

Enforcement Rules for Trading Participant Regulations

(As of April 13, 2026)

Osaka Exchange, Inc.

Rule 1. Purpose

These Rules shall prescribe matters specified and designated by OSE and other necessary matters in accordance with the Trading Participant Regulations (hereinafter referred to as the "Regulations").

Rule 2. Matters to be Notified

Notification to OSE prescribed in Rule 6, Paragraph 1, Rule 15, and Rule 33-4, Paragraph 1 of the Regulations shall be made by attaching documents deemed necessary by OSE to the predetermined notification forms by the time designated by OSE.

Rule 3. Handling of Cash

1. When a Trading Participant deposits guarantee funds or Trading Participant security money with OSE in cash pursuant to the provisions of Rule 11, Paragraph 1 or Rule 11-2, Paragraph 1 of the Regulations, Japan Securities Clearing Corporation (hereinafter referred to as "JSCC") shall receive said cash on behalf of OSE, and the Trading Participant shall make such deposit by means of transfer to an account in the name of JSCC opened with a bank selected by said Trading Participant from among the banks designated by JSCC.
2. Refund of guarantee funds or Trading Participant security money deposited with OSE in cash to a Trading Participant shall be carried out by JSCC on behalf of OSE by means of transfer from an account in the name of JSCC to an account in the name of said Trading Participant.

Rule 4. Deleted

Rule 4-2. Notice Regarding Merger, etc.

A Trading Participant shall give a notification pursuant to Rule 14, Paragraph 2 of the Regulations to OSE concerning the matters specified in each of the following items and other matters deemed necessary by OSE in accordance with the classification of act referred to in said item no later than, as a general rule, the day two weeks before the day of the general shareholders meeting (or equivalent thereof for an entity other than a stock company; the same shall apply in this rule) at which said act is proposed for approval if the approval is to be made via a resolution at a general shareholders meeting, or, as a general rule, no later than the day two weeks before the day of the decision by a decision-making body such as the board of directors if the approval is to be made via

means other than a resolution at a general shareholders meeting.

- (1) Merger referred to in Rule 14, Paragraph 1, Item (1) of the Regulations:
 - (a) Composition of shareholders as well as those of board members, executive officers and/or auditors (hereinafter referred to as "officers") after the merger; and
 - (b) Outline of the legal entity that is the counterparty of the merger (including financial condition of said legal entity);
- (2) Passing on part of the business to another legal entity as a result of a company split referred to in Rule 14, Paragraph 1, Item (2) of the Regulations or transfer of part of the business referred to in Item (4) of the same paragraph:
 - (a) Composition of officers, organizational structure, and estimated business pertaining to market derivatives transactions in the OSE market after the company split or the business transfer; and
 - (b) Summary of the business pertaining to the company split or the business transfer (including amounts of assets and liabilities pertaining thereto);
- (3) Succession of the whole or part of the business from another legal entity as a result of a company split referred to in Rule 14, Paragraph 1, Item (3) of the Regulations or acquisition of the whole or part of the business referred to in Item (5) of the same paragraph:
 - (a) Composition of officers after the company split or the business acquisition; and
 - (b) Summary of the business pertaining to the company split or the business acquisition (including amounts of assets and liabilities pertaining thereto).

Rule 4-3. Application for Approval of Merger, etc.

1. An application pursuant to Rule 14, Paragraph 2 of the Regulations shall be made by submitting to OSE a predetermined approval application form stating the matters referred to in the following items:
 - (1) Trade name or corporate name (including the English trade name or corporate name);
 - (2) Name of representative;
 - (3) Trade name or corporate name of counterparty involved in the action pertaining to said application (hereinafter referred to as the "corporate restructuring");
 - (4) Effective date of the corporate restructuring; and
 - (5) Reason for the corporate restructuring.
2. Documents referred to in the following items shall be attached to the approval application form pursuant to the preceding paragraph:
 - (1) Documents describing the details of the corporate restructuring agreement;

- (2) A copy of minutes of the board of directors' meeting pertaining to the corporate restructuring (including a document proving that a decision was made by directors for a company with supervisory committee, a document proving that a decision was made by executive officers for a company with three committees (nomination, audit and remuneration), or an equivalent document for an entity other than a stock company);
- (3) Financial statements and business reports of the counterparty to the corporate restructuring (meaning financial statements and business reports prescribed in Article 438, Paragraph 1 of the Companies Act, or their equivalents for an entity other than a stock company);
- (4) A document stating an estimated amount of capital, total amount of capital contribution (or the total amount of funds (including reserves for redemption of funds) for mutual companies; the same shall apply hereinafter) or the amount of net worth (or net assets for a Registered Financial Institution) and capital adequacy ratio (or the ratio calculated as provided in Article 46-6, Paragraph 1 of the Act for an entity that does not conduct Type 1 Financial Instruments Business; for a Remote Trading Participant, figures and other information indicating the status of its capital adequacy calculated in accordance with the laws and regulations of the country where its head office or principal business office is located; for a Commodity Derivatives Business Operator (excluding Financial Instruments Business Operators and Registered Financial Institutions; the same shall apply hereinafter), the net assets regulation ratio (meaning the net assets regulation ratio prescribed in Article 211, Paragraph 1 of the Commodity Derivatives Transaction Act; the same shall apply hereinafter); for a Commodity Market Trading Participant (excluding Commodity Derivatives Business Operators), figures and other information indicating the status of its capital adequacy) after the corporate restructuring (or an equivalent document for Registered Financial Institutions);
- (5) A document describing the procedures of the corporate restructuring;
- (6) A written confirmation indicating that the applicant has no relationship with anti-social forces as predetermined by OSE ; and
- (7) Other documents deemed necessary by OSE.

