(Provisional Reference Translation)

Trading Participant Regulations

(as of March 31, 2025)

Tokyo Stock Exchange, Inc.

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CHAPTER 1
GENERAL PROVISIONS

Rule 1. Purpose

1. These Regulations shall, pursuant to the provisions of Rule 1-3, Paragraph 1 of the Business Regulations, provide for necessary matters concerning trading participants of the Exchange.
2. Any amendment to these Regulations shall be made by a resolution of the Board of Directors of the Exchange; provided, however, that this shall not apply to cases where the substance of the amendment is of minor significance.

Rule 2. Trading Participants

1. There shall be one type of trading participant, general trading participant.
2. A general trading participant shall mean an entity having a trading qualification for effecting securities transactions (excluding those based on brokerage for clearing of securities, etc.) in the Exchange market.
3. A trading participant shall not be allowed to have more than one (1) trading qualification.

Rule 2-2. Form of Securities Trading in the Exchange Market

1. A trading participant shall carry out securities trading in the Exchange market pertaining to the clearing qualification that it has (meaning the cash clearing qualification prescribed in the Business Rules and Regulations of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC"); the same shall apply hereinafter).
2. A trading participant that does not have the clearing qualification shall, for its securities trading in the Exchange market, entrust the brokerage for clearing of securities, etc. to a designated clearing participant (meaning a designated clearing participant prescribed in Rule 24-4; the same shall apply in Rule 5).
3. Notwithstanding the provisions of the preceding two paragraphs, a trading participant which has obtained the Exchange’s approval as prescribed in Rule 24-7, Paragraph 1 shall trade securities in the Exchange market by entrusting order placement to other trading participants, in addition to the forms specified in the preceding two paragraphs.

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Rule 3. Ensuring Fair Price Formation and Smooth Circulation of the Market

1. A trading participant shall make efforts to ensure fair price formation and high negotiability in the Exchange market, so that the function of the Exchange as a financial instruments exchange market would be maintained and enhanced.
2. A trading participant shall be an entity for which an important part of business is made up of engaging in securities trading in the Exchange market.

CHAPTER 2
ACQUISITION OF TRADING QUALIFICATION

Rule 4. Application and Approval for Obtainment of Trading Qualification

1. An entity that intends to obtain a trading qualification shall make an application to the Exchange for acquisition of trading qualification as prescribed by the Exchange.
2. The Exchange shall give approval with regard to obtainment of a trading qualification to an entity prescribed in each item and regarded eligible by the Exchange after examination effected in the manner set forth by the Exchange:
   (1) Financial instruments business operators (limited to those that have registered their own business pertaining to actions prescribed in Article 28, Paragraph 1, Item 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (hereinafter referred to as the "Act")); or
   (2) Authorized transaction-at-exchange operators
3. An approval set forth in the preceding paragraph shall be given by specifying the date when the trading qualification should be obtained.
4. The Exchange shall, when it has approved obtainment of the trading qualification pursuant to the provisions of Paragraph 2, give notification to each trading participant to that effect.

Rule 5. Implementation of Procedure for Obtaining Trading Qualification

1. When the Exchange has approved the obtainment of a trading qualification pursuant to the provisions of Paragraph 2 of the preceding rule, the Exchange shall, by the day (to be moved back if such day falls on a holiday; the same shall apply hereinafter) preceding the date the Exchange specifies pursuant to the provisions of Paragraph 3 of the same rule, have an applicant for obtaining a trading qualification pay an admission fee, enter into a trading participant agreement, follow procedures for obtaining the clearing qualification that the applicant does not have (excluding cases where the applicant intends to obtain the Exchange's approval as prescribed in Rule 24-7, Paragraph 1 and that are deemed appropriate by the Exchange) (where the applicant does not intend to newly obtain the clearing qualification (excluding cases where the applicant intends to obtain the Exchange's approval as prescribed in Rule 24-7, Paragraph 1 and that are deemed appropriate by the Exchange), conclude a clearing entrustment agreement necessary pursuant to the provisions of Rules 24-3 and 24-4 and designate a designated clearing participant), deposit participant bond, deposit trading participant security money and carry out other procedures prescribed by the Exchange for obtainment of trading qualification.
2. The amount of admission fees shall be prescribed by the Exchange in its regulations.
3. Notwithstanding the provisions of Paragraph 1, in the event that an applicant for obtaining a trading qualification (limited to an authorized transaction-at-exchange operator) obtains the trading qualification

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(limited to an authorized transaction-at-exchange operator) and at the same time said trading participant waives the trading qualification, if the Exchange deems the trading participant for which trading qualification is to be waived as prescribed by the Exchange and the applicant for obtaining a trading qualification are not substantially different, said applicant is not required to pay the admission fee.

4. In the case referred to in Paragraph 1, where an applicant for obtaining a trading qualification obtains the trading qualification from a trading participant through transfer of a business in a demerger or purchase of a business from such trading participant simultaneously with the waiver of such trading qualification of such trading participant, and when the Exchange deems that the trading participant for which trading qualification is to be waived as prescribed by the Exchange and the applicant for obtaining a trading qualification are not substantially different, the applicant may provide the current participant bond and trading participant security deposit that have already been deposited by the trading participant for which trading qualification is to be waived for those with respect to the newly obtained trading qualification by the applicant.
5. When an applicant for obtaining a trading qualification has not carried out the procedures prescribed in Paragraph 1 by the day immediately preceding the date specified by the Exchange pursuant to the provisions of Paragraph 3 of the preceding rule, the Exchange shall consider that the application for obtaining the trading qualification has been withdrawn.

Rule 6. Date of Obtaining Trading Qualification

1. The Exchange shall, when an applicant for obtaining a trading qualification has carried out the procedures pursuant to the provisions of Paragraph 1 of the preceding rule, grant the trading qualification on the date the Exchange has specified pursuant to the provisions of Rule 4, Paragraph 3.
2. The Exchange shall, when it has granted a trading qualification to the applicant for obtaining such qualification pursuant to the provisions of the preceding paragraph, make public to that effect and give a trading qualification certificate to the applicant that has obtained the trading qualification. However, the Exchange shall make no public notice with regard to the authorized transaction-at-exchange operator that has obtained a trading qualification (hereinafter referred to as a "remote trading participant").
3. Necessary matters concerning a trading qualification certificate shall be prescribed by the Exchange.

CHAPTER 3
DUTIES OF TRADING PARTICIPANT, etc.

SECTION 1
GENERAL PROVISIONS

Rule 7. Conclusion of Trading Participant Agreement

A trading participant must enter into with the Exchange a trading participant agreement prescribed by the Exchange.

