

- Newly added Sector REIT Index
- For actively managed ETFs, ETFs targeting domestic public and corporate bonds were added to the target

## Addition to Ver.2.0 target

### Sector REIT Index added

TSE REIT Logistics Focus Index

TSE REIT Office Focus Index

TSE REIT Residential Focus Index

TSE REIT Hotel & Retail Focus Index

(No condition set)

(New condition set)  
Maximum 1 ETF

### Actively managed bond ETFs added

Actively managed ETFs targeting domestic public and corporate bonds (excluding only gov. bonds)

(No condition set)

(New condition set)  
Maximum 2 ETFs

# Revise of ETFMM Ver.2.0 scheme (2) (From October 2023)

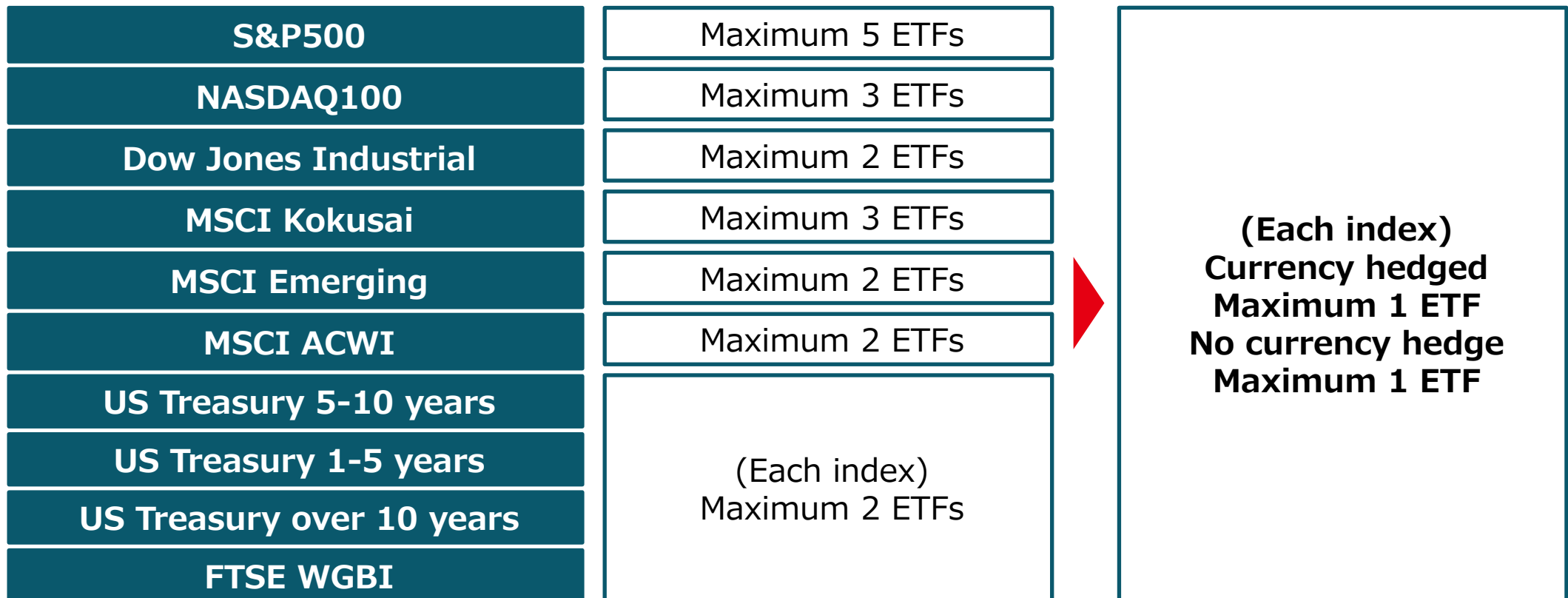
- Exclude TSE REIT Index
- Revised the max number of ETFs for some foreign equity and bond indices

## Exclusions/changes from Ver.2.0 target

Excluded TSE REIT Index from target



Revised the max number of ETFs for some foreign equity and bond indices



# Target of the MM Ver.2.0 scheme (1) (From October 2023)



- Revised the max number of ETFs for all foreign equity and bond indices to 2 ETFs. The number of ETFs with and without currency hedging has been changed to 1 each.

Index	Obligation(Qty./Spread)	Monthly Incentive (Total of TSE and AM)	Max. no. of ETF	
JPX Prime 150	JPY100 million/ 1tick or 30bps	Top 2 Market Makers	300,000 JPY /month	1 ETF
S&P500	JPY100 million/ 2ticks or 20bps		200,000 JPY /month	2 ETFs *1
NASDAQ100	JPY100 million/ 2ticks or 30bps		400,000 JPY /month	2 ETFs *1
Dow Jones Industrial	JPY100 million/ 2ticks or 30bps		400,000 JPY /month	2 ETFs *1
DAX	JPY100 million/ 2ticks or 30bps		200,000 JPY /month	2 ETFs *1
EURO STOXX 50	JPY100 million/ 2ticks or 30bps		200,000 JPY /month	2 ETFs *1
MSCI Kokusai	JPY100 million/ 2ticks or 20bps		200,000 JPY /month	2 ETFs *1
MSCI Emerging	JPY100 million/ 2ticks or 40bps		300,000 JPY /month	2 ETFs *1
MSCI ACWI	JPY100 million/ 2ticks or 40bps		300,000 JPY /month	2 ETFs *1
US Treasury 5-10 years	JPY500 million/ 2ticks or 20bps		500,000 JPY /month	2 ETFs *1
US Treasury 1-5 years	JPY100 million/ 2ticks or 15bps		200,000 JPY /month	2 ETFs *1
US Treasury over 10 years	JPY100 million/ 2ticks or 25bps		200,000 JPY /month	2 ETFs *1
German Government Bond 5-10Y	JPY100 million/ 2ticks or 25bps		200,000 JPY /month	2 ETFs *1
French Government Bond 5-10Y	JPY100 million/ 2ticks or 40bps		200,000 JPY /month	2 ETFs *1
FTSE WGBI	JPY100 million/ 2ticks or 40bps		300,000 JPY /month	2 ETFs *1

\*1 Max. 1 issue with currency hedging, max. 1 issue without currency hedging.

