

Rules Concerning Selection of Stocks Eligible for Standardized Margin Trading and Loan Trading

(as of April 1, 2011)

Tokyo Stock Exchange, Inc.

Rule 1. Purpose

These Rules shall prescribe necessary matters concerning the selection of standardized margin trading issues as well as loan trading issues pursuant to the provisions of Rule 7, Paragraph 2, Rule 10, Paragraph 2, and Rule 15 of the Margin/Loan Trading Regulations (hereinafter referred to as “the Regulations”).

Rule 1-2. Definitions

Definition of terms referred to in these Rules shall, unless otherwise provided herein, be subject to those defined in the Securities Listing Regulations.

Rule 2. Criteria for Selecting Issues Eligible for Standardized Margin Trading

1. The Exchange shall select from issues other than those already selected as standardized margin trading issues, a stock, etc. (including preferred stock, etc.; the same shall apply hereinafter) as a standardized margin trading issue, if the issue satisfies each requirement prescribed in the following items.
 - (1) Where an issue has been listed for more than six (6) months.
 - (2) Where the number of tradable shares is not less than 10,000 units.
 - (3) Where the number of shareholders (meaning the number of persons who own at least one (1) unit of the issue; or the number of shareholders in Japan in the case of foreign stocks, etc. listed on multiple markets pursuant to the provisions of Rule 214, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations; the same shall apply hereinafter) is not less than 1,100.
 - (4) Where the trading volume, etc. of an issue during, in principle, the past six (6) months backdated from the last day of the second month following the month containing the last day of the business year of an issuer of the issue meets either of the following sub-items a. or b.:
 - a. The average monthly trading volume (meaning the total trading volume in the market divided by the number of relevant months; hereinafter the same shall apply to this Item, Rule 2, Paragraph 4, Item 3, and Paragraph 7, Item 3 as well as Rule 3, Paragraph 1, Item 4, Sub-item a. and Paragraph 7, Item 3) is not less than 100 units in the market of the Exchange; and, in addition, the number of active days (meaning the number of days the issue is traded; hereinafter the same shall apply to this Item, Rule 2, Paragraph 4, Item 3, and Paragraph 7, Item 3 as well as Rule 3, Paragraph 1, Item 4,

- Sub-item a. and Paragraph 7, Item 3) accounts for 80% or more of the number of trading days it is listed on the market of the Exchange.
- b. The average monthly trading volume of a stock, etc. listed on other domestic financial instruments exchanges as well as on the Exchange is not less than 100 units in any market of such other domestic financial instruments exchanges and not less than 50 units in the market of the Exchange; and, in addition, the number of active days of the stock, etc. accounts for 80% or more of the number of trading days in such market, and 40% or more of the number of trading days in the market of the Exchange. In the case where such stock, etc. is a foreign stock, etc. listed on other domestic or foreign financial instruments exchanges, etc. as well as on the Exchange, the average monthly trading volume of the stock, etc. is no less than 100 units in such market and no less than 50 units in the market of the Exchange; and, in addition, the number of active days of the stock, etc. accounts for 80% or more of the trading days in such market, and 40% or more of trading days in the market of the Exchange.
- (5) Where the amount of net income of the issuer of an issue for the last business year (meaning net income recorded on a consolidated income statement for the last consolidated accounting year in accordance with Article 65, Paragraph 4 of the Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements (Ministry of Finance Ordinance No.28 of 1976; hereinafter referred to as the “Regulation for Consolidated Financial Statements”) (see Note 1 below). However, in the case where such issuer is a company that voluntarily adopts IFRS for such last consolidated accounting year, it means an amount equivalent to the amount of net income calculated based on the consolidated income statement for such last consolidated accounting year (see Note 2 below)) is positive. If such issuer is a foreign company, where the amount equivalent to the amount of net income for the last business year of such issuer (see Note 3 below) is positive.

(Note 1) In the case where such issuer is not a company that should prepare consolidated financial statements for such last business year (including any form of corporation other than a company; the same shall apply hereinafter), it means “net income” recorded on an income statement for such last business year in accordance with Article 95-5, Paragraph 2 of the Regulation for Terminology, Forms and Preparation of Financial Statements (Ministry of Finance Ordinance No. 59 of 1963; hereinafter referred to as the “Regulation for Financial Statements”).

(Note 2) In the case where such issuer is a company that should not prepare consolidated financial statements, it means an amount equivalent to the amount of net income calculated based on the income statement for such last business year.

(Note 3) The term “net income” means an amount equivalent to net income calculated based on the consolidated income statement if such issuer lists

consolidated financial statements as financial documents, or means an amount equivalent to net income calculated based on the income statement or combined income statement if such issuer does not list consolidated financial statements as financial documents; the same shall apply hereinafter.

- (6) Where the retained earnings of the issuer of an issue as of the end of the last business year of the issuer (meaning retained earnings recorded on a consolidated balance sheet for the last consolidated accounting year in accordance with Article 43, Paragraph 1 of the Regulation for Consolidated Financial Statements (see Note 4 below). However, in the case where such issuer is a company that voluntarily adopts IFRS for such last consolidated accounting year, it shall be the amount equivalent to the retained earnings calculated based on the consolidated balance sheet for such last consolidated accounting year (see Note 5 below)), is not negative. If such issuer is a foreign company, where either of the following sub-item a. or b. is met:

(Note 4) In the case where such issuer is not a company that should prepare consolidated financial statements, it means “retained earnings” on a balance sheet for such last accounting year in accordance with Article 60 of the Regulation for Financial Statements.

(Note 5) In the case where such issuer is not a company that should prepare consolidated financial statements, it means the amount equivalent to the retained earnings calculated based on the balance sheet for such last business year.

- a. The amount corresponding to the issuer’s retained earnings as of the end of the last business year of the issuer (meaning an amount equivalent to retained earnings calculated based on the issuer’s consolidated income statement if such issuer prepares consolidated financial statements as financial documents, or meaning an amount equivalent to retained earnings calculated based on the issuer’s income statement or combined income statement if such issuer does not prepare consolidated financial statements as financial documents; the same shall apply hereinafter) is not negative.
- b. The amount of the issuer’s net assets as of the end of the last business year of the issuer (meaning the amount of net assets prescribed in the provisions of Rule 212, Paragraph 5, Item 4 of the Enforcement Rules for the Securities Listing Regulations; the same shall apply hereinafter) is not less than 2 billion yen.
- (7) Where an issue is not deemed to be delisted on and after the selection date prescribed in the provisions of Rule 4.
- (8) Where an issue is not designated as a security on alert, a security under supervision, or a security to be delisted.
- (9) Where an issue is not an issue in the period prescribed in Rule 601, Paragraph

1, the second sentence of Item 7 of the Securities Listing Regulations; or under the grace period prescribed in Rule 601, Paragraph 1, Item 1, or Paragraph 8, Item 5 of the Enforcement Rules for the Securities Listing Regulations; as well as an issue not in the period prescribed in Rule 311, Paragraph 4, Item 1, Sub-item c. as applied mutatis mutandis pursuant to Rule 601, Paragraph 3, Item 1, and Rule 603, Paragraph 5, Item 1 of the said Rules.

