

Future Approaches in the Standard Market

Listing Department

Tokyo Stock Exchange

February 18, 2026



Previous Discussion and Future Course of Action

Previous discussion (Jan. 14)

- The concept of the Standard Market being a market to accommodate a diverse range of companies is rational, but **aiming for enhanced corporate value and protecting minority shareholders are the very minimum commitments that listed companies should make, so there needs to be a firm emphasis on these**
- Considering its current market capitalization and trading value, focusing solely on the Standard Market will not have such a big effect on markets as a whole. First and foremost, it is **important to focus on the protection of minority shareholders and rigorously apply necessary quality controls**
- From the perspective of minority shareholder protection, it is **important to ensure liquidity. We should monitor the market and focus on measures to improve liquidity** in order to create an environment in which buyers and sellers can trade efficiently
- The market has **many excellent companies**, but it is sometimes difficult for investors to find and pick their stocks. **We need to categorize and present them** clearly



- The Standard Market forms the base of TSE's equity markets and is designed to accommodate a diverse range of companies
- While maintaining this concept, and as a listed market in which large numbers of unspecified investors participate, we will:
 - **deal strictly with corporate action that causes issues from the perspective of investor protection** and,
 - **develop the environment to foster awareness of the importance of working on corporate value from shareholder and investor perspectives**
- In addition, we will **highlight and provide support to companies actively working to enhance corporate value so they can be appropriately evaluated by investors**

INDEX

1. **Corporate Action Causing Issues From the Perspective of Investor Protection**
2. Developing the Environment to Foster Awareness of the Importance of Working on Corporate Value
3. Visibility and Support for Companies Actively Working to Enhance Corporate Value

1 – (1) Significant Changes in Business That Raise Concerns Over Listing Eligibility

- In recent years, there have been cases of companies making significant changes in business after listing that raise concerns over their listing eligibility
 - There are concerns that If the company had been engaged in its post-change business activities from the time of its initial listing, **it would not have met the initial listing requirements, such as corporate continuity and profitability, and effectiveness of corporate governance and the internal management system**

Examples of significant changes in business **(Members only)**

Individual examples not available for general viewing

- When concerns arise regarding a company's eligibility for listing, it is important to ensure investor protection. However, actions such as M&A, business expansion, or changes in business after listing to enhance corporate value are normal corporate activities, so it is necessary to avoid excessive regulation
- Under the current rules, if a company makes a significant change in business, TSE ensures existing shareholders have the opportunity to approve the change

Note: Some overseas exchanges **reexamine listing eligibility** in such cases

Issues

Ensuring
shareholders have
the opportunity to
approve change

Current Rules

- Under the Companies Act, a general shareholders meeting special resolution is required to change the business purposes stated in the articles of incorporation. (If such change involves an absorption-type merger by another company or transferring business operations, a special resolution is also required for those acts)
- In cases involving financing (only where there is a dilution of 25% or more), procedures to obtain shareholder approval or obtain opinions from independent parties are required under TSE's Code of Corporate Conduct etc.

Dealing with
concerns over
eligibility

No rules (only continued listing criteria relating to market value)

However, for inappropriate mergers (including absorption-type mergers where the listed company ceases to be a substantial surviving company), to prevent back-door listings, examination is carried out as for initial listings (not applicable for changes in business of companies not merging)

- We are considering measures to appropriately protect investors in cases of significant changes in business, while taking care to avoid excessive regulation

Ref: Action Taken by Overseas Exchanges

- Some overseas exchanges have **rules in place that allow them to require shareholder approval and reexamination of listing eligibility** when there is a **significant change in business focus after listing**, as such changes can greatly affect shareholders' investment decisions and raise concerns about losing listing eligibility

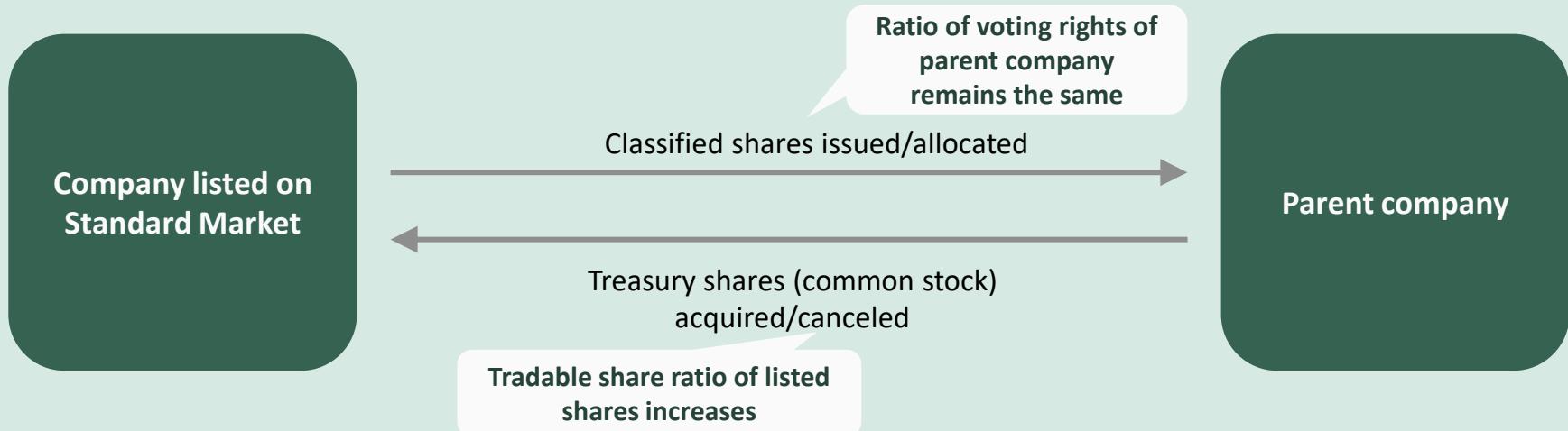
Exchange	Outline of Rules
U.S. (NYSE)	<ul style="list-style-type: none">If a company changes its primary business to a business field it was not engaged in or that was immaterial to its operations at the time of its IPO, listing eligibility is reexamined (introduced in July 2024) Note: A substantive review (formal review criteria do not apply) is carried out as to whether the company would have been eligible for listing had it been engaged in the business it is changing to at the time of its initial listing. If deemed not eligible, it will be delisted (NYSE emphasizes that delisting a company's stock under this rule is a rare and exceptional measure)For third-party allotments aimed at acquiring other companies' stocks or assets, even if shares are not issued at a discount, if they represent 20% or more of the company's pre-issuance voting rights or stock, shareholder approval is required (NASDAQ has similar rules)
Australia (ASX)	<ul style="list-style-type: none">For significant changes in business focus or scale of activities and if ASX deems it necessary, it may require companies to obtain shareholder approval or go through the same application and examination procedures as for a new listing (applies for complete changes to the nature of the business and in cases such as reverse takeovers) Note: ASX examines whether the changed business activities are appropriate for a listed company. If deemed inappropriate, the company will be delisted

