

Revision scheme of MM Ver2.0

- Newly conditions are set for TSE REIT, REIT Core and U.S. Corporate Bond ETF
- Increase number of S&P500 ETFs, and reduce it of 225 ETFs
- Start in October 2019

| Index | Obligation (*1) (Qty./Spread) | Incentive (Monthly) (Total of TSE and AM) (*2) | Max. no. of ETF (*3) |
|---|----------------------------------|---|---|
| Nikkei 225/TOPIX | 1 Bil. JPY/20bps | • 500,000JPY/month to Top 2 Market Makers | Nikkei 225 : 1 ETF TOPIX : 3 ETFs |
| TSE REIT/TSE REIT Core | 100 mil. JPY /30bps | • 200,000JPY/month to Top 2 Market Makers | TSE REIT : 3 ETFs TSE REIT Core : 2 ETFs |
| S&P500 | 100 mil. JPY/20bps | • 200,000JPY/month to Top 2 Market Makers | 2 ETFs per index |
| MSCI Kokusai | 100 mil. JPY/20bps | • 200,000JPY/month to Top 2 Market Makers | 1 ETF per index |
| MSCI Emerging | 100 mil. JPY/40bps | • 300,000JPY/month to Top 2 Market Makers | 1 ETF per index |
| US Treasury 7-10 years | 500 mil. JPY/20bps | • 500,000JPY/month to Top 2 Market Makers | 1 ETF per index |
| FTSE WGBI | 100 mil. JPY/40bps | • 300,000JPY/month to Top 2 Market Makers | 1 ETF per index |
| Markit iBoxx USD Liquid Investment Grade | 100 mil. JPY/40bps | • 200,000JPY/month to Top 2 Market Makers | 1 ETF per index |
| Bloomberg Barclays US Intermediate Corporate Index | 100 mil. JPY/40bps | • 200,000JPY/month to Top 2 Market Makers | 1 ETF per index |

*1 In foreign index, obligation (spread) is predetermined bps or 2ticks, whichever is wider.

*2 AMs and TSE will contribute same amount.

*3 With/Without currency hedging are treated as different index

The method to choose ETF

- Asset Managers who wish to utilize this scheme, submit ETFs up to second choice by category.
- In order of priority, ETF is decided

Process to submit and Selection

① Each Asset Manager submits ETFs up to second choice by category and upper limit of number of ETFs/incentive in each category until September 6.

TSE REIT/
TSE REIT Core

S&P500

Bloomberg
Barclays US
Intermediate
Corporate Index

② TSE assigns ETFs with higher priority and let Asset Managers know until September 9

- * In case priority is same, ETF with bigger AUM is assigned
- * If an AM is not allocated in the higher priority, that AM's ETF with lower priority gets higher priority
- * If number of registration does not reach threshold, submission is available on a first come, first served basis

③ Asset Managers submit Sponsored Scheme for the assigned ETF

*Asset Manager has to conclude contract to usage sponsored scheme

*If number of registration does not reach threshold, submission is available on a first come, first served basis