

**Enforcement Rules for Special Regulations of Business Regulations and
Brokerage Agreement Standards Concerning Index Futures Contract**
(as of January 4, 2010)

Tokyo Stock Exchange, Inc.

Rule 1. Purpose, etc.

1. These Rules shall prescribe matters specified by the Exchange pursuant to Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning Index Futures Contract (hereinafter referred to as the “Special Regulations Concerning Index Futures Contract”).

2. The meanings of terms in these Rules shall be subject to the provisions of the Special Regulations Concerning Index Futures Contract.

Rule 2. Priority of Simultaneous Orders

1. The priority of orders placed simultaneously or orders with respect to which there is a difficulty in determining the time priority as prescribed by Rule 9, Paragraph 2, Item (2), Sub-item b of the Special Regulations Concerning Index Futures Contract (hereinafter collectively referred to as “simultaneous orders”) shall be as prescribed in each of the following Items.

(1) Orders in the quantity for the unit of trading (hereinafter referred to as the “minimum unit”) shall have precedence sequentially over orders in quantity other than the quantity five (5) times the minimum unit until they reach the quantity five (5) times the minimum unit, in the order from a trading participant with a greater quantity of an order to a trading participant with a smaller quantity of an order (sequentially in accordance with the recording time in the trading system if the quantity of the order is the same; the same shall apply in the following Item) by the unit of a trading participant who makes a simultaneous order.

(2) The priority of orders among the quantities of the portion other than the quantity five (5) times the minimum unit shall be as prescribed in the following, by the unit of a trading participant, in the order from a trading participant with a greater quantity of an order to a trading participant with a smaller quantity of an order.

a. The first order

The quantity obtained by multiplying the quantity of the order by one third (if a fraction less than the minimum unit occurs, it shall be rounded up to the nearest minimum unit; the same shall apply hereinafter in this Item).

- b. The second order
The quantity obtained by multiplying the quantity (excluding the quantity in the preceding a.) by one half.
 - c. The third order
All quantities excluding the quantities in a. and the preceding b.
- (3) Notwithstanding the provisions of the preceding two items, the following rules shall apply to cases where a market order is deemed to be the order at the price at the limit of the range of price limits (hereinafter referred to as a “price limits”) pursuant to Rule 9, Paragraph 4 of the Special Regulations Concerning Index Futures Contract.
- a. Orders in the minimum unit shall have precedence sequentially over orders in the quantity other than the quantity five (5) times the minimum unit until they reach the quantity five (5) times the minimum unit, in the order from a trading participant with a greater quantity of an order to a trading participant with a smaller quantity of an order (sequentially in accordance with the recording time of the order at such price recorded from the market order in the trading system if the quantity of the order is the same) by the unit of a trading participant who makes a simultaneous order.
 - b. The priority of orders among the quantities of the portion other than the quantity five (5) times the minimum unit shall be as prescribed by the following by the unit of a trading participant:
 - (a) An order of the quantity (which shall be rounded down if a fraction less than the minimum unit occurs) obtained by multiplying the quantity of the order of such trading participant by a pro-rata ratio (the ratio of the total quantity of the matched order against the total quantity of simultaneous orders) shall have precedence, and
 - (b) With respect to the portion other than the quantity prescribed in the preceding (a), an order in the minimum unit shall have precedence sequentially over orders of quantities of the portion other than the quantity of the minimum unit, in the order from a trading participant with a greater quantity of fractional numbers less than the minimum unit rounded down pursuant to the same (a) to a trading participant with a smaller quantity of fractional numbers (sequentially in accordance with the recording time of the order at such price recorded from the market order in the trading system if the quantities rounded down are the same).
2. With respect to the priority of simultaneous orders as prescribed in Rule 9, Paragraph 2, Item (2), Sub-item b of the Special Regulations Concerning Index Futures Contract as applied with the rewording pursuant to the provisions of Rule 9 Paragraph 5 thereof, orders in the minimum unit shall have precedence sequentially

over orders in the quantity other than the quantity five (5) times the minimum unit, in the order from a trading participant with a greater quantity of an order to a trading participant with a smaller quantity of an order (sequentially in accordance with the recording time in the trading system if the quantity of the order is the same) by the unit of a trading participant who makes a simultaneous order.