\*2 Obligation (spread) is a predetermined number of ticks or spread, whichever is wider. \*3 AMs and TSE will contribute same amount.

\*4 Quoting time period for "US Treasury 5-10 years" is 60%. 80% is applied to other indices. \*5 If 3 or more MMs satisfy the Obligations, the ranking of MM is selected based on trading volume. If the trading volume is also the same, the MM with the longer quotation time is selected.

# Target of the MM Ver.2.0 scheme (2) (From October 2023)



- Conditions continue to be set for sector ETFs

Index	Obligation (Qty./Spread)	Incentive (Monthly) (Total of TSE and AM)	Max. no. of ETF	
TOPIX-17 FOODS	JPY30 million/ 3ticks or 25bps	Top 1 Market Maker	150,000 JPY /month	1 ETF
TOPIX-17 ENERGY RESOURCES	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 CONSTRUCTION & MATERIALS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 RAW MATERIALS & CHEMICALS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 PHARMACEUTICAL	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 AUTOMOBILES & TRANSPORTATION EQUIPMENT	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 STEEL & NONFERROUS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 MACHINERY	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 ELECTRIC APPLIANCES & PRECISION INSTRUMENTS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 IT & SERVICES, OTHERS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 ELECTRIC POWER & GAS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 TRANSPORTATION & LOGISTICS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 COMMERCIAL & WHOLESALE TRADE	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 RETAIL TRADE	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 BANKS	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 FINANCIALS (EX BANKS)	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF
TOPIX-17 REAL ESTATE	JPY30 million/ 3ticks or 25bps		150,000 JPY /month	1 ETF

# Target of the MM Ver.2.0 scheme (3) (From October 2023)



- Added REIT sector index and actively managed ETFs for domestic public and corporate bonds

Index	Obligation (Qty./Spread)	Incentive (Monthly) (Total of TSE and AM)	Max. no. of ETF	
<b>TSE REIT Logistics Focus Index</b>	JPY30 million/ 1tick or 25bps	Top 2 Market Maker	150,000 JPY /month	1 ETF
<b>TSE REIT Office Focus Index</b>	JPY30 million/ 1tick or 25bps		150,000 JPY /month	1 ETF
<b>TSE REIT Residential Focus Index</b>	JPY30 million/ 1tick or 25bps		150,000 JPY /month	1 ETF
<b>TSE REIT Hotel &amp; Retail Focus Index</b>	JPY30 million/ 1tick or 25bps		150,000 JPY /month	1 ETF

(Actively managed ETFs)

<b>Actively managed ETFs</b>	JPY10 million/ (Spread is set by each ETF)	Top 2 Market Maker	200,000 JPY /month	10 ETFs
<b>Actively managed ETFs targeting domestic public and corporate bonds (excluding only gov. bonds)</b>	JPY100 million / (Spread is set by each ETF)		200,000 JPY /month	2 ETFs

# How to apply for ETFMM Ver.2.0 scheme

- Asset Managers apply by filing out "Sponsored MM Application" (AT-4) (\*1)
- For actively managed ETFs, the spread to be set for each ETF will be determined and announced by TSE after an application is submitted by AM

## Application process for application from October 1

(1) Each AM is required to apply for ETFs that it wishes to be designated as Ver.2.0 on the "ETFMM Ver.2.0 Application Sheet" by September 8 (Fri.).

(2) TSE will determine the ETFs to be allocated and notify each AM by September 11 (Mon.).

\*Regarding the category of the max number of ETFs to be reduced in this revise, in the event that there are more applications than the max number of ETFs to be allocated, the ETFs with the largest AUM as of the last business day of August will be allocated.

(3) Each AM shall submit the "Sponsored MM Application" (AT-4) by September 15 (Fri.) for the allocated ETFs.

## Application process for application from above onwards

- When setting conditions **from** the listing date -

(1) Each AM shall apply by "Sponsored MM Application" (AT-4).

\*For actively managed ETFs, the application deadline is the later of "listing approval date" or "2 weeks prior to listing date," and for other ETFs, the application deadline is "1 week prior to listing date".

\*In the application for actively managed ETFs, submit the period and spread as blanks.

\*Accepted on a first-come, first-served basis after the listing approval date

(2) Start on the listing date after a one-week announcement period.

- When setting conditions **after** the listing date -

(1) Each AM shall apply by "Sponsored MM Application" (AT-4).

\*For actively managed ETFs, the application deadline is 3 weeks prior to the first business day of the month in which you wish to set, and 2 weeks prior to the first business day of the month for other ETFs.

\*In the application for actively managed ETFs, submit the period and spread as blanks.

\*Accepted on a first-come, first-served basis after the listing approval date

(2) Start at the beginning of the earliest month after a two-week announcement period.

\*1 Asset Manager has to conclude contract to usage sponsored scheme (AT-3).