

TSE Measures for Corporations Affected by the 2016 Kumamoto Earthquake

Basic Policy	Flexible treatment of delisting and listing examinations of companies that have business operations impaired by the earthquake.	
Specific Measures	Initiatives for Listed Companies	Initiatives for Companies Seeking to List
	<p>Flexible Treatment related to Delisting</p> <ul style="list-style-type: none"> ✓ Liabilities in Excess of Assets: Delist if unable to come out of liabilities in excess of assets within 1 year ⇒ Extend window to 2 years for liabilities in excess of assets resulting from extraordinary losses due to the earthquake ✓ Business Performance: Delist if both operating profit and cash flow are negative for 5 years ⇒ Exclude negative operating cash flow resulting from extraordinary losses due to the earthquake ✓ Delay in Submission of Securities Report: Delist if securities report is not submitted by the statutory deadline ⇒ Extended deadline with designation as specified disaster <p><Reference> The following measures have been announced.</p> <ul style="list-style-type: none"> ✓ Timing of Disclosure of Earnings Results and Forecasts: Require prompt disclosure ⇒ Allow delayed disclosure due to the earthquake ✓ Audit Opinion: Delist if auditor disclaims opinion ⇒ Allow for disclaimer of opinion due to the earthquake ✓ Suspension of Business Activities: Delist if business activities are suspended ⇒ Allow for temporary suspension due to the earthquake 	<p>Flexible Treatment related to Listing Examinations</p> <ul style="list-style-type: none"> ✓ Audit Opinion: Require unqualified opinion for the most recent business year ⇒ Allow for qualified opinion due to the earthquake ✓ Going Concern: Examine whether the applicant is able to generate operating income on a stable basis ⇒ Exclude temporary decline in business performance due to the earthquake ✓ Internal Management System: Examine whether the applicant's internal management system is effective ⇒ Allow for temporary inadequacies due to the earthquake <p>Waiver of Listing Examination Fees</p> <ul style="list-style-type: none"> ✓ Fee Waiver for Reapplication: Require listing examination fees for reapplication ⇒ Waive fees for reapplications (within 3 years) from applicants that failed to obtain listing approval due to the earthquake
Timing	Draft rules immediately and implement them as soon as possible	