

# 2026 Policies and Initiatives

Listing Department  
Tokyo Stock Exchange, Inc.

January 14, 2026



# 1. General Overview

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# General Policies

- In 2025, we advanced initiatives including making English disclosure (Prime Market) and IR system development mandatory, revising the code of corporate conduct concerning MBOs, and making reforms to the Growth Market (revised continued listing criteria). Additionally, at the end of the year, we updated our case studies on Management That is Conscious of Cost of Capital and Stock Price.
- **Discussions have also begun on making the Standard Market more attractive and improving the functionality of the PRO Market.** Attention from companies, the media, and others has been intensifying, especially concerning trends in the Standard Market.
- **While these discussions will proceed thoroughly, considering the growth of the overall Japanese economy, it remains crucial to enhance corporate value in the Prime Market,** where companies with large market caps are listed and investor expectations are high.
- As the focus shifts from disclosure to implementation regarding Management That is Conscious of Cost of Capital and Stock Price, **we will work to provide the infrastructure and support necessary to accelerate corporate initiatives and effective dialogue with investors.**
  - The revision of the Corporate Governance Code also focuses on **redirecting management resources toward growth investments.** We aim to use this as an opportunity to further advance this initiative.
  - **Both companies and investors have voiced concerns about short-termism,** making it crucial to reaffirm the purpose of the request moving forward.
- **Regarding Growth Market reforms,** we will continue to enhance the environment for post-IPO and post-listing growth, **while also looking ahead to 2030 when new continued listing criteria will be implemented.**
- Furthermore, **we will continue to advance necessary initiatives to protect general and minority shareholders, including informing investors about the conclusion of the improvement period to meet the continued listing criteria and addressing issues surrounding parent-subsidiary listings.**

# Focus Areas Going Forward

1

Encouraging Action to Implement Management That is Conscious of Cost of Capital and Stock Price (Acceleration of Initiatives)

2

Continuing Growth Market Reforms (Including Consideration of TOKYO PRO Market)

3

Exploring How to Make the Standard Market More Attractive

4

Informing Investors of the End of the Improvement Period to Meet the Continued Listing Criteria

Furthermore, the status of discussions regarding the following within the Study Group to Review Minority Shareholder Protection and Other Framework of Quasi-Controlled Listed Companies will also be continuously reported at this meeting.

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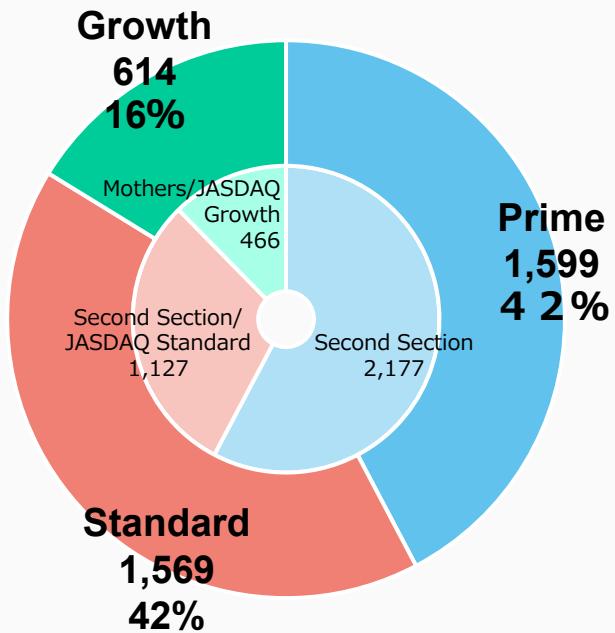
Measures Concerning Parent-Subsidiary Listings (Protection of Minority Shareholders, Group Management)

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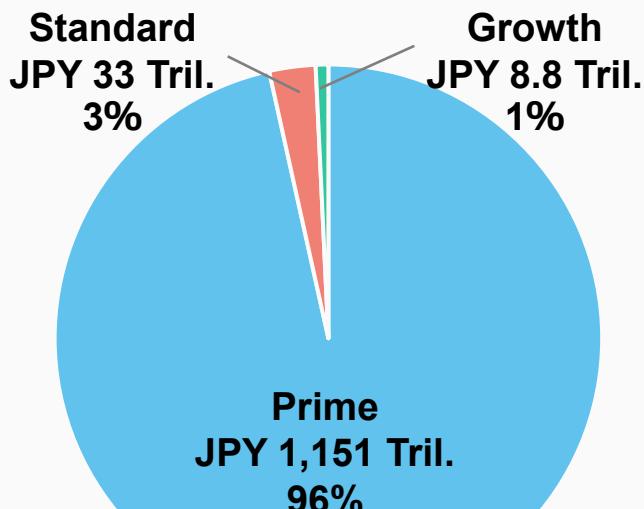
Follow-up Regarding Going Private

# Ref.: Market Segment Statistics

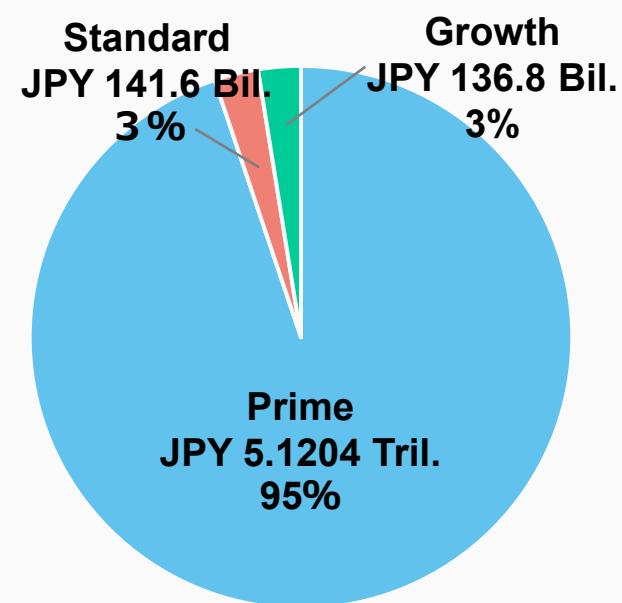
Number of Listed Companies



Market Cap.



Average Daily Trading Value



Inner Circle: **Previous** Market Segments (3,770 Companies on Apr. 1, 2022)

(As of Dec. 30, 2025)

(Jan. 4, 2024-Dec. 3, 2024)

Outer Circle: **Current** Market Segments (3,782 as of Dec. 31, 2025)

## I . Major Policies

- In Japan's economy, the lack of a smooth transition of personnel and capital resources to growing areas has led to a prolonged slump in productivity. In order to ensure the sustainable development of the Japanese economy in the future, it is important to promote industrial metabolism and innovation in business and society.
- In doing so, individual listed companies can not only take measures independently, but they can also consider ways to increase productivity by exchanging factors of production and by implementing M&As with other companies. It is important for TSE to create a framework to encourage such efforts and thereby contribute to the improvement of productivity in the Japanese economy as a whole.
- At this time, the government has decided to fundamentally expand and make permanent the NISA program in order to achieve financial inclusion, whereby the benefits of the financial and capital markets are widely available to all citizens, and the foundation has been established for households to actively shift their assets from savings to investments. In this context, the efforts of listed companies which receive risk capital are more strongly expected to increase their corporate value than ever before.
- Under these circumstances, in order to ensure the effectiveness of the market restructuring which was implemented for the purpose of contributing to the improvement of listed companies' corporate value and to make this an opportunity for real change, it is essential that TSE continue to work on these reforms with a sense of urgency.
- In light of this background:
  - TSE should immediately make clear how the transitional measures will be handled in the future with respect to the continued listing criteria, which have been established as a measure for easing drastic changes, including the timing of termination, from the perspective of ensuring a healthy industrial metabolism.
  - In order to revitalize the capital markets, and ultimately the Japanese economy, TSE should create a framework to motivate listed companies that are not concerned about violating the continued listing criteria to take action independently to enhance their medium- to long-term corporate value, such as promoting cost of capital-conscious management, by taking advantage of the characteristics of the three market segments.
  - These measures should be evaluated on an ongoing basis for further improvement.