Rule 8. Trading Participant Representative

1. A trading participant shall, as prescribed by the Exchange, notify in advance the Exchange of one (1) person among its representative board members or representative executive officers as its trading participant representative, who is appropriate for representing such trading participant at the Exchange (where the trading participant is a foreign corporation which is not a remote trading participant, it shall

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be a person who is representative in Japan and holds a position equivalent to or higher than a board member or an executive officer, or where the trading participant is a remote trading participant, it shall be a person who holds a position equivalent to or higher than a board member or an executive officer).

2. Only trading participant representative shall represent such trading participant in the relationship between the trading participant and the Exchange; provided, however, that day-to-day operations may be conducted by day-to-day operation representative who has been notified to the Exchange upon prior clarification of the scope of the operations.

Rule 8-2. Person Responsible for Compliance with Laws and Regulations

The remote trading participant shall, as specified by the Exchange, apply to the Exchange for approval of a person that said participant selected from among persons holding a position equivalent to or higher than a board member or an executive officer as a person responsible for compliance with the laws and regulations, and must obtain the approval of said person by the Exchange. In this case the person responsible for compliance with the laws and regulations shall mean a person who (i) thoroughly enforces board members, executive officers, and employees to comply with the Act and related laws and regulations (hereinafter referred to as the "Laws and Regulations", disciplinary actions or dispositions by the administrative agencies in accordance with the Laws and Regulations, the Exchange's Articles of Incorporation, the Business Regulations, the Brokerage Agreement Standards, and other rules & regulations as well as just and equitable principles of trade (hereinafter referred to as the "compliance with the Laws and Regulations"), (ii) makes efforts to develop and maintain internal management systems, and (iii) makes appropriate liaison and coordination with the Exchange with regard to the compliance with the Laws and Regulations.

Rule 9. Cooperative or Control Relationship with Officers or Other Persons

1. When the Exchange deems that cooperative or control relationship with a trading participant’s officer or other person is inappropriate in the light of operations of the Exchange market, the Exchange may, after holding a hearing with such trading participant, demand the alteration thereof by giving the reason therefore; provided, however, that the trading participant may submit to the Exchange a written statement instead of appearing for a hearing.
2. Where a trading participant doesn’t respond to hearing set forth in the preceding paragraph without good reason, the Exchange may demand the alteration prescribed in the same paragraph without holding a hearing.
3. A trading participant may, if it considers the demand for the alteration mentioned in Paragraph 1 unreasonable, file with the Exchange an objection in writing by giving a reason within ten (10) days of the date of receipt of the demand for alteration.
4. Where the Exchange has received an objection in writing set forth in the preceding paragraph from a trading participant and decided that it is appropriate to modify or revoke the demand for alteration referenced in Paragraph 1, the Exchange shall immediately modify or revoke the demand referenced in Paragraph 1.

Rule 10. Liaison Office

A trading participant shall designate one (1) office as a liaison office at which it receives notifications from the Exchange out of its offices which are a head office or other sales offices (where the trading participant is a foreign corporation, main sales offices or business offices located in Japan) and are conveniently located for communication with the Exchange. However, a remote trading participant which has no office in Japan

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shall, instead, notify the Exchange of the name and address of the representative in Japan as prescribed in Article 60-2, Paragraph 1 of the Act.

Rule 11. Payment of Trading Participant Fees

A trading participant must pay trading participant fees to the Exchange in accordance with the provisions of the rules prescribed by the Exchange.

Rule 11-2. Payment of Cancellation Fees

Where securities trading had been executed based on an erroneous order and such trading was cancelled, the trading participant that placed the erroneous order must pay cancellation fees pertaining to the cancellation of such trading to the Exchange in accordance with the provisions of the rules prescribed by the Exchange.

Rule 12. Deposit of Participant Bond, etc.

1. A trading participant must deposit a participant bond with the Exchange as prescribed by the Exchange.
2. The amount of the participant bond shall be three million (3,000,000) yen.
3. The participant bond may be deposited in securities in lieu of security deposit as prescribed by the Exchange; provided, however, that this shall not apply to remote trading participants.
4. The Exchange shall keep the participant bond separately from its other assets, and manage it in the manner specified in each of the following items:
   (1) Purchase of government bonds or municipal bonds;
   (2) Deposit with banks; and/or
   (3) Money trust with banks doing trust business.

Rule 13. Deposit of Trading Participant Security Money

1. A trading participant must deposit with the Exchange trading participant security money in accordance with the provisions of the rules prescribed by the Exchange, in order to ensure fulfillment of its obligations pertaining to trading participant fees based on the provisions of Rule 11.
2. The trading participant security money may be deposited in securities in lieu of security deposit as prescribed by the Exchange; provided, however, that this shall not apply to remote trading participants.

Rule 14. Prohibition of Transfer of Right to Claim Return of Participant Bond, etc.

No trading participant may transfer, agree to transfer or offer as a pledge to other persons the participant bond and the trading participant security money.

Rule 15. Liability for Damage by Use of Market Facilities

The Exchange shall not be liable to indemnify a trading participant for any damage to the said participant as the result of its use of the Exchange's market facilities, unless such damage has been caused obviously by the Exchange's willfulness or gross negligence.

Rule 16. Obligation of Specific Failed Trading Participant to Obtain Approval of the Exchange Regarding Merger, etc.

1. A trading participant must obtain a prior approval of the Exchange when it is going to take the following actions:
   (1) Merger in the case where such trading participant merges with another corporation with such trading

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participant surviving after the merger (excluding those prescribed in Items 6 and 9 of the following rule);

(2) Transfer of part of a trading participant's business to another corporation as a result of demerger (excluding those prescribed in Item 9 of the following rule);

(3) Transfer of business from another corporation in whole or in part as a result of demerger (excluding those prescribed in Items 7, 9 and 10 of the following rule);

(4) Sale of part of business to another corporation (excluding those prescribed in Item 9 of the following rule); and

(5) Purchase of another corporation's business in whole or in part (excluding those prescribed in Items 8, 9 and 11 of the following rule).

2. A trading participant that intends to obtain the approval set forth in the preceding paragraph shall make a notification and application to the Exchange for the approval as prescribed by the Exchange.

3. When the Exchange conducts examination based on the examination prescribed in Paragraph 2 of Rule 4 and deems that an action prescribed in each item of Paragraph 1 is inappropriate in the light of operations of the Exchange market, the Exchange may, after holding a hearing with such trading participant, refuse to give approval prescribed in the same paragraph.