- (10) Where an issue is not subject to regulatory measures for trading.
- (11) In addition to the above, where an issue is not deemed inappropriate to be a standardized margin trading issue.
2. The provisions of Rule 212, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of tradable stocks prescribed in Item 2 of the preceding paragraph; the provisions of Rule 212, Paragraph 1, Items 1 through 5, and Item 8, as well as Rule 310, Paragraph 1, Item 5 of the said Rules shall apply mutatis mutandis to the number of shareholders prescribed in Item 3 of the preceding paragraph; the provisions of Rule 310, Paragraph 3, Item 3 of the said Rules shall apply mutatis mutandis to the trading volume prescribed in Item 4 of the preceding paragraph; and the provisions of Rule 212, Paragraph 5, Item 5 of the said Rules shall apply mutatis mutandis to the amount of net assets prescribed in Item 6 of the preceding paragraph (excluding the provisions of Rule 212, Paragraph 1, Items 1 and 2 of the said Rules in the case of a preferred equity investment security, and excluding the provisions of Rule 212, Paragraph 1, Items 1 through 5 and 8 of the said Rules in the case of a foreign stock, etc.). Terms prescribed above shall be deemed to be replaced in accordance to Appendix Table 1.
3. Notwithstanding the provisions of the preceding Paragraph 1, where a stock, etc. is assigned to the First Section Market at the time of listing pursuant to the provisions of Rule 210, Paragraphs 1 or 2 of the Securities Listing Regulations (hereinafter referred to as an “issue directly listed on the First Section Market”) satisfies each of the provisions of Items 7 through 11 of the preceding Paragraph 1; or where a preferred equity investment security with 100,000 or more units satisfies each of the provisions of Items 3 and 7 through 11 of the preceding Paragraph 1, the Exchange shall select such stock, etc. or a security as a standardized margin trading issue at the time of first selection examination (excluding cases to which the provisions of Paragraph 6 apply) after listing on the Exchange.
4. Notwithstanding the provisions of the preceding Paragraph 1, where a stock, etc. that is to be listed on the Exchange pursuant to any provisions of Rule 208, Paragraph 1, Items 1 through 4 or Rule 215, Paragraph 1, Items 1 through 4 of the Securities Listing Regulations as well as a preferred stock, etc. issued by an issuer of such stock, etc. satisfies the provisions of the preceding Paragraph 1, Items 1 and 2 (limited to cases where the stock, etc. issued by a party who carries out any of the activities prescribed in Rule 208, Paragraph 1, Items 1 through 4 or Rule 215, Paragraph 1, Items 1 through 4 of the Securities Listing Regulations is a standardized margin trading issue), the Exchange shall select such stock, etc. as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange. In the case where the stock, etc. is

a foreign stock, etc. and an issuer of the stock, etc. is a parent company of a surviving company prescribed in Rule 208, Paragraph 1, Item 1 or Rule 215, Paragraph 1, Item 1 of the Securities Listing Regulations, or a parent company of another company prescribed in Rule 208, Paragraph 1, Item 3 or Rule 215, Paragraph 1, Item 3 of the same Regulations, the Exchange shall select such stock, etc. as a standardized margin trading issue, if it satisfies each of the following items at the time of the first selection examination.

- (1) Where an issue satisfies each of the provisions of Items 2, 9, and 11 of the preceding Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 5, Paragraph 1, Item 2 by the last day of the end of the first business year after listing on the Exchange.
 - (3) Where the average monthly trading volume of an issue is no less than 100 units in any market of other domestic or foreign financial instruments exchanges during, in principle, the past six (6) months backdated from the last day of the month immediately preceding the month containing the listing date of the issue on the market of the Exchange; and, in addition, the number of active days of the issue accounts for 80% or more of trading days in such market. Furthermore, the provisions of Rule 310, Paragraph 3, Item 3 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the trading volume prescribed above. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 2.
5. Notwithstanding the provisions of the preceding Paragraph 1, where a stock, etc. that is to be listed on the Exchange pursuant to the provisions of Rule 303 of the Securities Listing Regulations (including cases where this Rule is applied mutatis mutandis to Rule 826, Paragraph 2 of the same Regulations) satisfies the provisions of Item 1 of the preceding paragraph (limited to cases where a stock, etc. to be delisted pursuant to Rule 303 of the Securities Listing Regulations is a standardized margin trading issue), the Exchange shall select such stock, etc. as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange.
6. Notwithstanding the provisions of the preceding Paragraph 1, where a listed company, which is not an issuer of standardized margin trading issues, absorbs through a merger a listed company, which is an issuer of standardized margin trading issues; or where it carries out a stock-swap which results in a listed company, which is an issuer of standardized margin trading issues, becoming a wholly owned subsidiary, the Exchange shall select a stock, etc. of such merging or surviving company as a standardized margin trading issue, if the stock, etc. satisfies each of the following items at the time of the first selection examination after completion of the merger or stock-swap.
- (1) Where an issue satisfies each of the provisions of Items 2, and 7 through 11 of the preceding Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 5, Paragraph 1, Item 2 by the end of the first business year after

completion of the merger or stock-swap.

7. Notwithstanding the provisions of the preceding Paragraph 1, where a stock, etc. that is listed on other domestic financial instruments exchanges (hereinafter referred to as the “stock listed on another market”) satisfies each of the following items, the Exchange shall select such stock, etc. as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) Where the period between the day on which an issue is listed on another domestic financial instruments exchange and the day on which it is listed on the Exchange exceeds six (6) months.
 - (2) Where an issue satisfies the provisions of the following sub-items a. through d. according to the classification of stocks specified in said sub-items:
 - a. An issue assigned or to be assigned to the First Section Market at the time of listing (excluding a preferred stock, etc.)
Each of the provisions of Items 2, and 7 through 11 of the preceding Paragraph 1.
 - b. A preferred equity investment security with 100,000 or more units
Each of the provisions of Items 3, and 7 through 11 of the preceding Paragraph 1.
 - c. An issue listed or to be listed on Mothers (excluding a preferred stock, etc.)
Each of the provisions of Items 2, 3, and 5 through 11 of the preceding Paragraph 1.
 - d. An issue other than those prescribed in the above sub-items a. through c.
Each of the provisions of Items 2, 3, and 7 through 11 of the preceding Paragraph 1.
 - (3) Where the average monthly trading volume of an issue is no less than 100 units in any market of other domestic financial instruments exchanges during, in principle, the past six (6) months backdated from the last day of the month immediately preceding the month containing the listing date of the issue on the market of the Exchange; and, in addition, the number of active days of the issue accounts for 80% or more of the trading days in such market. Furthermore, the provisions of Rule 310, Paragraph 3, Item 3 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the trading volume prescribed above. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 2.
8. Notwithstanding the provisions of Paragraph 1, where a stock, etc. (excluding an issue directly listed on the First Section Market and a listed stock on another domestic financial instruments exchange) satisfies each of the following items, the Exchange shall select such stock, etc. as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) Where the number of shareholders is 2,200 or more at the time of listing.
 - (2) Where an issue satisfies each of the provisions of Items 2, and 5 through 11 of the

preceding Paragraph 1 (excluding Items 5 and 6 in the case of a stock listed on the Second Section Market and a preferred stock, etc.).

9. Notwithstanding the provisions of the preceding Paragraph 1, where an issuer whose stock, etc. has been selected as a standardized margin trading issue issues a new stock, etc. and such new stock, etc. is listed or to be listed on the Exchange, the Exchange may select the new stock, etc. as a standardized margin trading issue.

Rule 2-2. Criteria for Selecting Real Estate Investment Trust Securities Eligible for Standardized Margin Trading

1. The Exchange shall select from issues other than those already selected as standardized margin trading issues, a real estate investment trust security as a standardized margin trading issue, if the security satisfies each of the following items.
 - (1) Where an issue has been listed for more than six (6) months.
 - (2) Where the number of listed beneficiary right units or the number of listed investment units is not less than 10,000.
 - (3) The number of beneficiaries (excluding the major beneficiaries (meaning the top ten beneficiaries in descending order of beneficiary rights held; the same shall apply hereinafter)) or the number of investors (excluding the major investors (meaning the top ten investors in descending order of investment units held; the same shall apply hereinafter)) is not less than 1,100.
 - (4) Where the trading volume, etc. of an issue during, in principle, the past six (6) months backdated from the last day of the second month immediately following the month containing the last day of the computation period or business period of a real estate investment trust security satisfies either of the following sub-items a. or b.:
 - a. The average monthly trading volume of a real estate investment trust security is not less than 100 units and the number of active days of the security accounts for 80% or more of the trading days in the market of the Exchange; or
 - b. The average monthly trading volume of a real estate investment trust security listed on other domestic financial instruments exchanges as well as on the Exchange is not less than 100 units in any market of such other domestic financial instruments exchanges and not less than 50 units in the market of the Exchange; and, in addition, the number of active days of the security accounts for 80% or more of the number of trading days in such market, and 40% or more of the number of trading days in the market of the Exchange.
 - (5) Where net income of an investment trust beneficiary certificate prescribed in Article 51, Paragraph 1 of the Ordinance for Calculation of Investment Trust Assets (Cabinet Office Ordinance No. 133 of 2000), or net income of an investment security prescribed in Article 53, Paragraph 1 of the Ordinance for Calculation of Investment Corporation (Cabinet Office Ordinance No. 47 of 2006)

is recorded on the latest profit, loss, and surplus statement, or income statement prepared for the certificate or the security.