# Ref.: 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

## 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)<br>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"<br>(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)  |

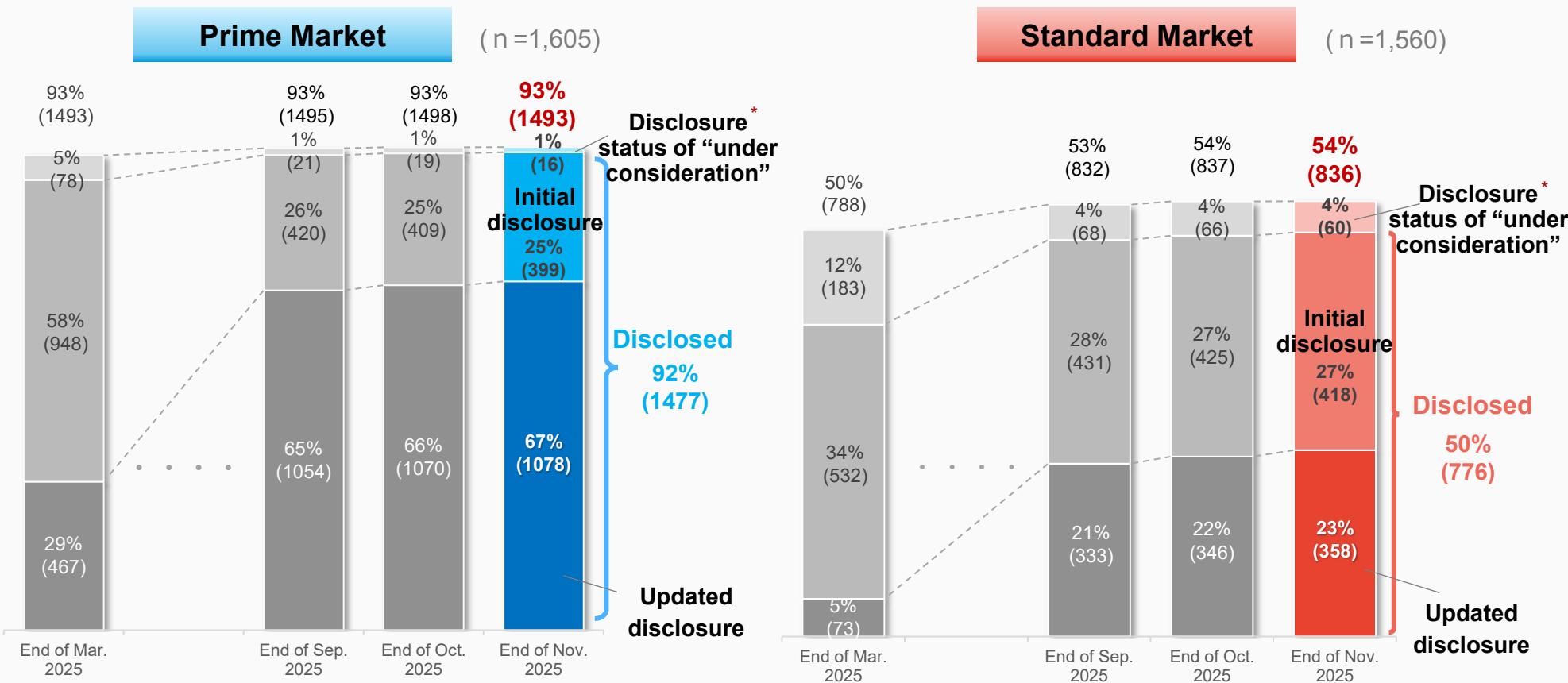
## 2. Encouraging Action to Implement Management That is Conscious of Cost of Capital and Stock Price (Acceleration of Initiatives)



- While the disclosure rate in the Prime Market is over 90%, among companies that have disclosed, only some are moving forward with effective initiatives.
- Going forward, we will focus on developing measures by refining initiatives based on their implementation at companies that have already disclosed information and on dialogue with investors.
- Going forward, We will advance initiatives by focusing on implementation of measures by companies that have already disclosed information, as well as refinement of those measures through dialogue with investors.
  - ✓ In conjunction with **revisions to the Corporate Governance Code**, further promote the **effective utilization of management resources for investments and other purposes**
  - ✓ Consider highlighting companies showing positive change to investors
- We will also proceed with considering approaches for the approximately 10% of companies that have yet to disclose.
- This will be considered separately regarding the Standard Market
- Both companies and investors have raised concerns about short-termism, for example:
  - Company: "Investors only ask about earnings forecasts and shareholder returns, not about our growth vision."
  - Investors: "Corporate executives focus solely only short-term stock price measures and fail to articulate their growth vision."These types of concerns are voiced often on both sides, so it may be necessary to **reiterate the purpose of the request to both companies and investors.**
  - ✓ We do not expect merely temporary measures such as buybacks or dividend increases; rather, we expect **fundamental initiatives to achieve capital returns exceeding the cost of capital and achieve sustainable growth.**
  - ✓ There are cases where companies have seen **investor interest shift from short-term performance and shareholder returns to a medium- to long-term growth vision through the refinement of their initiatives**, and we are considering actively highlighting such cases.
- We will **actively communicate the progress of reforms to domestic and overseas investors and strengthen our promotional efforts.**

# Ref.: Disclosure and Update Status

- ◆ **93% of Prime Market listed companies and 54% of Standard Market listed companies** have disclosed. (Including companies with a disclosure status of “under consideration”.)
- In addition, 67% of **Prime Market listed companies** and 54% of **Standard Market listed companies** have updated the contents of their disclosures.



**Note:** 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.”

# Ref.: Purpose of the Request (Reaffirmation)

- The purpose of these actions is to **have the management of the company carry out their management duties with more consideration of cost of capital and profitability** based on the balance sheet, rather than just sales and profit levels on the income statement, in order to achieve sustainable growth and increase corporate value over the mid- to long-term.
- Specifically, based on the basic management policy established by the Board of Directors, the management team is expected to take the lead in appropriately allocating resources with sufficient consideration of cost of capital and profitability by pushing forward initiatives such as **investment in R&D and human capital that leads to the creation of intellectual property and intangible assets that contribute to sustainable growth**, investment in equipment and facilities, and business portfolio restructuring.

**Note:** While share **buybacks and dividend increases are considered effective means of improving profitability**, if shown as such by the company's analysis of whether the balance sheet effectively contributes to value creation, **TSE is not necessarily expecting companies to use only these or solve issues with a one-off response**. Efforts are expected on a fundamental level to attain profitability in excess of cost of capital on a sustained basis and achieve sustainable growth.