4. The proviso in Paragraph 1 of Rule 9 and the provisions of Paragraph 2 through Paragraph 4 of the same rule shall apply mutatis mutandis to disapproval set forth in the preceding paragraph.

5. Where a trading participant has obtained the approval prescribed in Paragraph 1 and is required by the Exchange to report on its financial condition or other matters that are deemed appropriate by the Exchange, it must immediately report the details to the Exchange.

Rule 17. Matters to Be Notified

A trading participant shall submit a prior notice to the Exchange as prescribed by the Exchange when it is going to take any of the following actions:

(1) Withdrawal from business (meaning the business referenced in Article 28, Paragraph 1, Item 1 of the Act in the case of a financial instruments business operator, the exchange trading business in the case of an authorized transaction-at-exchange operator);

(2) Merger in cases where such trading participant merges into another corporation with such trading participant becoming extinct, or where such trading participant establishes a corporation by merging with another corporation;

(3) Dissolution for reasons other than merger or determination of the commencement of bankruptcy proceedings;

(4) Transfer of the whole business to another corporation as a result of demerger;

(5) Sale of the whole business;

(6) Merger in cases where such trading participant merges with another trading participant with such trading participant surviving;

(7) Transfer of business in whole from another trading participant as a result of demerger;

(8) Purchase of another trading participant's whole business;

(9) Action prescribed in each item of Paragraph 1 of the preceding rule, which is separately specified by the Exchange from among actions for which an approval by a resolution of a general shareholders meeting is not required under the Companies Act (Act No. 86 of 2005);

(10) Transfer of business in whole or in part from its wholly-owned subsidiary as a result of demerger;

(11) Purchase of business in whole or in part from its wholly-owned subsidiary;

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(12) Change in the trade name (including the trade name in English); or
(13) Change in officers.

Rule 18. Matters to Be Reported

Where a trading participant has fallen under any of the cases prescribed by the Exchange, it must immediately report the details to the Exchange.

Rule 19. Investigation of Trading Participants

1. In cases prescribed in each of the following items or in other cases where the Exchange deems it necessary in the light of operations of the Exchange market, the Exchange may require a trading participant to submit informational reports or materials concerning the business or assets of such trading participant, or inspect the actual status of such participant's business or assets, or books, documents or other objects:
   (1) In cases where the Exchange investigates the compliance status by a trading participant with the Laws and Regulations, or disciplinary actions or dispositions taken by the administrative authorities under the Laws and Regulations, or the Articles of Incorporation, the Business Regulations, the Brokerage Agreement Standards, or other regulations of the Exchange, or disciplinary actions or dispositions taken by the Exchange under these regulations, or just and equitable principles of trade;
   (2) In cases where the Exchange investigates a trading participant's financial condition;
   (3) In cases where the Exchange conducts investigation for the purpose of ensuring fairness of securities trading in the Exchange market; or
   (4) In cases where the Exchange has received request from another financial instruments exchange or a financial instruments business operator association (including a foreign organization equivalent thereto) for information to be used for investigation for the purpose of ensuring fairness of securities trading, etc., and in addition, in cases where the Exchange deems it appropriate to comply with such request.
2. When a trading participant has been required by the Exchange to submit reports or materials pursuant to the provisions of the preceding paragraph, it shall do this in the manner prescribed by the Exchange without delay.

Rule 20. Regulation on Advertisement

A trading participant's advertisement shall be as prescribed by the Exchange.

Rule 21. Duty of Investigation When Accepting Orders

A trading participant must, when it accepts an order to buy or sell securities (excluding entrustment of brokerage for clearing of securities, etc.) in the Exchange market, carry out prior inquiries as to the address, the name and other matters prescribed by the Exchange with respect to the customer.

Rule 21-2. Appropriate Measures pertaining to Acceptance of Entrustment

1. A trading participant must, when it accepts from a customer an entrustment of securities trading related to low latency trading (meaning low latency trading prescribed in Article 2, Paragraph 41 of the Act; the same shall apply hereinafter) in the Exchange market (excluding entrustment of brokerage for clearing of securities, etc.; the same shall apply hereinafter in this rule), implement appropriate measures to ensure the customer responds to requests made by the Exchange to the customer and those made by Japan

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Exchange Regulation (hereinafter referred to as "JPX-R") related to operations entrusted by the Exchange to JPX-R pursuant to the provisions of Rule 78-4 of the Business Regulations.

2. The provisions of the preceding paragraph shall be applied mutatis mutandis to the cases where the customer referred in the preceding paragraph is an agent (meaning the customer who entrusts securities trading to the trading participant when such customer is a financial instruments business operator and said entrustment to the trading participant is one due to an entrustment of brokerage of securities trading). In such cases, the term "the customer" shall be "a customer of the customer who applied to such customer for entrustment of brokerage of an order to sell or buy securities related to low latency trading in the Exchange market".

Rule 22. Deleted.

Rule 22-2. Development of Trading Management System

A trading participant must properly develop a trading management system designed to prevent unfair trading as prescribed by the Exchange.

Rule 22-3. Development of Order Management System

A trading participant must properly develop an order management system designed to prevent accepting and placing erroneous orders as prescribed by the Exchange.

Rule 22-4. Development of Listing Eligibility Examination System, etc.

1. A managing trading participant (meaning a managing trading participant prescribed in Rule 2, Item 24 of the Securities Listing Regulations) must properly develop the system for examining the listing eligibility of securities as prescribed by the Exchange.
2. A trading participant that carries out examination of the rationality of a capital increase prescribed in Rule 304, Paragraph 1, Item 2, Sub-item a. of the Securities Listing Regulations or examination of the rationality of investment units issuance prescribed in Rule 1211, Paragraph 1, Item 2, Sub-item a., Rule 1310-2, Paragraph 1, Item 2, Sub-item a., and Rule 1511, Paragraph 1, Item 2, Sub-item a. of the same regulations, such trading participant must establish systems and frameworks for such examinations as specified by the Exchange.

Rule 22-5. Development of Corporate Information Management System

A trading participant must properly develop a system for the management of corporate information (meaning corporate information prescribed in Article 1, Paragraph 4, Item 14 of the Cabinet Office Ordinance on Financial Instruments Business, etc. (Cabinet Office Ordinance No. 52 of 2007)) that is deemed necessary and appropriate from the perspective of market operations of the Exchange to prevent unfair trading based on the use of such corporate information.

Rule 23. Responsibility for Securities Trading

A trading participant must assume full responsibility for its securities trading in the Exchange market.

