

Action to Implement Management That is Conscious of Cost of Capital and Stock Price / Promoting Dialogue with Investors

- Continue promoting measures to support companies that are making active efforts ⇒ **Doc. 2**
 - **Prime Market:** As over 90% of companies have disclosed information and started initiatives, provide practical information such as updates to key points and case studies **[Nov. to early Dec.]**
 - **Standard Market:** It remains an issue that approximately half of companies have not yet disclosed information
 - **Awareness-raising to encourage companies to aim higher** (many companies feel reassured if they exceed an ROE of 8% and a PBR of 1x) **[Ongoing]**
 - **Promote communication with institutional investors** (provide support to deepen understanding of institutional investors and improve the list of disclosing companies) **[Ongoing]**

➢ Introduction of mandatory IR system (and publication of "Investors' Views on IR Systems and Activities") **[Effective July 22, 2025]**
Issues amid the promotion of Management that is Conscious of Cost of Capital and Stock Price

Parent-Subsidiary Listings

- Encourage **consideration and disclosure on group management and protection of minority shareholders**
 - **Follow-up on the status of disclosure**, taking into account "The Investor's Perspective on Such Matters as Parent-Subsidiary Listings" **[Fall 2025]**
 - **Publication of key points and case studies on disclosure** **[Winter 2025]**
- * Also, continue to consider the development of listing rules necessary from the perspective of protecting minority shareholders (e.g., ensuring the independence of outside directors of listed subsidiaries).

Issues amid the increasing number of MBOs and Subsidiary Conversions by Controlling Shareholders

Going Private

- From the perspective of protecting minority shareholders, encourage further demonstration of the functions of special committees and enhancement of necessary information disclosure
 - Revision of the Code of Corporate Conduct **[Effective July 22, 2025]**

* Raise awareness (seminars, etc.) for outside directors, including situations of going private **[When ready]**

Promoting the Growth of Startup Companies

- Advance measures to make the Growth Market into one "where companies aiming for high growth gather" ⇒ **Doc. 3**
 - **Revise continued listing criteria** **[Publish late Sept. and solicit public comments]**
 - **Initiatives to promote action to achieve "Management That Strives for High Growth"** (aimed at all Growth-listed companies) **[Late Sept.]**
 - Present the characteristics expected of Growth companies
 - **Promote measures to support Growth companies and create benefits for listing on the Growth Market**
 - Provide case studies highly rated by investors **[Nov. to early Dec.]**
 - List companies making active efforts **[From beg. of 2026]**
 - Hold seminars for Growth companies and small-scale meetings with institutional investors **[Ongoing]**

* Keep progressing with the above while exchanging opinions with company management

(Ref.) TOPIX revisions (second stage)

- Standard/Growth companies eligible (from October 2026)

- **Future direction of the Standard Market** **[Discussion started]** ⇒ **Doc. 4**
- **Rethinking of positioning of PRO Market** **[Discussion to start]**

Actions in Response to End of Transitional Measures

- **Strengthen efforts to inform/caution shareholders and investors** on the schedule for the end of transitional measures and companies in improvement periods **[Ongoing]**
- **Request companies in improvement periods to provide shareholders and investors with detailed explanations/information and consider/implement necessary actions** regarding their progress and delisting risk (including individual interviews) **[Ongoing]**

- Follow up on status of mandatory English disclosure in the Prime Market ⇒ **Doc. 5**