- In taking these initiatives forward, companies are expected to **enable investors to assess their progress by presenting clear information on related policies, targets, and specific details in whatever way they see fit, and to gradually improve their initiatives** through proactive dialogue with investors based on this disclosure.

## **Directions for reviewing the Corporate Governance Code suggested by the Action Programme for Corporate Governance Reform 2025**

### [Overall]

- Streamlining of the Corporate Governance Code

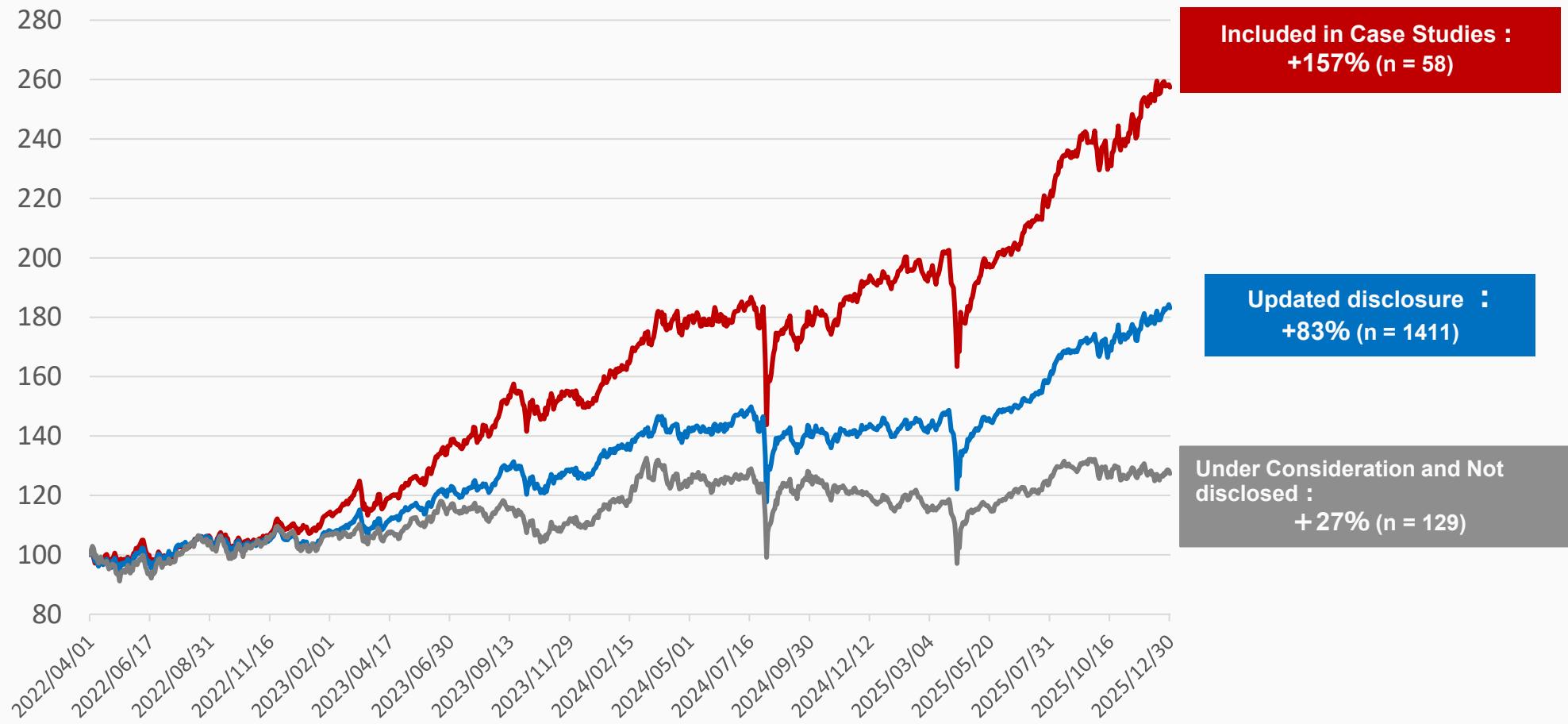
### [Specifics]

- Importance of seizing various investment opportunities. Whether each company persistently assesses the appropriateness of its current allocation of resources. Such as clarification of the board's assessment and accountability in whether it is effectively utilizing cash for investments.

- Disclosure of the ASR before AGM

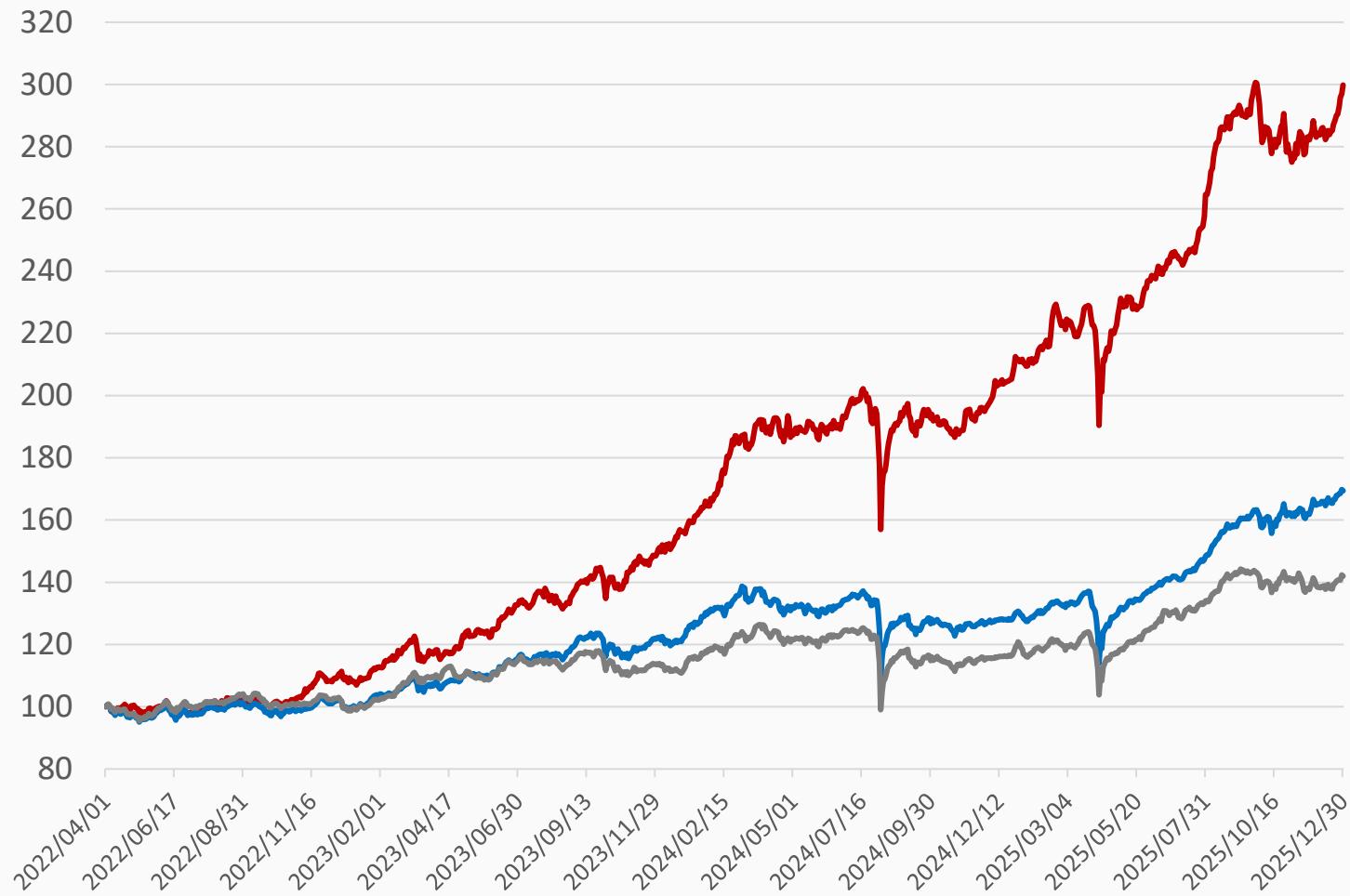
- Enhancing functions of the board secretariats