Rule 23-2. Public Announcement of Erroneous Orders

In cases where an erroneous order has been placed and the Exchange announced it to the public pursuant to the provisions of Rule 77-2 of the Business Regulations, the trading participant that placed the order must,

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without delay, announce the name of the issue or other matters specified by the Exchange with respect to such order.

Rule 23-3. Restriction on Remote Trading Participant's Accepting Entrustment

1. A remote trading participant shall not accept entrustment of securities trading in the Exchange market while being aware that an order(s) is for an account of a person(s) residing in Japan.
2. If a remote trading participant accepts entrustment of securities trading in the Exchange market from a customer residing outside Japan, said participant must apply to the Exchange in advance as specified by the Exchange, and obtain approval from the Exchange.
3. The provisions of Rule 16, Paragraphs 3 through 5 shall apply mutatis mutandis to the approval in the preceding paragraph.

Rule 23-4. Obligation, etc. of Remote Trading Participants

1. A remote trading participant must abide by matters referenced in each of the following items in the course of carrying out its business:
   (1) To adequately administrate its electronic data processing system for exchange trading business, etc.; and
   (2) To prohibit any person other than board members, executives, and employees whom the Exchange deemed appropriate from committing acts specified by the Exchange with regard to securities trading in the Exchange market.
2. A remote trading participant must comply with rules, board resolutions, and guidelines of the Japan Securities Dealers Association which the Exchange deems that such compliance is necessary for said participant in light of the exchange trading business carried out by said participant.

Rule 24. Regulations on Business of Trading Participants in Case of Emergency

The Exchange may, in cases where it deems there is urgent necessity in the light of operations of the Exchange market, impose necessary and appropriate regulations on business of all or part of trading participants, in addition to such cases as prescribed separately by the Exchange.

SECTION 2
DUTIES OF TRADING PARTICIOANTS WITHOUT CLEARING QUALIFICATIION, etc.

Rule 24-2. Definition of Non-clearing Participant

A non-clearing participant shall mean a trading participant that has no securities clearing qualification.

Rule 24-3. Conclusion of Clearing Entrustment Agreement

A non-clearing participant (excluding trading participants that have obtained the Exchange’s approval as prescribed in Rule 24-7, Paragraph 1 and are deemed appropriate by the Exchange; the same shall apply in the following rule) must enter into a clearing entrustment agreement prescribed in the Business Rules and Regulations of JSCC with an agency clearing participant (meaning an entity having an agency clearing qualification (meaning an agency clearing qualification prescribed in the Business Rules and Regulations of JSCC; the same shall apply hereinafter) pertaining to the trading qualification; the same shall apply hereinafter) concerning entrustment of brokerage for clearing of securities, etc. pertaining to trading in securities in the Exchange market.

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Rule 24-4. Designation of Designated Clearing Participant

1. A non-clearing participant must designate one (1) agency clearing participant with which it has entered into a clearing entrustment agreement, and to which it regularly entrusts brokerage for clearing of securities, etc. (such person shall be hereinafter referred to as a “designated clearing participant”).
2. Where a non-clearing participant designates or changes its designated clearing participant prescribed in the preceding paragraph, or has decided not to designate a designated clearing participant due to the designation of other trading participants to which order placement is entrusted as prescribed in Rule 24-7, Paragraph 1, it must in advance submit to the Exchange an application therefor and obtain approval of the Exchange as prescribed by the Exchange.

Rule 24-5. Notification of Conclusion of Clearing Entrustment Agreement

A non-clearing participant shall, when it intends to conclude the clearing entrustment agreement, notify with the Exchange in advance of the details of the agreement, as prescribed by the Exchange.

Rule 24-6. Report on Cancellation of Clearing Entrustment Agreement

A non-clearing participant must, with respect to cancellation of the clearing entrustment agreement, report the details to the Exchange in accordance with the classification of cancellation prescribed in each of the following items pursuant to the provisions prescribed in each such item:

(1) Cancellation based on an agreement between both parties:
The report shall be made by three (3) days (excluding holidays) preceding the day of the cancellation.

(2) Cancellation based on the prior proposal in writing made by a non-clearing participant to an agency clearing participant:
The report shall be made without delay after the proposal for such cancellation is made.

(3) Cancellation based on the prior proposal in writing made to a non-clearing participant by an agency clearing participant (excluding the cancellation referenced in Item 5):
The report shall be made without delay after the proposal for such cancellation was received.

(4) Cancellation caused by the fact that the non-clearing participant has fallen under the condition of acceleration of the non-clearing participant’s liabilities pertaining to its transactions based on entrustment of brokerage for clearing of securities, etc.:
The report shall be made by the day preceding the day of such cancellation.

(5) Cancellation based on the prior proposal in writing made by an agency clearing participant to a non-clearing participant to when the following condition is met; the non-clearing participant and agency clearing participant set conditions in advance to be able to cancel a clearing entrustment agreement in light of ensuring fulfillment of its obligations pertaining to transactions based on entrustment of brokerage for clearing of securities, etc. (hereinafter referred to as a "special cancellation"):
The report shall be made immediately after receiving the proposal for said special cancellation is made and by the day preceding the day of such special cancellation to be made.

SECTION 3
DUTIES OF TRADING PARTICIPANTS WHICH ENTRUST ORDER PLACEMENT TO OTHER TRADING PARTICIPANTS, etc.

Rule 24-7. Entrustment of Order Placement to Other Trading Participants

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1. A trading participant which intends to trade securities in the Exchange market by entrusting order placement to another trading participant must, in the cases specified by the Exchange, apply to the Exchange and obtain its prior approval in the manner specified by the Exchange. In this case, such a trading participant shall designate one or more other trading participants with which to entrust order placement.
2. Where a trading participant that has obtained the Exchange's approval as prescribed in the preceding paragraph changes a trading participant with which it entrusts order placement or decides to stop entrusting order placement to a trading participant, it must submit an application to the Exchange and obtain its approval in advance in the manner prescribed by the Exchange.

Rule 24-8. Notification from Trading Participant Receiving Entrustment

When a trading participant intends to accept an entrustment of order placement of securities trading in the Exchange market from a trading participant prescribed in Paragraph 1 of the preceding rule, it must notify the Exchange in advance in the manner prescribed by the Exchange.

CHAPTER 4
VOLUNTARY DISQUALIFICATION AS TRADING PARTICIPANT

Rule 25. Application for Waiver of Trading Qualification

When a trading participant intends to waive its trading qualification, the trading participant shall make an application to the Exchange for waiver of a trading qualification as prescribed by the Exchange.