- (6) Where the total amount of assets and the total amount of net assets of an issue is 5 billion yen or more and 1 billion yen or more respectively, as of the last day of a computation period or business period immediately prior to the current computation period or business period of the security. In this regard, the provisions of Rule 1206, Paragraph 1 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to a calculation of the total amount of assets and the total amount of net assets prescribed above.
 - (7) Where an issue is not deemed to be delisted on and after the selection date prescribed in the provisions of Rule 4
 - (8) Where an issue is not designated as a security on alert, a security under supervision, or a security to be delisted.
 - (9) Where an issue is not designated as a security placed under the grace period prescribed in Rule 1233, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations.
 - (10) Where an issue is not subject to regulatory measures that restrict securities trading.
 - (11) In addition to the above, where an issue is not deemed inappropriate to be a standardized margin trading issue.
2. The provisions of Rule 212, Paragraph 1, Items 4 and 8 and Rule 310, Paragraph 1, Item 5 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of beneficiaries or the number of investors prescribed in Item 3 of the preceding paragraph. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 3.
 3. Notwithstanding the provisions of Paragraph 1, where a real estate investment trust security for which an initial computation period or business period has not yet been completed pursuant to a trust deed of an investment trust or rules of an investment corporation satisfies each of the following items, the Exchange shall select such security as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange (excluding cases to which the provisions of Paragraphs 4 or 7 apply).
 - (1) Where a real estate investment trust security satisfies each of the provisions of Items 1 through 3 and 7 through 11 of the preceding Paragraph 1.
 - (2) Where the trading volume, etc. of a real estate investment trust security during, in principle, the past six (6) months backdated from the last day of the second month immediately following the month containing the last day (hereinafter referred to as the “day subject to examination”), which is obtained by backdating the number of months of a regular computation period or business period of the security from the month containing the last day of an initial computation period or business period of the security in a trust deed of an investment trust or terms and conditions of an investment corporation, satisfies Item 4,

Sub-items a. and b. of Paragraph 1.

- (3) Where the total amount of net assets of a real estate investment trust security is expected to reach 50 billion yen or more at the time of its listing.
4. Notwithstanding the provisions of Paragraph 1, where a real estate investment trust security with 100,000 or more listed beneficiary right units or listed investment units as well as market capitalization of 50 billion yen or more at the time of its listing (meaning an amount calculated by multiplying the lowest price during the five (5) business days from the day on which the first contract price is determined after its listing by the number of listed beneficiary right units or listed investment units; the same shall apply to the provisions of Rule 3-2, Paragraph 4) satisfies each of the provisions of Items 3, 5 (or Item 3 of the preceding Paragraph 3 in the case where a profit, loss, and surplus statement or income statement is not prepared for the security), and 7 through 11 of the preceding Paragraph 1, the Exchange shall select such security as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange (excluding cases to which the provisions of Paragraph 7 apply).
5. Notwithstanding the provisions of Paragraph 1, where an investment security that is to be listed on the Exchange pursuant to the provisions of Rule 1207 of the Securities Listing Regulations satisfies each of the following items (limited to cases where an investment security issued by any party who carries out activities prescribed in Rule 1207 of the Securities Listing Regulations is a standardized margin trading issue), the Exchange shall select such security as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) Where a real estate investment trust security satisfies each of the provisions of Items 2 and 11 of Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 5-2, Paragraph 1, Item 2 by the end of the first business period after listing on the Exchange.
6. Notwithstanding the provisions of Paragraph 1, where a listed investment corporation (meaning an investment corporation which is an issuer of an investment security listed on the Exchange; the same shall apply hereinafter), which is not an issuer of standardized margin trading issues, absorbs through a merger a listed investment corporation which is an issuer of standardized margin trading issues the Exchange shall select an investment security of the merger corporation as a standardized margin trading issue, if the investment security satisfies each of the following items at the time of the first selection examination after completion of the merger.
 - (1) Where an investment security satisfies each of the provisions of Items 2, and 7 through 11 of Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 5-2, Paragraph 1, Item 2 by the end of the first business period after completion of the merger.

7. Notwithstanding the provisions of Paragraph 1, where a real estate investment trust security that is listed on any market of other domestic financial instruments exchanges (hereinafter referred to as the “real estate investment trust security listed on another market”) satisfies each of the following items, the Exchange shall select such a security as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) Where the period between the day on which a real estate investment trust security is listed on another domestic financial instruments exchange and the day on which it is listed on the Exchange exceeds six (6) months.
 - (2) Where a real estate investment trust security satisfies each of the provisions of Items 2, 3, 5 (or Item 3 of the preceding Paragraph 2, in the case where a profit, loss, and surplus statement or income statement is not prepared for the security) and 7 through 11 of Paragraph 1.
 - (3) Where the average monthly trading volume is not less than 100 units in the market of another domestic financial instruments exchange during, in principle, the past six (6) months backdated from the last day of the month immediately preceding the month containing the listing date of the security on the market of the Exchange; and, in addition, the number of active days of the security accounts for 80% or more of the trading days in such market.
8. Notwithstanding the provisions of Paragraph 1, where a listed real estate investment trust security (excluding a real estate investment trust security listed on other domestic financial instruments exchange) satisfies each of the following items, the Exchange shall select such security as a standardized margin trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) Where the number of beneficiaries or investors is 2,200 or more at the time of listing.
 - (2) Where a listed real estate investment trust security satisfies each of the provisions of Items 2, 5 (or Item 3 of Paragraph 3 in the case where any profit, loss, and surplus statement or income statement is not prepared for the security) and 7 through 11 of the preceding Paragraph 1.
9. Notwithstanding the provisions of Paragraph 1, where a new real estate investment trust security issued by an issuer, whose real estate investment trust security had been selected as a standardized margin trading issue, is listed or to be listed on the Exchange, the Exchange may select the new security as a standardized margin trading issue.

Rule 2-3. Criteria for Selecting ETFs Eligible for Standardized Margin Trading

1. The Exchange shall select from issues other than those already selected as standardized margin trading issues, an ETF as a standardized margin trading issue, if the ETF satisfies each requirement prescribed in the provisions of Rule 2, Paragraph 1, Items 7 through 11.
2. Notwithstanding the provisions of Paragraph 1, where a new beneficiary certificate of

an investment trust or new foreign investment security related to an ETF that is a standardized margin trading issue is listed or to be listed on the Exchange, the Exchange may select the new ETF as a standardized margin trading issue.

Rule 2-4. Criteria for Selecting Foreign Indicator-Tracking Security Beneficiary Certificates Eligible for Standardized Margin Trading

1. The Exchange shall select issues other than those already selected as standardized margin trading issues, a foreign indicator-tracking security beneficiary certificate as a standardized margin trading issue, if the foreign indicator-tracking security beneficiary certificate satisfies each of the following items.
 - (1) Where an issue satisfies each of Rule 2, Paragraph 1, Items 7, 8, 10, and 11.
 - (2) Where an issue does not fall under the periods prescribed in Rule 951, Paragraph 1, Item 2, Sub-item a. through c., or Item 3, Sub-item b. or c. of the Regulations.
2. Notwithstanding the provisions of the preceding paragraph, in the case where the new foreign indicator-tracking security beneficiary certificate pertaining to a standardized margin trading issue which is a foreign indicator-tracking security beneficiary certificate that is already listed or will be newly listed, the Exchange may select such new foreign indicator-tracking security beneficiary certificate as a standardized margin trading issue.