# Ref.: Stock Prices After Market Restructuring (Prime)



- \* Estimations of stock price trends for each category (equal weightings) where prices as of 2022/4/1 are converted to 100.
- \* Disclosure status is based on the list of companies that have disclosed information as of November 30, 2025.
- \* The target companies are those that are listed as of December 31, 2025.

# Ref.: Stock Prices After Market Restructuring (Standard)



Included in Case Studies :  
+200% (n = 20)

Updated disclosure :  
+69% (n = 756)

Under Consideration and Not  
disclosed :  
+42% (n = 791)

- \* Estimations of stock price trends for each category (equal weightings) where prices as of 2022/4/1 are converted to 100.
- \* Disclosure status is based on the list of companies that have disclosed information as of November 30, 2025.
- \* The target companies are those that are listed as of December 31, 2025.

### 3. Continuing Growth Market Reforms (Including Consideration of TOKYO PRO Market)



- We finished revising the rules regarding the Growth Market's **continued listing criteria** in Dec. 2025, and **are continuing to brief startup CEOs (i.e., CEOs of companies that are planning to list or have already listed on the Growth Market) on the revisions.**
  - ✓ While there are some listed companies that **are proactively making efforts at revising their growth plans**, we have heard from **others that are struggling because they cannot gain recognition from the market**.
- We will continue our efforts to **support those companies that are proactively making efforts** in preparation for the application of the new continued listing criteria in 2030.
  - ✓ **Recently**, we published "**Examples of Initiatives by Growth Market-Listed Companies That Were Well Received by Investors.**"
  - ✓ In Feb. 2026, we will begin **making a list so that investors can see which of the companies are proactively making efforts.**
  - ✓ We will also hold a series of **seminars for Growth-Market listed companies and events so that they can engage in dialogue with institutional investors.**
  - ✓ **We announced the JPX Start-Up Acceleration 100 Index**, which is a new index that is focused on the growth of startups (and is scheduled to be launched on Mar. 9, 2026).
- We will continue to consider how to **create advantages of listing on the Growth Market** after gathering **feedback (e.g., on issues and policy requests) from such market stakeholders as the CEOs of the proactive Growth Market listed companies** (e.g., by continuing to **conduct interviews**).
- In addition, **we will reiterate** to aspiring listed companies, particularly small cap companies that say that it has become harder to make an IPO, **that we did not raise the initial listing criteria and explain to them the underwriting stance of securities companies.**
- Going forward, **we will continue to inform market stakeholders and aspiring listed companies** of our market operation policy to **"not focus on the number of companies making IPOs but to increase the number of IPOs that are aiming for high growth."**

# Ref.: Changes in the TSE Growth Market Index

- ◆ Low stock prices at the time of listing application has had an effect on the number of IPOs on the Growth Market. (Recently, the number of IPOs has begun to recover.)

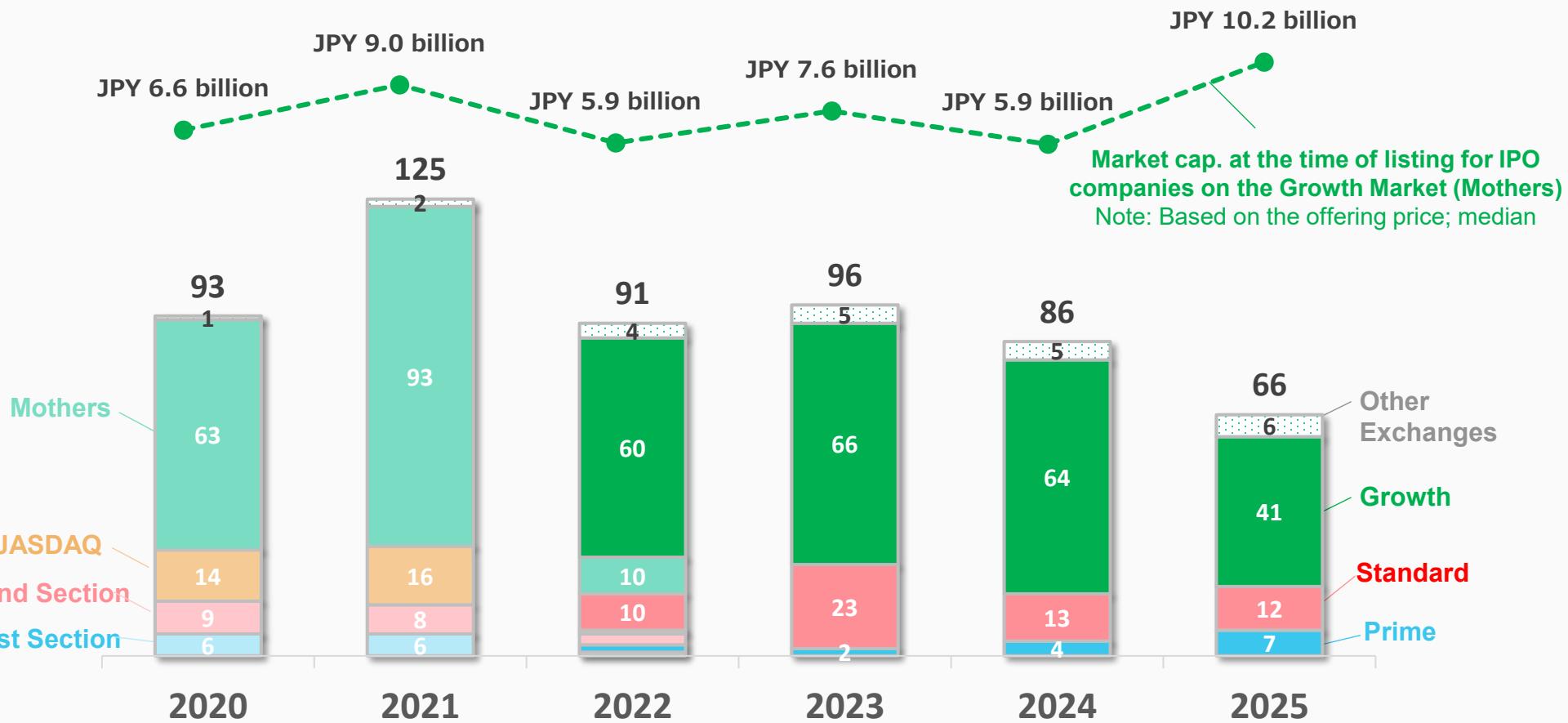
## Changes in the Stock Price Indices

\* The values of the indices on the day that the stocks were transferred to the new market segments (Apr. 4, 2022) were converted to 100.