1 – (2) Issue of Tradable Share Ratio Criteria

- TSE has initial listing criteria and continued listing criteria relating to tradable share ratios, but recently, there have been **cases of companies acquiring and canceling common stock (= listed shares) from the parent company, and issuing classified stock with the same number of voting rights (= unlisted shares), to meet the tradable share ratio criteria**
 - Under the current system, tradable share ratios are calculated based on listed shares, with unlisted classified shares not taken into account

Actual example

- A company listed on the Standard Market violated the continued listing criteria of a 25% tradable share ratio (the parent company and other related companies owned around 70% of its shares)
- It disclosed its plan to meet the continued listing criteria by acquiring and canceling all its shares held by the parent company, and at the same time issuing restricted shares with the same number of voting rights (unlisted shares)

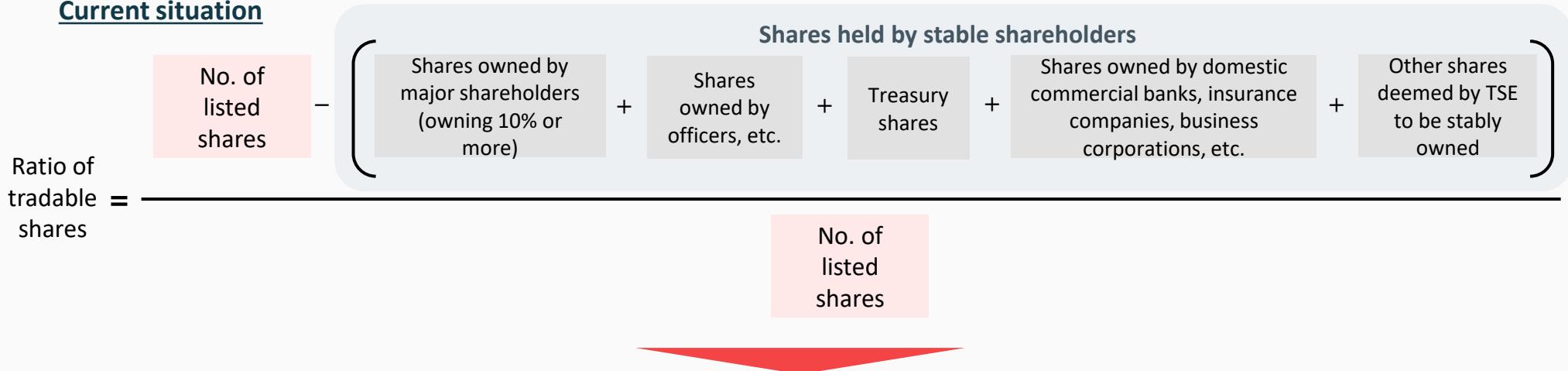


Actions for Consideration

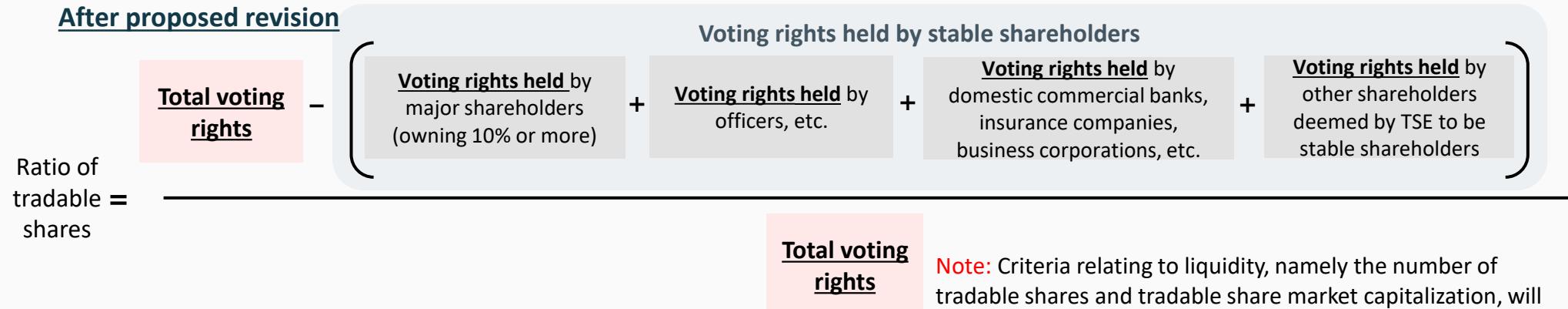
Common to all market segments

- Tradable share ratio criteria are considered to be **governance criteria** and their real purpose is to **have companies ensure they maintain a certain level of voting rights for shareholders who are not stable shareholders such as entities related to the company**
- In light of the case described, we are considering revising the way tradable share ratios are calculated to make it **based on voting rights** (excluding classified shares with voting rights that are listed)

Current situation



After proposed revision



Note: Criteria relating to liquidity, namely the number of tradable shares and tradable share market capitalization, will remain the same

1 – (3) Other Issues

- If it becomes apparent that any other corporate action is causing issues from the perspective of investor protection, we will address those issues as they arise

