with a large order quantity and then cancels the order or makes a modification to the order that reduces the order quantity in excess of the criteria specified by TSE
- (4) Other acts that TSE deems necessary to confirm from the perspective of ensuring fair price formation and smooth settlement.

Article 3. Requirements for Registration

1. The criteria determined by TSE described in Article 7, Item 5 of the Terms and Conditions are as follows
 - (1) The Applicant must have a bank account in the Applicant's name.
 - (2) The Applicant must have a credit account in the name of the Applicant (meaning a credit account as prescribed in Article 2-2, Item 3 of the Terms and Conditions. The same shall apply hereinafter).
 - (3) The Applicant is a qualified invoice issuer (as defined in the Consumption Tax Law (*Shōhizei hō*) Article 2, Paragraph 1, Item 7-2. The same shall apply hereinafter.)
2. The credit account stipulated in the second item of the preceding paragraph shall be an account for a Designated Credit (meaning a Designated Credit account as prescribed in Article 2-2, Item 6 of the Terms and Conditions. The same shall apply hereinafter).

Article 4. Documents to Be Submitted with The Application for Registration

1. The documents for submission as stipulated in Article 8, Paragraph 1 of The Terms and Conditions shall be those listed in the following items. However, the government, local governments, TSE listed

companies, TSE trading participants, trading participants of Osaka Exchange Inc. and Tokyo Commodity Exchange, Inc. and clearing participants of Japan Securities Clearing Corporation shall be exempted from submitting the documents listed in Item 1 and Item 2.

- (1) Company profile
 - (2) Financial documents (balance sheets, statements of income, etc.)
 - (3) Information on savings and credit accounts
 - (4) Evidence that the company has a credit account
 - (5) A document certifying that the company is a qualified invoice issuer
 - (6) List of contact persons
2. Upon application, the Applicant must designate one bank account and one credit account for each designated account in the applicant's name to be used for settlement in this market. However, this shall not be necessary if deemed so by TSE.

Article 5. Payment of Registration Fee

The registration fee prescribed in Article 9, Paragraph 1 of the Terms and Conditions shall be waived for the time being.

Article 6. Payment of Fees for Market Participation

The fees for market participation set forth in Article 10 of the Terms and Conditions shall be the basic fee, trading fee, and settlement fee, and shall be free of charge for the time being.

Article 7. Deposit of Participant's Security Money

The Participant's security money prescribed in Article 11, Paragraph 1 of the Terms and Conditions shall not be required for the time being.

Article 7-2. Change Pertaining to Designated Credits

1. If a Participant changes a Designated Credit as prescribed in Article 12, Paragraph 2 of the Terms and Conditions by adding a Designated Credit, the Participant must have a credit account pertaining to a Designated Credit that is added.
2. In the case as prescribed in the preceding Paragraph, a Participant must attach documents as prescribed in Article 4, Paragraph 1, Items 3 and 4 pertaining to such Carbon Credit to an application form for alteration of Designated Credits.
3. The effective date of the change of Designated Credits shall be specified by TSE after it checking the application form for alteration of Designated Credits and attached documents.

Article 8. Trading Hours

The trading hours stipulated by TSE in Article 20 of the Terms and Conditions shall be in accordance with the trading categories referred to in each of the following items as prescribed in said items

(1) J-Credits (meaning J-Credits as prescribed in Article 2-2, Item 4 of the Terms and Conditions. The same shall apply hereinafter).

11:30 a.m. and 3:00 p.m.

(2) GX credits (meaning GX credits as prescribed in Article 2-2, Item 5 of the Terms and Conditions. The same shall apply hereinafter).

3:00 p.m.

Article 9. Order Acceptance Period

The order acceptance period stipulated by TSE in Article 21 of the Terms and Conditions shall be in accordance with the trading categories referred to in each of the following items as prescribed in said items

(1) J-Credits

8:00 a.m. to 11:29 a.m. and 12:30 p.m. to 14:59 p.m.

(2) GX credits

8:00 a.m. to 2:59 p.m.

Article 9-2. Auction Trading Days for GX Credits

Days specified by TSE as prescribed in Article 24-2 of the Terms and Conditions shall be Fridays from November ~~17~~, 2024~~5~~ to ~~February 28~~December 26, 2025.

Article 10. Trading Categories

The trading categories stipulated in Article 27 of the Terms and Conditions shall be as shown in Appendix.

