

Developing Rules and Regulations in Connection with the Integration of Cash Equity Markets with Osaka Securities Exchange

January 30, 2013

Tokyo Stock Exchange, Inc.

I. Purpose

Following the establishment of Japan Exchange Group, Inc. (hereinafter "JPX") on January 1, 2013, in order to quickly generate synergy from consolidating market functions and integrating trading systems, JPX subsidiary Tokyo Stock Exchange, Inc. (hereinafter "TSE") will integrate its cash equity market with that of fellow subsidiary Osaka Securities Exchange Co., Ltd. (hereinafter "OSE") on July 16, 2013.

Upon integration of the cash equity markets mentioned above, stocks listed on the OSE First Section and Second Section (hereinafter collectively the "OSE main market") will be listed on the TSE First Section and Second Section (hereinafter collectively the "TSE main market"), stocks listed on OSE JASDAQ will be listed on TSE JASDAQ, which will be newly established, and other cash equity products currently listed on the OSE market will also be handled under the TSE market. TSE will make necessary revisions to the listing rules, trading participant rules, trading rules, and other rules and regulations in connection with said integration.

II. Outline

Items	Contents	Remarks
1. Listing rules and regulations (1) Main market a. Succession of listed stocks in connection with market integration	- Stocks that are listed on the OSE main market but not on the TSE main market (hereinafter "stocks listed only on OSE") as of the day prior to the date of implementing these rule revisions (hereinafter "integration date") will be listed on the TSE main market on the integration date. - Stocks listed only on OSE that are assigned to the OSE First Section as of the day prior to the integration date will be assigned to the TSE First Section on the integration date.	- The listing procedures for stocks listed only on OSE as of the integration date and the procedures for choosing the listing market of cross-listed stocks at the time of integration will be specified as transitional measures. - With respect to a stock listed only on OSE, its listing date on the TSE main market on and after the integration date will be deemed to be that on the OSE main market.

Items	Contents	Remarks
b. Listing examination criteria	<ul style="list-style-type: none"> - Out of stocks that are listed on both the TSE main market and the OSE main market as of the day prior to the integration date (hereinafter "cross-listed stocks at the time of integration"), with respect to those which are both listed on the TSE Second Section and on the OSE First Section, the issuer shall choose its listing market as of the integration date from either the TSE First Section or the TSE Second Section. - Current TSE rules will be applied. 	<ul style="list-style-type: none"> * TSE will not succeed OSE's listing rules on "Private Finance Initiative market" upon integration. TSE will consider developing rules when a specific case of such listing occurs. - With respect to an initial listing application for the OSE main market that is made before the integration date, transitional measures will be specified to the effect that such application will be deemed as an initial listing application for the TSE main market and examinations will be conducted based on criteria equivalent to OSE's listing examination criteria for stocks. - TSE will concurrently conduct a review on ways to increase the convenience of listing examination procedures including simplifying submission documents.
c. Delisting criteria	<ul style="list-style-type: none"> - Current TSE rules will be applied. 	<ul style="list-style-type: none"> - With respect to stocks listed only on OSE (excluding those for which a delisting application is made to TSE on or after January 31, 2013 but before the integration date and is delisted, and those which are assigned to the First Section on or after the day following the integration date), transitional measures will be specified to the effect that current OSE criteria will be applied until three (3) years

Items	Contents	Remarks
d. Criteria for assignment to the First Section / Criteria for reassignment from the First Section to the Second Section	- Current TSE rules will be applied.	<p>after the integration date (for details, refer to Attachment 1).</p> <ul style="list-style-type: none">- Out of stocks listed only on OSE, with respect to those which OSE places in a grace period pertaining to its stock delisting criteria, and those which OSE designates as securities under supervision (confirmation) or securities under supervision (examination) as of the day prior to the integration date, as a general rule, TSE will succeed such state on the integration date.- Out of stocks listed only on OSE, with respect to those which OSE designates as securities to be delisted as of the day prior to the integration date, such stocks will be listed on the TSE main market until the day prior to the delisting date specified by OSE in said designation. In such cases, TSE will designate such stocks as securities to be delisted on the integration date.- With respect to an issuer which made an application to OSE before the integration date for assignment to the First Section or reassignment from the First Section to the Second Section, it will be deemed that such application was made to TSE and transitional measures will be specified to the effect that an examination will be conducted based on criteria equivalent to OSE's criteria for assignment to the First Section and so forth.

Items	Contents	Remarks
e. Listing-related fees	- Current TSE rules will be applied.	<ul style="list-style-type: none">- With respect to stocks which OSE places in a grace period pertaining to reassignment criteria as of the day prior to the integration date, TSE will succeed such state on the integration date.- With respect to stocks listed only on OSE (excluding those for which a delisting application is made to TSE between January 31, 2013 and the integration date and is delisted, and those which are assigned to the First Section on or after the day following the integration date), corresponding transitional measures will be established such that, until three (3) years after the integration date, the amount of annual listing fee will be the amount of the last annual fee charged by OSE prior to the integration date (for details, refer to Attachment 2).- Out of stocks that are newly issued for a stock listed only on OSE (excluding shares which are newly issued due to stock conversion, or exercise of subscription warrants, etc.), with respect to the listing fee for those whose resolution on issuance is made before the integration date and whose listing date is on or after the integration date, transitional measures will be specified to the effect that fees will be charged according to a structure equivalent to the OSE fee structure.