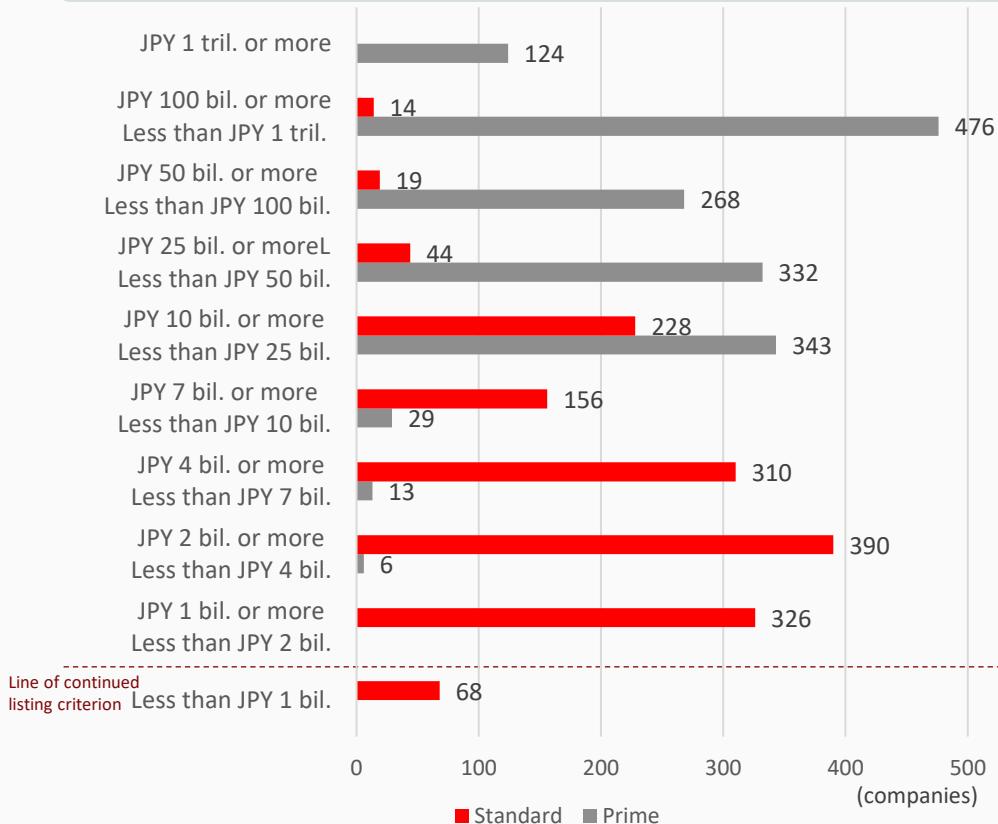
INDEX

1. Corporate Action Causing Issues From the Perspective of Investor Protection
- 2. Developing the Environment to Foster Awareness of the Importance of Working on Corporate Value**
 - (1) Ensuring Liquidity and Tradability**
 - (2) Owner/Family-Led Companies
3. Visibility and Support for Companies Actively Working to Enhance Corporate Value

Liquidity of Standard Market Companies

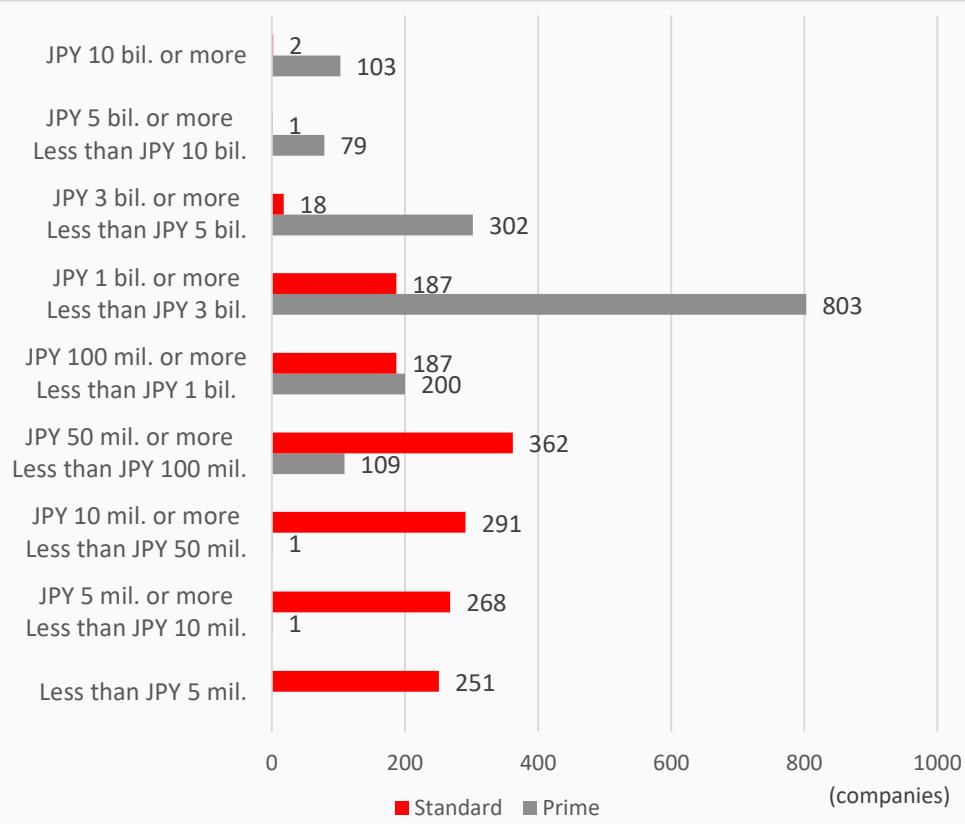
- Compared to Prime-listed companies, those on the Standard Market are **more likely to have low tradable share market capitalization and trading value.**
 - The median tradable share market capitalization is JPY 3.9 bil. and the median daily average trading value is JPY 18 mil.