Rule 26. Regulatory Actions Including Suspension of Securities Trading by Applicant for Waiver

1. The Exchange shall, on and after the day (to be moved forward if the day falls on a holiday) following the day on which the Exchange received from a trading participant an application for waiver of a trading qualification, suspend securities trading (excluding those based on entrustment of brokerage for clearing of securities, etc.; the same shall apply hereinafter in this rule and the following rule) or entrustment of brokerage for clearing of securities, etc. in the Exchange market.
2. Notwithstanding the provisions of the preceding paragraph, an applicant for waiver of such trading qualification may, with the approval of the Exchange, effect securities transactions or entrust brokerage for clearing of securities, etc. in the Exchange market within the extent to which such transactions are necessary for covering the applicant's any unsettled transactions pursuant to the provisions of Rule 56 of the Clearing/Settlement Regulations.

Rule 27. Transactions in Case of Merger, etc. of Applicant for Waiver

Where an applicant for waiver of a trading qualification is, concurrently with waiver of its trading qualification, merged by an entity that obtains or has the trading qualification and has such entity succeed its business as a result of its merger or transfers its business to such entity, and in addition, if the Exchange deems that it is unnecessary to have the applicant clear any unsettled transactions with respect to the applicant's securities trading or its transactions based on entrustment of brokerage for clearing of securities, etc. and its other transactions relevant to these transactions that were effected in the Exchange market, the Exchange may, notwithstanding the provisions of Paragraph 1 of the preceding rule, choose not to suspend

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the applicant for waiving such trading qualification from effecting securities transactions or entrustment of agency-based clearing of securities, etc. in the Exchange market.

Rule 28. Approval of Waiver of Trading Qualification

1. The Exchange shall approve waiver of a trading qualification, designating a future date.
2. The Exchange shall, where it has approved waiver of a trading qualification, notify each trading participant to that effect.

Rule 29. Procedures at the Time of Waiver of Trading Qualification

1. When a trading participant (excluding remote trading participants; the same shall apply in the next paragraph) has waived its trading qualification (including revocation thereof; the same shall apply hereinafter), the Exchange shall immediately issue an public notice of the trading participant's waiver of its trading qualification (where the Exchange returns the participant bond to the trading participant, the trading participant's waiver of its trading qualification and return of the participant bond to such trading participant).
2. No trading participant may claim return of its participant bond due to waiver of a trading qualification until six (6) months have elapsed from the date when the public notice was issued pursuant to the provisions of the preceding paragraph.
3. No trading participant may claim return of its trading participant security money due to waiver of a trading qualification until two (2) months have elapsed from the date when the trading qualification was waived.
4. Where the Exchange in particular deems it necessary, it may change the period prescribed in the preceding paragraph.
5. Notwithstanding the provisions of the preceding three paragraphs, no trading participant may claim return of its participant bond and trading participant security money due to waiver of a trading qualification where its participant bond and trading participant security money have been applied to such deposit requirements prescribed in Rule 5, Paragraph 4.
6. When a trading participant waives a trading qualification, it shall return to the Exchange the trading participant certificate and follow other procedures prescribed by the Exchange.

Rule 30. Fulfillment of Obligations at the Time of Waiver of Trading Qualification

An entity that has waived a trading qualification shall appropriate the money or the securities to be returned to it by the Exchange for fulfilling all the liabilities it owes to the Exchange as a trading participant.

Rule 31. Trading, etc. in the Case of Waiving Trading Qualification

Where a trading participant has waived its trading qualification, the principal or its general successor may, with the approval of the Exchange, effect securities transactions (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market within the extent to which such transactions are necessary for clearing the applicant's any unsettled transactions pursuant to the provisions of Rule 57 of the Clearing/Settlement Regulations.

Rule 32. Deleted.

Rule 33. Switch from Authorized transaction-at-exchange operator to Financial Instruments Business

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Operator and Vice Versa

1. Where a remote trading participant intends to make registration for financial instruments business, or where a trading participant that is a financial instruments business operator intends to obtain permission for the exchange trading business, those participants must obtain approval from the Exchange.
2. If a trading participant intends to obtain approval in the preceding paragraph, it must make an application to the Exchange as specified by the Exchange.
3. The provisions of Rule 16, Paragraphs 3 and 4 shall apply mutatis mutandis to the approval in Paragraph 1.

CHAPTER 5
DISCIPLINARY ACTIONS AND REGULATORY DISPOSITION, etc. AGAINST TRADING PARTICIPANT

Rule 34. Disciplinary Actions Against Trading Participant

1. Where the Exchange deems that a trading participant falls under any of the following items, the Exchange may, after holding a hearing with such trading participant, take disciplinary actions prescribed in each such item:
   (1) When a trading participant obtained its trading qualification by fraudulent means, revocation of a trading qualification(s);
   (2) When a trading participant no longer meets the provisions of Rule 3, Paragraph 2, revocation of a trading qualification(s);
   (3) When a trading participant has become insolvent and fell into a status of an insurmountable difficulty in recovering from such insolvency, revocation of a trading qualification;
   (4) When a trading participant fails to complete its contracts with the Exchange pertaining to securities trading or entrustment of brokerage for clearing of securities, etc., in the Exchange market, suspension from or restriction on securities trading (excluding those based on brokerage for clearing of securities, etc.; the same shall apply in this paragraph) or entrustment of brokerage for clearing of securities, etc. in the Exchange market for a period of up to six (6) months or revocation of a trading qualification(s);
   (5) When a trading participant does not pay to or deposit with the Exchange as prescribed by the Exchange money or securities that the trading participant is required to pay to or deposit with the Exchange, suspension from or restriction on securities trading or entrustment of brokerage for clearing of securities, etc. in the Exchange market for a period of up to six (6) months or revocation of a trading qualification(s);
   (6) When a trading participant has refused, hindered or evaded the inspection specified by the provisions of Rule 19, when the trading participant has failed to submit the report or materials pursuant to the provisions of the same rule or has submitted false report or materials, or when the trading participant has refused, hindered or evaded the inspection specified by the provisions of Rule 44, Paragraph 2, fine of five hundred million (500,000,000) yen or less, admonition, suspension from securities trading or entrustment of brokerage for clearing of securities, etc. in the Exchange market for a period of up to six (6) months, or revocation of a trading qualification;
   (7) When a trading participant has failed to make a notification pursuant to the provisions of Rule 17 or to make a report pursuant to the provisions of Rule 18, or when the trading participant has made a false notification or report, fine of five hundred million (500,000,000) yen or less, admonition, suspension

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from securities trading or entrustment of brokerage for clearing of securities, etc. in the Exchange market for a period of up to six (6) months, or revocation of a trading qualification(s); or

(8) When the Exchange deems that a trading participant has not made adequate improvements in response to a recommendation prescribed in Rule 43, Paragraph 1, a fine of five hundred million (500,000,000) yen or less, censure, suspension from securities trading or entrustment of brokerage for clearing of securities, etc. in the Exchange market for a period of up to six (6) months, or revocation of a trading qualification(s).