Items	Contents	Remarks
(2) JASDAQ market	<ul style="list-style-type: none"> - JASDAQ market will be established at TSE. - Stocks that are listed on OSE JASDAQ (hereinafter "OSE JASDAQ stocks") as of the day prior to the integration date will be listed on TSE JASDAQ on the integration date. However, with respect to those which, as of the day prior to the integration date, are cross-listed on the TSE main market and OSE JASDAQ, or TSE Mothers and OSE JASDAQ (hereinafter "JASDAQ cross-listed stocks"), the issuer shall choose its listing market as of the integration date from either the TSE main market or TSE JASDAQ, or either TSE Mothers or TSE JASDAQ. 	<ul style="list-style-type: none"> - TSE JASDAQ will be a market division of the financial instruments market operated by TSE. The four market divisions after market integration will be the First Section and the Second Section, which comprise the main market, Mothers, and JASDAQ. - TSE JASDAQ will aim to provide companies from a variety of business categories or at varying stages of growth with even greater scope for listing and raising funds, thereby contributing to the nurturing of a wide range of industries as well as offering investors a diverse range of investment instruments. - TSE JASDAQ will be further divided into the Standard Section and the Growth Section. Out of OSE JASDAQ stocks (excluding JASDAQ cross-listed stocks for which TSE JASDAQ is not chosen as the listing market as of the integration date), those that are listed on JASDAQ Standard as of the day prior to the integration date will be listed on the Standard Section of TSE JASDAQ, and those that are similarly listed on JASDAQ Growth will be listed on the Growth Section of TSE JASDAQ. - From the integration date onward, cross-listings on the TSE main market and TSE JASDAQ, and those on Mothers and TSE JASDAQ will not be allowed (Alteration of listing market will be separately specified in the procedures for alteration of listing market.).

Items	Contents	Remarks
<p>a. Listing examination criteria / Delisting criteria</p>	<p>- As a general rule, current OSE rules will be succeeded.</p>	<ul style="list-style-type: none"> - Transitional measures will be specified regarding listing procedures for OSE JASDAQ stocks on the integration date (excluding JASDAQ cross-listed stocks) and procedures for choosing the listing market of JASDAQ cross-listed stocks on the integration date. - With respect to an OSE JASDAQ stock (excluding JASDAQ cross-listed stocks), its listing date on TSE JASDAQ on and after the integration date will be deemed to be that on OSE JASDAQ. - Out of equity investment securities (meaning equity investment securities issued by a corporation established under a special act), those which are OSE JASDAQ stocks will be listed on TSE JASDAQ on the integration date. Current OSE rules will be applied to the handling of equity investment securities. - The definition of "number of floating shares" will be replaced by "number of tradable shares." - Transfers between the Standard Section and the Growth Section will be based on examination criteria for section transfers in TSE JASDAQ which will be established in consideration of current OSE rules. - With respect to a company which made an initial listing application for JASDAQ to OSE before the integration date, transitional measures will be specified to the effect

Items	Contents	Remarks
		<p>that such applications will be deemed and handled as applications to TSE JASDAQ.</p> <ul style="list-style-type: none">- Out of OSE JASDAQ stocks (excluding JASDAQ cross-listed stocks for which TSE JASDAQ is not chosen as the listing market as of the integration date), with respect to those which OSE places in a grace period pertaining to delisting criteria specified by its securities listing regulations for JASDAQ, and those which OSE designates as securities under supervision (confirmation) or securities under supervision (examination) as of the day prior to the integration date, as a general rule, TSE will succeed such state on the integration date.- Out of OSE JASDAQ stocks (excluding JASDAQ cross-listed stocks for which TSE JASDAQ is not chosen as the listing market as of the integration date), with respect to those which OSE designates as securities to be delisted as of the day prior to the integration date, such stocks will be listed on TSE JASDAQ until the day prior to the delisting date specified by OSE in said designation. In such cases, TSE will designate such stocks as securities to be delisted on the integration date. <p>* TSE will not succeed provisions which allow the exchange to request for cooperation from the managing trading participant and certified public accountant, etc. prescribed by OSE's securities listing regulations for</p>