Rule 3. Suspension of Trading

The halt of trading as prescribed in Rule 9, Paragraph 3 of the Special Regulations Concerning Index Futures Contract (including when applied with the rewording pursuant to Rule 9, Paragraph 5 thereof) and Rule 10, Paragraph 2, Item (2) thereof (including when applied with the rewording pursuant to Rule 10, Paragraph 6 thereof) shall refer to the cases described in each of the following items:

- (1) cases in which trading is temporarily suspended pursuant to Rule 14-2 of the Special Regulations Concerning Index Futures Contract; and
- (2) cases in which trading is halted pursuant to Rule 15 of the Special Regulations Concerning Index Futures Contract.

Rule 4. Deleted

Rule 5. Matched Quantity in Cases when Contract Indexes, etc., are Determined

1. The amount of orders on the other side determined separately by the Exchange as prescribed in Rule 10, Paragraph 3, Item (3), Sub-item b of the Special Regulations Concerning Index Futures Contract shall be the amount not less than the minimum unit.

2. The provision of the preceding paragraph shall apply mutatis mutandis to the amount determined separately by the Exchange as prescribed in Rule 10, Paragraph 3, Item (3), Sub-item b of the Special Regulations Concerning Index Futures Contract as applied with the rewording pursuant to Rule 10, Paragraph 6 thereof. In this instance, the term “Rule 10, Paragraph 3, Item (3), Sub-item b of the Special Regulations Concerning Index Futures Contract” in the preceding paragraph shall read “Rule 10, Paragraph 3, Item (3), Sub-item b of the Special Regulations Concerning Index Futures Contract as applied with the rewording pursuant to Rule 10, Paragraph 6 thereof.”

3. The price determined by the Exchange as prescribed in the proviso clause of Rule 10-2, Paragraph 1, Item (1) of the Special Regulations Concerning Index Futures Contract shall be the base price of the nearest contract month in the trading session of the trading day (meaning the base price of the price limits of bids and offers as prescribed in Rule 9, Paragraph 2): provided, however, that if the Exchange deems it

inappropriate to use such base price as the contract index of the nearest contract month, it shall determine the appropriate price on a case-by-case basis.

Rule 6. Quote Indications

1. The quote indications as prescribed in Rule 10, Paragraph 2, Item (4) and Item (5) of the Special Regulations Concerning Index Futures Contract, Rule 10-2, Paragraph 1, Item (1) thereof, and Rule 14-2, Item (1) thereof shall be the quote indications as prescribed in Rule 8, Paragraph 1, Item (3) through Item (5).

2. The quote indications as prescribed in Rule 10, Paragraph 2, Item (4) and Item (5) of the Special Regulations Concerning Index Futures Contract as applied with the rewording pursuant to Rule 10, Paragraph 6 thereof, shall be the quote indications as prescribed in Rule 8, Paragraph 2, Item (3) through Item (5) as applied with the rewording pursuant to Rule 8, Paragraph 2.

Rule 7. Price Limits of Transactions Which Determine Contract Indexes, etc., at Closing of Trading Session

1. The range of price fluctuation determined by the Exchange as prescribed in Rule 10, Paragraph 5 of the Special Regulations Concerning Index Futures Contract shall be as follows in accordance with the category of the base price: provided, however, that a price limit shall be specified by the Exchange on a case by case basis if the following range is not appropriate due to changes in quotes, etc.

Base Price	Price (Plus/Minus)	Limit
Less than 750 points	4 points	
Not less than 750 points, but less than 1,250 points	6 points	
Not less than 1,250 points, but less than 1,750 points	8 points	
Not less than 1,750 points, but less than 2,250 points	10 points	
Not less than 2,250 points, but less than 2,750 points	12 points	
Not less than 2,750 points, but less than 3,250 points	14 points	
Not less than 3,250 points, but less than 3,750 points	16 points	
Not less than 3,750 points	18 points	

2. The range of price limits determined by the Exchange as prescribed in Rule 10, Paragraph 5 of the Special Regulations Concerning Index Futures Contract as applied with the rewording pursuant to Rule 10, Paragraph 6 thereof shall be three (3) points: provided, however, that a price limit shall be specified by the Exchange on a case by case basis if said range is not appropriate due to changes in quotes, etc.