Distribution of Tradable Share Market Capitalization



Note: As of end of December 2025

Distribution of Daily Average Trading Value

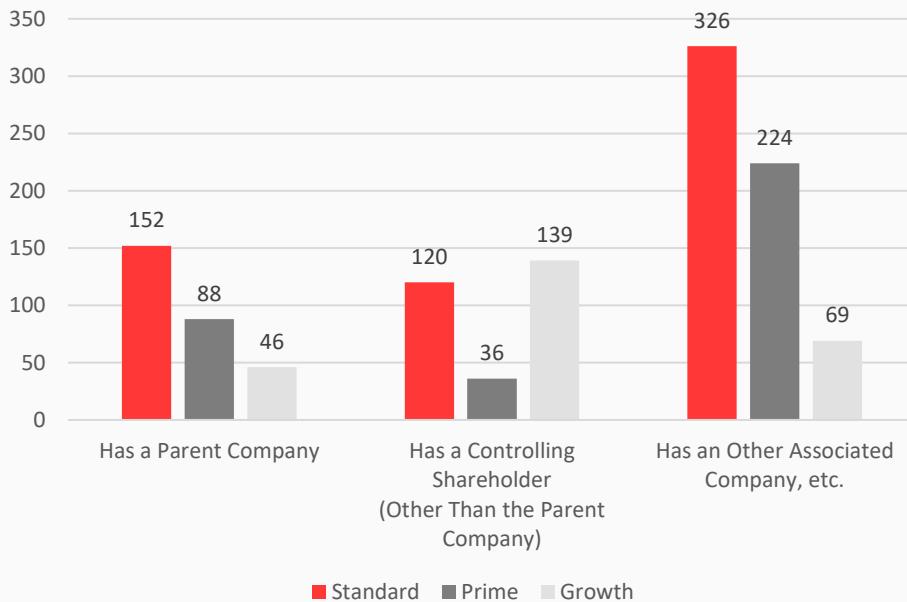


Note: Daily average trading value from January 6, 2025 to December 30, 2025

Tradability of Standard Market Companies

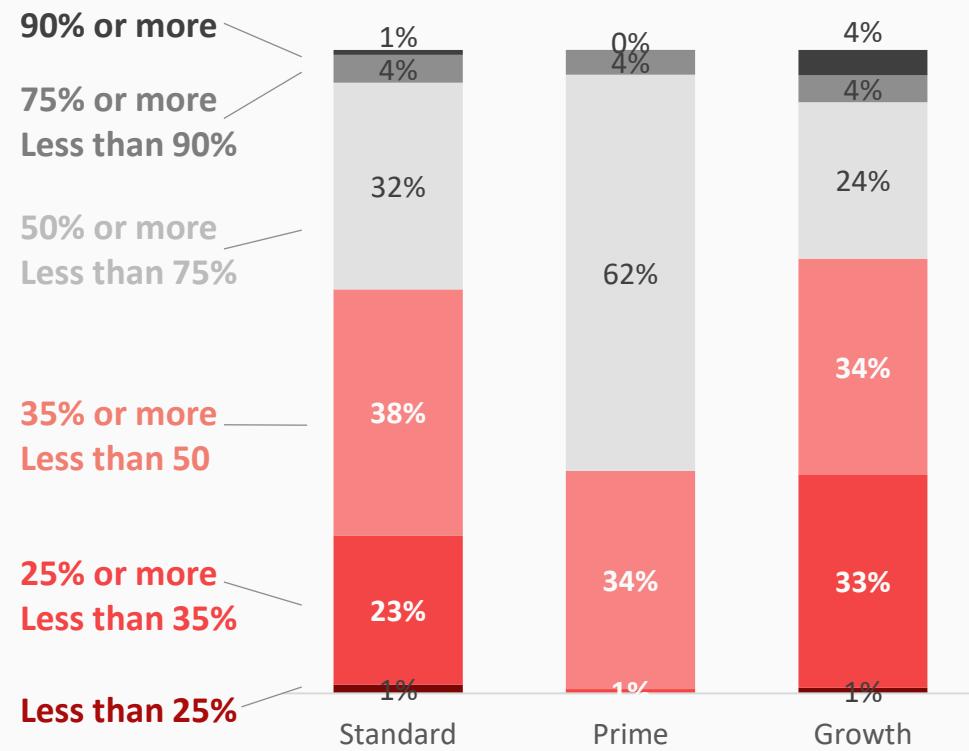
- Compared to the other markets, the Standard Market has more companies with controlling shareholders such as parent companies, other related companies, owner-presidents, or founding families.
- There are many companies with low tradable share ratios due to other reasons, too, such as cross-shareholdings.

Number of Companies with Parent Companies, etc.



(Source) The number of companies with parent companies and the number of those with controlling shareholders have been calculated based on each company's CG report. The number of companies with other associated companies, etc. have been estimated based on the disclosure status of each company's "Matters Concerning Controlling Shareholders, etc." (excluding companies that have parent companies or controlling shareholders).

Distribution of Tradable Share Ratios



Note: As of end of December 2025

Liquidity/Tradability and Disclosure Rates

- Companies with low liquidity (market cap) have generally **low rates of disclosure on management that is conscious of cost of capital and stock price**, for reasons such as being difficult for institutional investors to invest in, or a lack of resources and staff.
- In addition, **companies with low tradability (tradable share ratio) have even lower rates of disclosure compared to those with similar liquidity (market cap)**, making it even harder for investors to communicate.

Disclosure Rates on Request for Management That is Conscious of Cost of Capital and Stock Price

		Market capitalization				
		Less than JPY 4 bil.	JPY 4 bil. to less than JPY 7 bil.	JPY 7 bil. to less than JPY 10 bil.	JPY 10 bil. to less than JPY 25 bil.	JPY 25 bil. or more
Tradable share ratio	Less than 25% (below line for continued listing criterion)	0% n=1	0% n=4	—	13% n=8	38% n=8
	25% to less than 35%	29% n=41	32% n=69	40% n=48	43% n=109	66% n=93
	35% to less than 50%	33% n=130	47% n=125	49% n=73	58% n=175	75% n=91
	50% or more	34% n=144	46% n=117	54% n=71	63% n=173	84% n=74

Note: Universe is Standard Market listed companies as of end of December 2025

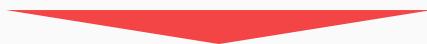
Actions for Consideration

- As a basis to encourage listed companies to work on enhancing their corporate value with an awareness of shareholder/investor perspectives, we could consider **raising the listing criteria (initial and continued) for liquidity (tradable share market capitalization) and/or tradability (tradable share ratio)**.



- On the other hand, since the Standard Market forms the basis of the three market segments, raising the listing criteria for the Standard Market would mean **making it harder for companies to list on the TSE markets in general. For this reason, careful consideration is needed.**

- The current criteria were raised in line with the market restructuring in 2022.



- It may be appropriate to treat the **raising of listing criteria for liquidity and tradability as a matter for future consideration**, and to first focus on **awareness-building education and initiatives that encourage companies to pay attention to liquidity and tradability**.