Items	Contents	Remarks
b. Listing-related fees	- As a general rule, current OSE rules will be succeeded.	<p>JASDAQ. Current TSE handling will be applied from the integration date.</p> <p>* TSE will consider a review of TDnet usage fee for stocks listed on TSE JASDAQ after three (3) years have elapsed since the integration date.</p>
(3) Alteration of listing market	- New rules will be established for the alteration of listing market from TSE JASDAQ to the main market or to Mothers, as well as from the main market or Mothers to TSE JASDAQ.	<p>- At the time of alteration of listing market, examination of alteration of listing market will be conducted based on criteria specified by TSE pursuant to the listing examination criteria for the market on which the stock is to be listed after alteration.</p> <p>- With respect to a stock for which an application for alteration of listing market is submitted within approximately three (3) years of listing, in the case where the business content, and internal management system, etc. has not significantly changed since the time of initial listing, the examination of alteration of listing market will be centered on the situation since such initial listing.</p> <p>- When altering the listing market of a stock from TSE JASDAQ to the main market, in the case of applying for designation of stocks, etc. to the First Section market pertaining to an application for alteration of listing market, the formal requirements pertaining to designation from the Second Section to the First Section will not</p>

Items	Contents	Remarks
		<p>apply.</p> <ul style="list-style-type: none">- The fee for examination of alteration of listing market will be as follows.<ul style="list-style-type: none">(1) Alteration from TSE JASDAQ to the main market: JPY 4 million (foreign stock: JPY 2 million)(2) Alteration from TSE JASDAQ to Mothers: JPY 2 million (foreign stock: JPY 1 million)(3) Alteration from the main market or Mothers to TSE JASDAQ: JPY 1 million- In the case of approval of alteration of listing market, the fee for changing the listing market will be as follows.<ul style="list-style-type: none">(1) Alteration from TSE JASDAQ to the main market: The amount obtained by deducting JPY 6 million from the initial listing fee for the main market.(2) Alteration from TSE JASDAQ to Mothers: Alteration listing fee will not apply.(3) Alteration from Mothers to TSE JASDAQ: The amount obtained by deducting the initial listing fee, etc. paid at the time of listing on Mothers from the initial listing fee for TSE JASDAQ.(4) Alteration from the main market to TSE JASDAQ: Alteration listing fee will not apply.- Out of issuers of OSE JASDAQ stocks, with respect to those which made an initial listing application for the TSE

Items	Contents	Remarks
(4) Timely disclosure of corporate information	<ul style="list-style-type: none"> - Current TSE rules will be applied. - With respect to stocks listed on the Growth Section of TSE JASDAQ, there will be a requirement to draft a three-year management plan (hereinafter "medium-term management plan") and hold a briefing session for investors based on such medium-term management plan (including conducting activities that correspond to holding briefing sessions for investors). 	<p>main market or Mothers before the integration date, transitional measures will be specified to the effect that, from the integration date onward, such applications will be deemed to be applications for alteration of listing market and handled accordingly.</p> <ul style="list-style-type: none"> * Current handling at OSE will be succeeded. * TSE will not succeed the provisions on establishment of inspection committees and those on the obligation to cooperate in the provision of an explanation on the situation by a certified public accountant, etc. (in cases of resignation during the term of a contract) specified by OSE's rules concerning timely disclosure of corporation information, etc. by issuers of listed securities. Current TSE handling will be applied from the integration date. - Issuers of stocks listed only on OSE or OSE JASDAQ (excluding JASDAQ cross-listed stocks) shall submit, without delay after the day of the annual general shareholders meeting pertaining to the first business year ending after the integration date, a corporate governance report containing description on the transaction relationships, cross-directorships/auditorships, and donations of outside directors/auditors.
(5) Code of corporate	<ul style="list-style-type: none"> - Current TSE rules will be applied. 	<ul style="list-style-type: none"> * Current handling at OSE will be succeeded.

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conduct	<p>- The following matters (1) to (4) will be waived for stocks listed on the Growth Section of TSE JASDAQ until the day of the annual general shareholders meeting pertaining to the first business year ending after one (1) year from the listing date (for (1), it shall be the first business year ending after the listing date).</p> <p>(1) Securing independent director/auditor;</p> <p>(2) Establishment of a board of directors, board of auditors or statutory committees, and appointment of an accounting auditor;</p> <p>(3) Appointment of accounting auditors as certified public accountants, etc. who carry out audit certification; and</p> <p>(4) Decisions pertaining to improvements to systems and structures necessary to ensure appropriateness of business.</p>	
(6) Enforcement measures	<p>- Current TSE rules will be applied.</p>	<p>* Listing agreement violation penalties will also apply to stocks listed on TSE JASDAQ.</p>
(7) Handling of preferred stocks, etc., bonds, and convertible bonds	<p>- Current TSE rules will be applied.</p> <p>- Preferred stocks, etc., bonds, and convertible bonds that are listed on OSE but not on TSE as of the day prior to the integration date will be listed on TSE on the integration date.</p>	
(8) Handling of beneficiary certificates, investment securities, and other new products		<p>* TSE will not succeed OSE's listing rules for covered warrants upon integration.</p>