Rule 7-2. Cancellation of Executed Transactions

1. The cancellation of executed transactions as prescribed in Rule 10-3, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be effected after the trading is suspended pursuant to Rule 15, Item (1) thereof (or after the publication of certain information concerning the order with an error pursuant to Rule 77-2 of the Business Regulations as applied with the rewording pursuant to Rule 46 of the Special Regulations Concerning Index Futures Contract, if the trading is not suspended).

2. The transaction determined by the Exchange pursuant to Rule 10-3, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be such transaction as deemed necessary by the Exchange on a case by case basis.

Rule 8. Matters Concerning Bids and Offers

1. Matters necessary for bids and offers in the index futures contract to be specified by the Exchange as prescribed in Rule 11, Paragraph 6 of the Special Regulations Concerning Index Futures Contract shall be matters prescribed in each of the following Items.

(1) Force and effect of bids and offers

Bids and offers pertaining to the morning trading session and the afternoon trading session shall cease to be effective at the closing of the afternoon trading session of the same day and bids and offers pertaining to the evening session shall cease to be effective at the closing of the evening session of the same day: provided, however, that for cases in which trading is suspended pursuant to Rule 15 of the Special Regulations Concerning Index Futures Contract, the Exchange may determine the treatment of the force and effect of bids and offers separately on a case by case basis.

(2) Method for placing bids and offers, etc.

a. Bids and offers shall be made by entering the specifics thereof into the trading participant's terminal of the electronic trading systems.

b. Bids and offers as described in each of the following Items pertaining to the transactions as prescribed in Rule 10, Paragraph 2 of the Special Regulations Concerning Index Futures Contract shall be processed in the manner prescribed in each of the corresponding Items.

(a) A bid with a higher price than an offer being made at the same time shall be

- processed by matching it with individual offers currently being made within the applicable price limit.
- (b) An offer with a lower price than a bid being made at the same time shall be processed by matching it with individual bids currently being made within the applicable price limit.
- (3) Special public announcement of bids and offers through quote indications
In cases when the a bid or offer price is outside the limit deemed appropriate from the perspective of maintenance of continuity of contract index, the Exchange shall make special public announcement of the existence of such price through certain indications displayed on trading participant's terminal of the electronic trading systems (hereinafter referred to as "quote indications").
- (4) Timing, etc., of quote indications
The timing and price of the quote indications as prescribed in the preceding Item shall be determined on a case by case basis by the Exchange by taking into consideration the status of the bids and/or offers at that time.
- (5) Update of quote indications
The Exchange may update the quote indications as prescribed in Item (3) at a time interval deemed appropriate by the Exchange from the time of initial quote indications with a price falling within the price limit prescribed for the following category: provided, however, that the Exchange may update the quote indications pertaining to inter-month spread trading as prescribed in Item (3) as applied with the rewording pursuant to the following Paragraph at a time interval deemed appropriate by the Exchange from the time of initial quote indications with a spread price falling within the price limit of three (3) points.

Special Quote Price	Price Limit (Plus/Minus)
Less than 750 points	4 points
Not less than 750 points, but less than 1,250 points	6 points
Not less than 1,250 points, but less than 1,750 points	8 points
Not less than 1,750 points, but less than 2,250 points	10 points
Not less than 2,250 points, but less than 2,750 points	12 points
Not less than 2,750 points, but less than 3,250 points	14 points
Not less than 3,250 points, but less than 3,750 points	16 points
Not less than 3,750 points	18 points

- (6) Processing of bids and offers at the time of quote indications
When quote indications pursuant to Item (3) are publicized, for a bid or offer to be matched in a quantity exceeding the quantity of a bid or offer pertaining to the special quote price, the Exchange may process the bid or offer by matching it with the quantity pertaining to the quote indications.