Rule 4-4. Matters to Be Notified

Actions separately specified by OSE as prescribed in Rule 15, Item (9) of the Regulations shall mean those referred to in the following items:

- (1) Actions referred to in Rule 14, Paragraph 1, Item (1) of the Regulations, where the total of
 - a) the amount obtained by multiplying the number of shares delivered at the time of a merger by the net asset value per share and
 - b) the book value of other properties such as

- corporate bonds delivered at the time of the merger will be one twentieth or less of the net assets of the Trading Participant that survive after the merger;
- (2) Actions referred to in Rule 14, Paragraph 1, Item (2) of the Regulations, where the total book value of assets to be passed on to another entity due to a company split will be one twentieth or less of the total assets of the Trading Participant that carries out the company split;
- (3) Actions referred to in Rule 14, Paragraph 1, Item (3) of the Regulations, where the total of a) the amount obtained by multiplying the number of shares delivered due to a company split by the net asset value per share and b) the book value of other properties such as corporate bonds that are delivered due to the succession of business will be one twentieth or less of the net assets of the Trading Participant that succeeds business due to the company split;
- (4) Actions referred to in Rule 14, Paragraph 1, Item (4) of the Regulations where the book value of assets that will be transferred to other entity will be one twentieth or less of the total assets of the Trading Participant that transfers said assets; and
- (5) Actions referred to in Rule 14, Paragraph 1, Item (5) of the Regulations, where the total book value of property to be delivered as consideration for the business that is acquired from another entity will be one twentieth or less of the net assets of the Trading Participant that acquires said business.

Rule 5. Matters to Be Reported

Cases specified by OSE as prescribed in Rule 16 of the Regulations shall be the cases referred to in the following items, and the Trading Participant shall report the details to OSE by attaching documents deemed necessary by OSE to a report stated in the predetermined format:

- (1) Where a Trading Participant has applied for authorization prescribed in Article 30, Paragraph 1 of the Act, where an authorization for said application has been either granted or not granted, where any conditions have been attached to the authorization or said conditions have been changed, or where it has terminated a business pertaining to said authorization;
- (1)-2 Where conditions have been attached to the permission pursuant to Article 60, Paragraph 1 of the Act, or said conditions have been changed;
- (1)-3 Where a Trading Participant has applied for registration of a change pursuant to the provisions of Article 31, Paragraph 4 of the Act (excluding registration of a change relating to discontinuation of business referred to in Article 28, Paragraph 1, Item 1 and Item 1-2 of the Act, Type II Financial Instruments Business or business of Securities, etc. Management),

and where said registration of a change has been made;

- (1)-4 For a Financial Instruments Business Operator, where a registration pursuant to the provisions of Article 31, Paragraph 2 of the Act (limited to registration pertaining to particulars referred to in Article 29-2, Paragraph 1, Item 7 (a)) has been made; for a Registered Financial Institution, where a registration pursuant to the provisions of Article 33-6, Paragraph 2 of the Act (limited to registrations pertaining to particulars referred to in Article 33-3, Paragraph 1 Item 6, (a) of the Act) has been made; for an Authorized Firm for On-Exchange Transactions, where permission pursuant to Article 60, Paragraph 1 of the Act (limited to the permission pertaining to particulars referred to in Article 60-2, Paragraph 1, Item 4, (a) of the Act) has been granted; and for a Commodity Broker Trading Participant, where a registration pursuant to the Article 66-52 of the Act has been made;
- (2) Where a Trading Participant has prescribed or changed internal rules which specify matters for managing positions prescribed in Rule 5-5, Item (1), the risk management methods for a loss, methods for division of operations, or other business details and methods (including those for authorized business);
- (2)-2 Where a Trading Participant has become aware that a designated parent company (meaning a designated parent company prescribed in Article 57-12, Paragraph 3 of the Act; the same shall apply hereinafter) had conducted notification pursuant to Article 57-14 of the Act pertaining to the particulars referred to in Article 57-13, Paragraph 1, Item 6 of the Act;
- (3) When a Trading Participant has suspended or resumed business (meaning financial instruments business for Financial Instruments Business Operators, on-exchange transaction services for Authorized Firms for On-Exchange Transactions, business relating to government bond futures, interest rate futures, FX futures and/or government bond futures options for Government Bond Futures, etc. Trading Participants (limited to Registered Financial Institutions), business related to commodity index futures, commodity futures, FX futures and/or commodity futures options for Commodity Broker Trading Participants (limited to Registered Financial Institutions), and business related to commodity index futures, commodity futures and/or commodity futures options for Commodity Market Trading Participants (including when having suspended or resumed business pertaining to authorization));
- (4) Where a Trading Participant has made notification pursuant to Article 35, Paragraph 3 or Paragraph 6 of the Act or obtained approval pursuant to in Paragraph 4 of the same article;
- (5) Where a Trading Participant has filed a petition for commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, liquidation or special liquidation, or become aware that such a petition has been filed;