(9) In addition to each of the preceding items, when the trading participant has failed to abide by the Laws and Regulations (including foreign financial instruments and exchange laws and regulations if the trading participant is a foreign corporation that is a financial instruments business operator or an authorized transaction-at-exchange operator; the same shall apply hereinafter in this rule and in Rule 39), disciplinary actions or dispositions taken by the administrative authorities based on the laws and regulations, the Articles of Incorporation, the Business Regulations, the Brokerage Agreement Standards or other regulations of the Exchange or disciplinary actions or regulatory dispositions taken by the Exchange based thereon, or when the trading participant has committed an act in violation of just and equitable principles of trade, fine of five hundred million (500,000,000) yen or less, admonition, suspension from or restriction on securities trading or entrustment of brokerage for clearing of securities, etc. in the Exchange market for a period of up to six (6) months, or revocation of a trading qualification(s).

2. The Exchange may, when it takes disciplinary actions or dispositions pursuant to the provisions of the preceding paragraph, impose a fine concurrently with either suspension from or restriction on securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market, or admonition.

Rule 35. Regulatory Disposition Against Trading Participant

1. Where a trading participant has fallen under any of the following items, the Exchange may, after holding a hearing with such trading participant and by giving the reason therefor, take a regulatory disposition of suspension from or restriction on securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market and other measures deemed necessary by the Exchange:

(1) When a trading participant does not comply with request for alteration of its cooperative or control relationship with its officer or other persons pursuant to the provisions of Rule 9;

(2) When more than half of the voting rights (excluding those pertaining to the class of stock that does not enable its holders to exercise voting rights with respect to all the matters that are subject to resolution of a shareholders meeting, but including those pertaining to such stock to which voting rights are regarded as being attached pursuant to the provisions of Article 879, Paragraph 3 of the Companies Act) held by all shareholders or more than half of the voting rights pertaining to capital contribution thereto has come to be owned by a person who is considered inappropriate in light of operations of the Exchange market, or when the trading participant has become a subsidiary (meaning a subsidiary prescribed in Article 2, Item 3 of the Companies Act) of the person; or

(3) When a person who, irrespective of whether he/she is titled as a counselor, an advisor or any other, has control over a trading participant equivalent to or higher than that of a director or an executive officer, is considered inappropriate in the light of operations of the Exchange market.

2. Where a trading participant has fallen under any of the following items, the Exchange may, after holding

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a hearing with such trading participant, suspend or restrict the trading participant's securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market until the grounds for such suspension or restriction become void:

(1) When the amount of capital or the total amount of net worth has become less than 300 million (300,000,000) yen;

(2) For a financial instruments business operator, when the net capital regulation ratio has become less than 120%;

(3) Regarding special financial instrument business operators (meaning special financial instrument business operators prescribed in Article 57-2, Paragraph 2 of the Act), when the soundness of management prescribed in Article 57-5, Paragraph 2 of the Act falls below the level prescribed by the Exchange.

(4) For an authorized transaction-at-exchange operator, the Exchange deems that the capital adequacy has deteriorated to a degree which is the same level as specified in Item 2.

(5) When an authorized transaction-at-exchange operator has become suspended from securities trading, etc. due to a disciplinary action or disposition by a foreign financial instruments exchange.

3. When a trading participant has become insolvent or is deemed likely to become insolvent, the Exchange may, after holding a hearing with the trading participant, suspend such trading participant from securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market until the grounds for such suspension become void.
4. Where a trading participant that has filed the matter set forth in Item 1 of Rule 17 with the Exchange or made an public notice with respect to a matter set forth in any of Item 2 through Item 5 of the same rule (or, in cases of a remote trading participant, has made notification to the Exchange of a matter referenced in any of Item 1 through Item 5 of the same rule) does not make an application for waiver of a trading qualification, the Exchange may, after holding a hearing with the trading participant, suspend such trading participant from securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market.
5. A trading participant that has received a regulatory actions of suspension from securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market pursuant to the provisions of the preceding two paragraphs may, with the approval of the Exchange, effect securities transactions (excluding those based on brokerage for of securities etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market within the extent to which such transactions are necessary for clearing the applicant's any unsettled transactions pursuant to the provisions of Rule 58 of the Clearing/Settlement Regulations.

Rule 36. Deleted.

Rule 37. Lifting of Regulatory Disposition of Suspension, etc. from Trading in Securities

1. A trading participant that has received a regulatory action of suspension from securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. for an unspecified period of time pursuant to the provisions of Rule 35 may, upon removal of the grounds for such action, make an application for lifting of such action with a written explanation thereof.
2. When the Exchange deems it appropriate to lift the regulatory action based on an application therefor as

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mentioned in the preceding paragraph, it shall approve the application.

3. When a trading participant that has received a regulatory action of suspension from securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. for an unspecified period of time pursuant to the provisions of Rule 35 is not able to obtain an approval mentioned in the preceding paragraph within one (1) year from the day of such regulatory action, the Exchange may revoke the trading qualification of such trading participant.

Rule 38. Objection to Disciplinary Action or Regulatory Action

The proviso in Rule 9, Paragraph 1 and the provisions of Paragraph 2 of the same rule shall apply mutatis mutandis to a hearing mentioned in Rule 34 or 35, and the provisions of Rule 9, Paragraphs 3 and 4 shall apply mutatis mutandis to the disciplinary actions mentioned in Rule 34 or the regulatory actions mentioned in Rule 35.

Rule 39. Regulatory Action Against Trading Participant Being Under Disciplinary Action of the Laws and Regulations

Where a trading participant has been placed under a disciplinary action of suspension of any or all of its business or of revocation of its registration or permission pursuant to the Laws and Regulations, the Exchange shall promptly suspend or restrict its securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market or revoke its trading qualification, depending upon the details of the disciplinary action.

Rule 39-2. Suspension or Restriction of Securities Trading by Trading Participant for which Clearing Qualification Has Been Revoked, etc.