Article 11. Base Price

The base price stipulated by TSE in Article 28, Paragraph 2 of the Terms and Conditions (hereinafter referred to as the "Base Price") shall be as prescribed in each of the following items in accordance with the categories of auctions listed in the respective items

(1) J-Credits

a. The first auction on a trading day

i. For trading categories for which trades were executed on the previous trading day, the final execution price of the previous trading day

ii. For trading categories for which trades were not executed on the previous trading day, the base price of the previous trading day

- iii. Where the price specified in i. or the preceding ii. is deemed inappropriate by TSE, a price deemed appropriate by TSE
- b. The second and subsequent call auctions on a trading day
 - i. For trading categories for which trades were executed at the most recent auction on the same trading day, the execution price at that auction
 - ii. For trading categories for which trades were not executed at the most recent auction on the same trading day, the Base Price at that auction
 - iii. Where the price specified in i. or the preceding ii. is deemed inappropriate by TSE, a price deemed appropriate by TSE

(2) GX credits

- a. For trading categories for which trades were executed in the previous auction, the execution price of said auction
- b. For trading categories for which trades were not executed in the previous auction, the Base Price of said auction
- c. Where the price specified in a. or the preceding b. is deemed inappropriate by TSE, a price deemed appropriate by TSE

Article 11-2. Validity of Bids and Offers

- 1. A bid or offer shall become invalid at the time of the close of the trading sessions of the day; however, if a participant specifies an effective period for a bid or offer, it shall lose its validity at the end of the trading session on the expiration date of the specified effective period.
- 2. The effective period defined in the preceding Paragraph may be specified for up to 30 days (excluding non-business days, non-regular non-business days, and non-regular market closures; the same rule applies hereafter for counting days), starting from the day the bid or offer is made or the day the effective period is modified.
- 3. Notwithstanding the provisions of Paragraph 1 above, in any of the following cases, a bid and/or offer shall cease to be valid.
 - (1) If a Participant who has placed an order cancels the order
 - (2) If the price of the order becomes lower than the lower limit of the price limits on orders stipulated in Article 31 of the Terms and Conditions or higher than the upper limit of the price limits on orders stipulated in the same Article.
- 4. In addition to Paragraph 1 and the preceding Paragraph, TSE may remove the validity of an order if it deems it necessary.

Article 12. Tick Sizes and Trading Units

(Reference Translation)

The tick size and trading unit as stipulated in Article 30 of the Terms and Conditions shall be as follows:

Tick size: JPY 1

Trading unit: 1 t-CO₂

Article 13. Price Limits on Bids and Offers

1. The price range limit set by the TSE as stipulated in Article 31 of the Terms and Conditions shall be the lower limit obtained by subtracting the price limit from the Base Price, and the upper limit obtained by adding the price limit to the base price. In such cases, any fraction of the base price minus the price range limit that is less than a trading unit at the said price shall be rounded up, and any fraction of the base price plus the price range limit that is less than a trading unit at the said price shall be rounded down.
2. The price limit stipulated in the preceding paragraph shall be 90% above or below the base price.

Article 14. Special Provisions for Intermediary Delivery of Qualified Invoices

1. When executing settlements as set forth in Chapter 4 of the Terms and Conditions, TSE shall deliver the following invoices, etc. on behalf of a Qualified Invoice Issuer in accordance with the Special Provisions for Intermediary Delivery (this refers to the system under which a person acting as an intermediary or agent delivers an invoice on behalf of a seller (Article 70-12 of the Enforcement Order of the Consumption Tax Law (Cabinet Order No. 360 of 1988)).
 - (1) A qualified invoice that includes TSE's company name and registration number to the buying Participant
 - (2) A settlement statement to the selling Participant of the qualified invoice described in the preceding item that omits the information of the buying Participant.
2. In lieu of delivering a qualified invoice or settlement statement, TSE may provide an electromagnetic record (an electromagnetic record as defined in Article 30, Paragraph 9 of the Consumption Tax Law) pertaining to the matters to be stated in these documents.
3. In delivering the qualified invoice and settlement statement, TSE will use Wingarc1st Inc.'s invoiceAgent. When using invoiceAgent, Participants must comply with the usage method prescribed by Wingarc1st Inc.
- 4 In addition to the preceding three paragraphs, other necessary matters concerning qualified invoices, etc. shall be stipulated by TSE.

Article 15. Time Limit for Reporting Errors in Credit Certification Numbers

The notice stipulated in Article 36, Paragraph 1 and Article [45-536-2](#) of the Terms and Conditions must be made to TSE [in accordance with the eligible classification of trading referred to the following items by the time specified in said items by 1:00 p.m. on the day two days prior to the settlement](#)

date.—

~~(1) J-Credit~~

~~By 1:00 p.m. on the day two days prior to the settlement date~~

~~(2) GX credit~~

~~By 1:00 p.m. on the fourth day counting from the trading day on which the trade is executed.~~

Article 16. Publication of Execution Price

The publication of the execution price as stipulated in Article 51 of the Terms and Conditions shall be made by the methods prescribed in the following items

(1) Publication on TSE's Website

Execution prices and trading volume of trades executed during the call auctions on each trading day will be posted by trading category on the JPX website.

