

Articles of Incorporation of Tokyo Stock Exchange Regulation

(As of November 1, 2007)

Chapter 1

General Provisions

Article 1. (Corporate Name)

The corporate name of this self-regulatory corporation (hereinafter referred to as the “Corporation”) shall be 東京証券取引所自主規制法人 in Japanese or Tokyo Stock Exchange Regulation in English.

Article 2. (Organization and Judicial Status)

The Corporation is a membership legal entity based on the Financial Instruments and Exchange Law (Law No.25 of 1948; hereinafter referred to as the “Law”).

Article 3. (Office Location)

The office of the Corporation shall be located in Chuo-Ku, Tokyo.

Article 4. (Equity Capital)

The equity capital of the Corporation shall be the total amount of capital contributions by the members.

Article 5. (Method of Public Notice)

The public notice by the Corporation shall be given by means of posting on government gazettes.

Chapter 2

Purpose and Operations

Article 6. (Purpose)

1. The purpose of the Corporation shall be to conduct the self-regulatory operations of a financial instruments exchange (meaning the self-regulatory operations prescribed in Paragraph 2, Article 84 of the Law. The same shall apply hereinafter.).
2. The Corporation shall conduct its business in order to achieve fair and smooth transactions of securities and market derivatives in the exchange financial instruments market operated by the entrusting financial instruments exchange, and be conducive to the sound development of the financial instruments trading business and the protection of investors.

Article 7. (Operations)

1. The Corporation shall conduct the self-regulatory operations listed in each of the following Items upon the entrustment of the entrusting financial instruments exchange(s):
 - (1) Operations relating to listing and delisting of financial instruments, financial indicators or options (hereinafter referred to as the “financial instruments, etc.”) provided by the entrusting financial instruments exchange(s) (excluding operations relating to listing and delisting of the financial instruments, etc. for specified market derivatives trading (meaning market derivatives trading where the issue(s) of financial instruments for such market derivatives transactions are specified in the Business Regulations and other rules and regulations of the entrusting financial instruments exchange(s). The same shall apply hereinafter.)
 - (2) Inspections on trading participants or members of the entrusting financial instruments exchange(s) (hereinafter referred to as the “trading participants, etc.” about their compliance with laws and regulations, disposition by the administrative agencies based on laws and regulations, the articles of incorporation and any other rules of the entrusting financial instruments exchange(s), or the fair and equitable principle of trading
 - (3) Detailed Examinations of securities trading or market derivatives trading carried out by the trading participants, etc. in the exchange financial instruments market (excluding examination instantaneously carried out for expediting securities trading or market derivatives trading in the exchange financial instruments market)
 - (4) Examination of qualifications of the trading participants, etc.
 - (5) Operations related to disposition and any other measures against the trading participants, etc.
 - (6) Examinations on information disclosure by the issuer of listed securities with regard to the issuer t, and operations regarding disposition and other measures to be taken against the issuer of listed securities
 - (7) Drawing-up, amendments, or abolition of the Business Regulations and other rules of the entrusting financial instruments exchange(s) listed in each of the preceding Items (hereinafter referred to as the “Specified Self-Regulatory Operations”) (excluding criteria for listing and delisting of financial instruments, etc. as well as criteria for granting qualifications of the trading participants, etc.)
 - (8) Preparation of the summary of proposals for a general meeting or a general shareholders meeting of the entrusting financial instruments exchange pertaining to any amendment to the Articles of Incorporation of the entrusting financial

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instruments exchange concerning the Specified Self-Regulatory Operations (excluding amendments to the Articles of Incorporation concerning criteria for listing and delisting of financial instruments, etc. and criteria for granting qualifications of the Trading Participants, etc.)

2. The Corporation shall give consent to the financial instruments exchange concerning amendment or abolition of the Self-Regulatory Operations related matters provided by the Business Regulations and other rules of the entrusting financial instruments exchange, pursuant to the provisions of laws and regulations, give advices, if it deems necessary, on measures that should be taken against the entrusting financial instruments exchange, and conduct operations incidental to the operations listed in each of the preceding Items..

Chapter 3

Members

Article 8. (Members)

The members of the Corporation shall be limited to financial instruments exchanges and financial instruments exchange holding companies.

Article 9. (Equity Contributions)

1. The amount of a unit of equity contribution by a member shall be JPY 3 billion.
2. The amount of a contribution must be paid in total at one time.

Article 10. (Prohibition of Transfer of Right to Receive Refund of Membership Equity, Etc.)

No member may transfer, promise to transfer, or pledge its right to receive refund of the membership equity to any other person, except as otherwise provided by Article 13.