- (5)-2 Where a Trading Participant has become aware that a designated parent company has filed a petition for commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, liquidation, or special liquidation;
- (6) Where a Trading Participant has become insolvent or fallen in a situation of being likely to become insolvent;
- (6)-2 Where a Trading Participant has become aware that a designated parent company has become insolvent or fallen in a situation of being likely to become insolvent;
- (7) Where the amount of net worth (or the amount of net assets for Registered Financial Institutions) has fallen below JPY 300 million;
- (8) Where there has been a change in the Articles of Incorporation (excluding in the case of a change in trade name or corporate name (including a change in the English trade name or corporate name));
- (8)-2 Where a Trading Participant has become aware that a designated parent company has made changes to its Articles of Incorporation;
- (8)-3 Where the end date of the business year has been changed;
- (9) Where the board of directors passes a resolution (including a decision by directors for a company with a supervisory committee, or a decision by executive officers for a company with three committees (nomination, audit and remuneration)) or the board of governors passes a resolution concerning changes to the amount of stated capital or the total amount of capital contribution (or the amount of stated capital (including brought-in capital) for a foreign corporation);
- (9)-2 Where a Trading Participant has become aware that a designated parent company has changed the amount of stated capital or the amount of capital contribution;
- (10) Where any of the events specified in the following a. through d. becomes applicable in accordance with the types of entity referred to in said a. through d.:
- a. A Financial Instruments Business Operator
Where the capital adequacy ratio has fallen below 140%;
- b. An Internationally Active Bank, the Norinchukin Bank, an Internationally Active Shinkin Bank, or the Shoko Chukin, Ltd. (hereinafter referred to as "Internationally Active Banks, etc.")
Where any of the following (a) to (c) becomes applicable (for a foreign bank, an equivalent case becomes applicable):
- (a) Consolidated or non-consolidated common equity Tier 1 Ratio (meaning, for the Norinchukin Bank and Internationally Active Shinkin Banks, consolidated or non-consolidated common equity contribution Tier 1 Ratio) has fallen below 2.25%;

- (b) Consolidated or non-consolidated Tier 1 Ratio has fallen below 3%;
 - (c) Consolidated or non-consolidated total capital ratio has fallen below 4%;
 - c. Registered Financial Institutions other than Internationally Active Banks, etc., foreign banks and insurance companies
 - Consolidated or non-consolidated capital ratio pertaining to domestic standards has fallen below 2%;
 - d. Insurance companies
 - Consolidated or non-consolidated solvency margin ratio has fallen below 100%;
 - e. Commodity Derivatives Business Operators
 - The net assets regulation ratio has fallen below 160%.
- (10)-2 Where a Trading Participant has become aware that a majority of all shareholders' voting rights (excluding voting rights attached to shares where the voting rights cannot be exercised in relation to all matters that can be resolved by a general meeting of shareholders and including voting rights attached to shares deemed to have voting rights pursuant to Article 879, Paragraph 3 of the Companies Act) or voting rights relating to capital contributions has come to be held by a single individual, another single legal entity, or any other single group;
- (11) Where there has been a change in the top 10 major shareholders (meaning the 10 shareholders in descending order of the number of shares held in their own names or in the name of others);
- (11)-2 Where an officer has been appointed or resigned as an officer of another company or other legal entity;
- (12) Where a Trading Participant has been subject to questioning, inspection, retention, on-site inspection, search, attachment, disposition, or punishment pursuant to the provisions of laws and regulations (including foreign financial instruments and exchange laws and regulations for an Authorized Firm for On-Exchange Transactions; the same shall apply in this item), or has been granted an opportunity for hearing or explanation in relation to a disposition pursuant to the provisions of laws and regulations (including where having been subject to disposition or punishment pursuant to foreign financial instruments and exchange laws and regulations in case of a Financial Instruments Business Operator that is a foreign corporation; pursuant to the provisions of banking laws and regulations in case of a Registered Financial Institution other than foreign banks and insurance companies; pursuant to the provisions of banking laws and regulations, foreign banking laws and regulations, or foreign financial instruments and exchange laws and regulations in case of a foreign bank; pursuant to the provisions of the insurance business laws and regulations in case of an insurance company; pursuant to the provisions of commodity derivatives transaction laws