Items	Contents	Remarks
<p>a. ETN (foreign indicator-tracking securities)</p> <p>b. ETF</p>	<p>- Current TSE rules will be applied.</p> <p>- Current TSE rules will be applied.</p> <p>- Issues listed on the OSE ETF market but not on TSE as of the day prior to the integration date (hereinafter "ETFs listed only on OSE") will be listed on the TSE ETF market on the integration date.</p>	<p>- The name for such products in the listing rules will be standardized to "ETN."</p> <p>* TSE will not succeed the handling of secured ETNs, which specifies the non-application of financial standards, etc., as specified by OSE's listing rules upon integration. TSE will consider developing rules when a specific case of such listing occurs.</p> <p>* TSE will not succeed the ETF liquidity improvement program specified under OSE's listing rules upon integration.</p> <p>- Out of ETFs listed only on OSE, those which are subject to the application of the handling on "listing fees and annual fees at the time of additional listing pertaining to an ETF listed before March 15, 2007" specified by OSE in the supplementary provisions of its enforcement rules for securities listing regulations concerning ETFs, TSE will establish corresponding transitional measures such that the annual listing fees will be based on the last annual fees charged by OSE prior to the integration date (for details, refer to Attachment 3) until three (3) years have elapsed since the integration date.</p> <p>- With respect to an ETF listed only on OSE, its listing date on the TSE ETF market on and after the integration date will be deemed to be that on the OSE ETF market.</p>

Items	Contents	Remarks
		<ul style="list-style-type: none"> - Out of ETFs listed only on OSE, with respect to those which OSE places in a grace period pertaining to delisting criteria specified in its special regulations of securities listing regulations concerning ETFs, or those which OSE designates as securities under supervision (confirmation) or securities under supervision (examination) as of the day prior to the integration date, as a general rule, TSE will succeed such state on the integration date. - Out of ETFs listed only on OSE, with respect to those which OSE designates as securities to be delisted as of the day prior to the integration date, such issues will be listed on the TSE ETF market until the day prior to the delisting date specified by OSE in said designation. In such cases, TSE will designate such issues as securities to be delisted on the integration date.
c. Real estate investment trust securities	- Current TSE rules will be applied.	
d. Country funds (foreign investment securities)	<ul style="list-style-type: none"> - TSE will establish a country fund market. - Issues that are listed on the country fund market of OSE as of the day prior to the integration date (hereinafter "OSE country fund market issues") will be listed on the country fund market of TSE (hereinafter "TSE country fund market") on the integration date. - As a general rule, current OSE rules will be succeeded. However, with a view 	<ul style="list-style-type: none"> - The name for such products in the listing rules will be "country funds" and a new definition for securities eligible for listing will be added. - With respect to an OSE country fund market issue, its listing date on the TSE country fund market on and after the integration date will be deemed to be that on the OSE

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e. Venture funds	<p>toward enhancing market reliability and convenience, the following revisions will be made.</p> <p>(1) A preliminary application system will be established;</p> <p>(2) Similar to the listing rules for real estate investment trust securities, in addition to including asset management companies as eligible listing applicants, new provisions will be established regarding listing examination criteria, timely disclosure criteria, and delisting criteria concerning asset management companies; and</p> <p>(3) New guidelines will be established on matters which accompany substantive judgment regarding initial listing, timely disclosure, and delisting. The preparation, modification, and abolishment of such guidelines will be entrusted to the self-regulatory body.</p> <p>- TSE will establish a venture fund market.</p> <p>- Issues that are listed on the venture fund market of OSE as of the day prior to the integration date (hereinafter "OSE venture fund market issues") will be listed on the venture fund market of TSE (hereinafter "TSE venture fund market") on the integration date.</p> <p>- As a general rule, current OSE rules will be succeeded. However, with a view toward enhancing market reliability and convenience, the following revisions will be made.</p> <p>(1) A preliminary application system will be established; and</p> <p>(2) New guidelines will be established on matters which accompany substantive judgment regarding initial listing, timely disclosure, and delisting. The preparation, modification, and abolishment of such guidelines will be</p>	<p>country fund market.</p> <p>- The name for such products in the listing rules will be "venture funds" and a new definition for securities eligible for listing will be added.</p> <p>- With respect to an OSE venture fund market issue, its listing date on the TSE venture fund market on and after the integration date will be deemed to be that on the OSE venture fund market.</p>