Article 11 (Admission to Membership)

1. Procedures for the admission to membership shall be as prescribed by this Article.
2. An entity who wishes to obtain membership (hereinafter referred to as the “Membership Admission Applicant”) shall be given a consent by over two thirds of the total members at the time of admission to membership.
3. The Membership Applicant who has obtained consent as prescribed in the preceding paragraph shall pay the membership equity contribution money, the admission fee, and the initiation fee to the Corporation by a date designated by the Corporation. However, in cases where the Membership Admission Applicant has taken over a Membership Equity

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the applicant is not required to pay the Membership Equity Contribution Money and the Admission fee.

4. The amount of the Admission Fee shall be determined by the Corporation, based on an amount (where the ordinary general meeting has not yet been convened as of the membership admission date, an amount estimated to be that amount) divided by the number of members as of the end of the immediately prior fiscal year, (where the balance of the surplus as of the end of the immediately prior fiscal year is negative, an amount minus this amount). The amount comprises the amounts of basic reserve, reserve for which usage purpose is limited (hereinafter referred to as “reserve for specific purposes”) and special reserve (including amounts transferred as reserve for specific purposes and special reserve respectively by resolution made at the ordinary general meeting) as of the end of the immediately prior fiscal year approved at the ordinary general meeting for the fiscal year immediately prior to the fiscal year containing the membership admission date.
5. The amount of the Initiation Fee shall be decided by resolution of the general meeting of the Corporation.
6. The Membership Applicant who has taken the procedures prescribed by Paragraph 3 shall become a member on the day (where a proviso in the same Paragraph is applied, the day decided by the Corporation) following the date designated by the Corporation pursuant to the provisions in the same paragraph.

Article 12 (Withdrawal from Membership)

1. A member may withdraw from membership upon obtaining consent of over two thirds of the total members.
2. A member shall withdraw from membership in the following events in addition to cases in the preceding paragraph:
 - (1) Where the member ceases to be the financial instruments exchange or the financial instruments exchange holding company
 - (2) Where the member is dissolved
3. The amount of the membership equity which will be refunded to the member who withdraws from membership shall be an amount obtained by adding the amount stated in Item (1) to the amount of its paid-in equity contribution and subtracting the amount stated in Item (2) from the amount of its paid-in equity contribution.
 - (1) The total amount (where the balance of the surplus as of the end of the immediately prior fiscal year is negative, an amount minus this amount) comprising the amounts of basic reserve, reserve for specific purposes and special reserve (including amounts transferred as reserve for specific purposes and special reserve respectively by

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resolution made at the ordinary general meeting) as of the end of the immediately prior fiscal year approved at the ordinary general meeting for the fiscal year immediately prior to the fiscal year containing the date of withdrawal from the membership, divided by the number of members as of the end of the immediately prior fiscal year

(2) Where the Corporation has a huge amount of extraordinary expenditures as of the date of withdrawal from the membership, an amount decided by the Corporation at the ordinary general meeting, out of that amount, , divided by the number of members as of the day preceding the withdrawal date

4. The underlying assets for refund prescribed in the preceding Paragraph shall be disposed of from the amount of the equity capital as of the end of the fiscal year immediately prior to the fiscal year containing the withdrawal date divided by the number of members as of the end of the immediately prior fiscal year, the amount of the basic reserve as of the end of the fiscal year immediately prior to the fiscal year containing the withdrawal date divided by the number of members as of the end of the immediately prior fiscal year, the amount of reserve for specific purposes as of the end of the immediately prior fiscal year divided by the number of members as at the end of the immediately prior fiscal year divided by the number of members as at the end of the immediately prior fiscal year, and special reserve, in this order.

Article 13. (Transfer of Membership Equity)

The membership equity may be only transferred to an entity who will become a member at the same time and on condition that the withdrawing member withdraws from membership by obtaining the consent of two thirds or more of the total members.

Chapter 4

Organizations

Section 1

General Meetings

Article 14. (Convocation of General Meetings)

The general meetings comprise ordinary general meetings and extraordinary general meetings. An ordinary general meeting shall be convened within three months from the end of every fiscal year, and an extraordinary general meeting shall be convened from time to time whenever necessary.

Article 15. (Convener and Chairperson of General Meeting)

1. Based on resolution by the board of governors, the president shall convene a general meeting at which he/she shall preside as chairperson.
2. The President must immediately take procedures for convening a general meeting if one fifth or more of the members with voting rights for the relevant agenda have requested convocation of a general meeting, showing the agenda and the reason for the convocation.
3. The convocation of a general meeting as prescribed in the preceding two paragraphs shall be conducted by notifying each member of the meeting date, time, place, and agendas at least five days prior to the meeting day.
4. Resolutions may be only made for the agendas notified beforehand pursuant to the provisions in the preceding paragraph.