- and regulations in case of a Commodity Derivatives Business Operator, Specified OTC Commodity Derivatives Business Operator or Commodity Investment Advisor; or pursuant to the provisions of foreign commodity derivatives transaction laws and regulations in case of a Foreign Commodity Derivatives Business Operator);
- (12)-2 Where a Trading Participant has become aware that a designated parent company has been inspected pursuant to the provisions of laws or regulations, and where it has become aware that a disposition or punishment has been imposed on a designated parent company or a specified major shareholder (meaning a specified major shareholder prescribed in Article 32, Paragraph 4 of the Act; the same shall apply hereinafter) pursuant to the provisions of laws or regulations, or that an opportunity for hearing or explanation pertaining to regulatory disposition as prescribed by laws and regulations has been granted (for a designated parent company that is a foreign corporation, including where it has become aware that a disposition or punishment has been taken pursuant to the provisions of foreign financial instruments exchange laws and regulations);
- (13) Where an improvement order, etc. has been received from an administrative agency as a result of an inspection prescribed in the preceding two items or where an improvement measure, etc. has been reported to an administrative agency as a result of an inspection or a disposition prescribed in the preceding two items;
- (14) Where a prosecution pertaining to a criminal case pertaining to a violation of laws and regulations (including foreign financial instruments exchange laws and regulations for a Financial Instruments Business Operator or an Authorized Firm for On-Exchange Transactions that is a foreign corporation) has been instituted, or a judgment, etc. has been rendered (including an appeal);
- (14)-2 Where a Trading Participant has become aware of an act in violation of laws and regulations or an act in violation of the Articles of Incorporation, Business Regulations, Brokerage Agreement Standards or other rules and regulations of OSE in relation to market derivatives transactions on the OSE market;
- (15) Where a Trading Participant has joined or withdrawn from another domestic financial instruments exchange or commodity exchange, or a foreign exchange that enacts trading of securities or foreign market derivatives (hereinafter referred to as a "Foreign Financial and Commodity Exchange") (including when a Trading Participant acquires or waives a trading qualification thereof);
- (16) Where a Trading Participant has been subject to disciplinary action from another domestic Self-Regulatory Organization (meaning another domestic financial instruments exchange, commodity exchange, foreign financial instruments exchange, etc., financial instruments

- firms association, or commodity futures association (including a foreign organization equivalent thereto); the same shall apply hereinafter in this rule) to which it belongs;
- (16)-2 Where a Trading Participant reports an improvement measure, etc. to another Self-Regulatory Organization as a result of disciplinary action prescribed in the preceding item;
- (17) For an officer of a Financial Instruments Business Operator, Authorized Firm for On-Exchange Transactions, or Commodity Market Trading Participant, where a Trading Participant has become aware that the officer has fallen under any of persons referred to in Article 29-4, Paragraph 1, Item 2, Sub-Items (a) through (i) of the Act; for an officer of Registered Financial Institutions, where a Trading Participant has become aware that the officer has received a decision to commence bankruptcy proceeding or has been sentenced to imprisonment or fined pursuant to the provisions of laws and regulations (including where it has become aware of the fact that an officer has been fined pursuant to the provisions of the banking laws and regulations for the officer of a Registered Financial Institution other than foreign banks and insurance companies, pursuant to the provisions of the banking laws and regulations or foreign banking laws and regulations for the officer of a foreign bank, or pursuant to the provisions of the insurance business laws and regulations for the officer of an insurance company);
- (17)-2 Where a Trading Participant has become aware that an officer of a designated parent company has fallen under any of those referred to in Article 29-4, Paragraph 1, Item 2, Sub-items (a) through (i) of the Act;
- (17)-3 Where a Commodity Market Trading Participant has fallen under any of Article 29-4, Paragraph 1, Item 1, Sub-items (a) through (c) of the Act;
- (18) Where a Trading Participant has become aware that a major shareholder (meaning a major shareholder prescribed in Article 29-4, Paragraph 2 of the Act; the same shall apply hereinafter) of a Financial Instruments Business Operator, an Authorized Firm for On-Exchange Transactions, or a Commodity Market Trading Participant has fallen under Paragraph 1, Item 5, Sub-item (d) or (e) of the same article (or, for a foreign corporation, where a Trading Participant has become aware that a party equivalent to a major shareholder has fallen under the same item);
- (18)-2 When a Trading Participant has become aware that a major shareholder of a designated parent company has fallen under Article 29-4, Paragraph 1, Item 5, Sub-item (d) or (e) of the Act;
- (19) Where a Trading Participant has filed an action pertaining to a civil case or an action pertaining to a civil case has been filed against it (excluding cases where the value of the subject matter of litigation is less than JPY 300 million; the same shall apply hereinafter), a

- judgment, etc. for said litigation has been rendered (including an appeal), or where a Trading Participant has filed a petition for mediation or a petition for mediation has been filed against it (excluding cases where the value of the subject matter for mediation is less than JPY 300 million; the same shall apply hereinafter) under the Civil Mediation Act (Act No. 222 of 1951) or where the mediation case has been closed;
- (19)-2 Where a Trading Participant has become aware that a designated parent company has filed an action pertaining to a civil case or an action pertaining to a civil case had been filed against it or that a judgment, etc. for a said litigation has been rendered (including an appeal), or that a designated parent company has filed a petition for mediation under the Civil Mediation Act or such a petition had been filed against it, or that the mediation case had been closed;
- (20) Where a Trading Participant has prepared a monitoring survey report (or main account status sheets specified by OSE in the case of Registered Financial Institutions) pursuant to Article 56-2 of the Act;
- (21) Where a Trading Participant has prepared documents stating its capital adequacy ratio to be made available for public inspection;
- (21)-2 Where a Trading Participant has prepared documents stating its state of integrity of management to be made available for public inspection according to the provisions of Article 57-5, Paragraph 3 of the Act;
- (21)-3 Where the highest designated parent company (meaning the highest designated parent company prescribed in Article 57-12, Paragraph 3 of the Act; the same shall apply hereinafter) has prepared documents stating its state of integrity of management to be made available for public inspection according to the provisions of Article 57-17, Paragraph 3;
- (21)-4 Where a Commodity Derivatives Business Operator (excluding Financial Instruments Business Operators and Registered Financial Institutions) has prepared documents stating the net assets regulation ratio to be made available for public inspection;
- (22) Where a Financial Instrument Business Operator or an Authorized Firm for On-Exchange Transactions has prepared business reports (including where a Special Financial Instruments Business Operator has prepared business reports according to Article 57-3, Paragraph 1 of the Act); or where a Registered Financial Institution has prepared non-consolidated or consolidated business reports or interim business reports;
- (22)-2 Where the highest designated parent company has prepared business reports;
- (22)-3 Where a Commodity Derivatives Business Operator (excluding Financial Instruments Business Operators and Registered Financial Institutions) has prepared reports in accordance with Article 224 of the Commodity Derivatives Transaction Act;
- (22)-4 Where a Commodity Market Trading Participant (excluding Commodity Derivatives