- (7) Prohibition of market orders pertaining to inter-month spread trading
A trading participant may not place a market order pertaining to inter-month spread trading.
- (8) Prohibition of market orders
The Exchange may, in case that it deems it necessary in consideration of the status of trading in the index futures contract, prohibit market orders.
- (9) Price limits of bids and offers pertaining to inter-month spread trading
A trading participant may not make a spread offer or spread bid pertaining to inter-month spread trading that will cause the price calculated in accordance with the provision of Rule 10-2, Paragraph 2, Item (1) of the Special Regulations Concerning Index Futures Contract to exceed the price limit as prescribed in the provision of Rule 11, Paragraph 4 thereof.

2. In applying the provisions prescribed in Item (2) through Item (4) and Item (6) of the preceding paragraph to the inter-month spread trading, the terms “Rule 10, Paragraph 2 of the Special Regulations Concerning Index Futures Contract,” “offer,” and “bid” in Item (2) shall be read as “Rule 10, Paragraph 2 of the Special Regulations Concerning Index Futures Contract as applied with the rewording pursuant to Rule 10, Paragraph 6 thereof,” “spread offer,” and “spread bid,” respectively; the term “price” in Item (2) through Item (4) shall be read as “spread price;” the term “contract index” in Item (3) shall be read as “contract spread price;” and the term “special quote price” in Item (6) shall be read as “special quote spread price.”

Rule 9. Price Limits of Bids and Offers

1. The price limits determined by the Exchange as prescribed in Rule 11, Paragraph 4 of the Special Regulations Concerning Index Futures Contract (hereinafter referred to as “price limits of bids and offers”) shall be as follows in accordance with the category of the base price.

Base Price	Price Limits of Bids and Offers (Plus/Minus)
Less than 750 points	100 points
Not less than 750 points, but less than 1,000 points	150 points
Not less than 1,000 points, but less than 1,250 points	200 points
Not less than 1,250 points, but less than 1,750 points	300 points
Not less than 1,750 points, but less than 2,250 points	400 points

Not less than 2,250 points, but less than 2,750 points	500 points
Not less than 2,750 points, but less than 3,250 points	600 points
Not less than 3,250 points, but less than 3,750 points	700 points
Not less than 3,750 points	800 points

2. The base price for the price limit of bids and offers as prescribed in the preceding paragraph shall be the settlement index price (meaning such settlement index price as determined by the Japan Securities Clearing Corporation as the settlement index price of the index futures contract; the same shall apply hereinafter) of the contract month on the preceding trading day: provided, however, that if the Exchange deems it inappropriate to use such settlement index price of the contract month on the preceding trading day as the basis for determining the base price, it shall determine the base price separately on a case-by-case basis.

3. Notwithstanding the provision of Paragraph 1, the Exchange may change the price limit of bids and offers for all or some of contract months if, after taking into consideration the market conditions of securities, etc., it deems that the trading in the index futures contract is, or is likely to be, in an unusual situation.

Rule 9-2. Cases When Temporary Suspension of Trading is not Effected

The circumstances as determined by the Exchange in which the Exchange will not temporarily suspend the trading as prescribed in the proviso of Rule 14-2 of the Special Regulations Concerning Index Futures Contract shall be the circumstances prescribed in each of the following Items.

- (1) After trading of an index futures contract has been temporarily suspended for reason of the condition prescribed in Rule 14-2, Paragraph 1, Item (1) of the Special Regulations Concerning Index Futures Contract being met, such index futures fall under Item (1) of the same rule again by the close of the afternoon trading session on the same trading day; or when after trading has been temporarily suspended for reason of the condition prescribed in Rule 14-2, Paragraph 1, Item (2) thereof being met, such index futures fall under Item (2) of the same rule again by the close of the afternoon trading session on the same trading day.
- (2) After trading of an index futures contract has been temporarily suspended for reasons of the condition prescribed in Rule 14-2, Paragraph 1, Item (3) of the Special Regulations Concerning Index Futures Contract being met, trading in such contract month is temporarily suspended due to meeting the condition of Item (3) of the same paragraph before the close of the afternoon trading session on the same trading day, and again meeting the conditions of Item (4) of the same paragraph before the close of the afternoon trading session.

- (3) When the condition prescribed in either item of Rule 14-2 of the Special Regulations Concerning Index Futures Contract is met during the time period from 2:45 p.m. until the close of the afternoon trading session or from 6:35 p.m. until the close of the evening trading session.