Article 16. (Quorum of General Meeting)

1. No general meeting may be held unless a majority of the members holding voting rights for the relevant agendas attend the meeting.
2. Members who have submitted a written document for exercising voting rights pursuant to the provisions in Paragraph 4 of the following Article shall be deemed to have been attending the general meeting.

Article 17. (Resolution Method, Exercise of Voting Rights by Members, Etc.)

1. Proceedings of general meetings shall be resolved by a majority of the voting rights of the members present, except as otherwise provided by these Articles of Incorporation.
2. Each member shall have one voting right.
3. No member shall have voting right in cases where it has a special interest in the resolution of the general meeting.
4. The Member may exercise its voting right by submitting a written document to the Chairperson of the general meeting if the Board of Governors approves the exercise of the voting right by means of the written document.

Article 18. (Minutes)

Minutes of the proceedings of a general meeting must be prepared, and the summary of the process of the proceedings and their results must be stated, and the Chairperson of the general meeting, governors present, auditors present and at least one (1) member present at the general meeting must place their signatures and seals on the minutes.

Section 2

Officers

Article 19. (Number of Officers)

The Corporation shall have the following officers.

President	1
Governors	3 or more but 5 or less
Auditors	2

Article 20. (Election of Governors)

1. Directors shall be elected by resolution of general meetings.
2. A majority of Governors must be external governors (meaning external governors prescribed in Paragraph 3 of Article 102-23 of the Law. The same shall apply hereinafter.) and, in addition, external governors shall be elected from among persons with excellent insight who can make fair decision concerning the Self-regulatory Operations excluding the persons falling under any of the following Items:
 - (1) Persons engaged in regular business directly related to the financial instruments trading business
 - (2) Persons engaged in the regular business of a company which is an issuer of securities listed on the exchange financial instruments market established by the entrusting financial instruments exchange(s)
3. Governors (hereinafter referred to as the “Independent Governors” elected pursuant to the provisions in the preceding paragraph may not be engaged in the operations of the entrusting financial instruments exchange, regular business of a company conducting operations directly related to the financial instrument transaction business or regular business of a company which is an issuer of securities listed on the exchange financial instruments market established by the entrusting financial instruments exchange during their term of office.
4. No governors may be reelected no more than twice.

Article 21. (Election of President)

1. The President shall be elected from among the Independent Governors by mutual votes of the Governors.
2. During his/her term of office, the President may not be an officer of other corporation or any other body (excluding a part-time officer of a not-for-profit organization) or may not engage himself/herself in profit making business, without obtaining approval of the Board of Governors.

Article 22. (Election of Full-Time Governors)

1. The Board of Governors shall, by its resolution, appoint full-time governors from among governors other than the President.
2. The Board of Governors may appoint senior managing governors and managing governors from among full-time governors.
3. The provisions in Paragraph 3 of Article 20 and Paragraph 2 of the preceding Article shall be applied mutatis mutandis to full-time governors.

Article 23. (Election of Auditors)

1. Auditors shall be elected by resolution of a general meeting(s).
2. Only one standing auditor shall be appointed by resolution of a general meeting.
3. The provisions in Paragraph 3 of Article 20 and Paragraph 2 of Article 21 shall be applied mutatis mutandis to the standing auditor. In this case the term “approval of the Board of Governors” in Paragraph 2 of Article 21 shall be deemed to be replaced with “consent of all the other auditors”.

Article 24. (Duties of Governors)

1. The President shall represent the Corporation comprehensively manage operations of the Corporation.
2. The standing governors shall conduct operations of the Corporation, assisting the President.
3. The governors shall organize the Board of Governors and supervise execution of duties by other Governors.
4. In the case that the office of President is vacant or in the absence or disability of the President, the Corporation shall select a governor who will represent the Corporation and execute the duties of the President on his/her own responsibilities or as deputy, pursuant to the provisions in the Rules for the Board of Governors as prescribed in Article 37.
5. The Corporation may give a standing governor the authority to represent the Corporation by resolution of the Board of Governors if it deems necessary.
6. If it is deemed necessary, a governor(s) may attend meetings of the Board of Directors or the Board of Governors of the entrusting financial instruments exchange, and express his/her opinion at such meetings.