1. Where a trading participant has been placed under a regulatory action of revocation of its clearing qualification or of suspension of its undertaking of obligations in whole or in part pursuant to the Business Rules and Regulations adopted by JSCC, the Exchange shall suspend or restrict its securities trading (excluding those based on brokerage for clearing of securities, etc.; the same shall apply hereinafter in this rule), depending upon the details of such regulatory action.
2. The trading participant referenced in the preceding paragraph may, with the approval of the Exchange, conduct securities trading within the extent to which such securities trading is necessary for clearing any unsettled transactions pursuant to the provisions of Rule 58 of the Clearing/Settlement Regulations.

Rule 39-3. Suspension or Restriction of Entrustment of Brokerage for Clearing of Securities, etc. by Non-clearing Participant for which Designated Clearing Participant Had Its Clearing Qualification Revoked, etc.

1. Where a non-clearing participant’s designated clearing participant has been placed under a regulatory action of revocation of its clearing qualification or of suspension of its undertaking of obligations in whole or in part pursuant to the Business Rules and Regulations adopted by JSCC, the Exchange shall suspend or restrict such non-clearing participant’s entrustment of brokerage for clearing of securities, etc. for securities trading, in the Exchange market, depending upon the details of such regulatory action.
2. The non-clearing participant mentioned in the preceding paragraph may, with the approval of the Exchange, carry out securities trading or entrust brokerage for clearing of securities, etc., within the extent to which such entrustment is necessary for clearing any unsettled transactions pursuant to the provisions of Rule 59 of the Clearing/Settlement Regulations.

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Rule 39-4. Regulatory Action in the Case of Not Designating Designated Clearing Participant

1. Where a non-clearing participant has not designated its designated clearing participant (excluding cases where a designated clearing participant has ceased to serve as a designated clearing participant due to a special cancellation of a clearing entrustment agreement between the designated clearing participant and the non-clearing participant), the Exchange shall suspend the trading participant from entrustment of brokerage for clearing of securities, etc.
2. In the case referred to in the preceding paragraph, when a designated clearing participant has ceased to serve as a designated clearing participant due to cancellation of the clearing entrustment agreement with the non-clearing participant, such non-clearing participant may, notwithstanding the provisions of the same paragraph, with the approval of the Exchange, carry out transactions based on entrustment of brokerage for clearing of securities, etc., within the extent to which entrustment is necessary for completing settlement of any unsettled transactions with respect to the non-clearing participant's transactions based on entrustment of brokerage for clearing of securities, etc. and other transactions relevant thereto.
3. In the case referred to in the preceding paragraph, an entity that had been a designated clearing participant shall still be regarded as a designated clearing participant serving for such non-clearing participant, within the extent to which it completes settlement of any unsettled transactions with respect to the non-clearing participant's transactions based on entrustment of brokerage for clearing of securities, etc., and its other transactions relevant to such entrustment.

Rule 39-5. Measures Taken When Special Cancellation Is Made

1. Where a non-clearing participant has not designated a designated clearing participant (limited to cases where the designated clearing participant has ceased to serve as a designated clearing participant due to a special cancellation of a clearing entrustment agreement with the non-clearing participant), the Exchange shall suspend said non-clearing participant from entrustment of brokerage for clearing of securities, etc.
2. Notwithstanding the preceding paragraph, the non-clearing participant in the same paragraph may entrust brokerage for clearing of securities, etc. with the approval of the Exchange within the necessary extent to which it completes settlement of any unsettled transactions with respect to the non-clearing participant's individual options trading, transactions based on entrustment of brokerage for clearing of securities, etc. and other transactions relevant thereto, and it completes settlement of any unsettled transactions pertaining to margin transactions.
3. In the case referenced in the preceding paragraph, an entity that had been a designated clearing participant shall still be regarded as a designated clearing participant serving for such non-clearing participant, within the extent to which it completes settlement of any unsettled transactions with respect to the non-clearing participant's transactions based on entrustment of brokerage for clearing of securities, etc. and its other transactions relevant to such entrustment, and it completes settlement of any unsettled positions pertaining to margin transactions.

Rule 40. Notification of Disciplinary Action, Regulatory Disposition or Regulatory Action, etc.

1. When the Exchange has taken a disciplinary action, regulatory disposition or regulatory action (limited to a regulatory action of suspension of or restriction on securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. or revocation of a trading qualification) pursuant to the provisions of this chapter (excluding Rule 39-3) against a trading participant, the Exchange shall give notification to that effect to each trading participant

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and make a public announcement.

2. Where a disciplinary action, regulatory disposition or regulatory action taken by the Exchange against a trading participant is suspension of or restriction on the trading participant's securities trading (excluding those based on brokerage for clearing of securities, etc.) or entrustment of brokerage for clearing of securities, etc. in the Exchange market, such trading participant must, as prescribed by the Exchange, display a notice to that effect over the counter, etc.

Rule 41. Deleted.

Rule 42. Violation of Just and Equitable Principles of Trade

An act in violation of just and equitable principles of trade prescribed in the Articles of Incorporation and these Regulations means an act prescribed in the following items or other acts prescribed by the Exchange in its regulations, which ruin the credibility of the Exchange or betrays the trust in the Exchange or its trading participants in the light of operations of the Exchange market:

(1) Interference with or hindrance to the business of the Exchange or of other trading participants;

(2) A fraudulent act, dishonest or improper conduct, or extremely careless or negligent business practices in connection with trading in securities, derivatives trading, foreign market derivatives trading, or any other transactions similar thereto; or

(3) Buying up stocks and selling such shares lucratively to an entity concerned with the issuing company of the stock, against his/her will, by taking advantage of being a holder of a large amount of shares of the stock, or acceptance of orders to buy shares of such stock (excluding acceptance of entrustment of brokerage for clearing of securities, etc.) based on the computation by an entity that intends to carry out the similar sort of conduct thereto.

Rule 43. Recommendation to Trading Participant

1. The Exchange may, when it deems that the business or financial condition of a trading participant is inappropriate in the light of operating the Exchange market, recommend such trading participant to take appropriate measures/actions.
2. Where the Exchange made a recommendation set forth in the preceding paragraph and deems it necessary thereafter, the Exchange may require such trading participant to provide reports on measures/actions taken and/or to be taken.
3. Where the Exchange has issued a recommendation as prescribed in Paragraph 1 and deems it particularly necessary to issue an alert to investors, it may give notification of the issuance of said recommendation to each trading participant and make a public announcement.

CHAPTER 5-2
ACQUISITION OF TRADING QUALIFICATION BY SPECIFIED BRIDGE FINANCIAL INSTITUTION, etc.