# Ref.: Domestic IPO Trends (Annual / Public Markets)

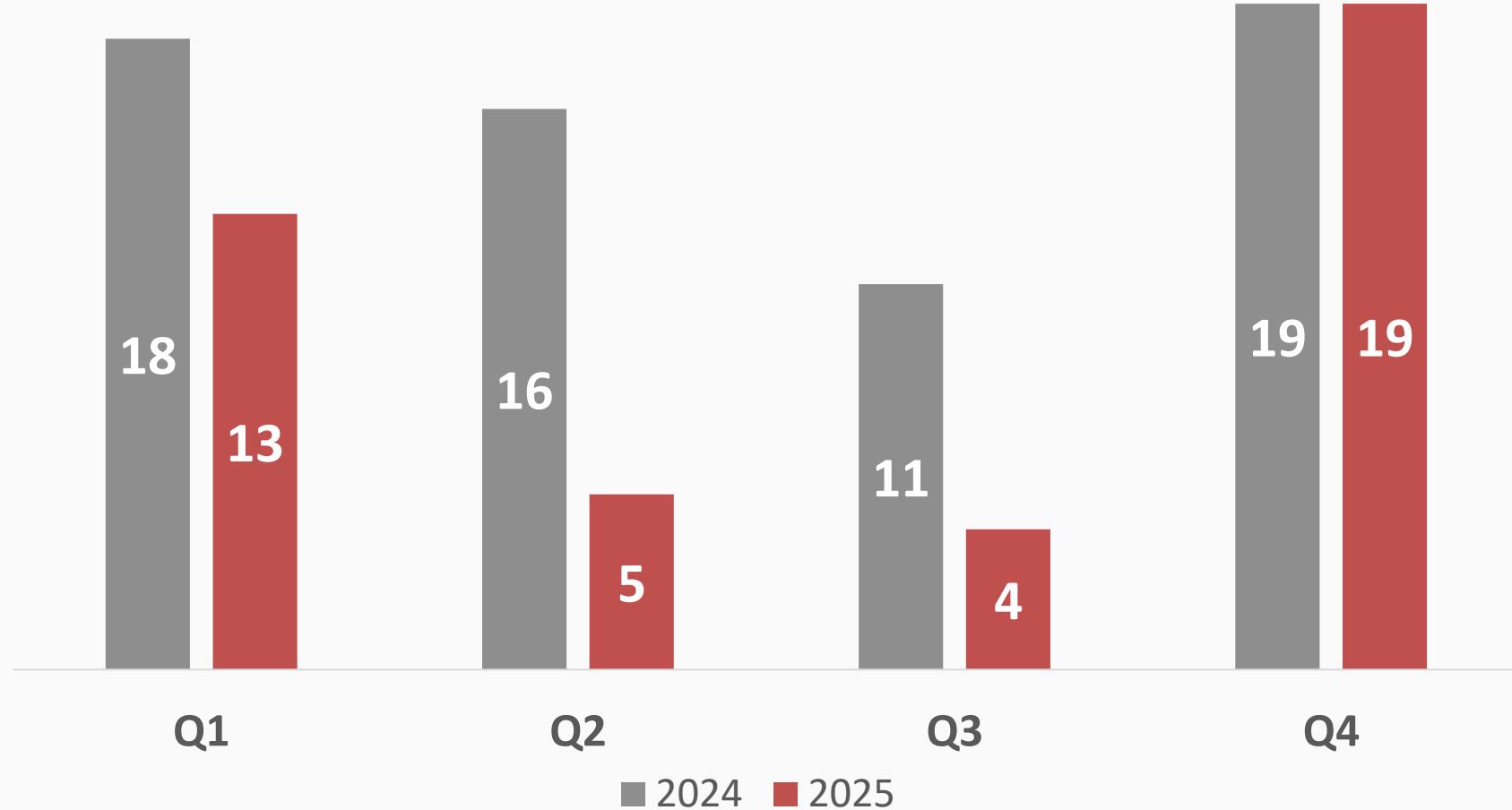
- In 2025, there were 66 companies that newly listed on domestic markets.
- The direct cause of the decrease was the future uncertainty of stock markets in the first half of 2025, but the number of IPOs recovered in the fourth quarter.



Note: Includes companies that listed on one of these public markets via the TOKYO PRO Market.  
Excludes companies that listed on one of these public markets via another public market.

# Ref.: Number of IPOs on the Growth Market Each Quarter (2024 vs. 2025)

- Compared to 2024, the number of IPOs on the Growth Market in 2025 were lower for the first three quarters but **recovered in the fourth quarter**.



Note: Includes companies that listed on one of these public markets via the TOKYO PRO Market. Excludes companies that listed on one of these public markets via another public market.

# Ref.: The Underwriting Stance of Securities Companies

## Statement Made by Nomura Securities at a Panel Discussion at JPEA's Annual Meeting (Sep. 2025) (Excerpt)



村上様（野村證券）：野村の村上です。まず、皆さんが一番興味をお持ちと思われる引受スタンスについてお話しします。今回、東証様からの発表があった時点では、弊社の引受スタンスは一切変えておりません。むしろ、池田様ともお話しておりましたが、このタイミングで業績の見通しが立たないなどの状況を理由に、企業側に見直しを求めたり、我々から案件をお断りするといったことは、基本的になるべくやらないようにし、やる場合は上の人間がきちんと説明するところまで徹底して、今回の発表を基にスタンスを変えたと誤解されないような対応まで行っておりました。

一方で、全体のスタンスの見直し自体は、今回の話とは関係なく、以前から進めてきた流れで、私は2年ほど前に行われたIPOプロセスの改革にも携わっておりましたが、ユニコーン創出など様々な政策の中で、「上場市場が発達する中で、小型上場のデメリット」や「本当に上場すべき銘柄か」という問い合わせをえた際に、それに合わせた体制を整えよう取り組んできました。

そういう意味で、小型の案件も行っています。小型だからやらない、大型だからやるといった区別ではなく、我々として上場させた方が良い、あるいは企業様自身がそう思っており、成長していくと信じる会社には、しっかりとサポートしていく方針です。



Reference translation prepared by TSE

**Mr. Murakami (Nomura Securities):** This is Murakami from Nomura Securities. First, let me talk about our underwriting stance, which I believe is the topic of most interest to you. **Our underwriting stance has not changed** following the announcement by Tokyo Stock Exchange. In fact, I told Mr. Ikeda that, **whenever possible, we would not ask a company to reconsider its IPO or turn down a project** due to the fact that it was impossible to predict the company's business performance at such a time, and **if we had to do so, we would make sure that senior management gave the company a thorough explanation** to prevent any misunderstanding that our stance had changed following the announcement.

Anyway, **the review of our overall stance has nothing to do with the announcement. It is part of a process that we have pursued for some time.** I was also involved in the reformation of our IPO process that was conducted about two years ago, and we worked to establish a system that considers the policies on unicorn creation and other government policies, the disadvantages of a small-cap IPO in a maturing listing market, and whether the company should really go public.

So, in that sense, **we also handle small-cap IPOs. Our policy is provide solid support to companies that we believe should be listed and to those that believe that they should be listed and will grow.** It is not to discriminate based on size: to reject small-cap IPOs and prioritize large-cap ones.