Rule 9-3. Temporary Halt of Trading

1. The time period determined by the Exchange as prescribed by Rule 14-2 of the Special Regulations Concerning Index Futures Contract shall be 15 minutes: provided, however, that when any of the conditions prescribed in each of the Items of the same rule is met at or after 10:45 a.m. such time period shall be until the closing of the morning trading session.
2. The price determined by the Exchange as the basic price as prescribed in each of the Items of Rule 14-2 of the Special Regulations Concerning Index Futures Contract shall be the base price of the price limits of bids and offers as prescribed in Rule 9, Paragraph 2.
3. The first price limit determined by the Exchange as prescribed in Rule 14-2, Paragraph 1, Items (1) and (2) of the Special Regulations Concerning Index Futures Contract and the second price limit determined by the Exchange as prescribed in Items (3) and (4) of the same rule shall be as follows in accordance with the category of the base price.

Base Price	First Price Limit	Second Price Limit	Price
Less than 750 points	50 points	75 points	
Not less than 750 points, but less than 1,000 points	75 points	110 points	
Not less than 1,000 points but less than 1,250 points	100 points	150 points	
Not less than 1,250 points, but less than 1,750 points	150 points	225 points	
Not less than 1,750 points, but less than 2,250 points	200 points	300 points	
Not less than 2,250 points, but less than 2,750 points	250 points	375 points	
Not less than 2,750 points, but less than 3,250 points	300 points	450 points	
Not less than 3,250 points, but less than 3,750 points	350 points	525 points	
Not less than 3,750 points	400 points	600 points	

4. Notwithstanding the provision of preceding paragraph, the Exchange may change the first or second price limit for all or some of the contract months if, after taking into consideration the market conditions, etc., it deems that the trading in the index futures contract is, or is likely to be, in an unusual situation.

Rule 10. Suspension of Trading

Suspension of trading in the cases enumerated in each of the Items of Rule 15 of the Special Regulations Concerning Index Futures Contract shall be effective for a period deemed necessary by the Exchange on a case by case basis.

Rules 11 and 12. Deleted

Rule 13. Application for Approval of Transactions for Correcting Errors, etc.

A trading participant who intends to receive the approval of the Exchange pursuant to the provisions of Rule 26 of the Special Regulations Concerning Index Futures Contract shall make an application in a form predetermined by the Exchange.

Rule 13-2 Trading Quantity, etc. of Index Futures Contracts Executed by Strategy Trading

1. The trading quantity of an index futures contract executed by strategy trading as prescribed in Rule 16, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be the quantity obtained by deducting the quantity enumerated in Item 2 from the quantity enumerated in Item 1.

(1) The quantity obtained by multiplying the quantity of the bids/offers immediately preceding the execution of the strategy trade by the delta value attached as a condition when a trading participant attempts to conduct strategy trading as prescribed in Rule 3-2, Paragraph 1, Item (4) of the Enforcement Rules for Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning Index Options Contract (hereinafter referred to as “Enforcement Rules for Special Regulations Concerning Index Option Contract”) (decimals will be rounded off).

(2) The quantity obtained by multiplying the quantity of the bids/offers immediately after executing of the strategy trade by the delta value attached as a condition when a trading participant attempts to conduct strategy trading as prescribed by Rule 3-2, Paragraph 1, Item 4 of the Enforcement Rules for Special Regulations Concerning

Index Options Contract (decimals will be rounded off).

2. When the quantity calculated pursuant to the method specified in the preceding paragraph is 0, the index futures contract shall not be executed.
3. The price of the index futures contract executed pursuant to the provisions of Rule 16, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be the price attached as a condition when a trading participant attempts to conduct strategy trading as enumerated in Rule 3-2, Paragraph 1, Item 3 of the Enforcement Rules for Special Regulations Concerning Index Options Contract

Rule 14. Price Pertaining to the Calculation of Special Settlement Index Price in the Index Futures Contract

The price determined by Exchange as prescribed in the parenthetical clause of Rule 28, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be as prescribed in each of the following items.