Ref: Listing Criteria for Each Market Segment

Item		Prime		Standard		Growth		
		Initial	Continued	Initial	Continued	Initial	Continued	
Liquidity	Number of shareholders	800 or more	800 or more	400 or more	400 or more	150 or more	150 or more	
	Tradable shares	20,000 units or more	20,000 units or more	2,000 units or more	2,000 units or more	1,000 units or more	1,000 units or more	
	Tradable share market capitalization	JPY 10 billion or more	JPY 10 billion or more	JPY 1 billion or more	JPY 1 billion or more	JPY 0.5 billion or more	JPY 0.5 billion or more	
	Trading value	Market cap: JPY 25 billion or more	Daily average trading value: JPY 20 million or more	—	Monthly average trading volume: 10 units or more	—	Monthly average trading volume: 10 units or more	
Governance	Tradable share ratio	35% or higher	35% or higher	25% or higher	25% or higher	25% or higher	25% or higher	
Management Performance	Revenue base	Aggregated profits over last two years: JPY 2.5 billion or more	—	Total profits over last year: JPY 0.1 billion or more	—	—	—	
		Net sales over last year: JPY 10 billion or more, and Market cap: JPY 100 billion or more						
Market cap		—	—	—	—	—	JPY 4 billion or more after 10 years from initial listing*	
Financial position		Consolidated net assets: JPY 5 billion or more	Net assets are positive	Net assets are positive	Net assets are positive	—	Net assets are positive	

Ref: Initial Listing Criteria for Liquidity at Global Exchanges

Item	TSE Standard Market	NYSE	NASDAQ Global Market	London ESCC	HKEX Mainboard	SGX Mainboard
Number of shareholders	400	400	400	N/A	300	500
Tradable shares	200,000 shares	1.1 million shares	1.1 million shares	N/A	N/A	N/A
Tradable share market capitalization	JPY 1 billion	Approx. JPY 6 billion (USD 40 million)	Approx. JPY 2.3 billion to 3 billion (USD 15 million to 20 million)	N/A	Approx. JPY 2.5 billion (HKD 125 million)	N/A
Tradable share ratio	25%	N/A	N/A	10%	10-25%	12-25%

Ref: Continued Listing Criteria for Liquidity at Global Exchanges

Item	TSE Standard Market	NYSE	NASDAQ Global Market	London ESCC	HKEX Mainboard	SGX Mainboard
Number of shareholders	400	400 shareholders OR 1200 shareholders and average monthly trading volume of 100,000 shares OR 600,000 tradable shares	400	N/A	N/A	N/A
Tradable shares	200,000 shares	750,000 to 1.1 million shares	N/A	N/A	N/A	N/A
Tradable share market capitalization	JPY 1 billion	N/A	Approx JPY 70 million to 230 million (USD 5 million to 15 million)	N/A	Tradable share ratio of 25% OR Tradable share ratio of more than 10% and TSMC of approx. JPY 20 billion (HKD 1 billion)	N/A
Tradable share ratio	25%	N/A	N/A	10%		10%

(At NYSE and NASDAQ, the combination and level of criteria changes depending on the criteria selected)

INDEX

1. Corporate Action Causing Issues From the Perspective of Investor Protection
- 2. Developing the Environment to Foster Awareness of the Importance of Working on Corporate Value**
 - (1) Ensuring Liquidity and Tradability
 - (2) Owner/Family-Led Companies**
3. Visibility and Support for Companies Actively Working to Enhance Corporate Value

Number of Owner/Family-Run Companies

- A fair proportion of listed companies, particularly in the Standard Market, can be classed as "owner-run (family-run) companies."
 - There are cases where an individual shareholder such as the owner or founder holds a majority of voting rights.

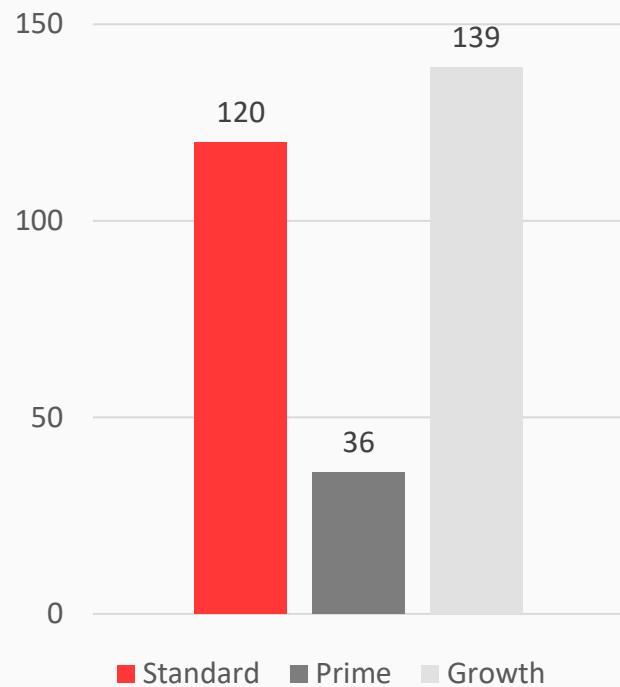
Numbers of Owner/Family-Run Companies Among Listed Companies

	Number of Companies	Number of Owner/Family-Run Companies	Ratio
Standard	1558	850	55%
Prime	1601	561	35%
Growth	602	406	67%
Total	3761	1817	48%

Note: An automated system was used to count listed companies for which the surname (or full name) of the "Representative (President)" or "Chair" is included in the list of major shareholders given in each company's securities reports (annual or semiannual). Numbers are based on companies included in SPEEDA's list of owner-run companies as of September 30, 2023, out of those included in SPEEDA's list of domestic listed companies as of July 28, 2025. Please note that new listings and changes in shareholder composition from October 2023 are not reflected.

Source: Edited by TSE from documents created by Consulting Department, Mizuho Trust & Banking Co., Ltd. using data from SPEEDA

Numbers of Listed Companies With a Controlling Shareholder Other Than a Parent Company



Source: Collated from each company's Corporate Governance Report

Views of Investors on Owner/Family-Run Companies (1)

- Domestic and international institutional investors point out that while there are cases where the **owner's (founding family's) decision-making ability leads to high profitability and market evaluations**, there is also a **gap between the perspectives of the owner and of general shareholders** in that continuity is prioritized over growth.
- Additionally, some investors raise **concerns about the effectiveness of independent directors and the lack of transparency regarding the actual state of affairs**, such as whether the **foundating family is involved in management**.