Article 25. (Duties of Auditors)

1. Auditors audit operations and accounting of the Corporation.
2. Auditors shall inspect the documents specified in Paragraph 2 of Article 44 that the President submits to the general meeting, and shall report their opinions in the general

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meetings.

3. Auditors may attend meetings of the Board of Governors and express their opinions at such meetings.

Article 26 (Term of Office of Officers)

1. The term of office of a governor shall expire at the close of the ordinary general meeting for the last fiscal year which terminates within two years from his/her election.
2. The term of office of a governor who has been elected to fill a seat resulting from an increase in the number of governors or to fill a vacancy shall expire at the maturity of the term of office of the incumbent or previous governor.
3. The term of office of an auditor shall expire at the close of the ordinary general meeting for the last fiscal year which terminates within four years from his/her election.
4. The term of office of an auditor who has been elected to fill a vacancy of the auditor who retired before the maturity of his/her term of office shall expire at the maturity of the term of office of the auditor who retired.

Article 27. (Dismissal of Officers)

The officer shall not be dismissed except for cases where he/she falls under any of the following items and a majority of members attend the general meeting and a four-fifths majority of the members present gives consent by resolution.

- (1) Where the officer is deemed unable to execute his or her duties due to mental or physical disorder
- (2) Where the officer is deemed to have violated his or her duties or committed any other improper act as an officer

Article 28. (Remuneration of Officers)

The total amount of the remuneration of the officers shall be decided by resolution of a general meeting(s).

Section 3 Board of Governors

Article 29 (Authority of Board of Governors, Etc.)

1. The Board of Governors shall execute the following duties.
 - (1) Decision on matters prescribed in the Articles of Incorporation and decision on the execution of operations of the Corporation
 - (2) Supervision of the execution of duties of governors
 - (3) Dismissal of the President

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- (4) Appointment and dismissal of senior managing governors, managing governors, or standing governors
2. The President and standing governors must report to the Board of Governors on the state of execution of their own duties once or more times every three months.

Article 30. (Convocation of the Board of Governors)

1. A meeting of the Board of Governors shall be convened by the President, who shall preside as chairperson.
2. If a governor requests to convene a meeting of the Board of Governors by showing issues for the Board of Governors meeting and a reason for the convocation, the President must immediately convene a meeting of the Board of Directors.

Article 31. (Convocation Notice Regarding the Board of Governors, Etc.)

1. When convening a Board of Governors meeting, convocation notice regarding the meeting shall be given to each governor and each auditor at least a week prior to the meeting day (if a shorter period is decided in a meeting of the Board of Governors, that period).
2. With the consent of all governors, a Board of Governors meeting may be convened without taking convocation procedures.

Article 32. (Method of Resolution by Board of Governors)

1. A resolution of the Board of Governors shall be adopted if a majority of the governors who can participate in a vote are present, and a majority of such governors and a majority of the Independent Governors present both approve.
2. No governor having a special interest in resolution of the Board of Governors) may participate in a vote.

Article 33. (Grasping of Situations about Execution of Operations by the Entrusting Financial Instruments Exchange)

1. The Board of Governors shall receive reports on situations of business execution from the entrusting financial instruments exchange twice or more a year.
2. The Board of Governors may, if it deems necessary, request governors, directors, executive officers, managers and other employees to submit reports on matters concerning the execution of their duties.

Article 34. (Consent to Changes in Business Regulations, Etc. of Entrusting Financial Instruments Exchange)

Procedures for the Corporation's giving consent in cases where the entrusting financial

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instruments exchange intends to amend or abolish the Self-regulatory Operations related matters which are prescribed in the Business Regulations and/or other rules of the exchange shall be provided in the Rules for the Board of Governors as prescribed in Article 37.

Article 35 (Advice to Entrusting Financial Instruments Exchange)

By its resolution the Board of Governors may, if it deems necessary, give the entrusting financial instruments exchange any advice on measures to be taken in order to achieve fair and smooth securities trading and market derivatives trading in the financial instruments market operated by the entrusting financial instruments exchange, and to be conducive to the sound development of the financial instruments trading business and the protection of investors.

Article 36. (Minutes)

Minutes of the proceedings of the Board of Governors meeting must be prepared, and the summary of the process of the proceedings and their results must be stated therein, and the governors and auditors present at the meeting must sign or place their names and seals thereon.

Article 37. (Rules on Council)

Matters concerning the Board of Governors shall be subject to the Board of Governors Rules prescribed by the Board of Governors in addition to laws and regulations and/or these Articles of Incorporation.