- Business Operators) has prepared materials required by OSE concerning the state of the business and assets;
- (23) Where a Financial Instrument Business Operator has prepared documents describing matters related to its state of business and assets that is to be made available for public inspection (including where a Special Financial Instrument Business Operator has prepared explanatory documents in accordance with Article 57 of the Act); or where a Registered Financial Institution has prepared documents describing matters related to its state of non-consolidated or consolidated business and assets that are to be made available for public inspection;
- (23)-2 Where the highest designated parent company has prepared documents describing matters related to its state of business and assets that are to be made available for public inspection;
- (23)-3 Where a Trading Participant has prepared a table of summary financial results and that of summary interim financial results specified by OSE;
- (24) Where a Trading Participant has changed its head office or other sales offices, or its principal business office or other business offices;
- (24)-2 Where a Trading Participant has become aware that a designated parent company has changed its head office or principal business office;
- (25) Where a Trading Participant has become aware that a failure has occurred in systems and devices used to trade market derivatives on the OSE markets;
- (25)-2 Where a Trading Participant has made notification pursuant to Article 57-2, Paragraph 1 or Paragraph 6 of the same article (limited to cases where Item 2 of the same paragraph is applicable);
- (25)-3 Where a Trading Participant has become aware that its parent company has been designated as a designated parent company, said designation has been canceled, or said designation has lost its validity;
- (25)-4 Where a Trading Participant has become aware that a designated parent company has merged with another legal entity (excluding cases which result in said designated parent company ceasing to exist due to the merger);
- (25)-5 Where a Trading Participant has become aware that any officer of a designated parent company has been changed (excluding cases referred to in Item 11-2);
- (25)-6 Where a Trading Participant has become aware of a person having become a specified major shareholder or a person having ceased to be a specified major shareholder;
- (26) In addition to the cases referred to in the preceding items, where a Trading Participant or a designated parent company has applied to, notified, reported to, or submitted material to the

Prime Minister, the Commissioner of the Financial Services Agency, or the Securities and Exchange Surveillance Commission, or when it has submitted material to, provided explanations, or cooperated in other ways with the Minister of Finance, a Director-General of a Local Finance Bureau, or a Director-General of a Local Finance Branch Bureau and OSE considers the reporting thereof necessary.

Rule 5-2. Deleted.

Rule 5-3. Deleted.

Rule 5-4. Investigation of Trading Participant

1. In cases where a Trading Participant has accepted entrustment of market derivatives trading from a foreign securities service provider (meaning a foreign corporation that engages in a business similar to the financial instruments business in a foreign country; the same shall apply hereinafter) or a foreign commodity derivatives business operator (hereinafter collectively referred to as a "Foreign Securities and Derivatives Service Provider" in this paragraph) of which said Trading Participant is a subsidiary or parent company (including cases where a Trading Participant has accepted entrustment through a Foreign Securities and Derivatives Service Provider that is also a subsidiary or parent company), and if OSE deems it necessary, for the purpose of an investigation under Rule 17, Item 3 of the Regulations due to a strong suspicion of a violation, to request said Trading Participant to provide information or submit materials on matters concerning the customers of said Foreign Securities and Derivatives Service Provider or the state of entrustment of sale or purchase by said customer (or the state of entrustment of sale or purchase by said Foreign Securities and Derivatives Service Provider if said market derivatives are traded for the account of said Foreign Securities and Derivatives Service Provider), or any other matters pertaining to said market derivatives trading, said Trading Participant shall not refuse this request without a legitimate reason. In this case, OSE shall clearly indicate the purpose and reasons for said request orally or in writing, etc. to said Trading Participant.
2. In cases where it is difficult for a Trading Participant to comply with said request due to the reason that its subsidiary or parent company is under a legal obligation of confidentiality or other truly unavoidable reasons, and said Trading Participant submits documents, etc. to OSE indicating to that effect and the reasons therefor, and OSE deems that there are legitimate reasons for said Trading Participant's refusal to comply with the request, said legitimate reason shall be deemed to be the legitimate reason pursuant to the preceding paragraph.

