

# JPX Investor Day 2026

## Cash Equity Market

President & CEO

Tokyo Stock Exchange, Inc.

**Yokoyama Ryusuke**

July 2, 2026

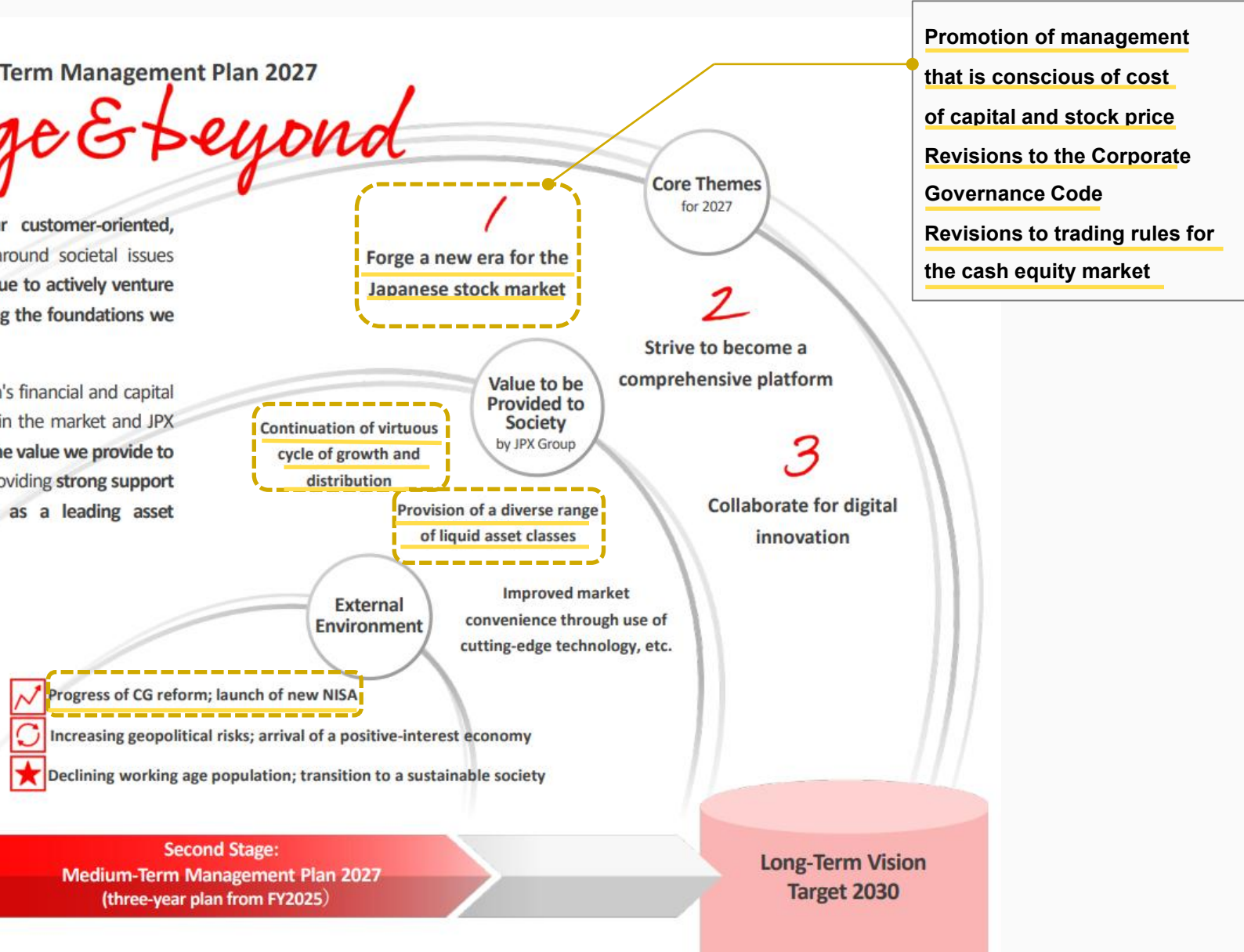


# Positioning of Each Initiative in the “Medium-Term Management Plan 2027”

## Basic Policy for Medium-Term Management Plan 2027

# Exchange & beyond

- We will strictly maintain our customer-oriented, "market-in" approach based around societal issues and user needs, and will continue to actively venture into new fields while developing the foundations we have built in the first stage.
- As a core infrastructure of Japan's financial and capital markets, while enhancing trust in the market and JPX Group, we will aim to increase the value we provide to society through, for example, providing strong support for the promotion of Japan as a leading asset management center.