Section 4
Advisory Committee

Article 38 (Consultation Committee)

1. An advisory committee(s) shall be established within the Corporation.
2. With respect to key issues concerning the operations of the Corporation, an advisory committee(s) may give advice in response to any inquiry of the Board of Governors or express opinions to the Board of Governors.
3. Composition and procedures of the Advisory Committees, and other matters necessary for running the Advisory Committees shall be subject to the Advisory Committees Rules as adopted by the Board of Governors.

Chapter 5 Business Regulations, Etc.

Article 39. (Business Regulations)

1. Matters concerning operations prescribed in Paragraph 1 of Article 7 shall be prescribed by the Business Regulations in addition to these Articles of Incorporation.
2. The Business Regulations may be established or amended by the Board of Governors' resolution.

Article 40. (Detailed Rules)

In addition to the rules separately prescribed in these Articles of Incorporation, detailed rules necessary for the operations of the Corporation shall be adopted by the President.

Chapter 6 Accounting

Article 41. (Payment of Expenses)

Expenses of the Corporation shall be mainly covered by the business entrustment fees pertaining to the Self-regulatory Operations entrusted by the entrusting financial instruments exchange(s).

Article 42. (Fiscal Year)

The fiscal year of the Corporation shall be from April 1 to March 31 of the following year.

Article 43. (Budget)

1. The Corporation shall prepare budgets for each fiscal year by resolution of the Board of Governors.
2. If the Corporation deems it necessary to amend the budgets in the preceding paragraph, it may do so by resolution of the Board of Governors.

Article 44. (Account Settlement)

1. The Corporation shall close its account at the end of each fiscal year.
2. The President must prepare written documents listed in each of the following Items by resolution of the Board of Governors immediately after closing the account and submit them to auditors:
 - (1) Balance sheet

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- (2) Income statement
 - (3) Business report including the summary of operations, the state of officers and employees and other reports on operations
 - (4) Written document calculating the amount of net assets
 - (5) Table showing individual notes
 - (6) Inventory of assets
3. Documents listed in Items (1), (2) and (4) in the preceding paragraph must be prepared in accordance with the corporate accounting standards which are generally considered fair and appropriate.
4. The President must keep the documents listed in Paragraph 2 and auditors' report thereon in the office and put them for the members' inspection.

Article 45. (Approval of Accounting Documents)

The President must submit the documents listed in Paragraph 2 of the preceding Article to an ordinary general meeting and seek for its approval.

Article 46. (Appropriation of Surplus)

1. In the event net profit for the current term arises at the account settlement prescribed in Article 44, such profit shall be treated as a surplus, and if the balance of the surplus becomes positive as a result, the total amount shall be appropriated by resolution of the general meeting as follows:-
- (1) Reserve for specific purposes
 - (2) Special reserve
2. In the event net loss for the current term is incurred at the account settlement prescribed in Article 44, such loss shall be treated as a negative surplus, and if the balance of the surplus becomes negative as a result, and if there is special reserve, such reserve shall be transferred to supplement the surplus by resolution of the general meeting.
3. Reserve for specific purposes may be liquidated and used by resolution of a general meeting (where it is used for that specific purposes or where it is used to refund the membership equity pursuant to the provisions of Article 12, by resolution of the Board of Governors).
4. The special reserve may be liquidated and used by resolution of a general meeting (where it is used to refund the membership equity pursuant to the provisions of Article 12, by resolution of the Council)

Article 47. (Accumulation of Basic Reserve)

1. Admission fees paid-in pursuant to the provisions of Paragraph 2 of Article 11 shall be

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accumulated into basic reserve whenever their payment is received.

2. Basic reserve shall only be paid out in cases where the equity capital of the Corporation is increased or where membership equity is refunded pursuant to the provisions of Article 12.

Article 48. (Accounting Rules)

Necessary matters regarding budgets, account settlements and other accounting of the Corporation shall be decided in accordance with the accounting rules.

Article 49. (Distribution of Residual Properties)

Where the Corporation is dissolved and there are residual properties after settling all of its credit and debt, the residual amount shall be equally divided and distributed to members as at the time of the resolution of the dissolution.

Chapter 7
Miscellaneous Rules

Article 50. (Resolution of Amendments to Articles of Incorporation or Dissolution of the Corporation)

Resolution of amendments to the Articles of Incorporation or dissolution of the Corporation shall be adopted if three quarters or more of the members who can vote at the general meeting are present, and a three quarters or more majority of the members approve.

Supplementary Provisions

(First Fiscal Year)

Notwithstanding the provisions of Article 42, the first fiscal year of the Corporation after its establishment shall be from the establishment day of the Corporation to March 31, 2008.

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