3. A subsidiary prescribed in the preceding two paragraphs means a subsidiary prescribed in Article 2, Item 3 of the Companies Act (Act No. 86 of 2005) or another company in which the Trading Participant holds 50 percent or more of the voting rights (excluding voting rights of shares that are not entitled to vote on all matters that may be resolved at a general meeting of shareholders, but including voting rights of the shares deemed to have voting rights pursuant to Article 879, Paragraph 3 of the Companies Act); the same shall apply hereinafter) of the total shareholders, and in cases where a subsidiary of the Trading Participant is the parent company of another company, or cases where another company is the parent company of a subsidiary of the Trading Participant, said other company shall be deemed as a subsidiary of said Trading Participant.
4. A parent company prescribed in the preceding three paragraphs means the parent company prescribed in Article 2, Item 4 of the Companies Act, or another company which holds 50 percent or more of the voting rights of the total shareholders of the Trading Participant, and in cases where another company is the parent company of the parent company of the Trading Participant, or cases where the parent company of the Trading Participant is the parent company of another company, said other company shall be deemed to be a parent company of the Trading Participant.

Rule 5-5. Risk Management Regarding Positions

Trading Participants shall implement the measures referred to in the following items as risk management regarding positions prescribed in Rule 21-3 of the Regulations.

- (1) Establishment of internal rules specifying matters regarding position management
- (2) Management deemed appropriate to prevent customers (for a Trading Participant's proprietary trading, said Trading Participant) holding excessive positions in light of the customer's financial resources, characteristics, traded products, type and size of trades, and other matters concerning the customer (for proprietary trading of a Trading Participant, said Trading Participant's financial resources, type and size of trades, and other matters concerning said Trading Participant).

Rule 5-6. Application for Approval of Accepting Entrustment of Business

1. An application pursuant to the provisions of Rule 20-2, Paragraph 2 of the Regulations shall be made by submitting the predetermined approval application form to OSE stating the matters referred to in the following items:
 - (1) Trade name or corporate name (including the English trade name or corporate name);
 - (2) Name of representative; and

- (3) Date on which the business pertaining to said application (hereinafter referred to as the "entrusted business" in Item (1) of the following paragraph) is scheduled to be commenced.
2. The documents referred to in the following items shall be attached to the approval application form referred to in the preceding paragraph:
 - (1) A document describing the details and methods of the entrusted business; and
 - (2) Other documents deemed necessary by OSE.

Rule 5-7. Officers and Employees Considered Appropriate, etc.

1. Officers and employees who are considered appropriate by OSE as prescribed in Rule 21-5, Paragraph 1, Item 2 and Rule 21-6, Paragraph 1, Item 2 of the Regulations shall mean those who have received training from OSE.
2. Acts prescribed by OSE in Rule 21-5, Paragraph 1, Item 2 and Rule 21-6, Paragraph 1, Item 2 of the Regulations shall mean placement of orders, decision making regarding order placement, and administration thereof.

Rule 5-8. Books and Documents Related to Business at Commodity Market Trading Participants

Accounting documents specified by OSE prescribed in Rule 21-6, Paragraph 3 of the Regulations shall be those equivalent to order forms prescribed in Article 158 of the Cabinet Office Order on Financial Instruments Business, etc. and trading products ledgers prescribed in Article 167 of the same order, and the retention period, preparation method, and other matters of such accounting documents shall be in accordance with the provisions of Article 157, Paragraph 2, Articles 158 and 167 of the same order.

Article 5-9. Prohibited Acts Related to Business at Commodity Market Trading Participants

Acts prescribed by OSE in Rule 21-6, Paragraph 4 of the Regulations shall be the acts of trading of commodity index futures, commodity futures, and/or commodity futures options on OSE for the purpose of causing fluctuation of, or pegging, fixing, or stabilizing the market price or the value calculated based on the market price or trading volume of said commodity index futures, commodity futures, and commodity futures options, or increasing trading volume thereof.

Rule 6. Application for Obtainment of Trading Qualification

1. An application pursuant to Rule 30, Paragraph 1 of the Regulations shall be made by submitting a predetermined application form for trading qualification to OSE stating the matters referred to in

the following items:

- (1) The type of trading qualification being applied for (including type and classification of Commodity Futures, etc. Trading Participant in cases where a Commodity Futures, etc. Trading Qualification is being applied for);
 - (2) Trade name or corporate name (including the English trade name or corporate name);
 - (3) Location(s) of head office or other sales offices, or principal business office or other business offices;
 - (4) Name of representative;
 - (5) Name and address of the representative in Japan (limited to applicants for trading qualifications that do not have a sales office or business office in Japan which conducts trading on the OSE market); and
 - (6) Reason for applying for the trading qualification.
2. The documents referred to in the following items shall be attached to the application form for trading qualification pursuant to the preceding paragraph:
- (1) The articles of incorporation;
 - (2) A copy of the minutes of the board of directors meeting (including a document proving that a decision was made by directors for a company with a supervisory committee, a document proving that a decision was made by executive officers for a company with three committees (nomination audit and remuneration), or an equivalent document for an entity other than a stock company) or the board of governors meeting pertaining to the application for trading qualification;
 - (3) If an applicant for obtaining a trading qualification does not intend to obtain a clearing qualification it does not already hold pertaining to the type of said trading qualification and the relevant classification of Commodity Futures, etc. Trading Participant, a document proving that an Agency Clearing Participant has agreed to conclude a contract for commissioning clearance with said applicant.
 - (4) A business report (including a business report based on Article 57-3, Paragraph 1 of the Act for a Special Financial Instruments Business Operator) for a Financial Instruments Business Operator or an Authorized Firm for On-Exchange Transactions, a non-consolidated or consolidated business report for a Registered Financial Institution, a report pursuant to Article 224 of the Commodity Derivatives Transaction Act for a Commodity Derivatives Business Operator (excluding Financial Instruments Business Operators and Registered Financial Institutions), or materials on the state of the business and assets that OSE deems necessary for those other than the above-mentioned institutions;
 - (5) An audit report (for a foreign legal entity, a document deemed appropriate by OSE as a