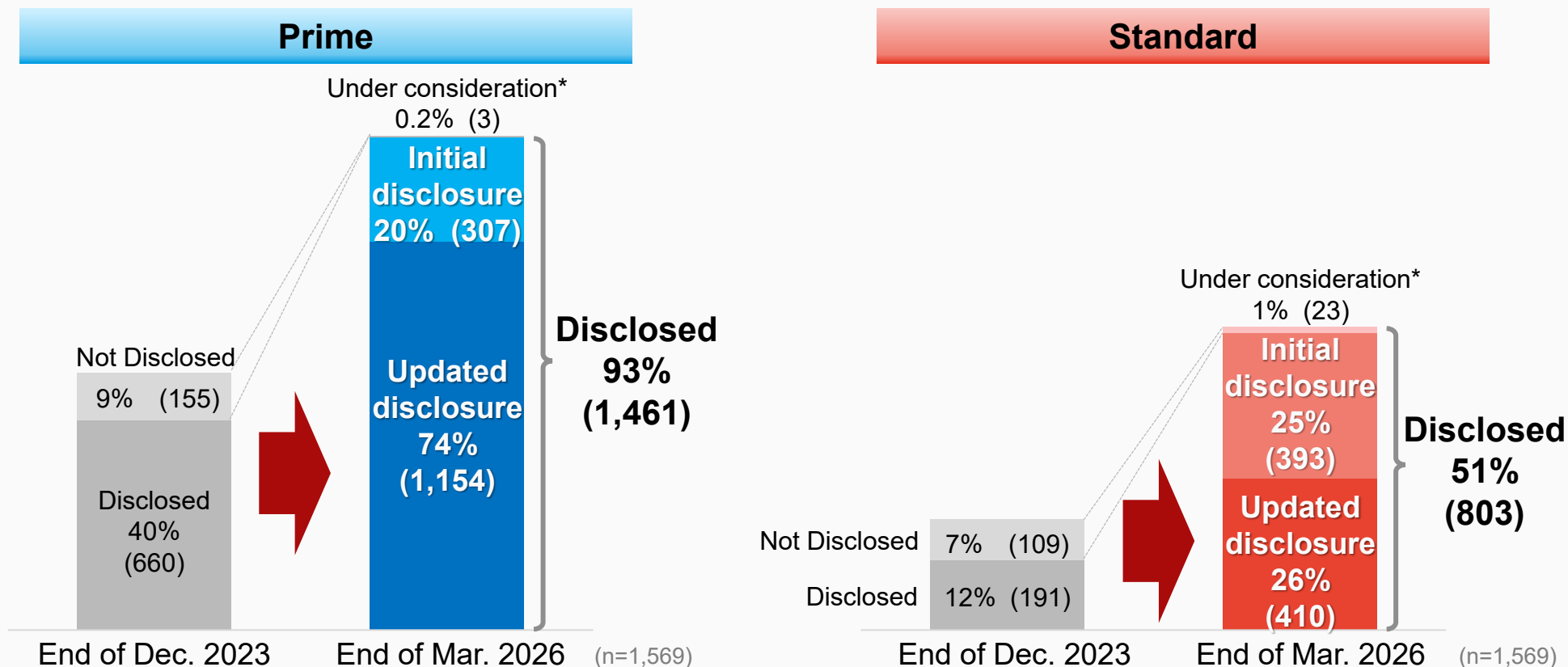
Promotion of management that is conscious of cost of capital and stock price  
Revisions to the Corporate Governance Code  
Revisions to trading rules for the cash equity market

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# 1. Request for Management That Is Conscious of Cost of Capital and Stock Price

- The number of companies making and updating disclosures has increased significantly in the three years since the request.
  - Disclosed: **93% of Prime-listed companies and 51% of Standard-listed companies**  
(As of the end of March 2026. Including companies with a disclosure status of “under consideration.”)
  - Updated Disclosure: **74% of Prime-listed companies and 26% of Standard-listed companies**
- Awareness of cost of capital and market valuation has improved.



