

# Status of Companies Subject to Transitional Measures

Listing Department,  
Tokyo Stock Exchange

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# Most Recent Situation of Companies Subject to Transitional Measures

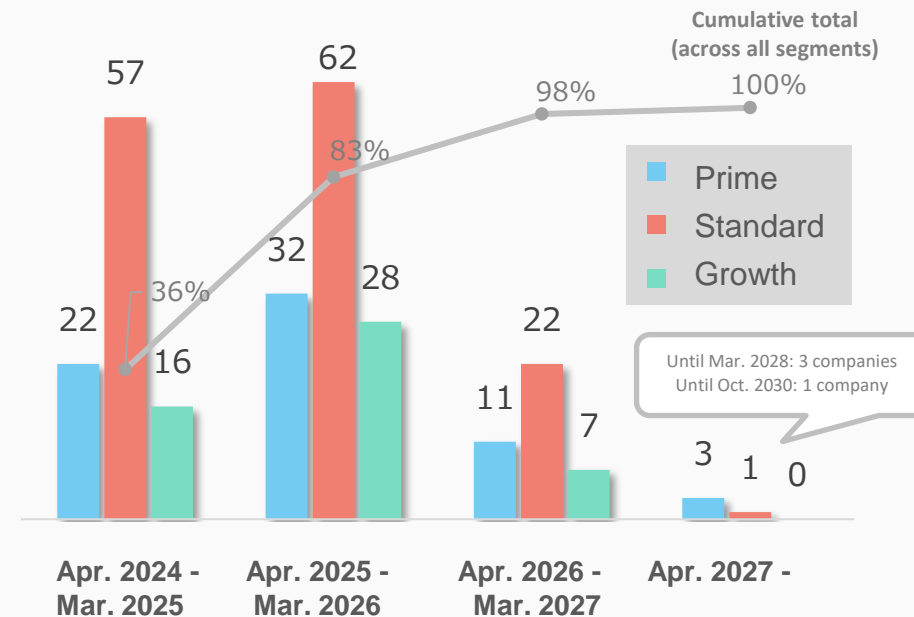
◆ A total of 267 companies are currently subject to transitional measures.

\*The status of compliance with criteria is reflected up to the end of October 2024.

## Number of Companies That Do Not Meet Criteria

Prime	Tradable Share Market Cap. (JPY 10 bil.)	:	53
	Tradable Share Ratio (35%)	:	15
	Trading Value (daily avg. JPY 20 mil.)	:	3
	Total (excluding duplicates)	:	69
Standard	Tradable Share Market Cap. (JPY 1 bil.)	:	93
	Tradable Share Ratio (25%)	:	54
	Number of Shareholders (400 shareholders)	:	2
	Total (excluding duplicates)	:	147
Growth	Tradable Share Market Cap. (JPY 0.5 bil.)	:	7
	Tradable Share Ratio (25%)	:	19
	Market Cap. (JPY 4 billion from 10 <sup>th</sup> yr. of IPO)	:	26
	Total (excluding duplicates)	:	51

## Distribution of End Dates for Planning Period



Note:

- Reflects judgment up to the end of October 2024
- Excludes companies scheduled to go private
- The longest planning period is adopted for companies that do not conform to multiple criteria

(Reference) List of companies subject to transitional measures: <https://www.jpx.co.jp/listing/market-alerts/improvement-period/index.html>

# Future Course of Action

- ◆ For shareholders and investors, TSE will **strengthen its efforts to inform and caution that the transitional measures are about to end**, and there is just over a year remaining until delisting in the earliest case.
- ◆ For companies subject to transitional measures (especially those entering the improvement period from this March), TSE will **encourage them to consider and implement necessary actions by informing them that other companies are making various corporate actions** to comply with the criteria, such as segment transfers, multiple listing on other exchanges, and going private.

## Recent Developments for Companies Subject to Transitional Measures (345 Companies Subject to Transitional Measures as of the End of 2023)

### Conformity to criteria

- **119 companies** have met the criteria (Prime: 49 companies; Standard: 59 companies; Growth: 11 companies)  
\*54 companies have not meet the criteria (Prime: 15 companies; Standard: 26 companies; Growth: 13 companies)

### Market segment transfer

- There were **31 companies** that consulted with us in advance about changing their market segment to the Standard Market (Prime: 23 companies; Growth: 8 companies), and **one of these companies** actually carried out a segment transfer.  
\*There were also other companies meeting the criteria that consulted with us in advance (about 50 companies).

### Multiple listing on other exchanges

- **16 companies** have carried out multiple listing on other exchanges in Japan (Prime: 1 company; Standard: 15 companies)  
\*There are also signs of other companies that meet the criteria carrying out multiple listing (approximately 10 companies)

### Going private

- **14 companies** have been delisted through an M&A, MBO, etc., with other companies (Prime: 2 companies; Standard: 10 companies; Growth: 2 companies)  
\*This includes companies currently in the Security to Be Delisted period.