Rule 3. Criteria for Selecting Stocks, etc. Eligible for Loan Trading

1. The Exchange shall select from issues other than those already selected as loan trading issues, a stock, etc. as a loan trading issue, if the stock, etc. satisfies each of the following items.
 - (1) Where the number of tradable shares is not less than 20,000 units.
 - (2) Where the number of shareholders is not less than 1,700.
 - (3) Where the trading volume, etc. satisfies the provisions of Rule 2, Paragraph 1, Item 4.
 - (4) Where net income of an issuer of an issue satisfies the provisions of Rule 2, Paragraph 1, Item 5. In this regard, however, in the case where the issuer is a foreign company, the amount equivalent to net income of the issuer should satisfy the proviso of the said item.
 - (5) Where the retained earnings of an issuer of an issue satisfies the provisions of Rule 2, Paragraph 1, Item 6. In this regard, however, in the case where the issuer is a foreign company, the amount equivalent to the retained earnings or the amount of net assets of the issuer should satisfy the proviso of the said item.
 - (6) Where an issue is not deemed to be delisted on and after the selection date prescribed in Rule 4.
 - (7) Where an issue is not designated as a security on alert, a security under supervision, or a security to be delisted.

- (8) Where an issue is not designated as a stock placed under the period prescribed in Rule 601, Paragraph 1, the second sentence of Item 7 of the Securities Listing Regulations; or under the grace period prescribed in Rule 601, Paragraph 1, Item 1 or Paragraph 8, Item 5 of the Enforcement Rules for the Securities Listing Regulations; or under the period prescribed in Rule 311, Paragraph 4, Item 1, Sub-item c. of the said Rules which applies mutatis mutandis to Rule 601, Paragraph 3, Item 1 and Rule 603, Paragraph 5, Item 1 of the said Rules.
 - (9) Where an issue is not subject to regulatory measures that restrict securities trading or margin trading.
 - (10) Where an issue is not deemed inappropriate to be a loan trading issue according to its number of shares available for loan trading.
 - (11) In addition to the above, where an issue is not deemed inappropriate to be a loan trading issue.
2. The provisions of Rule 212, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of tradable shares prescribed in Item 1 of the preceding paragraph; the provisions of Rule 212, Paragraph 1, Items 1 through 5, and Item 8, and Rule 310, Paragraph 1, Item 5 of the said Rules to the number of shareholders prescribed in Item 2 of the preceding paragraph; the provisions of Rule 310, Paragraph 3, Item 3 of the said Rules to the trading volume prescribed in Item 3 of the preceding paragraph; and the provisions of Rule 212, Paragraph 5, Item 5 of the said Rules to the amount of net assets prescribed in Item 5 of the preceding paragraph (excluding the provisions of Rule 212, Paragraph 1, Items 1 and 2 of the said Rules in the case of a preferred equity investment security, and excluding the provisions of Rule 212, Paragraph 1, Items 1 through 5 and 8 of the said Rules in the case of a foreign stock, etc.) respectively. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 1.
3. Notwithstanding the provisions of Paragraph 1, where an issue directly listed on the First Section Market satisfies each of the provisions of Items 6 through 11 of the preceding Paragraph 1, or where a preferred equity investment security with 100,000 or more units satisfies each of the provisions of Items 2 and 6 through 11 of Paragraph 1, the Exchange shall select such a stock or security as a loan trading issue at the time of the first selection examination after listing on the Exchange (excluding cases to which the provisions of Paragraph 7 apply).
4. Notwithstanding the provisions of Paragraph 1, where an issue directly listed on the First Section Market that has been selected as a standardized margin trading issue pursuant to the provisions of Rule 2, Paragraph 3 satisfies each of the provisions of Items 6 through 11 of the preceding Paragraph 1; or where a preferred equity investment security that has been selected as a standardized margin trading issue satisfies each of the provisions of Items 2 and 6 through 11 of Paragraph 1, the Exchange shall select such stock or security as a loan trading issue at the time of the first selection examination after it is selected as a standardized margin trading issue (limited to selections that are carried out within the fiscal year which includes the listing day of the stock or security).

5. Notwithstanding the provisions of Paragraph 1, where a stock, etc. that is to be listed on the Exchange pursuant to any provisions of Rule 208, Items 1 through 4 or Rule 215, Items 1 through 4 of the Securities Listing Regulations as well as a preferred stock, etc. issued by an issuer of such stock, etc. satisfies the provisions of Paragraph 1, Items 1 and 2 (limited to cases where a stock, etc. issued by a party who carries out any of activities prescribed in Rule 208, Paragraph 1, Items 1 through 4 or Rule 215, Items 1 through 4 of the Securities Listing Regulations is a loan trading issue), the Exchange shall select such stock, etc. as a loan trading issue at the time of the first selection examination after listing on the Exchange. In this regard, however, in the case where the stock, etc. is a foreign stock, etc. and an issuer of the stock, etc. is a parent company of a surviving company prescribed in Rule 208, Paragraph 1, Item 1 or Rule 215, Paragraph 1, Item 1 of the Securities Listing Regulations, or a parent company of another company prescribed in Rule 208, Paragraph 1, Item 3 or Rule 215, Paragraph 1, Item 3 of the same Regulations, the Exchange shall select such stock, etc. as loan trading issues if it satisfies each of the following items at the time of the first selection examination.
 - (1) Where an issue satisfies each of the provisions of Items 1, 8, 10 and 11 of Paragraph 1.
 - (2) Where the number of shareholders of an issue is expected not to fall under the provisions of Rule 6, Paragraph 1, Item 2 by the end of the first business year after listing on the Exchange.
 - (3) Where an issue satisfies the provisions of Rule 2, Paragraph 4, Item 3.
6. Notwithstanding the provisions of Paragraph 1, where a stock, etc. that is to be listed on the Exchange pursuant to the provisions of Rule 303 of the Securities Listing Regulations (including cases where this Rule is applied mutatis mutandis to Rule 826, Paragraph 2 of the same Regulations) satisfies the provisions of Item 1 of the preceding paragraph (limited to cases where a stock, etc. to be delisted pursuant to Rule 303 of the Securities Listing Regulations is a loan trading issue), the Exchange shall select such stock, etc. as a loan trading issue at the time of the first selection examination after listing on the Exchange.
7. Notwithstanding the provisions of Paragraph 1, where a listed company, which is not an issuer of loan trading issues, absorbs through a merger a listed company, which is an issuer of loan trading issues; or where it carries out a stock-swap which results in a listed company, which is an issuer of loan trading issues, to become a wholly owned subsidiary, the Exchange shall select a stock, etc. of such merger or surviving company as a loan trading issue, if the stock, etc. satisfies each of the following items at the time of the first selection examination upon completion of the merger or stock-swap.
 - (1) Where a stock, etc. satisfies each of the provisions of Items 1, and 6 through 11 of Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 6, Paragraph 1, Item 2 by the end of the first business year after completion of the merger or stock-swap.

8. Notwithstanding the provisions of Paragraph 1, where a stock listed on another market satisfies each of the following items according to the classification of stocks specified in each of the following items, the Exchange shall select such a stock as a loan trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) An issue assigned or to be assigned to the First Section Market at the same time of its listing (excluding a preferred stock, etc.)
Each of the provisions of Items 1, and 6 through 11 of Paragraph 1.
 - (2) A preferred equity investment security with 100,000 or more units
Each of the provisions of Items 2, and 6 through 11 of Paragraph 1.
 - (3) An issue other than those prescribed in the above two items
Each of the provisions of Items 1, 2 and 6 through 11 of Paragraph 1.
9. Notwithstanding the provisions of Paragraph 1, where a stock, etc. (excluding an issue directly listed on the First Section Market and a stock listed on another domestic financial instruments exchange) satisfies each of the following items, the Exchange shall select such stock, etc. as a loan trading issue at the time of the first selection examination after listing on the Exchange.
 - (1) Where the number of shareholders is 2,200 or more at the time of listing.
 - (2) Where an issue satisfies each of the provisions of Items 1, and 4 through 11 of the preceding Paragraph 1 (excluding Items 4 and 5, in the case of a stock listed on the Second Section Market and a preferred stock, etc.).

