

**Tokyo AIM seeks Public comment on the Outline concerning Abolishment of T+4 Settlement and Trading Suspension for a Predetermined Period**

TOKYO AIM is planning to amend a part of the Rules, according to abolishment of T+4 Settlement and Trading Suspension for a Predetermined Period.

The outline is as follows.

Outline 「Abolishment of T+4 Settlement and Trading Suspension for a Predetermined Period」 (Please refer to the appendix)

If you have opinions concerning about this outline, which is introduced at TOKYO AIM website <http://www/tokyo-aim.com/> , please send your comment with your details (name, company, address, telephone number. e-mail address etc.) to TOKYO AIM by Thursday, 15 October, 2009.

1. Deadline: Thursday, 15 October, 2009 (The mail must reach us by this date.)

2. Methods to submit: By e-mail, post, facsimile

3. e-mail address : [regulation@tokyo-aim.com](mailto:regulation@tokyo-aim.com)

Address : Regulation Group, TOKYO AIM, Inc., TSE bldg 7F, 2-1 Nihombashi-kabuto-cho, Chuo-ku, Tokyo 103-0026

Fax No. : 03-5652-9847

4. How to answer to your comment

A final decision will be made upon the comments given us. After an appropriate review, TOKYO AIM will publish the comments as well as TOKYO AIM's opinion at the above-mentioned website after Friday, 16 October, 2009.

In principle a corporate or an organization will be disclosed, however, an individual will be described as "individual". TOKYO AIM will not give answers to each comment.

Personal information written in the document is collected to be used for the public comment and not for any other purpose.

## Abolishment of T+4 Settlement and Trading Suspension for a Predetermined Period

September 16, 2009  
TOKYO AIM, Inc.

### I Purpose

Currently, regular transactions of securities are, in principle, settled on the third business day following day of the transaction (hereinafter “T+3 settlement”); in cases where the record date, etc. is set for the purpose of fixing the shareholders, etc., such transactions are settled on the fourth business day following the day of the transaction (hereinafter “T+4 settlement”). However, with the dematerialization of share certificates, name changes in the register, etc. are no longer necessary. As a result, settlement on the record date, etc. has become possible.

In addition, before the dematerialization of share certificates, in the event that share certificates are submitted in connection with reverse stock splits and stock splits, the TOKYO AIM, Inc (TOKYO AIM) will implement a trading suspension (hereinafter the “trading suspension for a predetermined period”) in order to prevent issues with regards to price formation, and operational issues with regards to delivery and receipt of share certificates. However, after the dematerialization, share certificates are no longer submitted.

In this time, the Joint Working Group on Clearing and Settlement of Securities Trading (※) has concluded that the T+4 settlement and the trading suspension for a predetermined period should be abolished in November 2009. In light of this conclusion, the Exchange will make necessary amendments to its rules and regulations.

(※) A working group with the aim of continually improving the clearing and settlement system of securities transactions. It is jointly established by Japan Securities Clearing Corporation (JSCC), Japan Securities Depository Center, Inc. (JASDEC), and the Tokyo Stock Exchange, Inc. (TSE). It comprises 14 members who are securities companies or financial institutions that are participants of the aforementioned 3 institutions.

### II Outline of Rules and Regulations

Item	Content	Remarks
1. Abolishment of T+4 Settlement of Securities, etc.	<ul style="list-style-type: none"> <li>• The TSE will abolish T+4 settlement and unify the method for settlement to T+3 settlement for regular transactions of the following securities:               <ul style="list-style-type: none"> <li>• domestic stocks</li> <li>• subscription warrant securities;</li> <li>• preferred equity investment securities;</li> <li>• investment trust beneficiary certificates;</li> <li>• investment securities;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• With respect to regular transactions, the ex-dividend date or ex-rights date shall be the day that is two (2) days (excluding holidays; the same shall apply to counting the number of days hereinafter) before the record date (where the record date falls on a holiday, it shall be three (3) days before the record date).</li> <li>• When the number of shares changes due to an event</li> </ul>

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Item	Content	Remarks
	<ul style="list-style-type: none"> <li>• beneficiary certificates of a beneficiary certificate issuing trust;</li> <li>• foreign stocks;</li> <li>• foreign subscription warrant securities;</li> <li>• foreign investment trust beneficiary certificates;</li> <li>• foreign investment securities;</li> <li>• beneficiary certificates of a foreign beneficiary certificate issuing trust;</li> </ul> and, <ul style="list-style-type: none"> <li>• foreign stock depository receipts.</li> </ul>	<p>such as a reverse stock split, the book-entry transfer restriction on such book-entry transfers performed at the Japan Securities Depository Center (hereinafter "JASDEC") on the record date will be removed. In addition, an extension of the deadline for terminal entry of the declaration of the number of shares after a change in the number of shares (declaration of a new number of shares) is scheduled for consideration.</p> <ul style="list-style-type: none"> <li>• In the event of delisting due to a corporate merger, share transfer, share exchange, or corporate demerger, the date of delisting shall be three (3) days before the date of effectiveness of said event.</li> </ul>
2. Abolishment of Trading Suspension for a Predetermined Period	<ul style="list-style-type: none"> <li>• The TOKYO AIM will abolish trading suspension for a predetermined period in the following cases:               <ul style="list-style-type: none"> <li>(i) Where an issuer carries out a reverse split of stocks (including preferred equity investments, beneficiary rights, and investment lots);</li> <li>or</li> <li>(ii) Where an issuer carries out a stock split, etc., and, at the same time, increases the number of shares in the Share Unit or prescribes the number of shares in the Share Unit in its articles of incorporation.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The current period of the trading suspension for a predetermined period is the period from the day four (4) days before the date of an event such as a reverse stock split, up to the day prior to the date of effectiveness of said event.</li> </ul>
3. Other	Other required revisions will be made.	

### III Implementation Date

The TOKYO AIM will implement these amendments in 16 November, 2009.

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