

Prohibition of Market Orders for newly listed issues on the day of initial listing

Tokyo Stock Exchange, Inc. Equities Department

Tokyo Stock Exchange, Inc. (TSE) will prohibit market orders (bids and offers) on the day of initial listing for newly listed issues (only IPO issues) on or after June 26, 2023 (Monday). Based on the inquiries we have received on this matter, we are providing the following information regarding the handling of market orders for newly listed issues.

1. Issues Subject to the Prohibition of Market Orders

All “first-time listed issues¹” will be subject (see table below).

<Issues subject to the prohibition of market orders>

Listing Classification		Prohibition of market orders	Notes
First-time listing	First-time listed issues	In scope	Including REITs, infrastructure funds, etc.
	Issues designated by the Exchange on a case-by-case basis	Out of scope	Technical listings, ETFs/ETNs, subscription warrants
Listing through other markets		Out of scope	Listings via other exchanges (including foreign financial instruments exchanges, etc.)

In addition, TSE will announce whether or not market orders will be prohibited for issues carrying out initial listings on its website, as follows.

- (1) In the "Outline of Listing Issue" to be posted on the "New Listings" page² on the listing approval date.
- (2) In "Matching Mechanism for the First Day of Listing" to be posted on "Market News"³ on the business day preceding the initial listing date (only for first-time listings).

2. Period of Prohibition of Market Orders

Market orders will be prohibited for the entire day on the initial listing date.

Note: In the event that the initial price is not determined on the initial listing date, market orders will continue to be prohibited until the day when the initial price is determined.

¹ "Issues carrying out first-time listings" (or "first-time listed issues") are stocks (meaning stocks as defined in Rule 2, Paragraph 1, Item 1 of the Business Regulations, excluding issues listed or continuously traded on TSE, other financial instruments exchanges in Japan, foreign financial instruments exchanges, or organized OTC markets) that are newly listed issues (excluding issues designated by TSE on a case-by-case basis).

² <https://www.jpx.co.jp/english/listing/stocks/new/index.html>

³ <https://www.jpx.co.jp/english/news/index.html>

3. Regulatory Measures for Issues Carrying Out Initial Listings

TSE currently implements the following regulatory measures (1) through (3) for first-time listed issues whose initial price was not determined on the initial listing date, starting from the following business day.

For issues carrying out first-time listings on or after the implementation date, if the initial price is not determined on the listing date, the following regulatory measures (2) and (3) will be implemented from the following business day (as mentioned above, the prohibition on market orders will continue to be enforced until the initial price is determined).

<Current regulatory measures for newly listed issues>

- (1) Prohibition of market orders for trading prior to the initial price determination date
- (2) Immediate collection of the purchase price (in cash) from customers for purchases on the initial price determination date
- (3) For trading that will determine the initial price, prohibition of purchases by trading participants based on their own calculations

In the event that a regulatory action is to be implemented, TSE will announce this on its website at around 3:15 p.m., as is currently the case.

Please note that for issues that carry out initial listings by June 23 (the business day before implementation) but for which the initial price is not determined by June 26 (the implementation date), not only market buy orders but also market sell orders will be prohibited from June 26 to the initial price determination date.