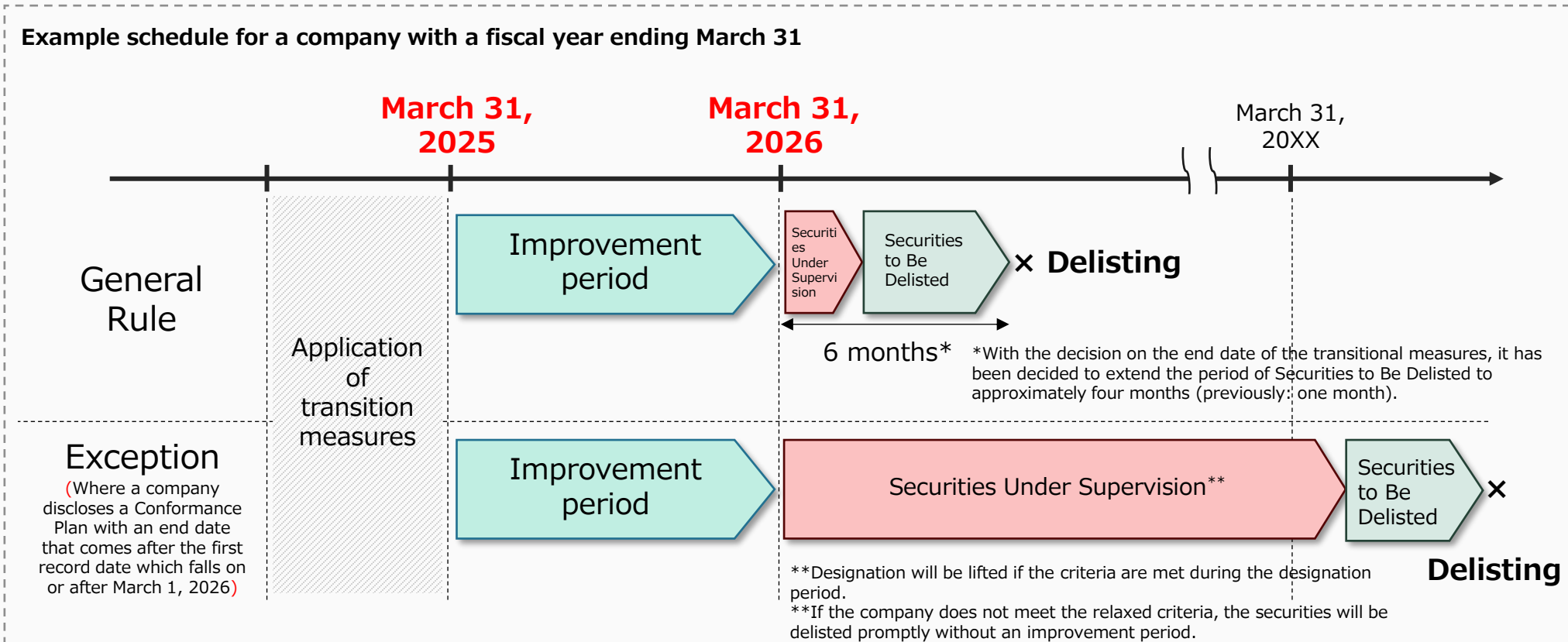
\*Aggregation of developments since January 2024 (the status of compliance with criteria is reflected up to the end of October 2024).

# Schedule After the End of Transitional Measures

◆ In the earliest case, if no improvement is made by March 2026, delisting will occur according to the schedule below.

- The regular continued listing criteria will be applied from record dates that fall on or after March 1, 2025.
- If a company does not meet the continued listing criteria, it shall enter an improvement period of one year (six months if the criterion not met is for trading volume).
- If a company does not meet the criteria during the improvement period, its securities will be delisted following designation as Securities Under Supervision and Securities to Be Delisted (a total period of six months).

Example schedule for a company with a fiscal year ending March 31



# Ref.: Segment Transfer to Standard Market

## Explanatory document for listed companies

- ◆ In light of the increase in **questions and consultations** regarding a segment transfer to the Standard Market following the end of the transitional measures, an **explanatory document outlining the procedures and screening criteria** was **published** in January 2025 (Japanese only).

[Link] [https://www.jpx.co.jp/equities/listing-on-tse/new/guide-new/nlsgeu000005p6i4-att/Standard\\_Ver1.pdf](https://www.jpx.co.jp/equities/listing-on-tse/new/guide-new/nlsgeu000005p6i4-att/Standard_Ver1.pdf)

The image displays three overlapping screenshots of a Japanese document titled 'スタンダード市場への市場区分の変更について (上場会社向け説明資料)' (Regarding the Change of Market Division to the Standard Market (Explanation Material for Listed Companies)).

- The leftmost screenshot shows the title page with the JPX logo and the text '株式会社東京証券取引所 上場推進部 2025年1月'.
- The middle screenshot shows a flowchart titled '市場区分の変更手続きの一連の流れ' (Flow of the Process for Changing Market Division). It outlines the steps: ① スケジュールの検討 (Schedule Consideration), ② 相談窓口への連絡 (Contact with Consultation Window), ③ 申請書類準備 (Application Document Preparation), and ④ 市場区分の変更審査 (Market Division Change Review). It also includes a timeline for the review process: 直前期 (2025年3月期) 3月末, 申請期 (2026年3月期) 3月末.
- The rightmost screenshot shows a table titled '審査基準: スタンダード市場の形式基準 (抜粋)' (Review Criteria: Formal Criteria of the Standard Market (Excerpt)). The table lists criteria such as '400人以上' (Number of employees), '2,000単位以上' (Number of shares), '10億円以上' (Market capitalization), and '25%以上' (Liquidity ratio). It also includes a section for '審査基準: スタンダード市場の実質基準' (Review Criteria: Substantive Criteria of the Standard Market), which lists five items: ① 企業の継続性及び収益性 (Continuity and Profitability), ② 企業経営の健全性 (Soundness of Corporate Management), ③ 企業のコーポレート・ガバナンス及び内部管理体制の有効性 (Effectiveness of Corporate Governance and Internal Management System), ④ 企業内容等の開示の適正性 (Appropriateness of Disclosure of Corporate Information), and ⑤ その他公益又は投資者保護の観点から当該引所が必要と認める事項 (Other matters deemed necessary from the perspective of public interest or investor protection).

## Consultation desk for listed companies

- ◆ **Preliminary consultation desk** for listed companies considering a segment transfer

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\*In the event of a potential change in market segment, we request that we be contacted as early as possible (in principle, at least six months before the application for a segment transfer).