



# JPX-R Annual Report 2025





# Contents

## Introduction

01

## I Overview of Japan Exchange Regulation

02

- 1 Importance of Self-Regulation in Financial Instruments Exchanges ..... 03
- 2 Japan Exchange Regulation's Organizational Structure..... 03
- 3 Characteristics of Japan Exchange Regulation ..... 05

## II Changes in the Market Environment and JPX-R's Responses

06

- 1 Adapting the Process for Listing Examinations to Changes in the Market and Social Environment .... 07
- 2 Enforcement of the Rules for Securities on Special Alert and Initiatives for Preventing Corporate Scandals ... 07
- 3 Response to Market Violations ..... 08
- 4 Response to Market Changes and Efforts to Prevent Unfair Trading ..... 08

## III Report on Self-Regulatory Operations in FY2024

10

- 1 Listing Examination ..... 11
  - 1 Overview of Listing Examination Operations ... 11
  - 2 Number of Listing Examinations ..... 13
  - 3 Listing Examination Results..... 13
  - 4 Number of Tips and Complaints Received..... 14
- 2 Listed Company Compliance ..... 15
  - 1 Overview of Listed Company Compliance Operations.... 15
  - 2 Number of Listed Company Compliance Examinations ... 16
  - 3 Listed Company Compliance Examination Results ... 17
  - 4 Number of Tips and Complaints Received .... 22
  - 5 Efforts to Prevent Inappropriate Behavior by Listed Companies ..... 22
- 3 Trading Participants Examination and Inspection .... 23
  - 1 Overview of Trading Participants Examination and Inspection Operations ..... 23
  - 2 Number of Inspections ..... 26
  - 3 Inspection Results ..... 26
  - 4 Disciplinary Actions Taken ..... 28
  - 5 Examinations for Trading Qualifications and for Reorganizations at Trading Participants ..... 29
  - 6 Implementation of Monitoring ..... 29
  - 7 Number of Tips and Complaints Received .... 30
  - 8 Efforts to Improve the Skills of JPX-R's Inspectors ... 30
  - 9 Efforts to Strengthen Support for Trading Participants ..... 30
- 4 Market Surveillance ..... 31
  - 1 Overview of Market Surveillance Operations ... 31
  - 2 Number of Market Surveillance Investigations and Examinations ... 33
  - 3 Market Surveillance Results ..... 34
  - 4 Number of Tips and Complaints Received .... 35
  - 5 Enhancing JPX-R's Market Surveillance System in Line with Market Changes ..... 35
  - 6 Efforts to Enhance Cooperation with Overseas Self-Regulatory Organizations .. 35
- 5 Compliance Support Activities for Listed Companies and Trading Participants ..... 36
  - 1 COMLEC and Other Compliance Education Activities ..... 36
  - 2 COMLEC's Activities ..... 36
  - 3 Handling Inquiries from Listed Companies, Trading Participants, and Related Organizations .. 40
- 6 Lists of Securities ..... 41
  - 1 Securities That Were Listed as a Result of Initial Listings or Segment Transfers .. 41
  - 2 Securities That Were Delisted, Ceased to Be a Substantial Surviving Company, or Were Brought Under Other Regulatory Measures ..... 44

## Company Profile

46



# Introduction

Japan Exchange Regulation (JPX-R) is a corporate body established under Japan Exchange Group, Inc. (JPX) to specialize in self-regulatory operations of financial instruments exchanges in accordance with the Financial Instruments and Exchange Act of Japan.

JPX, the parent company of JPX-R, serves an important role in social infrastructure as a key financial instruments market that provides a platform for asset management and fund raising both in Japan and overseas. The mission of JPX-R is to ensure and improve the fairness, transparency, and reliability of markets through appropriate self-regulatory operations to facilitate the ability of exchanges to function fully.

In order to do so, it is essential to have close cooperation with Tokyo Stock Exchange (TSE) and Osaka Exchange (OSE), which are the market operators. However, there are concerns regarding conflicts of interest between the for-profit and self-regulatory operations of exchanges, given that they are kabushiki gaisha (joint-stock companies); therefore, JPX-R is legally required to be highly independent from both exchanges and conducts its operations independently of the exchanges' other operations.