Rule 43-2. Application and Approval for Obtainment of Trading Qualification by Specified Bridge Financial Institution, etc.

In the event where an entity that intends to obtain a trading qualification is a specified bridge financial institution (as defined in Article 126-34, Paragraph 3, Item 5 of the Deposit Insurance Act (Act No. 34 of 1971)); the same

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shall apply hereinafter), the Exchange may grant approval with regard to obtainment of a trading qualification to such entity, notwithstanding the provisions of Rule 4, Paragraph 2.

Rule 43-3. Implementation of Procedure for Obtaining Trading Qualification by Specified Bridge Financial Institution Applicant

When the Exchange has approved the obtainment of the trading qualification by a specified bridge financial institution applicant (meaning a specified bridge financial institution that applied for trading qualification of the Exchange; the same shall apply hereinafter) pursuant to the provisions of the preceding paragraph, notwithstanding the provisions of Rule 5, Paragraph 1, the Exchange shall have such specified bridge financial institution applicant follow the trading qualification obtainment procedures prescribed in the same paragraph (excluding payment of admission fee and deposit of trading participant security money) by the day the Exchange specifies separately (with regard to depositing participant bond, by the day the Exchange specifies pursuant to the provisions of Rule 4, Paragraph 3).

Rule 43-4. Date of Obtaining Trading Qualification

1. Notwithstanding the provisions of Rule 6, Paragraph 1, the Exchange shall grant the trading qualification to a specified bridge financial institution applicant on the date the Exchange has specified pursuant to the provisions of Rule 4, Paragraph 3.
2. The provisions in Rule 6, Paragraphs 2 and 3 shall apply mutatis mutandis to the case where a trading qualification is obtained pursuant to the provisions of the preceding paragraph.

Rule 43-5. Obligation of Specified Failed Trading Participant to Obtain Approval Regarding Merger, etc.

In the case where a specified failed trading participant (meaning a trading participant that is designated as a specified failed financial institution under Specified Type II Measures prescribed in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act) intending to conduct an act prescribed in Rule 16, Paragraph 1, Item 2 or 4 with a specified bridge financial institution applicant, notwithstanding the provisions of the same paragraph, it shall not be required to obtain prior approval of the Exchange.

CHAPTER 6
ARBITRATION

Rule 44. Arbitration

1. The Exchange shall arbitrate a dispute between or among trading participants with respect to securities trading or loan or other securities transactions, upon request for arbitration from the trading participant that is a party involved, as prescribed by the Exchange; provided, however, that when the Exchange deems that the dispute is unsuitable for the Exchange's arbitration in the light of the nature of the dispute or that the request for arbitration is intentionally proposed with an unreasonable purpose by a party involved, or when one of the parties involved refuses the Exchange's arbitration of the dispute, the Exchange may not arbitrate the dispute.
2. The Exchange may, where it arbitrates a dispute, investigate the trading participants that are the parties involved with respect to matters necessary for arbitration.
3. The procedure for a request for arbitration, methods of arbitration and other necessary particulars relating

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thereto shall be prescribed by the Exchange in its regulations.

CHAPTER 7
MISCELLANEOUS PROVISIONS

Rule 44-2. Entrustment of Self-regulatory Operations

1. The Exchange may entrust JPX-R with the activities prescribed in each of the following items out of the self-regulatory operations as prescribed in Article 84, Paragraph 2 of the Act:
   (1) Examination of the eligibility of trading participants;
   (2) Investigation of the compliance status by a trading participant with the Laws and Regulations, disciplinary actions or dispositions taken by the administrative authorities under the Laws and Regulations, or the Articles of Incorporation and other regulations of the Exchange or just and equitable principles of trade of the Exchange;
   (3) Examination of the details of securities trading executed or conducted by trading participants in the financial instruments exchange market; and
   (4) Operations related to disciplinary actions and other regulatory actions against trading participants.
2. Trading participants and entities that intend to obtain a trading qualification shall respond to the examination, investigation, report or materials submission, or inspection and hearing conducted by JPX-R with respect to the operations entrusted to JPX-R by the Exchange pursuant to the provisions of the preceding paragraph.
3. With respect to the operations entrusted to JPX-R by the Exchange pursuant to the provisions of Paragraph 1, the Exchange shall grant approval or effect disciplinary actions or other regulatory actions based on the result of examination or investigation conducted by JPX-R.

Rule 45. Entrustment of Affairs Concerning Participant Bond and Trading Participant Security Money

1. The Exchange may entrust an entity designated by the Exchange with affairs concerning the participant bond and the trading participant security money prescribed by the Exchange.
2. Deposit by a trading participant of the participant bond and the trading participant security money shall, in addition to the provisions prescribed in these Regulations, be subject to the provisions prescribed, with the approval of the Exchange, by an entity designated pursuant to the provisions of the preceding paragraph pertaining to the affairs set forth in the same paragraph.

Rule 46. Application to Brokerage for Clearing of Securities, etc.

The provisions of Rules 3, 23, and 23-2 shall be applied to brokerage for clearing of securities, etc. pertaining to securities trading by regarding a trading participant that entrusts brokerage for clearing of securities, etc. as an entity that effects securities transactions.

Rule 46-2. Application to Securities Trading Enacted through Entrustment of Order Placement to Other Trading Participants

The provisions of Rules 3, 23, and 23-2 shall be applied to securities trading that is enacted through entrustment of order placement to other trading participants as prescribed in Rule 2-2, Paragraph 3, with the trading participant that has obtained the Exchange's approval as prescribed in Rule 24-7, Paragraph 1 deemed as the party who trades the securities.

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Rule 47. Decision of Necessary Matters Pertaining to Trading Participant

The Exchange may, in addition to the matters prescribed in these Regulations, prescribe the required handling in its regulations, where it deems necessary pertaining to the trading participants of the Exchange.

Supplementary Provisions

1. These revisions shall take effect on February 17, 2025.
2. The revised provisions of Rule 34, Paragraph 1, Items (6), (7), and (9) will be applied to disciplinary actions that are taken against acts that trading participants have conducted on or after the implementation date.
3. The revised provisions of Rule 34, Paragraph 1, Item (8) will be applied to recommendations that are made on or after the implementation date.
4. The revised provisions of Rule 43, Paragraph 3 will be applied to recommendations made regarding the business or financial conditions of trading participants on or after the implementation date.

Supplementary Provisions

These revisions shall take effect on February 28, 2025.

Supplementary Provisions

These revisions shall take effect on March 31, 2025.

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