

(Referential Translation)

Message from Group CEO Kiyota
Upon Publication of Final Report by the Expert Study Group on
Capital Markets in Japan of the Financial System Council

“Expert Study Group on Capital Markets in Japan” of the Financial System Council has published their final report, upon conclusion of their discussion.

As you know, we have been studying the various issues regarding TSE cash equity market structure since last year. The purpose of this review is to consider the ideal market structure in the future, that further incentivizes listed companies to proactively improve their overall value as corporation, in addition to further attracting diverse global and domestic investors by providing vibrant capital market that contributes to the long-term asset building

With the conclusion of the Expert Study Group’s discussion, we will promptly start drafting a concrete and detailed design of the new market based on the proposals made by the Expert Study Group, to which the transition is to be completed around the earlier half of year 2022.

In order to facilitate smooth transition, the plan is to first publish the outline of the new structure around next February, so that listed companies and market participants can start their preparation. Also, considering the impact on listed companies as well as market participants, we plan to implement changes gradually after next summer, in phases.

Additionally, in parallel with the re-designing of market structure, we will proceed with our discussion regarding the review of indices (TOPIX etc.) , taking into account comments and feedbacks from index users etc.

We would like to give our sincere gratitude to the participants of the Expert Study Group, as well as all the market participants, including listed companies and institutional investors, who have contributed to the discussions regarding the review of our market structure and we appreciate your continued cooperation in realizing the new market structure and smooth operation of the market.

December 27th, 2019

Akira Kiyota

Director & Representative Executive Officer, Group CEO
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