

(Reference Translation)

Improvements to Listing Rules, etc. pertaining to
the 2013 Amendment Act of the Financial Instruments and Exchange Act, etc.
(implementation within the next 18 months)

September 24, 2014
Tokyo Stock Exchange, Inc.

I. Purpose

The "Act on Partial Amendments to the Financial Instruments and Exchange Act" (Act No. 45 of 2013; hereinafter referred to as "the Amendment Act") will be implemented on December 1, 2014 to provide investment corporations with more fundraising and capital policy options by establishing rules for repurchasing own investment units and allotting subscription warrants for new investment units, as well as simplifying the procedures for the consolidation of investment trusts among other revisions. In connection with these revisions, Tokyo Stock Exchange, Inc. (hereinafter referred to as "TSE") will make necessary revisions to the Securities Listing Regulations and other rules.

II. Outline

Items	Contents	Remarks
1. Improvements to Rules for Real Estate Investment Trust Securities Issued by Investment Corporations (hereinafter referred to as "REIT")		
(1) Establishment of system for repurchase of own	Where an investment corporation makes a decision on whether to repurchase own investment units, it shall disclose details immediately.	

Items	Contents	Remarks
investment units	REITs will become available for off-auction own share repurchase transactions on the ToSTNeT market.	
(2) Establishment of system for allotment of REIT subscription warrant securities	<p>REIT subscription warrant securities issued in a gratis allotment as prescribed in Article 88-13 of the Act on Investment Trusts and Investment Corporations, which will be implemented on December 1, 2014 (hereinafter referred to as the "Amendment Investment Trust Act") will become eligible for listing on TSE. Accordingly, where an investment corporation makes a decision on whether to conduct a gratis allotment of REIT subscription warrant securities, it shall disclose details immediately.</p> <p>TSE will establish provisions to apply, mutatis mutandis, listing criteria for subscription warrant securities. However, non-commitment type REIT subscription warrant securities must satisfy both criteria (a) and (b) below.</p> <p>(a) Criteria on evaluating whether the capital increase is reasonable Issuance shall involve either of the processes in the following i. or ii.</p> <p>i. Examination by a securities company (limited to trading participants) to justify the capital increase</p> <p>ii. Confirmation of the intent of unitholders by means such as a</p>	<p>TSE will establish listing criteria for REIT subscription warrant securities, which apply, mutatis mutandis, Rule 306 of Enforcement Rules for Securities Listing Regulations. The fee structure will also be similar to that of subscription warrant securities.</p> <p>REIT subscription warrants that do not have underwriters committed to unexercised portions are as known as non-commitment type.</p>

Items	Contents	Remarks
	<p>resolution of a general meeting of unitholders, etc.</p> <p>(b) Criteria on business results and financial condition</p> <p>The business results and financial condition of the investment corporation shall not fall under any of the following i. or ii.</p> <p>i. Net income for the most recent business period is not positive.</p> <p>ii. Total net asset value is less than JPY 500 million as of the end of the most recent business period.</p>	<p>TSE will revise the listing criteria for non-commitment type subscription warrant securities in October 2014. The revisions will be applied mutatis mutandis other than for the criteria in (b) at left.</p> <p>(For details on the revision, please refer to "Revisions to Listing Rules for Subscription Warrant Securities.")</p> <p>The listing date of REIT subscription warrant securities shall be on or after the effective date of the gratis allotment. Please note that after the implementation of the "Act on Arrangement, etc. of the Relevant Acts Associated with the Act on Partial Amendments to the Companies Act" (Act No. 91 of 2014), the listing date shall be revised to "on or after the first day of the exercise period."</p>
(3) Handling of stocks issued	Pursuant to Article 194, Paragraph 2 of the Amendment Investment Trust	"Current assets, etc." shall mean

Items	Contents	Remarks
by an entity whose main purpose is acquiring overseas real estate	<p>Act, where an investment corporation owns the majority of shares of an entity whose main purpose is the acquisition, transfer, lease and management of overseas real estate, such shares shall be handled in a manner described in the following (a) or (b).</p> <p>(a) Where the type of assets held by the issuer of such shares is limited to real estate or current assets, etc.</p> <p>Such shares will be treated as "real estate, etc." prescribed in Rule 1201, Item 12 of the Securities Listing Regulations.</p> <p>(b) Where real estate accounts for more than half (1/2) of the assets of the issuer of such shares</p> <p>Such shares will be treated as a "real estate-related assets" prescribed in Rule 1201, Item 11 of the Securities Listing Regulations.</p>	"Cash and deposits" and other assets as prescribed in Rule 1201, Item 19 of the Securities Listing Regulations.
(4) Timely disclosure	<p>An investment corporation shall disclose details immediately in the event of the following.</p> <p>i. Where a decision was made on whether to deduct losses, in whole or part, from the total investment amount, etc.</p> <p>ii. Where an injunction was filed by a third party against the issuance of investment units</p>	<p>The legal bases for i. and ii. are as follows:</p> <p>i.: Decisions on the deduction of losses in Article 136, Paragraph 2 of the Amendment Investment Trust Act</p> <p>ii.: Injunctions in Article 210 of Companies Act applied mutatis mutandis pursuant to Article 84 of</p>

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		the Amendment Investment Trust Act.
2. Improvements pertaining to Domestic ETFs	<p>TSE will establish rules for technical listing of domestic ETFs resulting from consolidation (meaning "consolidation" prescribed in Article 16, Item 2 of the Act on Investment Trusts and Investment Corporations) of two or more TSE-listed ETFs where the ETFs involved in the consolidation are delisted and a new listing application for a new domestic ETF is made immediately after the decision on consolidation.</p> <p>The listing examination criteria for domestic ETFs will be applied mutatis mutandis to such technical listings.</p> <p>The listing date for the new domestic ETF shall, as a general rule, be the effective date of the consolidation.</p>	TSE is establishing rules for technical listings of domestic ETFs in response to the Amendment Investment Trust Act that revised the procedures for consolidating investment trusts and written resolutions for amending the terms and conditions, etc.
3. Others		
(1) Revisions to the Securities Listing Regulations, etc. based on the Amendment Act	With regard to documents to be submitted for an initial listing application, it will suffice for an initial listing ETF applicant to submit a document describing offering details, etc. prescribed in Article 5, Paragraph 10 of the Amendment Act, which will be implemented on December 1, 2014 in place of the securities registration statement.	
(2) Others	Other necessary revisions will be made.	

III. Implementation Date (Scheduled)

These revisions are scheduled to be implemented on December 1, 2014.