Source: Japan Private Equity Association's 34th Meeting "The Effects of Securities Market System Reforms and Market Participant Trends on the Private Equity Market" (from the Panel Discussion at the 2025 Annual Meeting)

\* Red underlining added by TSE. [https://jpea.group/2025/10/21/202510\\_no-34/](https://jpea.group/2025/10/21/202510_no-34/)

- ◆ To enhance the visibility of Growth Market-listed companies that are actively working to achieve high growth and to further support information dissemination to investors, TSE will launch a **special page** on JPXData Portal\* provided by JPX Research Institute (JPXI) on February 6, 2026, that **lists up disclosures on “Matters Relating to Business Plans and Growth Potential” for Growth Market-listed companies**.
- ⇒ To be posted on the **special page**, companies must **apply in advance** after first implementing **measures based on “Requests Related to Action to Achieve ‘Management That Strives for High Growth’”** (September 26, 2025). For details, please refer to the next page.

## Example of special page

**List of growth strategy disclosures for companies actively working to achieve “management that aims for high growth.”**

In this page, we list the latest “Matters Relating to Business Plans and Growth Potential” for Growth Market-listed companies that are actively working to achieve management that aims for high growth and have applied to be featured on this page.

| Date       | Code | Company Name   | Industry        | Fiscal Year End | Listing Date | Disclosure Document   | Related Information  |
|------------|------|--|-----------------|-----------------|--------------|---|----------------------|
| 2025-11-13 | 1111 | ***** Co. <span style="border: 1px solid red; padding: 2px;">New</span>      | Chemicals       | Mar.            | 2021-3-9     |    | <a href="#">Link</a> |
| 2025-11-10 | 2222 | ***** Ltd. <span style="border: 1px solid red; padding: 2px;">New</span>     | Metal Products  | Sep.            | 2019-12-8    |    | <a href="#">Link</a> |
| 2025-11-7  | 3333 | ***** Co.,Ltd. <span style="border: 1px solid red; padding: 2px;">New</span> | Wholesale Trade | Mar.            | 2022-4-3     |    | <a href="#">Link</a> |
| 2025-10-30 | 4444 | ***** Inc.   | Retail Trade    | Feb.            | 2015-12-13   |    | <a href="#">Link</a> |
| 2025-10-29 | 5555 | ***** Corp.  | Pharmaceutical  | Dec.            | 2019-2-5     |   | <a href="#">Link</a> |
| 2025-10-16 | 6666 | ***** Plc.   | Services        | Mar.            | 2025-4-1     |  | <a href="#">Link</a> |

Possible to **sort and search** by disclosure date, code, company name, etc.

**Highlight companies that have made disclosures within the past week**

Publishes the **latest disclosure on “Matters Relating to Business Plans and Growth Potential”** for relevant companies

Possible to check **stock price trends, past disclosure materials**, and other related information for each company from the links

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(Please note that this is a preliminary example, so some specifications may change.)

\*“JPXData Portal (beta version)” is a data portal provided by JPXI for searching and viewing the characteristics and usage methods of over 200 data types provided by Japan Exchange Group (including group companies) and partner companies in addition to basic information, disclosure materials, and other information related to TSE-listed issues.

<https://clientportal.jpx.co.jp/ClientPortalEN/s/>

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- ◆ Companies wishing to be posted on the **Growth Market special page**, in order to further enhance their information dissemination to investors, are requested to review the following information and submit an application.

## Eligible Companies

- ◆ **Growth Market-listed companies that are actively working toward achieving high growth** are eligible.
- ✓ **Please apply after confirming that your company's growth status and the market's evaluation of your company are being analyzed, and your company's growth strategy and disclosures have been updated**, as requested in "**Requests Related to Action to Achieve 'Management That Strives for High Growth'**" (September 26, 2025). If these initiatives have already been implemented, it is not necessary to update the disclosure of "Matters Relating to Business Plans and Growth Potential" when submitting the application. Please note that there will be no screening in connection with the application.

\*Link to documents: <https://www.jpx.co.jp/english/equities/follow-up/03.html>

## Application Method

- ◆ **Please apply using the application form below.**

Application form: Included in the notice for listed companies on Target, dated January 13, 2026

## Schedule

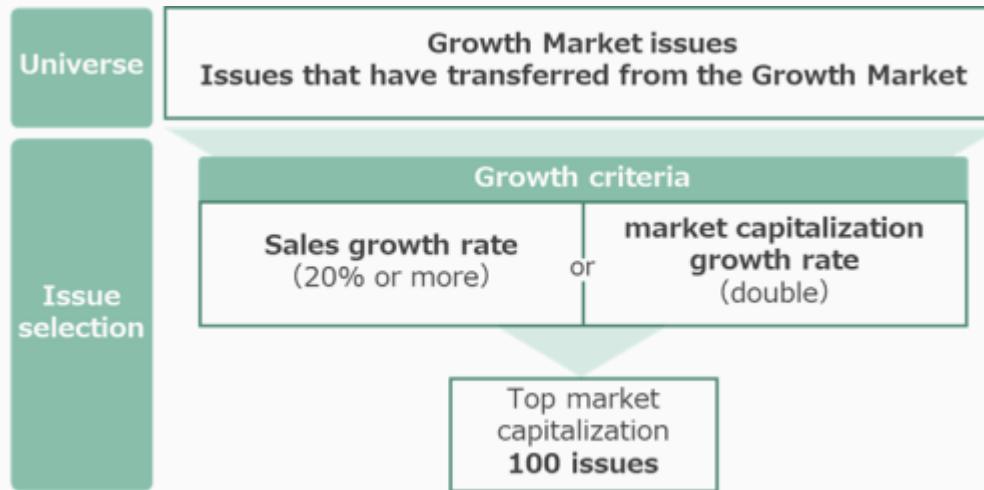
- ◆ The special page will be launched on **Friday, February 6, 2026**. If you wish to be **posted from the first day of the launch, please submit your application by Friday, January 30, 2026**.
- ◆ After this deadline, **companies that submit their applications by the 20th of each month will be posted starting at the beginning of the following month**.
  - ✓ On the special page, the **most recent "Matters Relating to Business Plans and Growth Potential" document \* disclosed by the company on TDnet will be published**. \*Documents disclosed with the public item "Matters Relating to Business Plans and Growth Potential (Growth Market)"
  - ✓ **After the application is submitted, the company will remain posted unless a request for removal is made**. (Even if disclosures are updated, resubmission is not required. When the above-mentioned document is disclosed on TDnet, the special page will **automatically update to show the latest version on the next business day**.)
  - ✓ If you wish to remove your company from the special page, please apply for removal using the application form above.

## English Website

- ◆ An **English version of the special page** will be launched as well for overseas investors.
  - ✓ If a company listed on the site has disclosed an English version of "Matters Relating to Business Plans and Growth Potential" \* on TDnet, the latest version of that document will be posted. (No additional application required.) \*Documents disclosed under the public item "(English Materials) Matters Relating to Business Plans and Growth Potential (Growth Market)"
  - ✓ If the above English disclosure has not been made, the company name will not appear on the English version of the special page.

