SULLIVAN & CROMWELL LLP

TELEPHONE: 1-212-558-4000
FACSIMILE: 1-212-558-3588
WWW.SULLCROM.COM

125 Broad Street
New York, NY 10004-2498

LOS ANGELES • PALO ALTO • WASHINGTON, D.C.

FRANKFURT • LONDON • PARIS

BEIJING • HONG KONG • TOKYO

MELBOURNE • SYDNEY

March 14, 2014

By E-Mail

Stephen Luparello, Esq.,
    Director,
        Division of Trading and Markets,
            Securities and Exchange Commission,
                101 F Street, N.E.,
                    Washington, D.C. 20549-1090.

Re: Notification of Intent to Undertake Familiarization
Activities in Reliance on Class No-Action Relief

Dear Mr. Luparello:

We are writing on behalf of the Tokyo Stock Exchange, Inc. ("TSE") and the Osaka Securities Exchange Co., Ltd. ("OSE") to provide notification of the intent of the OSE, a Foreign Options Market, its Members and Representatives, to rely upon the Class No-Action Letter issued by the Division on July 1, 2013 (the "Class Relief"),[1] to undertake limited activities ("familiarization activities") to familiarize certain registered broker-dealers and large financial institutions in the United States ("Eligible Broker-Dealers/Eligible Institutions") with the OSE and certain equity and index options ("Eligible Options") traded thereon.

I. Required Disclosure

The Foreign Options Market

TSE and OSE are subsidiaries of the Japan Exchange Group, Inc. ("JPX"). On or about March 24, 2014, the derivative markets of the TSE are scheduled to be

---

[1]   Letter from James R. Burns, Deputy Director, Division, Securities and Exchange Commission ("Commission"), to Arthur W. Hahn, Katten Muchin Rosenman LLP, dated July 1, 2013. All capitalized terms not otherwise defined in this letter have the same meaning as set forth in the Class Relief.

integrated into those of the OSE (the "integration"). The resulting single market will trade both legacy TSE option products and preexisting OSE option products.[2] OSE and its affiliated persons intend to rely on the Class Relief to undertake familiarization activities for Eligible Options on the integrated derivatives market.

The TSE and OSE have previously been granted individualized no-action relief permitting limited familiarization activities for certain options products to institutional investors in the United States, provided that an options disclosure document was distributed to those investors.[3] Because the OSE intends to rely on the Class Relief, it will no longer prepare and require its Members to provide an options disclosure document to U.S. investors.

The Eligible Options

This notification pertains to the following categories of Eligible Options:

- Equity Options: Options whose underlying security is a Japanese equity security that trades on the TSE and meets the selection standards established by the OSE.

- Index Options: Options based upon broad-based, widely recognized indices on Japanese securities, currently including the Nikkei Stock Average[4], the TOPIX[5] and potentially other such indices that may be introduced in the future.

II. Conditions and Representations[6]

We are authorized by our clients to make the following representations and acknowledgments:

---

[2]   As part of the integration, all derivative products currently listed on the TSE, including options products, will be delisted. The delisted derivative products will then be listed on the OSE as new listings. On the same day as the integration, the Osaka Securities Exchange Co., Ltd. will change its corporate name to Osaka Exchange, Inc.

[3]   *See, e.g.*, Letter from Elizabeth K. King, Associate Director, Division, Commission, to Richard P. Streicher, U.S. Legal Counsel, Tokyo Stock Exchange, Inc., dated November 20, 2006 (regarding TSE); Letter from Elizabeth K. King, Associate Director, Division, Commission, to Richard P. Streicher, dated November 15, 2002 (regarding TSE); Letter from Robert Colby, Deputy Director, Division, Commission, to Richard P. Streicher, dated July 27, 1999 (regarding TSE); Letter from Robert Colby, Deputy Director, Division, Commission, to Nancy Jacklin, Clifford Chance, dated July 23, 1999 (regarding OSE).

[4]   The Nikkei Stock Average is a price-weighted index of 225 stocks on the TSE.

[5]   The TOPIX is a value-weighted index of all companies listed in the First Section of the TSE.

[6]   Compliance of the OSE with the conditions and representations contained in the Class Relief will be effective upon the integration of the TSE and OSE derivatives markets. No familiarization activities will be undertaken pursuant to the Class Relief until completion of the integration.

The OSE affirmatively represents that it maintains, on its website, in English, current information concerning its trading rules, clearance and settlement procedures, hours of operation and holidays. In addition, OSE affirmatively represents that its Representatives maintain a reasonable supply of JPX's most recently published annual report, in English, to respond to requests for the report from Eligible Broker-Dealers/Eligible Institutions.

The OSE affirmatively represents that it will provide Commission staff promptly upon request a list of the specific equity and index options covered by their request for relief, and will identify the primary listing market for each underlying equity security and/or index component.

The OSE affirmatively represents that steps have been taken by TSE and OSE to ensure compliance of the OSE with, and to assure continued compliance with, each of the representations and conditions contained in the Class Relief.

The OSE acknowledges that the Class Relief is only available to the OSE derivatives market to the extent it is and remains in compliance with each of the representations and conditions contained in the Class Relief.

The OSE affirmatively represents that all subject entities covered by the Class Relief will comply with each of the representations and conditions contained in the Class Relief, including the restriction on securities of U.S. issuers.
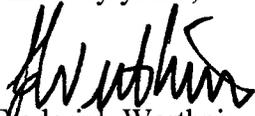
*   *   *

If you have any questions regarding this notification, please contact the undersigned at (212) 558-4974.

Sincerely yours,

Frederick Wertheim

cc   Shingo Ichiki
     (TSE/OSE)