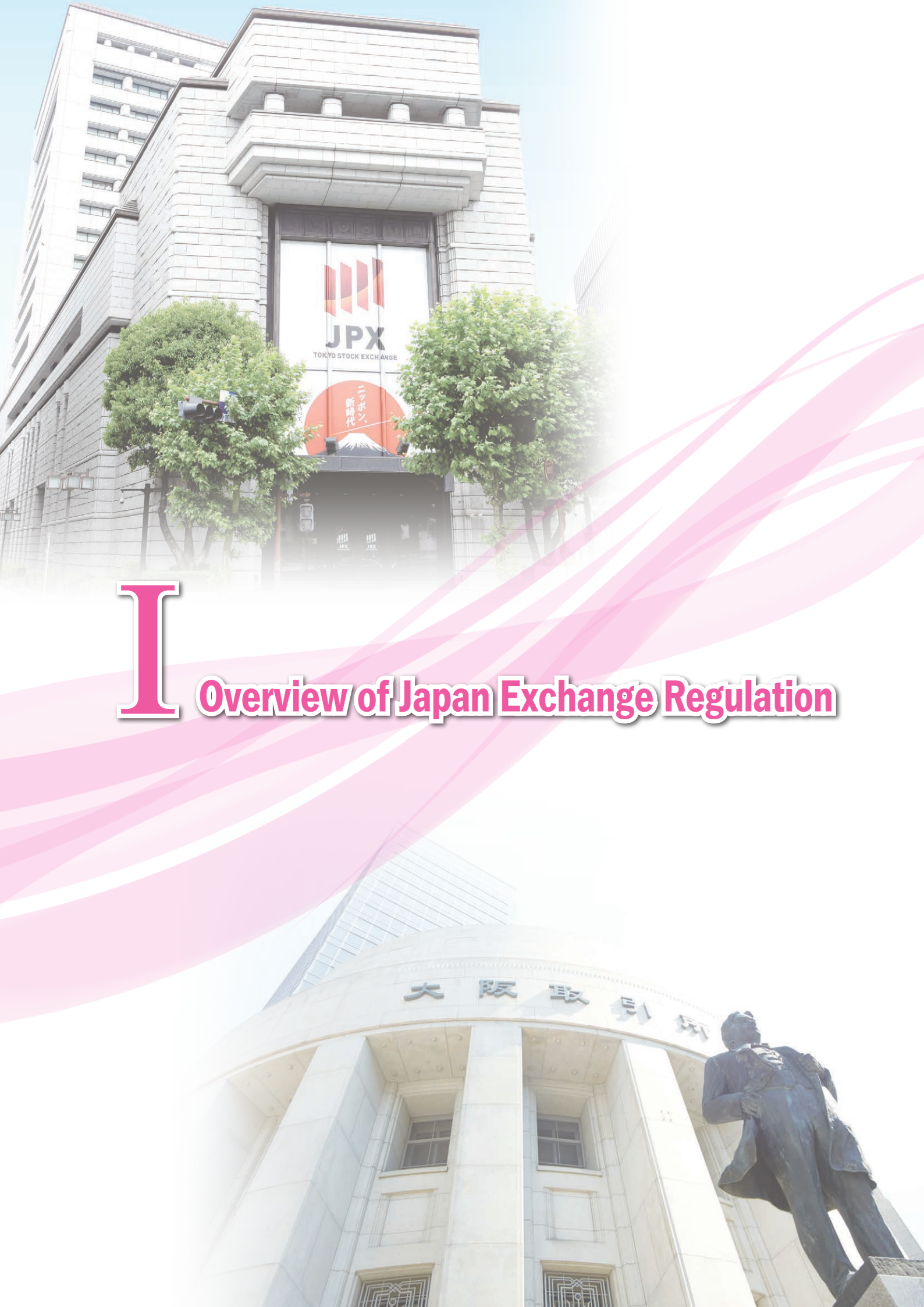
Since its establishment in 2007, JPX-R has engaged in operations while always keeping in mind its mission and the maintenance of independence as a self-regulatory organization. At the same time, since the market environment is constantly changing, we aim to appropriately respond to environmental changes through close cooperation not only with TSE and OSE, but also government authorities and other related organizations in Japan and overseas, thereby executing better self-regulatory operations that gain and maintain the trust of market users.

Under such circumstances, in FY2024, JPX-R's Listing Examination Department worked toward implementing appropriate listing examinations in line with changes in the market environment. For example, it established the IPO Liaison Meeting together with TSE's Listing Department and New Listings Department and began discussions on various issues related to IPO preparation. JPX-R's Listed Company Compliance Department began enforcing the Rules for Securities on Special Alert. It requested listed companies that were designated as Securities on Special Alert to promptly develop their internal management systems. It also took steps to ensure effective improvements.

JPX-R's Trading Participants Examination and Inspection Department strengthened its approach depending on the trading participant's risk characteristics and continued to monitor those that had made significant changes to their executive structures or business models. It also supported trading participants. For example, it collaborated with organizations including the Securities and Exchange Surveillance Commission to hold a seminar for compliance officers. JPX-R's Market Surveillance & Compliance Department proceeded to update its market surveillance-related systems in order to enhance and streamline its operations. Also, in response to a growing awareness of compliance in recent years, it held more seminars on insider trading regulations and dispatched instructors to more company in-house training sessions than in the previous fiscal year.

We hope that this report will help market stakeholders to further understand JPX-R's self-regulatory operations, and that it will contribute to the establishment of sound exchange markets.