- substitute for an audit report) by an accounting auditor pertaining to financial statements attached to the documents prescribed in the preceding item;
- (6) A written confirmation indicating that the applicant has no relationship with anti-social forces as predetermined by OSE;
- (7) Other documents deemed necessary by OSE.
3. Notwithstanding the provisions of the preceding paragraph, if OSE deems it appropriate, the whole or some of the documents to be attached referred to in the items of the same paragraph may be omitted, according to the type(s) of trading qualification the applicant for trading qualification has already obtained, among other things.
4. The amount specified by OSE pursuant to Rule 30, Paragraph 3 of the Regulations shall be JPY 1,000,000. In this case, if applications are made for obtaining multiple trading qualifications at the same time, the examination fee pertaining to obtaining said qualifications shall still be JPY 1,000,000.
5. A specified bridge applicant (meaning a specified bridge applicant prescribed in Rule 52-2 of the Regulations) may omit submission of documents deemed appropriate by OSE that are referred to in each item of Paragraph 2.

Rule 6-2. Cases Where OSE Deems No Substantial Difference

Cases where OSE deems that the Trading Participant whose trading qualification is to be waived and the applicant for obtainment of trading qualification are not substantially different as prescribed in Rule 32, Paragraph 3 of the Regulations shall mean the cases where, as a general rule, the applicant for obtainment of trading qualification succeeds or acquires all assets and liabilities from the Trading Participant who is to waive the trading qualification and in addition, where OSE deems that there is no material difference in their scope of business prescribed in Rule 15, Item 1 of the Regulations, order execution system at OSE, clearing and settlement system and any other business execution system as well as internal management systems such as risk management system and compliance system.

Rule 6-3. Commodities Prescribed by OSE

Commodities specified by OSE in Rule 32, Paragraph 1, Item 3, d. and g. of the Regulations shall mean those referred to in the following items:

- (1) For precious metals, gold ore or gold products, silver ore or silver products, or platinum products or palladium products;
- (2) For rubber, rubber products;
- (3) For agricultural products, soybean, azuki (red bean) or corn, or products made from these;

and

(4) For crude oil, etc., crude oil, gasoline or gas oil, or products made from these.

Rule 7. Trading Participant Certificate

1. Trading Participant Certificates prescribed in Rule 33, Paragraph 4 of the Regulations shall state trade name or corporate name, type of trading qualification to be obtained and other prescribed matters.
2. When a Trading Participant has lost or defaced its Trading Participant Certificate, or when there is any change in its description, it shall request OSE to reissue it.
3. When a Trading Participant requests reissuance of a Trading Participant Certificate pursuant to the provision of the preceding paragraph, it shall submit to OSE a request stated in the predetermined form for reissuance.
4. When a Trading Participant requests reissuance of a Trading Participant Certificate, it shall return to OSE the Trading Participant Certificate that caused the request for reissuance. However, if the certificate has been lost, the Trading Participant shall submit to OSE a document stating that it is unable to return it.

Rule 7-2. Application for Approval of Transition Between Financial Instruments Business Operators and Authorized Firms for On-Exchange Transactions

1. Application prescribed in Rule 33-2, Paragraph 2 of the Regulations shall be made by submitting to OSE a predetermined application form for approval describing matters referred to in the following items:
 - (1) Trade name or corporate name (including the English trade name or corporate name);
 - (2) Name of representative (for a Remote Trading Participant, name of representative in Japan); and
 - (3) Reason for transition
2. Documents referred to in the following items shall be attached to the application form for approval pursuant to the preceding paragraph:
 - (1) A copy of documents pertaining to application for registration for financial instruments business or permission for on-exchange transaction services; and
 - (2) Other documents deemed necessary by OSE.

Rule 7-3. Application for Approval Pertaining to Change in Classification of Trading Participant for Commodity Futures, etc. Trading Participant

1. An application referred to in Rule 33-2, Paragraph 2 of the Regulations shall be made by

submitting to OSE a predetermined application form for approval stating matters referred to in the following items:

- (1) Trade name or corporate name (including the English trade name or corporate name);
- (2) Name of representative (for a Remote Trading Participant or a foreign legal entity, name of representative in Japan); and
- (3) Reason for change.