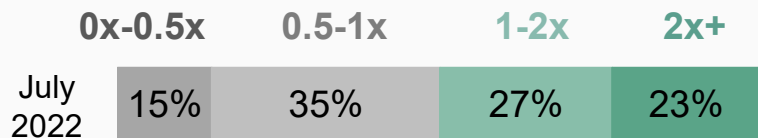
\* Starting from January 2025, the inclusion period for “under consideration” on the List of Companies That Have Disclosed Information is six months, and companies that exceed this period are classified as “undisclosed.”

# 1. Distribution of PBR and ROE

- Valuation and capital efficiency of Japanese companies have improved in recent years; however, a considerable gap still exists relative to global peers.

## PBR & ROE Distribution in Prime Market

PBR

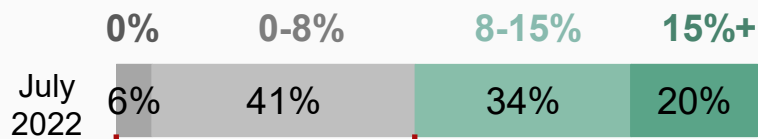


**PBR lower than 1x: 50% (922)**



**27% (424)**

ROE

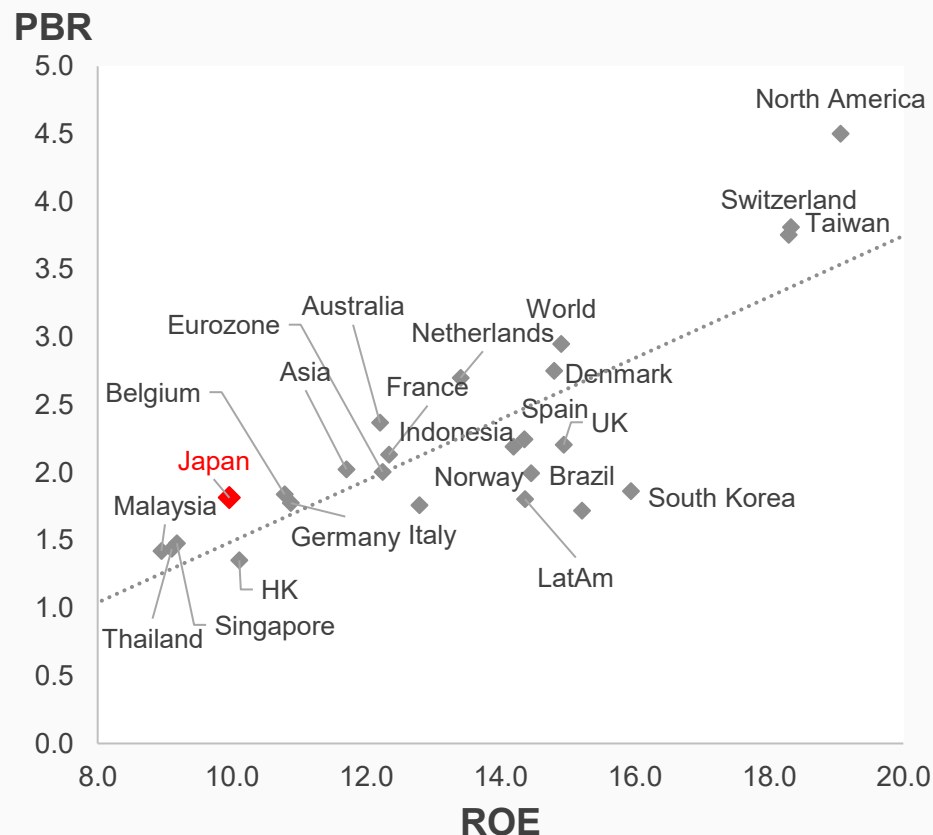


**ROE lower than 8%: 47% (857)**



**43% (684)**

## International Comparison of PBR & ROE



As of February 20, 2026

Data provided by Goldman Sachs Securities Co., Ltd.

# 1. Update to the Request for Management That is Conscious of Cost of Capital and Stock Price

- The objective of Management That is Conscious of Cost of Capital and Stock Price is to promote medium- to long-term enhancement of corporate value and sustainable growth, while also taking into account the perspective of the market.
- This April, we **outlined key points for actions to advance initiatives.**

(1) Is the medium- to long-term management policy (vision and growth trajectory) clearly presented?

(2) Does the company clearly indicate how it will use capital (in terms of allocation and priorities) to realize its vision?

