

Listing Criteria for the Prime Market

Concept

- For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium- to long-term corporate value, putting constructive dialogue with investors at the center.

Listing Requirements

Item	Purpose	Outline of Listing Requirements		
		Criteria	Initial Listing	Continued Listing
Liquidity	<ul style="list-style-type: none"> Basic criteria to ensure effective basis of ample liquidity for various types of institutional investors to find the stocks investable 	No. of Shareholders	At least 800 shareholders	At least 800 shareholders
		No. of Tradable Shares	At least 20,000 units	At least 20,000 units
		Tradable Share Market Cap	At least JPY 10 bn.	At least JPY 10 bn.
		Trading Value	At least JPY 25 bn. mkt. cap	At least daily JPY avg. 20 mn.
Governance	<ul style="list-style-type: none"> Basic criteria to ensure effective foundation for constructive dialogue between listed companies and institutional investors ※ Revised CG Code fully applied(*) 	<ul style="list-style-type: none"> To ensure constructive dialogue with institutional investors, must maintain “public market control” by keeping tradable share ratio, with so-called “stable shareholders” holding less than 2/3 of shares (threshold to pass a special resolution under the Companies Act) 		
		Tradable Share Ratio	At least 35%	At least 35%
Business Performance Financial Status	<ul style="list-style-type: none"> Stable and Excellent Revenue/Financial Base 	Business Performance	Total profit for recent 2 yrs., at least JPY 2.5 bn. Sales at least JPY 10 bn. & market cap at least JPY 100 bn.	—
		Financial Status (Shareholder Equity)	at least JPY 5 bn.	positive

(*) including principles requiring a higher level of governance applied to Prime-listed companies

Listing Criteria for the Standard Market

Concept

- For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments in the open market, keep the basic level of corporate governance expected of listed companies, and commit to sustainable growth and improvement of medium- to long-term corporate value.

Listing Requirements

Item	Purpose	Outline of Listing Requirements		
Liquidity	<ul style="list-style-type: none"> Basic criteria to ensure appropriate liquidity for smooth trading by public investors 	Criteria	Initial Listing	Continued Listing
		No. of Shareholders	At least 400 shareholders	At least 400 shareholders
		No. of Tradable Shares	At least 2,000 units	At least 2,000 units
		Tradable Share Market Cap	At least JPY 1 bn.	At least JPY 1 bn.
		Trading Value	-	At least monthly avg.10 units
Governance	<ul style="list-style-type: none"> Basic level of governance structure to achieve sustainable growth ※ Revised CG Code fully applied 	<ul style="list-style-type: none"> Basic level of tradable share ratios required as public company (same level as global stock exchanges) 		
		Criteria	Initial Listing	Continued Listing
		Tradable Share Ratio	At least 25%	At least 25%
Business Performance Financial Status	<ul style="list-style-type: none"> Stable revenue foundation and financial status 	Criteria	Initial Listing	Continued Listing
		Business Performance	Profit at least JPY 0.1 bn. in the most recent yr.	-
		Financial Status (Shareholder Equity)	positive	positive

Listing Criteria for the Growth Market

Concept

- For companies which have a certain level of market value by disclosing business plans for realizing high growth potential and their progress towards these appropriately and in a timely manner, but at the same time pose a relatively high investment risk from the perspective of business track record.

Listing Requirements

Item	Purpose	Outline of Listing Requirements																	
Business Plans	<ul style="list-style-type: none"> A business plan to realize high growth potential and that enables investors to make reasonable investment decisions based on information disclosed 	<ul style="list-style-type: none"> All requirements below must be met <ul style="list-style-type: none"> Reasonable business plans in place Principle underwriter submits basis for its opinion on company's high growth potential Appropriate disclosure (after listing as well) on business plans and matters related to high growth potential (business model, market size, source of its competitive advantages, business risk) Below required to ensure high growth potential is achieved/realized appropriately 	<table border="1"> <thead> <tr> <th>Criteria</th> <th>Initial Listing</th> <th>Continued Listing</th> </tr> </thead> <tbody> <tr> <td>Market Capital</td> <td>–</td> <td>from 10th yr. of IPO JPY 4bn.</td> </tr> </tbody> </table>		Criteria	Initial Listing	Continued Listing	Market Capital	–	from 10th yr. of IPO JPY 4bn.									
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Liquidity	<ul style="list-style-type: none"> Minimum criteria to ensure appropriate liquidity for smooth trade by public investors 	<ul style="list-style-type: none"> Basic level of tradable share ratios required as public company (same level as global stock exchanges)(*) 	<table border="1"> <thead> <tr> <th>Criteria</th> <th>Initial Listing</th> <th>Continued Listing</th> </tr> </thead> <tbody> <tr> <td>No. of Shareholders</td> <td>At least 150 shareholders</td> <td>At least 150 shareholders</td> </tr> <tr> <td>No. of Tradable Shares</td> <td>At least 1,000 units</td> <td>At least 1,000 units</td> </tr> <tr> <td>Tradable Share Market Cap</td> <td>At least JPY 0.5 bn.</td> <td>At least JPY 0.5 bn.</td> </tr> <tr> <td>Trading Value</td> <td>-</td> <td>At least monthly avg.10 units</td> </tr> </tbody> </table>		Criteria	Initial Listing	Continued Listing	No. of Shareholders	At least 150 shareholders	At least 150 shareholders	No. of Tradable Shares	At least 1,000 units	At least 1,000 units	Tradable Share Market Cap	At least JPY 0.5 bn.	At least JPY 0.5 bn.	Trading Value	-	At least monthly avg.10 units
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			Tradable Share Market Cap	At least JPY 0.5 bn.	At least JPY 0.5 bn.														
Trading Value	-	At least monthly avg.10 units																	
Governance	<ul style="list-style-type: none"> Governance standard appropriate to the level of size of business and growth stage ※ Only Basic Principles of CG Code applied 	<ul style="list-style-type: none"> Basic level of tradable share ratios required as public company (same level as global stock exchanges)(*) 	<table border="1"> <thead> <tr> <th>Criteria</th> <th>Initial Listing</th> <th>Continued Listing</th> </tr> </thead> <tbody> <tr> <td>Tradable Share Ratio</td> <td>At least 25%</td> <td>At least 25%</td> </tr> </tbody> </table>		Criteria	Initial Listing	Continued Listing	Tradable Share Ratio	At least 25%	At least 25%									
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(*) Startups using voting right class shares in IPOs will be subject to the same rules as applied now.