Strengths of owner/family-run companies

- The performance of family-run companies with a controlling shareholder is **not necessarily bad in comparison to other companies**. There are cases where the owner who is the controlling shareholder is **pursuing long-term shareholder returns through rapid decision-making**. (Trust bank)

Consideration of shareholders/investors is lacking

- The problem with family-led companies is that they tend to **prioritize continuing the family line more than the company's sustainable growth or increasing the stock price**. As a result, they are less likely to **take on new challenges and transform the business**. (Overseas investor)
- With **owner-led companies**, you hear owners saying that they don't want to increase dividends because it would increase their own taxes, or that they **don't want the stock price to go up because their inheritance tax is tied to the price of listed shares**. There are companies where **the owner is not interested in enhancing corporate value in the first place, which creates a conflict of interest with minority shareholders**. (Trust bank)
- There are even cases where the **company is used as a tool to ensure the preservation and wealth of the family**, such as where the owner owns stocks or artworks through the corporation to avoid the difficulties around inheritance as an individual. (Overseas investor)
- Some owner-led companies **use fair disclosure principles as an excuse to refuse dialogue, even now**. (Overseas investor)

Views of Investors on Owner/Family-Run Companies (2)

Concerns over the effectiveness of independent directors

- We are concerned that independent directors are not functioning; for example, there are many cases where **outside directors are appointed who have no interest in management, such as the owner's friends.** (Overseas investor)
- Increasing the independence of outside directors is important. It would be **useful to require the setting of a majority of minority condition for the appointment of independent directors.** Even if that is difficult, TSE should **require disclosure of the approval ratio from minority shareholders.** (Overseas investor)

Relationship with the founding family is unclear

- Whether the founding family, i.e., the owners, are involved in management is important information for investors, but there are many cases where that is unclear from the disclosure or other information. **Companies need to properly explain whether there are human or capital relationships with the founding family and whether they are involved in management.** It is especially hard to understand the situation in cases where the founding family are not directors. (Domestic institutional investor)

Ref: Gap Between Company and Investor Expectations

- There are also cases where companies prioritize the owner's (family's) perspectives and wishes, which do not align with investor expectations

Areas Where Gaps Can Arise Between Company and Investor Perspectives in Owner/Family-Led Companies

Area	Points for enhancing corporate value	Areas where gaps can arise between company and investor perspectives
Business	Profit/loss, improving business strategy	<ul style="list-style-type: none">✓ The company prioritizes the founding family's wishes (e.g., refusing to move away from a particular business to which they have a strong attachment)✓ There are cases where business decisions are made that lack economic justification from a capital markets perspective (growth potential, profitability, capital efficiency, etc.)
Finances	Balance sheet, improving capital allocation	<ul style="list-style-type: none">✓ The company prioritizes the business's maintenance and continuity over short-term growth✓ To protect against business continuity risk, the company holds surplus funds on the balance sheet above what a normal listed company would hold✓ The company lags behind in awareness of capital profitability
Corporate Governance	Management system and improving governance	<ul style="list-style-type: none">✓ The owner/founding family is insistent about their position✓ Concerns that in related party transactions or similar situations, the family's interests will be prioritized over general shareholder interests

Ref: Current Disclosure Rules

- In the annual securities report, the financial statements must include detailed disclosures regarding transactions with related parties under the heading “Notes on Transactions with Related Parties.”.
- Also, where a company has a controlling shareholder, it must **disclose its policies for minority shareholder protection when carrying out transactions with said shareholder** in its corporate governance report.
 - * This is mainly from the perspective of related party transactions and **does not require disclosure of relationships with owners/founding families or whether they are involved in management**

Preparation Guidelines for Corporate Governance Reports, I. 4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder (partial extract)

For a company with a controlling shareholder, please provide details of guidelines concerning how to protect minority shareholders when executing transactions or the like with the following persons:

- (i) The parent company
- (ii) The controlling shareholder (other than a parent company)
- (iii) Close relatives of (ii)
- (iv) Entities in which (ii) and (iii) jointly own a majority of the voting rights on their own account and subsidiaries of said entities

(Note 1) With regard to policy on measures to protect minority shareholders, please describe in detail the company's policies for establishing internal systems, internal decision-making procedures, use of external organizations, and other policies that are established with the aim of preventing a controlling shareholder from harming the company and, by extension, minority shareholders by using its influence and conducting transactions that benefit the controlling shareholder or (iii) and (iv) above.

(Note 3) Please note that the implementation status of the measures set forth in the policies described above must be disclosed within three months after the end of the fiscal year as part of the disclosure of matters concerning controlling shareholders, etc. (Article 411 of the Securities Listing Regulations and Article 412 of the Enforcement Rules for Securities Listing Regulations).

Ref: Status of Independent Director Appointments, etc.

- From a governance perspective, following the revisions to the Corporate Governance Code in 2021, appointments of independent directors and special committees have progressed to an extent.

Principle	Overview	Compliance Rate	
		Prime	Standard
Supplementary Principle 4.8.3	Companies that have a controlling shareholder should either appoint at least one-third of their directors (the majority of directors if listed on the Prime Market) as independent directors who are independent of the controlling shareholder or establish a special committee composed of independent persons including independent director(s) to deliberate and review material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders.	91.3%	73.9%

(As of July 12, 2024)

(Note) The denominator of the compliance rate is the total number of companies that are listed on said market and that have a controlling shareholder.

Appointment of Independent Directors (IDs) at Companies with a Controlling Shareholder				Ref.		
	# of Cos.	(Ref.) # That Refer to the Establishment of a Special Committee	Prime	Standard	Growth	Prime (All Cos.)
Cos. with a Controlling Shareholder	572 cos.	144 cos.				1,622 cos.
Majority of Directors are IDs	105 cos. (18.4%)	26 cos. (P: 21, S: 3, G: 2)	49 cos. (40.2%)	25 cos. (9.4%)	31 cos. (16.9%)	425 cos. (26.2%)
1/3 to 1/2 of Directors are IDs	321 cos. (56.1%)	97 cos. (P: 57, S: 33, G: 7)	71 cos. (58.2%)	156 cos. (58.4%)	94 cos. (51.4%)	1,177 cos. (72.6%)
Less than 1/3 of Directors are IDs	146 cos. (25.5%)	21 cos. (P: -, S: 19, G: 2)	2 cos. (1.6%)	86 cos. (32.2%)	58 cos. (31.7%)	14 cos. (0.9%)

(As of July 14, 2025)

Source: Calculated by TSE based on each company's CG report.

- Since opinions have been raised regarding owner/family-led companies that the relationship between the listed company and the owner/founding family is unclear, we could consider **encouraging disclosure of the below information**, for example, **on a regular basis**, so as to facilitate dialogue with minority shareholders and promote initiatives that take their perspectives into account.
 - ✓ **Relationship with the owner/founding family** (capital, human (appointment as executives/employees), etc.)
 - ✓ **Whether they are involved in management** (involvement as executives, regular reports, involvement as shareholder only, etc.)

Are there any other points for which encouraging disclosure is necessary, or other necessary actions?