2. Documents referred to in the following items shall be attached to the application form for approval referred to in the preceding paragraph:

- (1) When a Commodity Broker Trading Participant changes to a Commodity Market Trading Participant:
 - a. A timetable pertaining to said change;
 - b. Materials concerning handling of customers associated with said change;
 - c. A written pledge concerning transfer of market derivatives transactions, transactions based on entrustment of brokerage for clearing of securities, etc., and unsettled transactions related thereto, and other matters deemed necessary for the operation of the markets by OSE
 - d. Other documents deemed necessary by OSE.
- (2) When a Commodity Market Trading Participant changes to a Commodity Broker Trading Participant:
 - a. A copy of documents pertaining to registration or registration of a change of a Financial Instruments Business Operator, registration of a Registered Financial Institution, or application for permission for on-exchange transaction services; and
 - b. Other documents deemed necessary by OSE.

Rule 7-4. Matters to be Notified Pertaining to Addition, Changes, or Deletion of Classification of Commodity Futures, etc. Trading Participant

1. Notification referred to in Rule 33-4, Paragraph 1 of the Regulations shall be made by submitting to OSE a predetermined notification form stating matters referred to in the following items:
 - (1) Trade name or corporate name (including the English trade name or corporate name);
 - (2) Name of representative (for a Remote Trading Participant or a foreign legal entity, name of representative in Japan);
 - (3) Classification to be added, changed, or deleted; and
 - (4) Reason for addition, change, or deletion
2. Documents referred to in the following items shall be attached to the notification form referred to in the preceding Paragraph:

- (1) A document proving ownership of a clearing qualification pertaining to transactions in the post-addition, change, or deletion classification, or a copy of a contract for commissioning clearance concluded with an agency clearing participant (limited to cases where the notification involves addition or change of classification); and
- (2) Other documents deemed necessary by OSE.

Rule 8. Application for Waiver of Trading Qualification, etc.

1. The application to waive trading qualifications prescribed in Rule 34 of the Regulations shall be made by an applicant for waiver of its own trading qualification by submitting to OSE a predetermined application form for waiver of trading qualification, stating the matters referred to in the following items:
 - (1) Type of trading qualification the Trading Participant intends to waive;
 - (2) Trade name or corporate name (including the English trade name or corporate name);
 - (3) Location of head office or principal business office;
 - (4) Name of representative;
 - (5) Name and address of representative in Japan (limited to cases where the applicant for waiver is an Authorized Firm for On-Exchange Transactions); and
 - (6) Reason for application for waiver of trading qualification.
2. Documents referred to in the following items shall be attached to the application form for waiver of trading qualification pursuant to the preceding paragraph:
 - (1) A copy of the minutes of the board of directors meeting pertaining to application for waiver of trading qualification (including a document proving that a decision was made by directors for a company with a supervisory committee, a document proving that a decision was made by executive officers for a company with three committees (nomination audit and remuneration), or equivalent documents for an entity other than a stock company);
 - (2) A timetable pertaining to the waiver of trading qualification;
 - (3) Materials concerning handling of customers associated with the waiver of trading qualification;
 - (4) A written pledge concerning transfer of market derivatives transactions, transactions based on entrustment of brokerage for clearing of securities, etc., and unsettled transactions related to thereto, and other matters deemed necessary for the operation of the markets by OSE; and
 - (5) Other documents deemed necessary by OSE.
3. Pursuant to the provisions of Rule 38, Paragraph 7 of the Regulations, a Trading Participant

(excluding Remote Trading Participants) shall pay, by the date specified by OSE, JPY 500,000 to OSE as a processing fee for waiver of trading qualification. In such cases, if applications are made for waiver of multiple trading qualifications at the same time, the processing fee relating to the waiver of said qualifications shall still be JPY 500,000.

4. Notwithstanding the provisions of the preceding paragraph, where a Trading Participant acquires a trading qualification at the same time as waiving a trading qualification, or where a Trading Participant falls under cases deemed by OSE as prescribed in Rule 32, Paragraph 3 of the Regulations, payment of a processing fee for waiving the trading qualification shall not be required.
5. A specified failed Trading Participant (meaning the specified failed Trading Participant prescribed in Rule 52-5 of the Regulations) that applies to OSE for waiver of trading qualification may omit submission of documents deemed appropriate by OSE that are referred to in each item of Paragraph 2.

Rule 9. Matters to be Disclosed Relating to Erroneous Orders

The matters stipulated by OSE as prescribed in Rule 22-2 of the Regulations shall be the matters specified in each item of Rule 26 of the Enforcement Rules for Business Regulations.

Rule 10. Level Stipulated by OSE

The levels as stipulated by OSE prescribed in Rule 43, Paragraph 2, Item 2-2 shall be stipulated in advance by OSE.

Rule 11. Entrustment of Affairs by OSE

Pursuant to the provisions of Rule 55-3, Paragraph 1 of the Regulations, OSE shall entrust JSCC with affairs concerning receipt of Guarantee Funds and Trading Participant Security Money, and depository of securities in lieu of cash, among others.

Supplementary Provisions

1. These revisions shall take effect on May 29, 2023.
2. Notwithstanding the provisions of the preceding paragraph, if OSE deems it inappropriate to implement the revisions on May 29, 2023 due to problems with operating the trading system or any other unavoidable reasons, they shall be implemented on later date specified by OSE.

Supplementary Provisions

1. These revisions shall take effect on April 13, 2026.

2. Notwithstanding the provisions of the preceding paragraph, if OSE deems it inappropriate to implement the revisions on April 13, 2026 due to problems with operating the trading system or any other unavoidable reasons, they shall be implemented on later date specified by OSE.