Items	Contents	Remarks
<p>f. Enforcement measures for new products</p> <p>g. Reorganization of the listing rules and regulations in relation to new products</p>	<p>entrusted to the self-regulatory organization</p> <p>- Current TSE rules will be applied.</p> <p>- With respect to rules concerning ETFs and those concerning funds other than ETFs, definitions will be established, the terms used will be aligned, and the rules will be reorganized so that each product is specified in a single part respectively under "Part 5 ETFs" and "Part 6 Funds".</p>	<p>* Listing agreement violation penalties will also apply to issues that are listed on the TSE country fund market and the TSE venture market.</p>
<p>2. Trading participant rules</p> <p>(1) Handling of trading qualifications upon market integration</p>	<p>- Current TSE rules will be applied.</p> <p>- General trading participants will be able to conduct trading of securities listed on TSE JASDAQ.</p> <p>- OSE cash transaction participants or JASDAQ transaction participants which do not hold TSE general trading participant qualifications as of the day prior to the integration date (hereinafter "former OSE cash transaction participants") will be granted trading qualifications for securities trading in the TSE market (hereinafter "cash trading qualification").</p>	<p>- The handling of transfer of trading participation rights, admission fees, participant bond/trading participant security money, and the various notification matters will remain unchanged.</p> <p>* TSE will not succeed OSE's IPO transaction qualification rules upon integration.</p> <p>- The cash trading qualification is a new trading qualification only available to former OSE cash transaction participants. The admission fees and fees for examination of eligibility pertaining to the granting of such trading qualification will be waived.</p> <p>- The granting of such trading qualification will be subject to the condition that the financial conditions of the former</p>

Items	Contents	Remarks
(2) Trading participation fees	<ul style="list-style-type: none"> - General trading participants which conduct securities options trading and individual securities options trading participants must obtain the index futures, etc. clearing qualification of Japan Securities Clearing Corporation (hereinafter "JSCC") or enter into the clearing entrustment agreement, which is specified by the business rules of JSCC, with an index futures, etc. agency clearing participant. - Current TSE rules will be applied. - However, the trading participation fee structure at OSE pertaining to JASDAQ will be applied with respect to trading participation fees pertaining to TSE JASDAQ auction trading. 	<p>OSE cash transaction participant do not fall under the provisions of each item of Rule 35, Paragraph 2 of TSE's Trading Participant Regulations.</p> <p>* This rule revision is made in connection with the integration of the securities option clearing qualification into the index futures, etc. clearing qualification of JSCC.</p>
3. Trading rules (1) Trading rules	<ul style="list-style-type: none"> - Current TSE rules will be applied. - However, handling under current OSE rules will be succeeded with respect to ex-dividend date, etc. of equity investment securities listed on TSE JASDAQ. 	<ul style="list-style-type: none"> - Current TSE rules will also be applied to off-auction transactions, own share repurchase transactions, off-auction distributions, and other transactions (the minimum volume of sell orders of off-auction distribution pertaining to TSE JASDAQ listed stocks will be the same as that for stocks listed on the Second Section and Mothers). - Current handling of trading hours at TSE will also be applied. * TSE will not succeed OSE's Liquidity Provider Program

Items	Contents	Remarks
<p>(2) Margin/loan trading rules</p> <p>a. Succession of standardized margin trading issues and loan trading issues in connection with market integration</p>	<ul style="list-style-type: none"> - Out of stocks listed only on OSE and OSE JASDAQ stocks (excluding JASDAQ cross-listed stocks), those which are standardized margin trading issues or loan trading issues as of the day prior to the integration date will respectively be selected as standardized margin trading issues or loan trading issues of TSE on the integration date. - Out of cross-listed stocks at the time of integration and JASDAQ cross-listed stocks, those which are selected as loan trading issues only of OSE as of the day prior to the integration date will be selected as loan trading issues of TSE on the integration date. - Issues that are listed on the TSE country fund market or TSE venture fund market, which will be established, will also be eligible for selection as standardized margin trading issues and/or loan trading issues. 	<p>for JASDAQ upon integration.</p> <ul style="list-style-type: none"> - Current TSE rules will also be applied to trading of bonds, convertible bonds, and exchangeable bonds. - Trading rules for the TSE country fund market will be the same as those for the handling of foreign stocks at TSE. - Trading rules for the TSE venture fund market will be the same as that for the handling pertaining to real estate investment trust securities at TSE. <ul style="list-style-type: none"> - Out of stocks listed only on OSE and OSE JASDAQ stocks (excluding JASDAQ cross-listed stocks), with respect to those which are in a grace period pertaining to disqualification as a loan trading issue as of the day prior to the integration date and fall under the criteria for number of shareholders or number of floating shares as of the day before entering such grace period, TSE will succeed such state on the integration date. - Selection criteria, pursuant to those for real estate investment trust securities, will be established.

Items	Contents	Remarks
b. Criteria for selection and disqualification as standardized margin trading issue	<ul style="list-style-type: none"> - Selection criteria pertaining to standardized margin trading issues will be modified to align with current OSE criteria, and issues which do not fall into liabilities in excess of assets will be eligible for selection as standardized margin trading issues. - Out of standardized margin trading issues, those which fall into liabilities in excess of assets as of the end of the most recent business year will be disqualified as standardized margin trading issues. 	<ul style="list-style-type: none"> - A directly-listed initial listing issue will be selected as a standardized margin trading issue on the day after its initial price is determined. Other initial listing issues will be selected as such on its listing date. - Out of TSE-listed issues that are not standardized margin trading issues, those which do not fall into liabilities in excess of assets at the end of the most recent business year will be selected as standardized margin trading issues on the integration date. - This will be applied to issues which fall into liabilities in excess of assets as of the end of the business year after the integration date. - Upon confirmation that an issue has fallen into liabilities in excess of assets, such issue will not enter a grace period and will be immediately disqualified.
c. Criteria for selection and disqualification as loan trading issue	<ul style="list-style-type: none"> - Current TSE rules will be applied. 	<ul style="list-style-type: none"> - With respect to loan trading issues selected based on the above a. whose end of the business year falls within one (1) year from the integration date, TSE will determine whether such issues are placed in a grace period for disqualification based on OSE's current criteria for number of floating shares and number of shareholders, etc. - Loan trading issues that are disqualified as standardized margin trading issues based on the above b. will also be