(3) Are the assets it holds in an optimal state for value creation?

(4) Are discussions and oversight being carried out at the board level for items (1) through (3)?

## Expected Effects

### Gain the support and trust of investors with a medium- to long-term perspective

- **As capital profitability improves and investors become convinced of the company's growth trajectory, their focus will shift from the short term to the medium and long term.**  
E.g., Investors' primary expectations for the company will shift from shareholder returns to the successful execution of growth investments.
- **With a foundation in concrete policies and initiatives, the quality of dialogue with investors will improve.**  
E.g., There will be more feedback from investors with a medium- to long-term perspective, such as the identification of fundamental issues and making of proposals aimed at realizing growth.  
In response to calls for immediate shareholder returns, it will become possible to engage in constructive communication based on disclosures.

# 1. Approaching Companies Yet to Disclose & Growth Market Companies

- We are working to encourage initiatives among companies that had yet to disclose (46% in Standard Market and 6% in Prime Market as of April 2026).
- Based on the challenges faced by Growth Market companies and startups, we will establish a study group comprising stakeholders to discuss the future direction of and support measures for these companies.

## Approaching Companies Yet to Disclose

### Companies that have yet to disclose due to lack of resources or know-how

- ▶ Encourage them to take the first step and then make improvements to their disclosures in stages.
  - ⇒ Gather investor feedback on what should be included in initial disclosures, organize key points and case studies, and share them with companies.

### Companies that have deliberately chosen not to disclose

- ▶ Encourage them to provide their reasons for non-disclosure and their future policy on disclosure.

## Future Direction of Growth Market

### Feedback From Growth Market Survey

Challenges in formulating growth strategy

Insufficient engagement with institutional investors

Lack of resources (human/capital)

Low stock liquidity

### Study Group on Growth Market Development

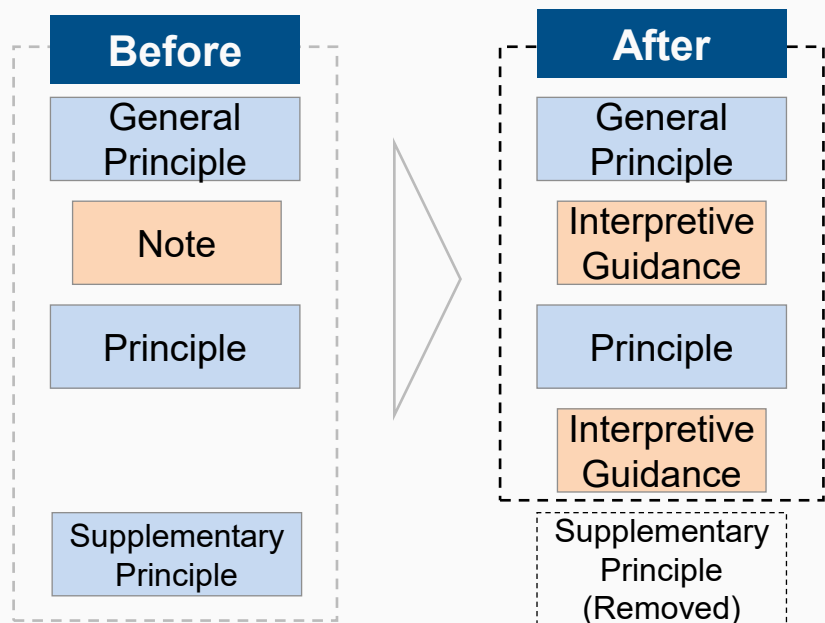
- ◆ The study group is expected to consist primarily of **practitioners with in-depth knowledge of the current state of the Growth Market and the startup sector.**
  - ✓ CEOs/CFOs from Growth Market-listed companies
  - ✓ CEOs/CFOs from unlisted startups
  - ✓ Institutional investors focused on small- and mid-cap stocks
  - ✓ Venture capitalists, etc.

## 2. Key Revisions to Corporate Governance Code (Effective July 2026)

- The Code will be revised to **encourage companies** to focus on **substantive initiatives** aimed at sustainable growth and **medium- to long-term corporate value enhancement**.
  - Items subject to “comply or explain” will be limited to conceptual and abstract matters.
  - Interpretive Guidance will be introduced to provide a more specific context and to clarify intent to support the implementation of each principle.