# Ref.: Calculation of the JPX Start-Up Acceleration 100 Index (Announced in Dec. 2025)

- ◆ On Mar. 9, 2026, JPXI will begin distributing the JPX Start-Up Acceleration 100 Index, which is a new index that is focused on the growth of startups.
  - Through the use of the new index and investment in linked products such as ETFs, we hope to create a virtuous cycle that encourages the management at startups to be more growth-oriented and increases investment in the startups that achieve growth.

|  |  |
|--|--|
| Index Name                             | JPX Start-Up Acceleration 100 Index  |
| Concept                                | An index that is composed of Japan's high-growth startups  |
| Issue Selection Method                 |  <p>The diagram illustrates the selection process. It begins with a 'Universe' box containing 'Growth Market issues' (issues transferred from the Growth Market). This feeds into an 'Issue selection' box containing 'Growth criteria' (Sales growth rate (20% or more) or market capitalization growth rate (double)). The final result is 'Top market capitalization 100 issues'.</p> |
|  | <p>* Issues that have transferred from the Growth Market will be eligible for a certain period following the market change.</p>  |
| Number of Constituents                 | 100  |
| Calculation Method                     | Free-float adjusted market capitalization-weighted   |
| Constituents & Calculation Methodology | Plan to publish the calculation methodology, including the constituents and the issue selection criteria, sometime in Feb. 2026  |
| Planned Launch Date                    | Mon., Mar. 9, 2026   |
| Periodic Review                        | Once a year (issues replaced every July)   |

## 4. Exploring How to Make the Standard Market More Attractive

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- While the Standard Market does not have distinctive characteristics like the Prime and Growth Markets, it positions at the **base of the three market segments, accommodating a diverse range of companies and playing a role as an important market infrastructure.**
  - ✓ **More companies are transferring to the Standard Market from the Prime and Growth Markets and it is expected that the Standard Market will have the largest number of companies on TSE in the future**
- In reality, the Standard Market does have a wide range of companies that differ in size and background, and have different objectives for listing, and we plan to **stick with this concept.**
  - ✓ **Can we devise ways to help investors understand companies' key features from amidst the diverse range of listed companies?**
- However, so they can fulfill their roles as listed companies, we **need to place greater emphasis on also encouraging companies on the Standard Market to aim for enhanced corporate value from shareholder and investor perspectives.**
  - ✓ **We need to deal with the fact that around 50% of companies do not disclose information on action to implement management that is conscious of cost of capital and stock price** (whereas it is only about 10% for the Prime Market)
  - ✓ **The situation varies significantly by company, with some making proactive efforts to enhance corporate value, some trying to but facing issues, and some lacking awareness, so categorize them into groups to proceed with discussions**
- In addition, amid the trend toward companies **preparing IPOs on the Standard rather than the Growth Market**, it is of course still **necessary to emphasize that companies should aim to enhance corporate value after listing even for IPOs on the Standard Market.**
- **There are some companies for whom concerns exist regarding minority shareholder protection, so proceed with discussions based on specific areas (same for other markets too).**

# Future Approaches (Reprinted)

## Company Categorization

Status of Disclosure on "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

48%  
(753  
companies)

**Disclosed**

5%  
(75  
companies)

Under  
consideration

47%  
(743  
companies)

**Undisclosed**

End of Aug. 2025  
(n=1,571)

**Companies making proactive efforts to enhance corporate value from shareholder/investor perspectives**

**Companies who recognize the importance of enhancing corporate value from shareholder/investor perspectives but have issues discussing and putting initiatives into action**  
(lack of personnel, insufficient awareness within the company of investor perspectives)

**Companies who lack awareness about enhancing corporate value from shareholder/investor perspectives**

**Companies for whom there are concerns over issues such as protection of minority shareholders**

## Future Approaches

- **Create settings for companies making proactive efforts to receive appropriate recognition** (make their efforts visible through case studies, etc.)
- **Provide case studies of other companies who have overcome these issues** (update key points and case studies relating to the cost of capital request)
- **Promote communication with institutional investors** (provide opportunities to further advance companies' understanding of institutional investors, etc.)
- **Training for management and independent outside directors** (seminars for top management and outside directors, and promoting dialogue with investors, etc.)  
(Also follow up on status after making IR system development mandatory)
- **Ensure the necessary liquidity (public availability of shares)** required to enhance corporate value from shareholder/investor perspectives
- **Address specific areas** (same for other markets too)
  - ✓ Impairment on minority shareholders interests in listed subsidiaries/affiliates  
(Also follow up on minority shareholder protection in management buyout and other privatization scenarios after regulatory amendments are made)
  - ✓ Issues with family-run/owner-run companies (prioritizing continuity over growth, and not raising share price to minimize inheritance tax, etc.)
  - ✓ Significant changes in business operations after listing (shifting to high-risk business, etc.)

## 5. Informing Investors of the End of the Improvement Period to Meet the Continued Listing Criteria



- Following the expiration of transitional measures, the regular continued listing criteria have been applied since March 2025, and **improvement periods will start coming to an end from March 2026**
  - ✓ Companies not meeting the criteria will be delisted after the period of designation as Security Under Supervision/Security to be Delisted, which lasts six months in principle.
  - ✓ There are currently 161 companies in improvement periods (46 on the Prime Market, 82 on the Standard Market, and 33 on the Growth Market), and the improvement period for 48 of them will come to an end in March 2026
- What we need to do next is **fully notify/caution shareholders and investors**
- In addition, we will request listed companies to **address necessary considerations, and provide explanations and information disclosures to shareholders and investors, that include additional plans on how they will deal with nonconformity to criteria**
  - ✓ **We will individually contact companies not disclosing additional plans to check on their status**

# Status of Companies That Have Not Met Continued Listing Criteria

- ◆ A total of 161 companies have not met the continued listing criteria (as of end of November 2025) .
- ◆ From March 2026, improvement periods will end one after another, and companies that fail to improve will be delisted six months after the end of the period.

## Number of Companies That Do Not Meet Criteria

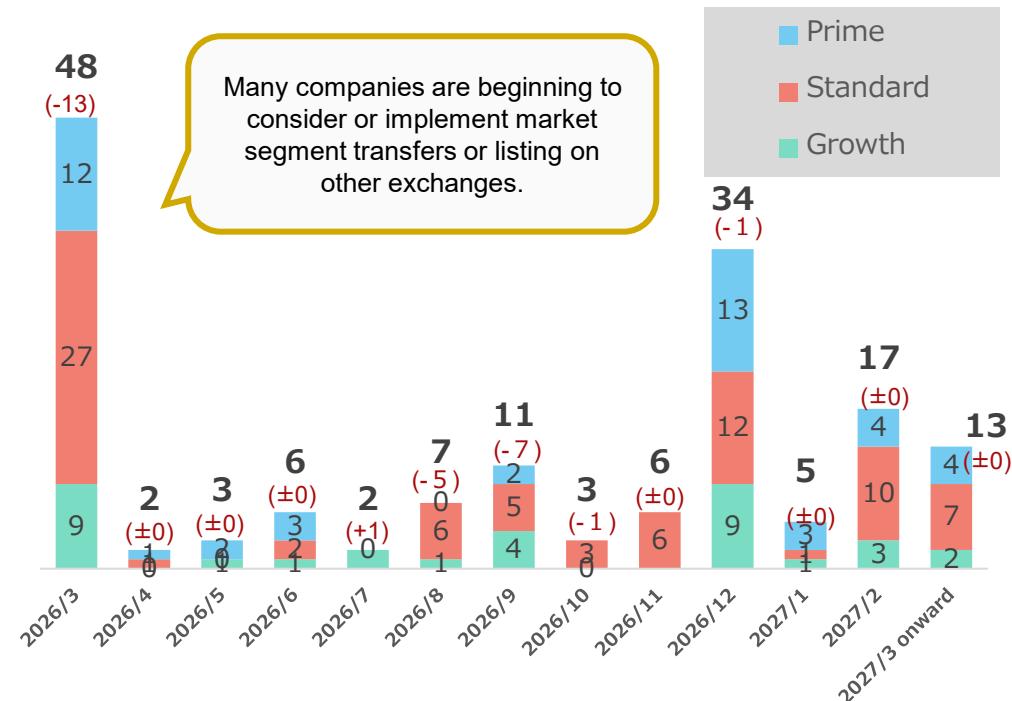
(Change from end of September 2025)