Items	Contents	Remarks
d. Designated securities finance company	- There will be one designated securities finance company.	disqualified as loan trading issues.
e. Guidelines pertaining to regulatory measures, etc.	- TSE guidelines before market integration will be applied. - With respect to regulatory measures, etc. implemented by OSE on stocks listed only on OSE as of the day prior to the integration date, TSE will succeed such measures on the integration date.	- With respect to criteria based on conditions that span consecutive days in TSE guidelines, TSE will determine whether an issue falls under such criteria or whether to remove such measures by checking its trading conditions in the OSE market until the day prior to the integration date.
f. Publication of outstanding margin trading	- Stocks listed only on OSE will be handled as initial listing issues on TSE on the integration date.	- In "Current Outstanding Margin Trading (by Negotiable Margin Trading/Standardized Margin Trading)," TSE JASDAQ stocks will be included under the Second Section. Figures for TSE JASDAQ will not be published separately. - Outstanding margin trading at OSE of cross-listed stocks at the time of integration and JASDAQ cross-listed stocks will be handled as outstanding margin trading at TSE on and after the integration date. - Figures for the combined total of the three markets will be published as the combined total for the two markets of Nagoya Stock Exchange and TSE on and after the

Items	Contents	Remarks
		integration date.
4. Trading systems	- TSE trading systems will be used for cash equity trading.	<p>- arrowhead will be used for auction trading.</p> <p>- ToSTNeT System will be used for off-auction trading (single stock trading, basket trading, closing price transactions, and own share repurchase transactions) and off-auction distribution.</p> <p>* Cash transactions of stocks, convertible bonds, and exchangeable bonds, as well as bond trading will be conducted, in the same way as current handling at TSE, by means of trading other than trading via trading systems.</p>
5. Others (1) Agreement for setting up futures/options trading account (2) Others	<p>- With the integration of the clearing organization for OSE-listed futures and options contracts into JSCC, TSE will unify its agreement for setting up futures/options trading account with the same agreement at OSE and make necessary revisions.</p> <p>Other necessary revisions will be made.</p>	

III. Implementation Date (Scheduled)

These rules and regulations will be implemented on July 16, 2013.

Attachment 1

Transitional Measures regarding the Application of Main Market Delisting Criteria to Stocks Listed Only on OSE

1. Delisting criteria pertaining to no. of shareholders, no. of tradable shares, and market capitalization of tradable shares

Item	Criteria applied at the end of business years ending within three years from the integration date	Criteria applied at the end of business years ending after three or more years have elapsed since the integration date ¹
(1) No. of shareholders	- In cases where the number of shareholders is less than <u>150</u> , and it does not reach at least <u>150</u> within one year.	- In cases where the number of shareholders is less than <u>400</u> , and it does not reach at least <u>400</u> within one year.
(2) No. of tradable shares	- In cases where the number of tradable units is less than <u>1,000</u> , and it does not reach at least <u>1,000</u> within one year.	- In cases where the number of tradable units is less than <u>2,000</u> , and it does not reach at least <u>2,000</u> within one year.
(3) Market capitalization of tradable shares	- In cases where the market capitalization is less than <u>JPY 250 million</u> , and it does not reach at least <u>JPY 250 million</u> within one year. ²	- In cases where the market capitalization is less than <u>JPY 500 million</u> , and it does not reach at least <u>JPY 500 million</u> within one year.

2. Criteria pertaining to trading volume, market capitalization, bankruptcy, etc.

Item	Criteria applied within three years from the integration date	Criteria applied after three years have elapsed since the integration date
(1) Trading volume	- In cases where the average monthly trading volume during one (1) year prior to the end of December is less than <u>5 units (including trading</u>	- Cases falling under ① or ② below: ① Where the average monthly trading volume for one (1) year prior to the end of December of such year is less than <u>10 units</u> ³ ; or

¹ In cases of a company whose fiscal year ends in March, this will be applied to the fiscal year ending March 2017. For example, under the criterion regarding the number of shareholders, where such number is less than 400 at the end of the fiscal year ending March 2017, if the number of shareholders does not reach at least 400 by the end of the fiscal year ending March 2018, the company will be delisted. Where the number of shareholders is less than 150 at the end of the fiscal year ending March 2016 and such number reaches 150 or more but less than 400 at the end of the fiscal year ending March 2017, the company will enter into another year of a grace period. The same method will be used in the application of (2) the number of tradable shares and (3) the market capitalization of tradable shares.