### More Principle-Based and Streamlined Code

- Items subject to comply or explain (light blue) reduced from 83 to 30.



\*Interpretive Guidance is outside the scope of comply or explain.

### Key Revisions

#### Business Resource Allocation

- Companies **should explain specific actions regarding the allocation of business resources including growth investments and business portfolio reviews**.

#### Enhancement of the Board

- Emphasizes the roles and responsibilities of independent outside directors and the importance of ensuring their expertise, composition, and independence.

#### Pre-AGM Disclosure of Annual Securities Report

- Added pre-AGM submission of annual securities reports to the principles as a key measure to ensure the appropriate environment for the exercise of shareholder rights.

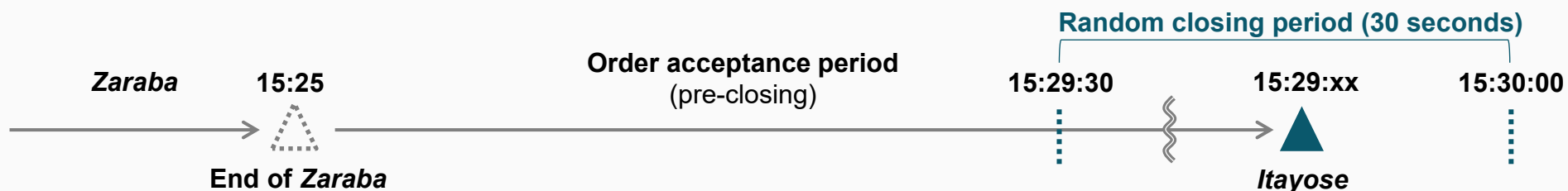
### 3. Improvement of the Closing Auction Session

- In light of discussions by the Working Group on Trading Rules—composed of a diverse group of market stakeholders—we plan to introduce a random closing mechanism, which is widely adopted in overseas markets.

#### Expected Effects

- ✓ Accelerate closing price formation by encouraging earlier order placement
- ✓ Prevent gaming and reduce volatility
- ✓ Improve predictability of closing price through enhanced information dissemination

Item	Overview
Random Closing Period	<ul style="list-style-type: none"> <li>The 30-second period between 15:29:30 and 15:30:00</li> </ul>
Timing of the <i>Itayose</i>	<ul style="list-style-type: none"> <li>The afternoon close <i>Itayose</i> is carried out at a random time within the random closing period (the above 30 seconds) on each business day.</li> <li>The <i>Itayose</i> time is the same for all issues for which a closing auction session is carried out.</li> </ul>
Restrictions Based on Order Type	<ul style="list-style-type: none"> <li>There are no restrictions based on order type, and new orders, modifications of order price and volume, and cancellations are allowed up to the time of the afternoon close <i>Itayose</i>.</li> </ul>
Dissemination of Indicative Equilibrium Prices, etc.	<ul style="list-style-type: none"> <li>We will disseminate Indicative Equilibrium Prices (IEPs) and Indicative Equilibrium Volumes (IEVs) to improve transparency at pre-closing.</li> </ul>



- *Itayose* carried out at random time each business day (same for all issues)
- New orders, modifications, and cancellations are allowed

## 4. Revision of Tick Sizes

- We will introduce a framework for applying tick size tables based on each stock's Spread to Tick Ratio (STR),\* which will be reviewed annually.

\* **STR:** Ratio of the bid-ask spread (difference between highest bid and lowest ask) to the tick size

### Overview of Revisions

#### Current Framework

- Apply tick size tables based on index classification

Table for TOPIX 500 Constituents

Table for Other Stocks

#### Revised Framework

- Apply tick size tables based on liquidity performance (STR)  
→ **Enable more appropriate tick sizes**

Table A: Active - Ultra-High Liquidity Table

Table B: Basic - High Liquidity Table

Table C: Calm - Medium Liquidity Table

### Expected Effects

- ✓ Tick size relative to liquidity:
  - Stocks with overly large tick size → **Lower execution costs for investors**
  - Stocks with overly small tick size → **Curb volatility at execution and limit signaling**
- ✓ In addition, **sudden increases in execution costs due to price fluctuations will be mitigated** as transitions at tick size breakpoints will be smoother.

(Note) A dedicated tick size table is applied for securities with a trading unit of one share/one unit (e.g., some ETFs) under both current and revised frameworks.

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