Rule 3-2. Criteria for Selecting Real Estate Investment Trust Securities Eligible for Loan Trading

1. The Exchange shall select from issues other than those already selected as a loan trading issue, a real estate investment trust security which is a standardized margin trading issue, as a loan trading issue, if the security satisfies each of the following items.
 - (1) Where the number of listed beneficiary right units or the number of listed investment units is not less than 20,000.
 - (2) Where the number of beneficiaries or investors is not less than 1,700.
 - (3) Where the trading volume, etc. satisfies the provisions of Rule 2-2, Paragraph 1, Item 4.
 - (4) Where a real estate investment trust security satisfies the provisions of Rule 2-2, Paragraph 1, Item 5.
 - (5) Where the total amount of assets and the total amount of net assets of a real estate investment trust security satisfy the provisions of Rule 2-2, Paragraph 1, Item 6.
 - (6) Where a real estate investment trust security is not deemed to be delisted on and after the selection date prescribed in Rule 4.
 - (7) Where a real estate investment trust security is not designated as a security on alert, a security under supervision, or a security to be delisted.

- (8) Where a real estate investment trust security is not designated as a security placed under the grace period prescribed in Rule 1233, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations.
 - (9) Where a real estate investment trust security is not subject to regulatory measures that restrict securities trading or margin trading.
 - (10) Where a real estate investment trust security is not deemed inappropriate to be a loan trading issue according to its number of stocks available for loan trading.
 - (11) In addition to the above, where a real estate investment trust security is not deemed inappropriate to be a loan trading issue.
2. The provisions of Rule 212, Paragraph 1, Items 4 and 8, and Rule 310, Paragraph 1, Item 5 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of beneficiaries or the number of investors prescribed in Item 2 of the preceding paragraph respectively. Terms prescribed above shall be replaced in accordance to Appendix Table 3.
 3. Notwithstanding the provisions of Paragraph 1, where a real estate investment trust security for which an initial computation period or business period has not yet been completed pursuant to a trust deed of an investment trust or rules of an investment corporation satisfies each of the provisions of Rule 2-2, Paragraph 3, Items 2 and 3 and Paragraph 1, Items 1, 2, and 6 through 11 of this Rule (excluding cases to which the provisions of Paragraphs 4 and 8 apply), the Exchange shall select such a security as a loan trading issue at the time of the first selection examination after listing on the Exchange.
 4. Notwithstanding the provisions of Paragraph 1, where a real estate investment trust security with 100,000 or more of the listed beneficiary right units or listed investment units as well as market capitalization of 50 billion yen or more at the time of listing date satisfies each of the provisions of Items 2 and 6 through 11 of Paragraph 1, the Exchange shall select such security as a loan trading issue at the time of the first selection examination after listing on the Exchange (excluding cases applicable to the provisions of Paragraph 8).
 5. Notwithstanding the provisions of Paragraph 1, where a real estate investment trust security that has been selected as a standardized margin trading issue pursuant to the provisions of Rule 2-2, Paragraph 4 satisfies each of the provisions of Items 2 and 6 through 11 of Paragraph 1, the Exchange shall select such security as a loan trading issue at the time of the first selection examination after it is selected as a standardized margin trading issue (provided that such an initial selection shall be carried out within a computation period or business period containing the listing date of the security).
 6. Notwithstanding the provisions of Paragraph 1, where an investment security that is to be listed on the Exchange pursuant to the provisions of Rule 1207 of the Securities Listing Regulations satisfies each of the following items (limited to cases where an investment security issued by any party who carries out activities prescribed in Rule 1207 of the Securities Listing Regulations is a loan trading issue),

- the Exchange shall select such security as a loan trading issue at the time of the first selection examination after listing on the Exchange.
- (1) Where an investment security satisfies each of the provisions of Items 1, 10, and 11 of Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 6-2, Paragraph 1, Item 2 by the end of the first business period after listing on the Exchange.
7. Notwithstanding the provisions of Paragraph 1, where a listed investment corporation which is not an issuer of loan trading issues absorbs through a merger an investment corporation which is an issuer of loan trading issues, the Exchange shall select an investment security of such merger corporation as a loan trading issue, if the investment security satisfies each of the following items at the time of the first selection examination after completion of the merger.
- (1) Where an investment security satisfies each of the provisions of Items 1, and 6 through 11 of the preceding Paragraph 1.
 - (2) Where the number of shareholders is expected not to fall under the provisions of Rule 6-2, Paragraph 1, Item 2 by the end of the first business period after completion of the merger.
8. Notwithstanding the provisions of the preceding Paragraph 1, where a real estate investment trust security listed on another market satisfies each of the provisions of Rule 2-2, Paragraph 7, Item 3 and Paragraph 1, Items 1, 2, and 6 through 11 of this Rule, the Exchange shall select such security as a loan trading issue at the time of the first selection examination after listing on the Exchange.
9. Notwithstanding the provisions of Paragraph 1, where a listed real estate investment trust security (excluding a real estate investment trust security listed on another domestic financial instruments exchange) satisfies each of the following items, the Exchange shall select such security as a loan trading issue at the time of the first selection examination after listing on the Exchange.
- (1) Where the number of beneficiaries or investors is 2,200 or more at the time of listing.
 - (2) Where a real estate investment trust security satisfies each of the provisions of Items 1, and 6 through 11 of Paragraph 1.

Rule 3-3. Criteria for Selecting ETFs Eligible for Loan Trading

The Exchange shall select from issues other than those already selected as loan trading issues, an ETF as a loan trading issue, if the ETF satisfies each requirement prescribed in the provisions of Rule 3, Paragraph 1, Items 6 through 11.

Rule 3-4. Criteria for Selecting Foreign Indicator-Tracking Security Beneficiary Certificates Eligible for Loan Trading

1. The Exchange shall select issues other than those already selected as loan margin trading issues, a foreign indicator-tracking security beneficiary certificate as a loan

margin trading issue, if the foreign indicator-tracking security beneficiary certificate, which is a standardized margin trading issue, satisfies each of the following items.

- (1) Where an issue satisfies each of Rule 3, Paragraph 1, Items 6, 7, and 9 through 11.
- (2) Where an issue does not fall under the periods prescribed in Rule 951, Paragraph 1, Item 2, Sub-item a. through c., or Item 3, Sub-item b. or c. of the Regulations.

Rule 4. The Timing of Selection

1. The selection of standardized margin trading issues pursuant to the provisions of Rules 2 and 2-2 as well as loan trading issues pursuant to the provisions of Rules 3 and 3-2 shall be made, on a monthly basis, on the first day (if the day falls on a non-business day of the Exchange, it shall be moved forward to the next business day; the same shall apply hereinafter) of the fifth month following the month immediately after the month containing the last day of the issuer's business year (or the last day of computation period or business period or the day subject to examination prescribed in Rule 2-2, Paragraph 3, Item 2, in the case of a real estate investment trust security).
2. Notwithstanding the provisions of Paragraph 1, the selection of standardized margin trading issues or loan trading issues prescribed in each of the following items shall be made on the day specified in the said items.
 - (1) For the selection of standardized margin trading issues pursuant to the provisions of Rule 2, Paragraphs 3 and 8, and Rule 2-2, Paragraphs 4 and 8 as well as loan trading issues pursuant to the provisions of Rule 3, Paragraphs 3 and 9, and Rule 3-2, Paragraphs 4 and 9:

The date which falls on the eleventh day (excluding non-business days) counting from the day on which the first contract price is determined after the listing of such issue.
 - (2) For the selection of standardized margin trading issues pursuant to the provisions of Rule 2, Paragraphs 4 and 5, and Rule 2-2, Paragraph 5 and loan trading issues pursuant to the provisions of Rule 3, Paragraphs 5 and 6, and Rule 3-2, Paragraph 6:

The date on which the issue was listed.
 - (3) For the selection of standardized margin trading issues pursuant to the provisions of Rule 2, Paragraph 6 and Rule 2-2, Paragraph 6 as well as loan trading issues pursuant to the provisions of Rule 3, Paragraph 7 and Rule 3-2, Paragraph 7:

The date on which a stock, etc. or an investment security issued as a result of merger or stock-swap was listed.
 - (4) For the selection of standardized margin trading issues pursuant to the provisions of Rule 2, Paragraph 7 and Rule 2-2, Paragraph 7 (excluding the selection of other market standardized margin trading issues (see Note below) and other market standardized margin trading issues of real estate

investment trust securities (see Note below)) and the selection of loan trading issues pursuant to the provisions of Rule 3, Paragraph 8 and Rule 3-2, Paragraph 8 (excluding the selection of other market standardized margin trading issues and other market standardized margin trading issues of real estate investment trust securities):

(Note) The term "other market standardized margin trading" means margin trading pertaining to securities trading in a financial instruments exchange market established by other financial instruments exchange in Japan whose premium charges and rescheduled deadlines for return/repayment of borrowed securities/money shall be as prescribed by the rules of such financial instruments exchange (the same shall apply hereinafter). Further, the term "other market standardized margin trading issues of real estate investment trust securities" means real estate investment trust securities eligible for standardized margin trading in other domestic markets (the same shall apply hereinafter).

The day immediately following the day on which the first contract price is determined after listing on the Exchange (if the day falls on a non-business day of the Exchange, it shall be moved forward to the next business day).

- (5) For the selection of standardized margin trading issues pursuant to the provisions of Rule 2, Paragraph 7 and Rule 2-2, Paragraph 7 (limited to the selection of other market standardized margin trading issues and other market standardized margin trading issues of real estate investment trust securities) as well as the selection of loan trading issues pursuant to the provisions of Rule 3, Paragraph 8 and Rule 3-2, Paragraph 8 (limited to the selection of other market standardized margin trading issues and other market standardized margin trading issues of real estate investment trust securities):

The date on which the issue was listed.

- (6) For the selection of standardized margin trading issues pursuant to the provisions of Rule 2, Paragraph 9 and Rule 2-2, Paragraph 9:
- a. In the case of a new stock, etc. or a new real estate investment trust security has already been listed:
The day on which the stock, etc. or real estate investment trust security of an issuer who issues the new stock, etc. or new real estate investment trust security is selected as a standardized margin trading issue.
 - b. In the case where a new stock, etc. or a new real estate investment trust security is to be listed:
The date on which a new stock, etc. or a new real estate investment trust security was listed

3. The selection of standardized margin trading issues pursuant to the provisions of Rules 2-3 and 2-4, as well as the selection of loan trading issues pursuant to the provisions of Rules 3-3 and 3-4 shall be made on a day determined by the Exchange on a case-by-case basis.
4. The selection of standardized margin trading issues and loan trading issues

prescribed in Paragraph 1 may be carried out on, in addition to the day specified therein, any day until the last day of the seventh month counting from the month to which such day belongs (If such day falls on a non-business day, it shall be moved up; the same shall apply hereinafter). The selection of standardized margin trading issues and loan trading issues prescribed in Paragraph 2, Item 1 may be carried out on, in addition to the day specified therein, any day within the period between the day immediately following such specified day and the day in the sixth month corresponding to such specified day (If such corresponding day does not exist, it shall be the last day of such month; if such corresponding day falls on a non-business day, it shall be moved down; the same shall apply hereinafter). The selection of standardized margin trading issues and loan trading issues prescribed in Paragraph 2, Items 4 and 5 may be carried out on, in addition to the day specified therein, any day within the period between the day immediately following such specified day and the day in the third month corresponding to such specified day.

Rule 5. Criteria for Disqualification of a Stock, etc. as a Standardized Margin Trading Issue

1. The Exchange shall disqualify a stock, etc. as a standardized margin trading issue, if the stock, etc. falls under any of the conditions prescribed in the following items.
 - (1) Where the number of tradable shares is less than 5,000 units; in the case of a foreign stock, etc., the number of listed stock, etc. is less than 10,000 units (limited to those listed on multiple markets).
 - (2) Where the number of shareholders is less than 600.
 - (3) Where the trading volume of a foreign stock, etc. falls under any of the conditions prescribed in the following sub-items a. or b.
 - a. The average monthly trading volume for each year backdated from the last day of December is less than 10 units; or
 - b. Where no trade was executed for the past three (3) months backdated from the last day of each month.
 - (4) Where an issue is determined to be delisted.
 - (5) In addition to the above, where an issue is deemed inappropriate to be a standardized margin trading issue.
2. The provisions of Rule 212, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of tradable shares prescribed in Item 1 of the preceding paragraph; the provisions of Rule 212, Paragraph 1, Items 1 through 4, and Rule 311, Paragraph 1, Item 1, Sub-item e. of the said Rules to the number of shareholders prescribed in Item 2 of the preceding paragraph. The provisions of Rule 601, Paragraph 2, Item 1, and Rule 311, Paragraph 3, Items 1, Sub-items b. and c. of the said Rules shall apply mutatis mutandis to the average monthly trading volume for each year backdated from the last day of December prescribed in Item 3, Sub-item a. of the preceding paragraph (excluding the provisions of Rule 212, Paragraph 1, Items 1 and 2 of the said Rules in the case of a preferred equity

investment security, and excluding the provisions of Rule 212, Paragraph 1, Items 1 through 4, and Rule 311, Paragraph 1, Item 1, Sub-item e. of the said Rules in the case of a foreign stock, etc.). Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 4.

3. Notwithstanding the provisions of Paragraph 1, the Exchange will not disqualify a new stock, etc. as a standardized margin trading issue which has been selected pursuant to the provisions of Rule 2, Paragraph 9, if such a stock, etc. falls under the conditions prescribed in either Items 1 or 2 of Paragraph 1.

Rule 5-2. Criteria for Disqualification of Real Estate Investment Trust Securities as a Standardized Margin Trading Issue

1. The Exchange shall disqualify a real estate investment trust security as a standardized margin trading issue, if the real estate investment trust security falls under any of the conditions prescribed in the following items.
 - (1) Where the number of listed beneficiary right units or listed investment units is less than 10,000.
 - (2) Where the number of beneficiaries or investors is less than 600.
 - (3) Where an issue is determined to be delisted.
 - (4) In addition to the above, where an issue is deemed inappropriate to be a standardized margin trading issue.
2. The provisions of Rule 1233, Paragraph 2 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of listed beneficiary right units or listed investment units prescribed in Item 1 of the preceding paragraph. The provisions of Rule 311, Paragraph 1, Item 1, Sub-item e. of the said Rules shall apply mutatis mutandis to the number of beneficiaries or investors prescribed in Item 2 of the preceding paragraph. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 5.
3. Notwithstanding the provisions of the preceding Paragraph 1, the Exchange will not disqualify a new real estate investment trust security as a standardized margin trading issue which has been selected pursuant to the provisions of Rule 2-2, Paragraph 9, if such a real estate investment trust security falls under the conditions prescribed in either Items 1 or 2 of Paragraph 1.

Rule 5-3. Criteria for Disqualification of an ETF or a Foreign Indicator-Tracking Security Trust Beneficiary Certificate as a Standardized Margin Trading Issue

The Exchange shall disqualify an ETF or a foreign indicator-tracking security trust beneficiary certificate as a standardized margin trading issue, if the ETF falls under any of the conditions prescribed in Rule 5, Paragraph 1, Items 4 or 5.

