

Future Initiatives (Overview)

Listing Department
Tokyo Stock Exchange, Inc.

November 13, 2025



The Story So Far

Market Restructuring (April 2022)

Prime Market

maintain high levels of liquidity and governance and center their business on constructive dialogue with global investors

Standard Market

Market oriented to companies with sufficient liquidity and governance levels to be investment instruments on public markets

Growth Market

Market oriented to companies with high growth potential

Aim: To provide an attractive cash market that can earn a high level of approval from various domestic and international investors while supporting listed companies' sustainable growth and medium- to long-term improvements in corporate value.

Follow-up to the Market Restructuring (July 2022 onward)

⇒ To improve the effectiveness of the restructuring, JPX has **enacted measures in all market segments to ensure listed companies fulfil their responsibilities as listed companies, such as working to improve their corporate value in response to investor expectations and protecting minority shareholders.**

Main Follow-Up Measures

Jan.	2023	All segments	Publication of the General Policy for follow-up (Summary of Key Issues) Decided the end date of transitional measures for the continued listing criteria
Mar.		Prime Standard	Request for management that is conscious of cost of capital and stock price
Feb.	2025	All segments	Publication of "The Investor's Perspective on Such Matters as Parent-Subsidiary Listings"
Mar.		All segments	End of transitional measures for the continued listing criteria
Apr.		Prime	Introduction of mandatory English disclosure
Jul.		All segments	Introduction of mandatory development of IR system, publication of "Investors' Views on IR Systems and Activities"
Jul.		All segments	Revision of Code of Corporate Conduct for when taking a company private
Sep.		Growth	Measures to make the market one "where companies aiming for high growth gather" (call for "Management That Strives for High Growth," revision of continued listing criteria, etc.)
Under Consideration		Standard	Discussions on Standard Market (corporate value improvements, minority shareholder protection)

Future Initiatives

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

- Over 90% of the Prime Market and around half of the Standard Market are disclosing
- Continue promoting measures to support companies that are making active efforts
 - Updates to key points and case studies [Planned for Dec.]
 - ✓ Awareness-raising to encourage companies to aim higher (many companies feel reassured if they exceed an ROE of 8% and a PBR of 1)
 - 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
 - Hold study group to consider future approach, etc. [Ongoing]
 - 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 ensuring fair treatment of the interests of minority shareholders, encourage more effective deliberations at special committees and enhancement of necessary information disclosure
 - Revision of the Code of Corporate Conduct [Effective July 22, 2025]
 - Follow-up on the post-revision situation [From next meeting]

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

Promoting the Growth of Startup Companies

- Measures to make the Growth Market into one "where companies aiming for high growth gather"
 - Revise continued listing criteria [Consultation ended; revision in Dec.]
 - Call for "Management That Strives for High Growth" [From Sept.]
 - Support companies making active efforts
 - Provide case studies highly rated by investors [Planned for Dec.]
 - List companies making active efforts [From beg. of 2026]
 - Hold seminars for Growth companies and dialogue meetings with institutional investors [When ready]
 - New index focused on growth potential of start-ups [Under consideration]

In addition, continue other initiatives while exchanging opinions with company management

(Ref.) TOPIX revisions (second stage)

- Standard/Growth companies eligible (from October 2026)

- Discussion of future direction of PRO Market [This meeting]

Standard Market

- Support for companies actively working to improve corporate value; how to approach ensuring listed companies fulfil their responsibilities such as minority shareholder protection
 - Categorize listed companies and consider specific approaches based on those categories [From next meeting]

Actions in Response to End of Transitional Measures

- Strengthen efforts to inform/caution shareholders and investors [Ongoing]
- Request companies in improvement periods to provide shareholders and investors with detailed explanations/information and consider/implement necessary actions [Ongoing]

- Follow up on status of mandatory English disclosure in the Prime Market