² In line with current handling at OSE, until the end of December 2013 inclusive, this criterion will be applied by replacing "JPY 250 million" with "JPY 150 million."

³ This criterion will be applied to examination from the end of December 2016 onward.

Item	Criteria applied within three years from the integration date	Criteria applied after three years have elapsed since the integration date
	<u>volume at Osaka Securities Exchange)</u>	② <u>Where there was no trading during the three (3) months immediately prior to the end of a month.</u> ⁴
(2) Market capitalization	- In cases where the market capitalization is less than <u>JPY 500 million</u> , and it does not reach at least <u>JPY 500 million</u> within nine (9) months (three (3) months if a written document, which includes improvement of business plan, is not submitted) ⁵	- Cases falling under ① or ② below ⁶ : ① Where the market capitalization is less than <u>JPY 1 billion</u> , and it does not reach at least <u>JPY 1 billion</u> within nine (9) months (three (3) months if a written document, which includes improvement of business plan, is not submitted); or ② <u>Where the market capitalization is less than the amount obtained by multiplying the number of listed shares, etc. by two, and it does not reach at least such amount within three (3) months.</u>
(3) Bankruptcy, rehabilitation, or reorganization proceedings	- In cases where the company has come to require bankruptcy, rehabilitation, or reorganization proceedings, or has fallen into a state equivalent thereto. In such case, where the company discloses a restructuring plan, its market capitalization does not reach at least <u>JPY 500 million</u> within one (1) month counting from the day following such disclosure.	- Where the company has come to require bankruptcy, rehabilitation, or reorganization proceedings, or has fallen into a state equivalent thereto. In such case, where the company discloses a restructuring plan, its market capitalization does not reach at least <u>JPY 1 billion</u> within one (1) month counting from the day following such disclosure. ⁷

⁴ This criterion will be applied to examination from the end of July 2016 onward.

⁵ In line with current handling at OSE, until the end of December 2013 inclusive, this criterion will be applied by replacing "JPY 500 million" with "JPY 300 million."

⁶ This criterion will be applied to examination of market capitalization of July 2016 onward.

⁷ This criterion will be applied to examination of cases where a restructuring plan was disclosed, on or after the day after three (3) years have elapsed since the integration date.

Transitional Measures regarding Main Market Listing-related Fees for Stocks Listed Only on OSE¹

Item	OSE Fee Structure	TSE Fee Structure		Transitional Measures for Stocks Listed Only on OSE																			
Annual listing fee (Annual fee)	<ul style="list-style-type: none"> - Annual fee is calculated based on the number of listed shares. - Apart from annual fee, charge TDnet usage fee of JPY 89,250 (including the amount equivalent to consumption tax) 	<ul style="list-style-type: none"> - Annual listing fee is the sum of the amount charged according to the classification of listed market capitalization and market division as shown in the following table, and TDnet usage fee of JPY 120,000. The annual listing fee is charged in two installments, at the end of February and August. 		<ul style="list-style-type: none"> - Annual listing fee due before August 2016 inclusive will remain unchanged from the sum of the last annual listing fee²³ applied at OSE before the integration date, and TDnet usage fee of JPY 85,000 (excluding tax). - Annual listing fee due at the end of August 2013 will be calculated on a monthly basis based on the assumption that such fee is for the period from July 2013 through September 2013. 																			
		<table border="1"> <thead> <tr> <th>Listed market capitalization</th> <th>1st Section</th> <th>2nd Section</th> </tr> </thead> <tbody> <tr> <td>¥5 bil. or less</td> <td>¥960,000</td> <td>¥720,000</td> </tr> <tr> <td>¥25 bil. or less</td> <td>¥1,680,000</td> <td>¥1,440,000</td> </tr> <tr> <td>¥50 bil. or less</td> <td>¥2,400,000</td> <td>¥2,160,000</td> </tr> <tr> <td>¥250 bil. or less</td> <td>¥3,120,000</td> <td>¥2,880,000</td> </tr> <tr> <td>¥500 bil. or less</td> <td>¥3,840,000</td> <td>¥3,600,000</td> </tr> <tr> <td>More than ¥500 bil.</td> <td>¥4,560,000</td> <td>¥4,320,000</td> </tr> </tbody> </table>	Listed market capitalization		1 st Section	2 nd Section	¥5 bil. or less	¥960,000	¥720,000	¥25 bil. or less	¥1,680,000	¥1,440,000	¥50 bil. or less	¥2,400,000	¥2,160,000	¥250 bil. or less	¥3,120,000	¥2,880,000	¥500 bil. or less	¥3,840,000	¥3,600,000	More than ¥500 bil.	¥4,560,000
Listed market capitalization	1 st Section	2 nd Section																					
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More than ¥500 bil.	¥4,560,000	¥4,320,000																					

¹ Excluding stocks that are delisted following an application for delisting made to TSE on or after January 31, 2013 but before the integration date, and stocks that are assigned to the First Section on or after the day following the integration date.