- For **listed companies with a major shareholder owning 40% or more** (including individual shareholders such as owners), as well as reaching out to management to promote listed company-like management that keeps minority investors in mind, TSE is also considering **mandating disclosure of the minority shareholder approval ratio for director appointment proposals** to ensure the independence and effectiveness of the independent directors who oversee the management. (⇒See document 5)

INDEX

1. Corporate Action Causing Issues From the Perspective of Investor Protection
2. Developing the Environment to Foster Awareness of the Importance of Working on Corporate Value
- 3. Visibility and Support for Companies Actively Working to Enhance Corporate Value**

Actions for Consideration

- An increasing number of Standard Market-listed companies are also proactively working to enhance their corporate value while keeping in mind shareholder and investor perspectives.
 - The 2025 edition of “Case Studies on Management That is Conscious of Cost of Capital and Stock Price,” published late last year, also features 12 companies from the Standard Market.
- To foster an environment where such companies are not overlooked and receive appropriate valuation from investors, we are considering **highlighting and making visible companies demonstrating positive initiatives**. .
(⇒See document 1)
- Furthermore, to increase the number of companies that actively pursue enhancing corporate value while taking into account shareholder and investor perspectives, we will continue to implement:
 - **Support for companies facing challenges in planning and execution** (⇒See page 30)
 - **Measures to raise awareness of the necessity of these initiatives among newly listed companies in the Standard Market and other markets** (⇒See page 31)

Ref: Case Studies on Management That is Conscious of Cost of Capital and Stock Price

- The 2025 edition of Case Studies on Management That is Conscious of Cost of Capital and Stock Price, published late last year, also features 12 companies from the Standard Market.

Document 5

2025 Case Studies (Standard Market)

Tokyo Stock Exchange, Inc.
December 26, 2025 3rd edition

JPX
JAPAN EXCHANGE GROUP

This document is intended as a reference for listed companies that are considering taking action to implement management that is conscious of cost of capital and stock price, and also as a reference for future updates for listed companies that have already made disclosures. This report is based on interviews with many investors in Japan and overseas, and compiles examples of Prime Market-listed companies' measures investors deemed as fulfilling the expectations they have for corporations.

Note: The examples in this document are provided solely for informational purposes as a reference for listed companies that are considering action to implement management that is conscious of cost of capital and stock price, and are not intended as a solicitation for investment in any stock or for any other purpose.

© 2025 Japan Exchange Group, Inc., and/or its affiliates

Index

#	Page Number	Code	Name	Sector	2024 Case Studies Inclusion Status	I. Analysis and Evaluation of Current Situation	II. Consideration and Disclosure of Initiatives	Key Points	III. Dialogue and Updates								
1	Page 2	2216	Kanro Inc.	Foods	✓	① Considering the cost of capital in regard to investors' perspective	② Multi-tiered analysis and disclosure based on the investors' perspective	③ Inspection of balance sheet to ensure their efficacy	④ Setting goals based on investors' expectations and investors' and shareholders' perspectives	⑤ Implementing fundamental measures to reduce cost of capital	⑥ Being aware of the need to reduce cost of capital	⑦ Aligning the perspectives of management and shareholders on enhancing corporate value to medium- to long-term goals	⑧ Explanation of efforts in medium- to long-term goals	⑨ Positive involvement of management and board	⑩ Taking a tailored approach to shareholder's and investors' needs	⑪ Dialogue of disclosure and dialogue on an ongoing basis	⑫ Revision of disclosure materials on an ongoing basis
2	Page 4	3355	KURIYAMA HOLDINGS CORPORATION	Wholesale Trade			② Multi-tiered analysis and disclosure based on the investors' perspective	③ Inspection of balance sheet to ensure their efficacy	④ Setting goals based on investors' expectations and investors' and shareholders' perspectives	⑤ Implementing fundamental measures to reduce cost of capital	⑥ Being aware of the need to reduce cost of capital	⑦ Aligning the perspectives of management and shareholders on enhancing corporate value to medium- to long-term goals	⑧ Explanation of efforts in medium- to long-term goals	⑨ Positive involvement of management and board	⑩ Taking a tailored approach to shareholder's and investors' needs	⑪ Dialogue of disclosure and dialogue on an ongoing basis	⑫ Revision of disclosure materials on an ongoing basis
3	Page 7	3537	SHOEI YAKUHIN CO.,LTD.	Wholesale Trade		①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫
4	Page 11	5071	VIS co.ltd.	Services		②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	
5	Page 15	5161	NISHIKAWA RUBBER CO.,LTD.	Rubber Products		②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	
6	Page 19	6648	KAWADEN CORPORATION	Electric Appliances		②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	
7	Page 22	7305	ARAYA INDUSTRIAL CO.,LTD.	Iron and Steel	✓	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	
8	Page 25	7871	FUKUICHEMICAL INDUSTRY CO.,LTD.	Chemicals		②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	
9	Page 28	7971	TOLI Corporation	Chemicals			②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫
10	Page 31	8596	KYUSHU LEASING SERVICE CO.,LTD.	Other Financing Business	✓		②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫
11	Page 33	8789	FinTech Global Incorporated	Other Financing Business	✓	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	
12	Page 36	9782	DMS INC.	Services		②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	

(Reference) Number of companies introduced per point 5 8 2 5 10 3 0 8 1 1 3 5

"When companies with a status of "Continued" updates their disclosure materials, the relevant updates are reflected. (The same applies hereinafter.)