|  | Prime                                    |                            | Standard                                  |                            | Growth                                    |  |    |      |
|--|--|----------------------------|---|----------------------------|---|--|----|------|
|  | Tradable Share Market Cap. (JPY 10 bil.) | Tradable Share Ratio (35%) | Tradable Share Market Cap. (JPY 1 bil.)   | Tradable Share Ratio (25%) | Tradable Share Market Cap. (JPY 0.5 bil.) | Tradable Share Ratio (25%)                                   |    |      |
| Tradable Share Market Cap. (JPY 10 bil.) | 41                                       | (-9)                       | 62  | (-11)                      | 5   | (-1)   |    |      |
| Tradable Share Ratio (35%)               | 7  | (-2)                       | 22  | (±0)                       | 5   | (-3)   |    |      |
| Trading Value (daily avg. JPY 20 mil.)   | 2  | (±0)                       | Number of Shareholders (400 shareholders) | 2                          | (±0)                                      | Market Cap. (JPY 4 billion from 10 <sup>th</sup> yr. of IPO) | 24 | (-1) |
| Total (excluding duplicates)             | 46                                       | (-11)                      | Total (excluding duplicates)              | 83                         | (-11)                                     | Total (excluding duplicates)                                 | 33 | (-4) |

### Notes:

- Excluding companies not subject to transitional measures (new listings after market restructuring or companies designated as Securities on Special Alert) and companies that only fail to meet criteria not subject to transitional measures (amount of net assets)
- 10 companies are not subject to transitional measures and do not meet the continued listing criteria.
- Criteria for tradable shares are reflected up to the record date at the end of August 2025 (such criteria are reflected up to the record date at the end of September or October 2025 for companies whose statuses are known). Criteria for market capitalization are reflected up to companies whose fiscal year ends in October.

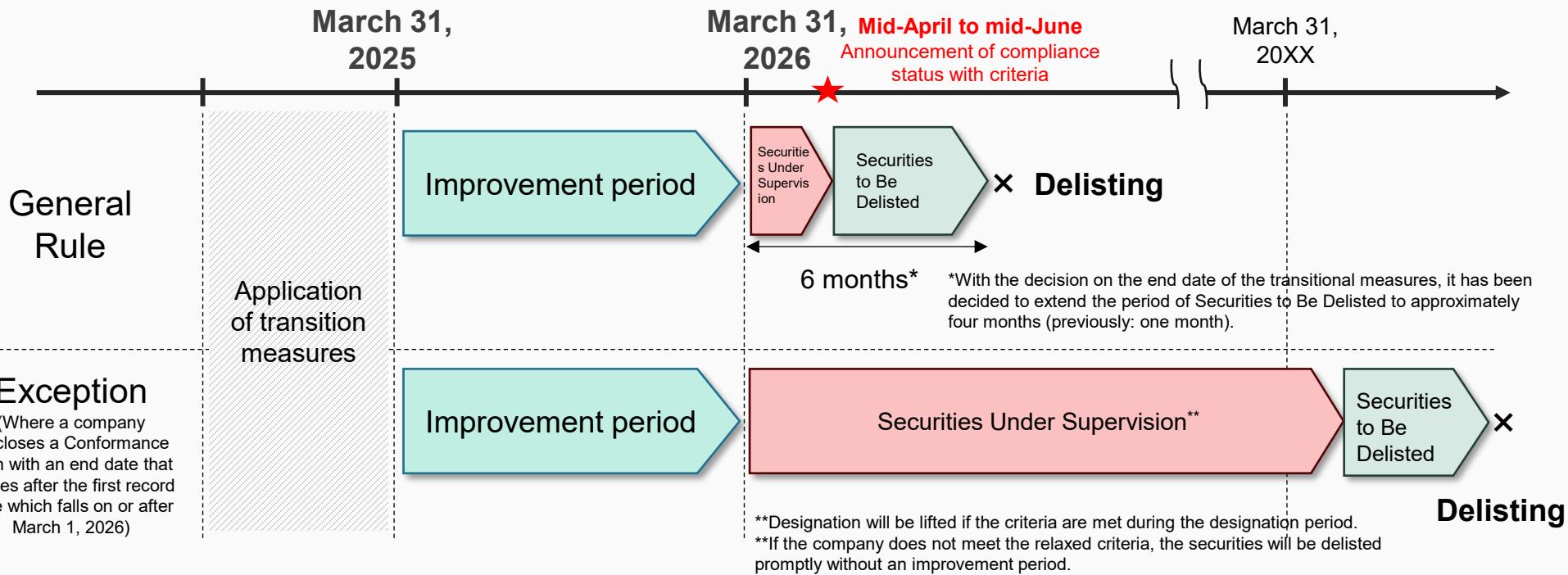
## End Dates for Improvement Period (For companies disclosing a plan with an end date beyond the deadline, the period of the plan)



- Excludes companies scheduled to go private (companies designated as Securities Under Supervision)
- For companies that have not yet entered an improvement period, figures have been calculated based on the assumption that they will continue to fail to achieve their targets
- For companies that fail to meet the criteria for transitional measures in addition to criteria not subject to transitional measures (amount of net assets), figures have been calculated based on the end date of the improvement period for transitional measures

# Upcoming schedule

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



- ◆ Strengthen efforts to inform/caution shareholders and investors that transitional measures have expired and delisting will occur in about one year's time in the earliest case
- ◆ Request that listed companies (entering the improvement period in or after March 2025) provide detailed explanations/information to shareholders and investors. Also notify them of other companies' corporate action status and encourage them to consider and implement necessary initiatives

## Specific planned actions

### Notifications to shareholders/ investors

- Use the following means to issue notifications/cautions regarding, for example, the schedule for expiration of transitional measures and list of companies in the improvement period
  - Exchange website (new special page)
  - Securities companies (request them to notify their individual investor clients)
  - Media (publishing of articles, advertisements, etc.)

### Requests/ notifications to listed companies entering improvement period

- Request that companies strive to provide detailed explanations/information to shareholders and investors at events such as general shareholders and IR meetings regarding status of initiatives toward conformity, delisting risks, and improvement period schedule, etc.
- Notify them of other companies' corporate action status (conformity to standards, market transfers, listing on other exchanges, going private, etc.) and encourage them to consider and implement necessary initiatives
- Request that when a company discloses progress of its plan to meet the continued listing criteria, in addition to the status of its initiatives towards conformity, it also discloses considerations on other corporate actions

### Japan Exchange Group website