(2) Publication through the System

The status of orders, execution prices, and trading volume for each call auction shall be published for Participants through the System.

Article 17. Amendment of the Supplementary Provisions

1. TSE may amend the Supplementary Provisions as it deems necessary. In such cases, Participants shall comply with the amended Supplementary Provisions.
- 2 TSE shall give prior notice in writing or by electromagnetic means, or disseminate information through the Internet or other appropriate means, of the amendment of the Supplementary Provisions, the contents of the amended provisions, and the effective date of such amendment.

Supplementary Provisions

The Supplementary Provisions shall take effect on October 2, 2023 or any other date determined by TSE.

Supplementary Provisions

1. These revisions shall take effect on March 25, 2024.
2. Notwithstanding the provisions of the preceding paragraph, in the event that TSE deems it inappropriate to enforce these revisions from March 25, 2024 due to an impediment to 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 April 8, 2024.

(Reference Translation)

2. Notwithstanding the provisions of the preceding paragraph, in the event that TSE deems it inappropriate to enforce these revisions from April 8, 2024 due to an impediment to 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.

Supplementary Provisions

1. These revisions shall take effect on January 6, 2025.
2. Notwithstanding the provisions of the preceding Paragraph, in the event that TSE deems it inappropriate to enforce these revisions from January 6, 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 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, the Terms and Conditions 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, the Terms and Conditions shall take effect on a later date determined by TSE.

(Reference Translation)

Appendix: Table of Trading Categories

First layer	Second layer	Third layer	Outline
Scheme	Main Category	Subcategory	
J-Credits	Energy saving	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and that are certified using only the energy saving methodologies specified in the J-Credit Scheme, where only the amount of saved energy (kl) is a positive number in the monitoring report*.
	Renewable energy (electricity)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and that are certified using only the renewable energy methodologies specified in the J-Credit Scheme (excluding the methodologies for substituting solid biomass fuels (woody biomass) for fossil fuels or grid electricity), where only the amount of renewable energy (electricity) (MWh) is a positive number in the monitoring report.
	Renewable Energy (electricity: woody biomass)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and are certified using only the renewable energy methodologies specified in the J-Credit System (limited to the methodologies for substituting solid biomass fuels (woody biomass) for fossil fuels or grid electricity), where only the amount of renewable energy (electricity) (MWh) is a positive number in the monitoring report.
	Renewable energy (heat)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and that are certified using only the renewable energy methodologies specified in the J-Credit Scheme, where only the amount of renewable energy (heat) (GJ) is a positive number in the monitoring report.
	Renewable	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number

(Reference Translation)

	energy (mixed electricity/heat)		beginning with 1 and that are certified using only the renewable energy methodologies specified in the J-Credit Scheme, where two or more credits of numerical figures referred to in each of the following items are positive numbers in the monitoring report. (1) Amount of renewable energy (electricity) (MWh) of J-Credits that are certified using only methodologies other than those for substituting solid biomass fuels (woody biomass) for fossil fuels or grid electricity (2) Amount of renewable energy (electricity) (MWh) of J-Credits that are certified using only the methodologies for substituting solid biomass fuels (woody biomass) for fossil fuels or grid electricity (3) Amount of renewable energy (heat) (GJ)
	Forest sink	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and are certified using only the forest sink methodologies specified in the J-Credit Scheme.
	Agriculture (Extension of mid-drying period)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and are certified using only the agricultural methodologies (limited to the “Extension of mid-drying period in paddy rice cultivation” methodology) specified in the J-Credit Scheme.
	Agriculture (Biochar)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and are certified using only the agricultural methodologies (limited to the “Application of biochar in farm land” methodology) specified in the J-Credit Scheme.
	Other	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 1 and do not fit into any of the above categories.
Transferred	Domestic credits	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number

(Reference Translation)

from Domestic Credit Scheme			beginning with 2.
Transferred from J-VER Scheme	J-VER (forest sink)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 3 and are certified using only the forest sink methodologies specified in the J-VER Scheme.
	J-VER (other)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 3 and do not fit into any of the above categories.
Regional J-Credits, J-VERs (not yet transferred), regional J-VERs (not yet transferred), domestic credits (not yet transferred)	Regional J-Credits	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 4.
	J-VER (not yet transferred) forest sink	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with zero (0) and are certified using only the forest sink methodologies specified in the J-VER Scheme.
	J-VERs (not yet transferred) other	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with zero (0) and do not fit into any of the above categories.
	Regional J-VERs (not yet transferred)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 9.
	Domestic credits (not yet transferred)	(Not specified)	A category consisting of J-Credits that have a seven-digit certification number beginning with 8.
GX credits	(Not specified)	(Not specified)	A GX credit as prescribed in Article 3 of the GX League regulations specified by the GX League secretariat.

*A "monitoring report" is created for each credit in the J-Credit Scheme.