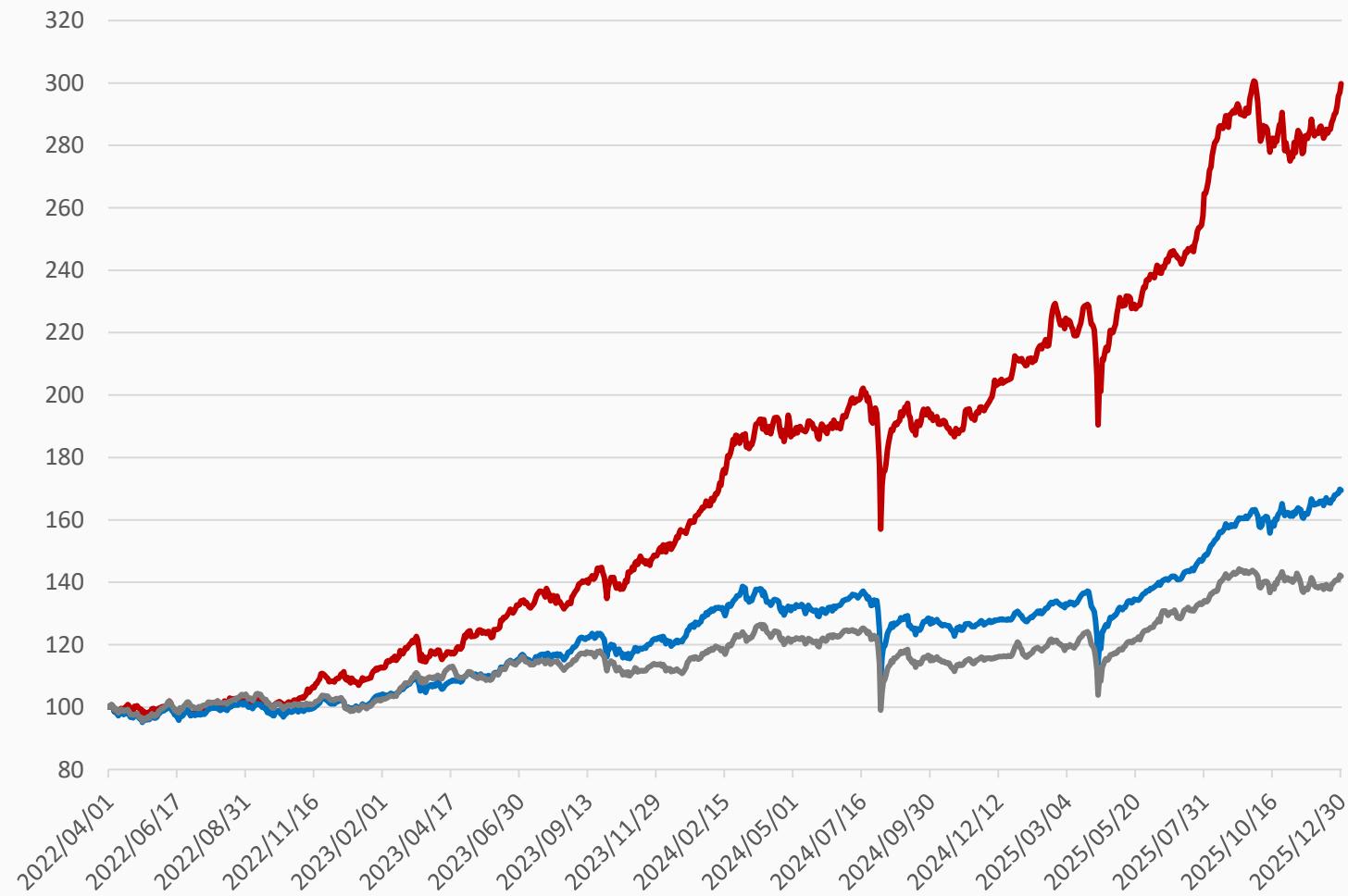
© 2025 Japan Exchange Group, Inc., and/or its affiliates

JPX
JAPAN EXCHANGE GROUP

An increasing number of companies are diligently advancing initiatives expected by investors, such as analyzing their current situation, identifying challenges, and subsequently setting goals and considering approaches, at a level comparable to companies of similar size on the Prime Market.

Link to Reference Material (JPX Official Website): <https://www.jpx.co.jp/english/news/1020/20251226-01.html>

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.

Ref: Support Measures for Listed Companies

- JPX will continue to provide support for companies facing challenges in planning and execution, **including introducing case studies of corporate initiatives aimed at solving these challenges, offering opportunities for communication with institutional investors, and conducting awareness-raising activities for executives.**

Listed Company Support Outline

Case Studies of Companies' Initiatives Toward Issue Resolution (Published Dec. 2025)

- As examples of companies that have overcome challenges faced by many businesses, we present case studies from six companies.

Introduction: Purpose of the Case Studies and How to Use Them

Purpose

- This publication is a collection of case studies of the initiatives of listed companies that successfully resolved the issues that they faced when facilitating "management that is conscious of cost of capital and stock price."
- We hope that the management, IR staff, and planning departments at listed companies will use the case studies as a reference to gain insights into and specific approaches to resolving the issues at their companies.

How to Use

- The table of contents (p. 2) shows each company studied and the key issues that it faced. Please read the case study of the company that faced similar issues to yours.

(Ref.) Key Issues Faced by Companies

- (1) Changing Mindsets / Spreading Awareness Within the Company**
The company's management and its board of directors are not making any progress on considering initiatives because they lack an awareness of the issues and a sense of urgency.
- (2) Identifying / Effectively Using Cost of Capital**
The company calculates its cost of capital using CAPM, but investors say it is too low.
- (3) Setting a Medium- to Long-Term Capital Policy**
The company does not know investors' expectations or the criteria to use when making decisions regarding the balance between growth and capital allocation.
- (4) Information Disclosure That Is Well-Received by Investors**
The company hesitates to disclose targets and initiatives that are under consideration because it is not convinced that they will meet investors' expectations.
- (5) Presenting a Consistent Narrative to Investors**
It is difficult for the company to present a convincing narrative to investors regarding its initiatives and capital policies.

© 2025 Japan Exchange Group, Inc., and/or its affiliates

Holding Dialogue Events with Institutional Investors (Ongoing)

- To help listed companies deepen their understanding of institutional investors in preparation for IR activities, we hold dialogue events in multiple cities across Japan.



Awareness Activities for Company Management (Ongoing)

- We hold seminars and individual meetings where the President & CEO of TSE explains the purpose of our request for management that is conscious of cost of capital and stock price and other initiatives, directly to the top management of companies.



Ref: Measures for IPO Companies

- For companies planning IPOs on the Standard Market and other markets, **JPX has implemented measures such as adjustments to the initial listing examination and awareness campaigns for pre-listing companies, so that they recognize the importance of initiatives such as Management That is Conscious of Cost of Capital and Stock Price even before listing, and can smoothly engage in such efforts immediately after their IPO.**

Specific Measures

Initial Listing Examination

Management That is Conscious of Cost of Capital and Stock Price

- Confirm post-listing initiatives and other policies during the meeting with the CEO
- Assess management's awareness and preparedness concerning these matters in interviews with independent executives
 - Explicitly stated and publicized as part of the initial listing examination (Since Dec. 2025)

IR System Development

- In light of IR system development becoming mandatory, the initial listing examination has been expanded to include the existence of an IR system. (Since Jul. 2025)
 - Confirm post-listing IR activities and shareholder dialogue policies

Awareness Campaigns For Pre-Listing Companies

New Listing Guidebook, etc.

- Information on responsibilities for listed companies will be published in guidebooks for companies preparing for listing and on the JPX website. (Ongoing)

Seminars

- For companies preparing for listing, we also conduct seminars on management that is conscious of cost of capital and stock price, as well as IR systems and activities. (Ongoing)