

Listing Provisions to Support Recovery of Corporations Affected by the 2016 Kumamoto Earthquake

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Tokyo Stock Exchange, Inc.

I. Purpose

The 2016 Kumamoto Earthquake has caused extensive damage to communities and properties in the Kyushu region. Damage to the region's infrastructure and disrupted supply chains have destabilized production and are significantly impacting the business activities and corporate performance of companies beyond the afflicted regions.

Tokyo Stock Exchange (hereinafter "TSE") is committed to supporting the recovery of affected companies and contributing to the revitalization of the Japanese economy, and will introduce special provisions that take into account the effect of the earthquake to allow for the flexible treatment of listed company compliance and initial listings of companies that have business operations impaired by the earthquake.

II. Outline

1. Special Provisions on Listing Examination Criteria

(1) Audit opinion

- An audit report for an initial listing applicant's most recent business year that contains a "qualified opinion" due to the 2016 Kumamoto Earthquake shall also satisfy the criteria.

(Remarks)

- Rule 716 of the Securities Listing Regulations (hereinafter "the Regulations")
- The same shall apply to the criteria for alteration of markets, etc.

2. Special Provisions on Delisting Criteria

(1) Liabilities in excess of assets

- If a listed company has liabilities in excess of assets due to extraordinary losses arising from the 2016 Kumamoto Earthquake, the grace period until delisting shall be extended from one (1) year to two (2) years.

- Rule 717 of the Regulations

- A grace period of one (1) year will also be introduced in the criteria for reassignment to the Second Section.

(2) Business Performance

- For a company listed on JASDAQ, if the operating cash flow is negative due to extraordinary losses arising from the 2016 Kumamoto Earthquake, the business performance of such financial year will not be considered.

- Rule 721 of the Regulations

3. Others

(1) Waiver of listing examination fees for reapplication

- If an initial listing applicant fails to obtain listing approval due to the 2016 Kumamoto Earthquake, and submits another initial listing application within three (3) years, TSE shall waive the corresponding listing examination fees.

- Rule 703-3 of the Enforcement Rules for Securities Listing Regulations

III. Implementation Schedule (Tentative)

- These revisions will be implemented as soon as possible after the end of the public comment process.
- Item 2. shall apply to business years ending on or after April 14, 2016.