- (1) If there is a special quote price displayed pursuant to the provision of Rule 10 of the Rules Concerning Bids/Offeres for the issue on the day following the last trading day (to be moved down if the day falls on a holiday; the same shall apply hereinafter), the price shall be the most recently displayed special quote price.
- (2) If there is no special quote price displayed pursuant to the provision of Rule 10 of the Rules Concerning Bids/Offeres for the issue on the day following the last trading day, the price shall be the latest contract price (including the price of the special quote price displayed pursuant to the provision of Rule 10 of the same Rules and the price of the sequential trade quote displayed pursuant to the provision of Rule 11 of the same Rules; the same shall apply hereinafter).
- (3) Notwithstanding the provision of the preceding Item, if there is no contract price since the latest ex-dividend date or ex-rights date (meaning the date as prescribed in Rule 25, Paragraph 1 of the Business Regulations, but excluding dates pertaining only to dividends from surplus) of the issue or the date on which trading starts for stock after the reverse stock split (meaning the date specified pursuant to the provisions of Rule 25-2 of the Business Regulations), the price shall be a price determined by the Exchange on a case by case basis.

Rule 15. Matters Concerning Give-up

An executing trading participant and a clearing trading participant shall obtain the material (including electronic records) describing the details of the completed give-up from the system designated by the Exchange and keep it for a period of ten (10) years starting on the ending day of the trading day on which the index futures contract pertaining to the give-up was executed.

Rule 16. Give-Up Notification Deadline

The notification as prescribed in Rule 30, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be made by 4:15 p.m. of the ending day of the trading day on which the index futures contract pertaining to the give-up was executed: provided, however, that in cases when the Exchange deems it necessary, it may change the said deadline.

Rule 17. Take-Up Notification Deadline

The notification as prescribed in Rule 31, Paragraph 1 of the Special Regulations Concerning Index Futures Contract shall be made by 4:30 p.m. of the ending day of the trading day on which the index futures contract pertaining to the give-up was executed: provided, however, that in cases when the Exchange deems it necessary, it may change the said deadline.

Rule 18. Matters to be Reported Concerning Trading Participant's Terminal of the Electronic Trading Systems

1. Reporting pursuant to Rule 41, Paragraph 3 of the Special Regulations Concerning Index Futures Contract shall be made on matters enumerated in each of the following items concerning trading participant's terminal of the electronic trading systems, when the Exchange deems it necessary:

- (1) Matters concerning the number of orders;
- (2) Matters concerning the number of orders that can be placed;
- (3) Schedule of change in the number of the orders prescribed in the preceding Item; and
- (4) Matters deemed necessary by the Exchange for the purpose of the market operation other than those referenced in each of the preceding items.

2. When the Exchange requests explanation on a report made pursuant to Rule 41, Paragraph 3 of the Special Regulations Concerning Index Futures Contract, deeming it necessary for the stable operation of trading systems, trading participants shall cooperate with this.

Rule 19. Index Futures Contract Support Member System

1. The Exchange shall maintain the Index Futures Contract Support Member System in the market of the Exchange for the purpose of smooth execution of index futures contracts and wide acceptance thereof among investors.

2. The Exchange shall, pursuant to the provisions prescribed by the Exchange, designate as an Index Futures Contract Support Member the trading participant who made an application for such designation.
3. The trading participant designated as an Index Futures Contract Support Member pursuant to the preceding Paragraph shall strive to perform one or more of the activities described in each of the following Items:
 - (1) placing both a bid(s) and an offer(s) for the index futures contract pursuant to the provisions prescribed by the Exchange;
 - (2) placing a bid(s) or offer(s) that matches an order(s) already placed for the index futures contract as far as the trading participant deems appropriate in consideration of the trading condition including prices, in light of smooth execution of transactions; and
 - (3) conducting activities for wide acceptance of the index futures contract among investors.
4. The Exchange may cancel the designation in Paragraph 2 pursuant to the provisions prescribed by the Exchange.
5. The Exchange shall publish the designation of the Index Futures Contract Support Member or its cancellation, and notify that to each trading participant.
6. In addition to what are prescribed in the preceding five paragraphs, the Exchange will from time to time provide for matters necessary for the Index Futures Contract Support Member System.