² With respect to a listed company whose last annual fee prior to the integration date is waived due to conducting private liquidation, etc., TSE will charge the amount of annual fee which would have been payable. However, if the three-year waiver period has not elapsed as of the integration date, the annual fee of such company will continue to be waived during the period.

³ With respect to listed companies which are eligible for discounted annual fee due to remaining listed for twenty (20) or more years, TSE will charge the discounted annual fee.

(Reference Translation)

Item	OSE Fee Structure	TSE Fee Structure	Transitional Measures for Stocks Listed Only on OSE
Fee for listing of new shares (Listing fee)	- The listing fee is equivalent to 6/10,000 of the total issuance value (1/10,000 in the case of exercise of subscription warrants, etc.).	- In the case of listing new shares, the amount is equivalent to 8/10,000 of the total issuance value.	- Listing fee for new shares(*), whose resolution on issuance is made before the integration date and whose day of listing is on or after said integration date, will be charged based on the current fee structure at OSE. *Excluding new shares issued due to stock conversion, exercise of subscription warrants, etc.
Fee for issuance and disposition of listed shares	None	- In the case of issuance or disposition of listed shares (including unlisted shares, etc. to be converted to listed shares), the amount is equivalent to 1/10,000 of the total issuance value.	- Fees will not be charged if the resolution on issuance or disposition is made before the integration date.
Fee for issuance of subscription warrants	None	- In cases where subscription warrants were issued, the amount is equivalent to 1/10,000 of the sum of the following (a) and (b): (a) The amount obtained by multiplying the issuance price of the subscription warrants by the total number of the subscription warrants; and (b) The amount obtained by multiplying the paid-in amount pertaining to exercise of the subscription warrants by the number of the shares that are the	- Fees will not be charged on subscription warrants whose resolution on issuance is made before the integration date.

(Reference Translation)

Item	OSE Fee Structure	TSE Fee Structure	Transitional Measures for Stocks Listed Only on OSE
		subject of the subscription warrants.	
Fee for secondary offerings	- None	- In the case of a secondary offering, the amount is equivalent to 1/10,000 of the offering price.	- Fees will not be charged if the secondary offering is determined before the integration date.
Fee for mergers, etc.	- With regard to new shares issued in connection with an absorption-type merger, etc., the amount of capitalization per share is deemed as the issuance value per share. The listing fee is 6/10,000 of the amount obtained by multiplying such issuance value by the number of new shares to be listed.	- In the case of an absorption-type merger, etc., the amount is equivalent to 2/10,000 of the amount obtained by multiplying the amounts in (a) and (b) below: (a) The total of the number of shares, etc. issued in the absorption-type merger, etc. and the number treasury shares, etc. to be delivered; and (b) The last price of the shares, etc. in auction trading on the effective date of such absorption-type merger, etc.	- In cases where the resolution on the absorption-type merger, etc. is made before the integration date, and the effective date of such merger, etc. falls on or after the integration date, fees will be charged based on the current listing fee structure at OSE.

Transitional Measures regarding Listing-related Fees for ETFs Listed Only on OSE

Item	Current OSE fee structure	TSE fee structure	Transitional measures
Annual listing fee (Annual fee)	- Annual listing fee is calculated based on the average number of listed units. ¹	- The amount is equivalent to 0.75/10,000 of total net asset value. - However, in cases where the total net asset value exceeds JPY one (1) trillion, the amount is equivalent to sum of the following (a) and (b): (a) The amount equivalent to 0.5/10,000 of the amount obtained by deducting JPY one (1) trillion from the total net asset value; and (b) JPY 7.5 million.	- Annual listing fee due before August 2016 inclusive will remain unchanged from the last annual fee applied at OSE before the integration date. - Annual listing fees due at the end of August 2013 will be calculated on a monthly basis based on the assumption that such fee is for the period from July 2013 through September 2013.
Additional listing fee (listing fee at the time of additional listing)	- JPY 30 per trading unit of beneficiary certificates	- The amount is equivalent to 0.75/10,000 of the total additional trust value ² .	- There will be no transitional measures. (The fee structure at TSE will be applied from the integration date.) - Additional listing fee, with the end of December 2013 being the base date, will be calculated on a monthly basis based on the assumption that such fees is for the period from July 2013 through September 2013.

¹ Applicable to ETFs listed before March 15, 2007. With respect to ETFs listed on and after said date, the annual fee is based on the fee structure at TSE.

² Fees will be calculated based on the total net asset value as of the end of December of each year, and deeming the increase from either the total net asset value as of the initial listing date on OSE or the total net asset value as of the end of December of each year since initial listing on OSE up to the preceding year, whichever is greater, as the amount of additional trust.