Rule 6. Criteria for Disqualification of a Stock, etc. as a Loan Trading Issue

1. The Exchange shall disqualify a stock, etc. as a loan trading issue, if such a stock, etc. falls under any of the conditions prescribed in the following items.
 - (1) Where the number of tradable shares is less than 10,000 units; or in the case of a foreign stock, etc. the number of listed stock, etc. it is less than 20,000 units (limited to those listed on multiple markets).
 - (2) Where the number of shareholders is less than 1,200.
 - (3) Where the trading volume of a foreign stock, etc. falls under any of the conditions prescribed in the following sub-items a. or b.
 - a. The average monthly trading volume for each year backdated from the last day of December is less than 10 units; or
 - b. Where no trade was executed for the past three (3) months backdated from the last day of each month.
 - (4) Where an issue is determined to be delisted.
 - (5) In addition to the above, where an issue is deemed inappropriate to be a loan trading issue.
2. The provisions of Rule 212, Paragraph 1, Item 1 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of tradable shares prescribed in Item 1 of the preceding paragraph. The provisions of Rule 212, Paragraph 1, Items 1 through 4, and Rule 311, Paragraph 1, Item 1, Sub-item e. of the said Rules shall apply mutatis mutandis to the number of shareholders prescribed in Item 2 of the preceding paragraph. The provisions of Rule 601, Paragraph 2, Item 1, and Rule 311, Paragraph 3, Items 1, Sub-items b. and c. of the said Rules shall apply mutatis mutandis to the average monthly trading volume for each year backdated from the last day of December prescribed in Item 3, Sub-item a. of the preceding paragraph (excluding the provisions of Rule 212, Paragraph 1, Items 1 and 2 of the said Rules in the case of a preferred equity investment security, and excluding the provisions of Rule 212, Paragraph 1, Items 1 through 4, and Rule 311, Paragraph 1, Item 1, Sub-item e. of the said Rules in the case of a foreign stock, etc.). Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 4.

Rule 6-2. Criteria for Disqualification of a Real Estate Investment Trust Security as a Loan Trading Issue

1. The Exchange shall disqualify a real estate investment trust security as a loan trading issue, if the real estate investment trust security falls under any of the conditions prescribed in the following items.
 - (1) Where the number of listed beneficiary right units or listed investment units is less than 20,000.
 - (2) Where the number of beneficiaries or the number of investors is less than 1,200.

- (3) Where an issue is determined to be delisted.
 - (4) In addition to the above, where an issue is deemed inappropriate to be a loan trading issue.
2. The provisions of Rule 1233, Paragraph 2 of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the number of listed beneficiary right units or listed investment units prescribed in Item 1 of the preceding paragraph. The provisions of Rule 311, Paragraph 1, Item 1, Sub-item e. of the said Rules shall apply mutatis mutandis to the number of beneficiaries or investors prescribed in Item 2 of the preceding paragraph. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 5.

Rule 6-3. Criteria for Disqualification of an ETF or foreign indicator-tracking security beneficiary certificate as a Loan Trading Issue

The Exchange shall disqualify an ETF or a foreign indicator-tracking security beneficiary certificate as a loan trading issue, if the ETF falls under any of the conditions prescribed in Rule 6, Paragraph 1, Items 4 or 5.

Rule 7. Special Provisions for Criteria for Disqualification of a Domestic Stock, etc. as a Standardized Margin/Loan Trading Issue

1. Notwithstanding the provisions of Rule 5, Paragraph 1 and Rule 6, Paragraph 1, the Exchange shall not disqualify a domestic stock, etc. or preferred stock, etc. as a standardized margin trading issue or loan trading issue, in the case where, in principle, the stock, etc. falls under any of the provisions of Rule 5, Paragraph 1, Items 1 or 2, or Rule 6, Paragraph 1, Items 1 or 2, but does not fall under the said provisions again within the period of one (1) year counting from the day immediately following the last day of a business year containing the day on which the issue falls under the said provisions (hereinafter referred to as the “grace period” in this Rule; if the day at the end of the grace period does not fall on the last day of the issuer’s business year due to a change in the last day of the business year, it shall be the last day of a business year immediately after the end of the grace period).
2. The provisions of Rule 311, Paragraph 1, Item 1, Sub-items f., h., i. and j. (excluding Sub-item i. in the case of a preferred equity investment security) of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to a standardized margin or loan trading issue in the grace period that had been applied as a result of falling under any of the provisions of Rule 5, Paragraph 1, Item 2 or Rule 6, Paragraph 1, Item 2. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 6.

Rule 7-2. Special Provisions for Criteria for Disqualification of a Real Estate Investment Trust Security as a Standardized Margin/Loan Trading Issue

1. Notwithstanding the provisions of Rule 5-2, Paragraph 1 and Rule 6-2, Paragraph 1, the Exchange shall not disqualify a listed real estate investment trust security as a

standardized margin or loan trading issue, in the case where, in principle, the security falls under any of the provisions of Rule 5-2, Paragraph 1, Item 2 or Rule 6-2, Paragraph 1, Item 2, but does not fall under the said provisions again within the period of one (1) year counting from the day immediately following the last day of computation period or business period containing the day on which the security falls under the said provisions (hereinafter referred to as the “grace period” in this Rule; if the day at the end of the grace period does not fall on the last day of the issuer’s computation period or business period due to a change in the last day of the computation period or business period, it shall be the last day of a computation period or business period immediately after the end of the grace period).

2. The provisions of Rule 311, Paragraph 1, Item 1, Sub-items f., h., and j. of the Enforcement Rules for the Securities Listing Regulations shall apply mutatis mutandis to the real estate investment trust security in the grace period that had been applied as a result of falling under any of the provisions of Rule 5-2, Paragraph 1, Item 2 or Rule 6-2, Paragraph 1, Item 2. Terms prescribed above shall be deemed to be replaced in accordance with Appendix Table 7.

Rule 8. The Timing of Disqualification of Standardized Margin/Loan Trading Issues

1. The disqualification of a standardized margin or loan trading issue which falls under any of the provisions of Rule 5, Paragraph 1, Items 1, 3, or 5, Rule 5-2, Paragraph 1, Items 1 or 4, Rule 6, Paragraph 1, Items 1, 3 or 5, and Rule 6-2, Paragraph 1, Items 1 or 4 (including disqualification pursuant to the provisions of Rule 5-3 or Rule 6-3) shall be made on a day determined by the Exchange on a case-by-case basis.
2. The disqualification of a standardized margin or loan trading issue in the grace period pursuant to the provisions of Rule 7 and Rule 7-2 due to falling under any of the provisions of Rule 5, Paragraph 1, Item 2, Rule 5-2, Paragraph 1, Item 2, Rule 6, Paragraph 1, Item 2, or Rule 6-2, Paragraph 1, Item 2, shall be made on the first day of the fifth month counting from the month following the month containing the last day of the grace period. However, that if the Exchange deems inappropriate to disqualify an issue, which has a resolution applied pursuant to the provisions of Rule 311, Paragraph 1, Item 1, Sub-item h. of the Enforcement Rules for the Securities Listing Regulations which is applied mutatis mutandis pursuant to the provisions of Rule 7, Paragraph 2 and Rule 7-2, Paragraph 2, as well as Rule 311, Paragraph 1, Item 1, Sub-item i. of the said Rules which is applied mutatis mutandis to the provisions of Rule 7, Paragraph 2, on the first day of the fifth month, then such disqualification shall be made on a day determined by the Exchange on a case-by-case basis.
3. The disqualification of a standardized margin or loan trading issue which falls under any of the provisions of Rule 5, Paragraph 1, Item 4, Rule 5-2, Paragraph 1, Item 3, Rule 6, Paragraph 1, Item 4, or Rule 6-2, Paragraph 1, Item 3 (including disqualification pursuant to the provisions of Rule 5-3 or Rule 6-3) shall be made on the day immediately following the day on which such issue is determined to be delisted by the Exchange.

Rule 9. Reference Materials for Selection or Disqualification

1. Any selection pursuant to the provisions of Rule 2 through Rule 3-4, and any disqualification pursuant to the provisions of Rule 5 through Rule 6-3 shall be made according to the actual conditions on the day on which the selection or disqualification is to be made.
2. Notwithstanding the provisions of Paragraph 1, any selection or disqualification prescribed in the following items shall be made with reference to materials prescribed in the said items.

- (1) Rule 2, Paragraph 1, Item 3 and Paragraph 6, Item 2; Rule 2-2, Paragraph 1, Item 3 and Paragraph 6, Item 2; Rule 3, Paragraph 1, Item 2 and Paragraph 7, Item 2; Rule 3-2, Paragraph 1, Item 2 and Paragraph 7, Item 2; Rule 5, Paragraph 1, Item 2; Rule 5-2, Paragraph 1, Item 2; Rule 6, Paragraph 1, Item 2; and Rule 6-2, Paragraph 1, Item 2;

Securities reports, etc.; “Table of Distribution of Stocks, etc.” submitted pursuant to the provisions of Rule 423, Paragraph 1 of the Enforcement Rules for the Securities Listing Regulations; or “Table of Distribution of Listed Real Estate Investment Trust Securities” submitted pursuant to the provisions of Rule 1230, Paragraph 5, Item 3 of the said Rules.

- (2) Rule 2, Paragraph 1, Items 5 and 6; Rule 2-2, Paragraph 1, Items 5 and 6; Rule 3, Paragraph 1, Items 4 and 5; and Rule 3-2, Paragraph 1, Items 4 and 5;

Securities reports, etc.

- (3) Rule 2, Paragraph 4, Item 2; Rule 2-2, Paragraph 5, Item 2; Rule 3, Paragraph 5, Item 2; and Rule 3-2, Paragraph 6, Item 2;

“Plan for Distribution of Stocks, etc. on or after the Initial Listing Application Day” submitted pursuant to the provisions of Rule 205, Item 1, Sub-item a. (c) of the Enforcement Rules for the Securities Listing Regulations; or “Plan for Distribution of Investment Units on or after the Initial Listing Application” submitted pursuant to the provisions of Rule 1202, Paragraph 3, Item 1, Sub-item b.

Rule 10. Form of Listing Determined by the Exchange

Forms separately prescribed by the Exchange pursuant to the Rule 15, Paragraph 1 of the Regulations shall be as listed in the following items.

- (1) An application for delisting of a stock which is a standardized margin trading issue has been made to another domestic financial instruments exchange.
- (2) A stock, etc. or investment security which is to be selected as a standardized margin trading issue pursuant to the provisions of Rule 2, Paragraph 4 or Rule 2-2, Paragraph 5 is not to be listed on another domestic financial instruments exchange.
- (3) A stock, etc. or investment security which is to be selected as a standardized margin trading issue pursuant to the provisions of Rule 2, Paragraph 6 or Rule 2-2, Paragraph 6 is not to be listed on another domestic financial instruments

exchange.

Appendix Table 1 (related to Rule 2, Paragraph 1 and Rule 3, Paragraph 1)

Corresponding provisions of the Enforcement Rules for the Securities Listing Regulations	Word or Phrase deemed to be replaced	Word or Phrase to replace with
Rule 212, Paragraph 1, Items 1, 2, 4, and 8	the initial listing applicant	the listed company
Rule 212, Paragraph 5, Item 5	the day at the end of the last business year immediately preceding the initial listing application day	the day at the end of a business year that is subject to examination
Rule 310, Paragraph 1, Item 5	the last record date, etc.	the day at the end of a business year that is subject to examination
	to the day of approval of assignment to the First Section Market	from the day at the end of a business year that is subject to examination until the last day of the second month preceding the month containing a day which is specified in Rule 4, Paragraphs 1 and 4 (limited to those pertaining to Rule 4, Paragraph 1)
	the record date, etc.	the day at the end of a business year that is subject to examination
Rule 310, Paragraph 3, Item 3	before the last day of the month including the day at the end of the last business year	before the last day of the second month immediately following the month containing the day at the end of a business

		year that is subject to examination, in principle
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Appendix Table 2 (related to Rule 2, Paragraph 4, Item 3 and Paragraph 7, Item 3)

Corresponding provisions of the Enforcement Rules for the Securities Listing Regulations	Word or Phrase deemed to be replaced	Word or Phrase to replace with
Rule 310, Paragraph 3, Item 3	the last day of the month including the day at the end of the last business year	the last day of the month immediately preceding the month containing the listing date

Appendix Table 3 (related to Rule 2-2, Paragraph 1 and Rule 3-2, Paragraph 1)

Corresponding provisions of the Enforcement Rules for the Securities Listing Regulations	Word or Phrase deemed to be replaced	Word or Phrase to replace with
Rule 212, Paragraph 1, Item 4	shareholders	beneficiaries or investors
Rule 212, Paragraph 1, Items 4 and 8	the initial listing applicant	the issuer of a listed real estate investment trust security
Rule 212, Paragraph 1, Items 4 and 8, and Rule 310, Paragraph 1, Item 5	the number of shareholders	the number of beneficiaries or investors
	the number of tradable shares	the number of beneficiary right units or investment units
	stocks, etc.	real estate

		investment trust securities
	the last record date, etc.	the most recent record date
Rule 212, Paragraph 1, Item 8	50 units	50 units
	Table of Distribution of Stocks, etc.	Table of Distribution of Real Estate Investment Trust Securities
Rule 310, Paragraph 1, Item 5	to the day of approval of assignment to the First Section Market	from the end of a computation period or business period that is subject to examination until the last day of the second month preceding the month containing a day which is specified in Rule 4, Paragraphs 1 and 4 (limited to those pertaining to Rule 4, Paragraph 1)
	the listed company	the issuer of a listed real estate investment trust security
	the said record date, etc.	the most recent record date
	Table of Distribution of Stocks, etc. Concerning the Criteria for Assignment of Stocks to the First Section Market	Table of Distribution of Real Estate Investment Trust Securities

Appendix Table 4 (related to Rule 5, Paragraph 1 and Rule 6, Paragraph 1)

Corresponding provisions of the Enforcement Rules for the Securities Listing Regulations	Word or Phrase deemed to be replaced	Word or Phrase to replace with
Rule 212, Paragraph 1, Items 1, 2, and 4	the initial listing applicant	the listed company
Rule 311, Paragraph 3, Item 1, Sub-item c.	a listed company	with respect to listed stocks, etc.
	changed	was changed

Appendix Table 5 (related to Rule 5-2, Paragraph 1 and Rule 6-2, Paragraph 1)

Corresponding provisions of the Enforcement Rules for the Securities Listing Regulations	Word or Phrase deemed to be replaced	Word or Phrase to replace with
Rule 311, Paragraph 1, Item 1, Sub-item e.	the number of shareholders	the number of beneficiaries or investors
	stocks, etc.	real estate investment trust securities
	the listed company	the issuer of a real estate investment trust security
	the shareholder	the beneficiary or investor

Appendix Table 6 (related to Rule 7)

Corresponding provisions of	Word or Phrase	Word or Phrase to
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the Enforcement Rules for the Securities Listing Regulations	deemed to be replaced	replace with
Rule 311, Paragraph 1, Item 1, Sub-items f., h., and i.	2,000	600 in the case where Rule 5, Paragraph 1, Item 2 applies, and 1,200 in the case where Rule 6, Paragraph 1, Item 2 applies

Appendix Table 7 (related to Rule 7-2, Paragraph 1)

Corresponding provisions of the Enforcement Rules for the Securities Listing Regulations	Word or Phrase deemed to be replaced	Word or Phrase to replace with
Rule 311, Paragraph 1, Item 1, Sub-items f., and h.	2,000	600 in the case where Rule 5-2, Paragraph 1, Item 2 applies, and 1,200 in the case where Rule 6-2, Paragraph 1, Item 2 applies
Rule 311, Paragraph 1, Item 1, Sub-items f., h., and j.	the number of shareholders	the number of beneficiaries or investors
	stocks, etc.	real estate investment trust securities
Rule 311, Paragraph 1, Item 1, Sub-items f., and j.	the listed company	the issuer of a listed real estate investment trust security
Rule 311, Paragraph 1, Item 1, Sub-item h.	stock split	splits of beneficiary rights or investment units

	one (1) unit	one (1) unit
	shareholders	beneficiaries or investors
Rule 311, Paragraph 1, Item 1, Sub-item j.	the number of tradable shares	the number of listed beneficiary right units or listed investment units
	Table of Distribution of Stocks, etc.	Table of Distribution of Real Estate Investment Trust Securities