June 2025  
**Nakajima Junichi**  
President  
Japan Exchange Regulation



# I Overview of Japan Exchange Regulation

## 1 Importance of Self-Regulation in Financial Instruments Exchanges

The mission of financial instruments exchanges is to provide a high degree of liquidity, and therefore high-quality price discovery, by building fair and reliable markets that ensure efficiency and convenience of use, thereby enabling efficient fund distribution based on market mechanisms. Accomplishing this mission calls for markets that investors are able to trade in with peace of mind, and where prices reflect diverse investment decisions made by an extensive range of investors, including individual investors. Therefore, it is extremely important for market operators, who are closest to the markets, to implement appropriate self-regulatory operations that aim to maintain the eligibility of listed companies, prevent unfair trading, and ensure the soundness of trading participants through the development of appropriate regulations and rule frameworks, thereby ensuring the fairness, transparency, and reliability of markets.

In addition, various efforts have been made recently within Japan to promote it as a leading asset management center, and interest in its capital markets has been rising both domestically and abroad. Amid such circumstances, it is necessary to further strengthen JPX-R's market surveillance functions and systems.

To achieve this it is essential to establish a highly effective, efficient, and harmonized structure which utilizes the strengths of both the regulations of government authorities and the self-regulation of exchanges to complement each other.

The self-regulatory functions of financial instruments exchanges thus embody their public nature, which is to ensure the fairness, transparency, and credibility of markets, and thereby forms the foundations of the market operations that market operators are involved in. JPX recognizes this and implements self-regulatory operations accordingly.

## 2 Japan Exchange Regulation's Organizational Structure

The task of adequately implementing self-regulatory operations requires a high degree of autonomy with a focus on public interest and investor protection along with an organizational structure that ensures fair management and operations from a neutral position. It also calls for swift and effective responses to various market events as well as substantial expertise in terms of familiarity with market functions and characteristics. For these reasons, self-regulatory operations have historically been the responsibility of the exchanges themselves. Meanwhile, along with the advancement of borderless trading and international market competition, it has become increasingly important for exchanges to flexibly respond to environmental changes and to promote greater efficiency and convenience, and it has also become more common for exchanges to be restructured into stock companies. JPX, which is a listed company, operates TSE and OSE as its subsidiaries.

In order to meet the demand for neutrality and effectiveness in self-regulation while simultaneously maintaining the business strategies and profitability of exchanges, JPX opted for an organizational structure in which JPX-R, a separate corporate body that specializes in self-regulatory operations, is established, within the same group as the exchanges. This structure was created to enable JPX-R to demonstrate its high level of expertise in close proximity to the markets, while achieving highly effective operational execution from a position of neutrality independent from the exchanges. In addition, JPX-R's Board of Governors, which is the highest decision-making body when it comes to business operations, has a majority of independent governors, enabling an independent governance structure in decision-making.

Necessary information regarding specific operations of JPX-R is always shared with the exchanges. However, JPX-R independently conducts neutral inspections and makes decisions on approvals, disciplinary actions, and other measures under the name of the exchanges based on the results of these inspections.

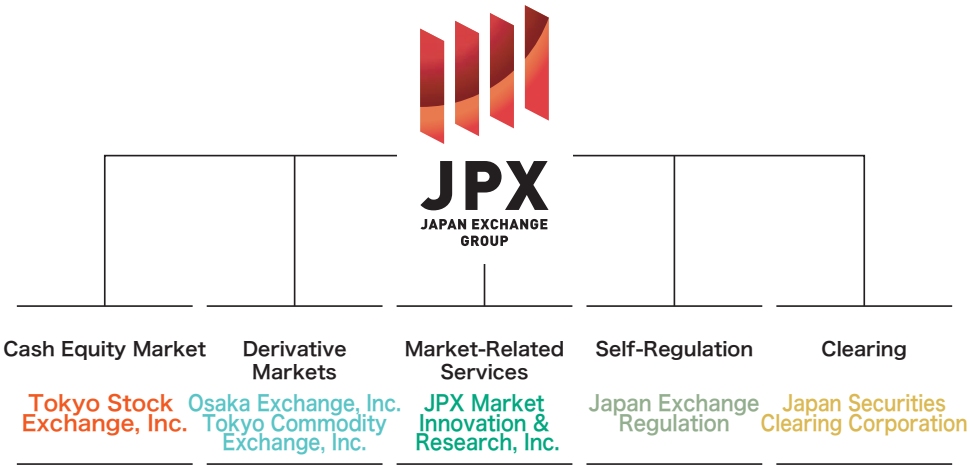
In overseas markets, there is a wide range of organizational structures that perform self-regulatory operations that reflect the history, legal systems, and business practices of each market.

When compared to global standards, JPX-R has a unique organizational structure and business execution

structure that we believe is exceptionally well suited to maintaining a high level of expertise while simultaneously fulfilling the demand for efficiency and convenience of market operations as well as the demand for ensuring fair and reliable capital markets.

JPX-R ensures market fairness and aspires to continue meeting the expectations of investors through the execution of highly effective self-regulatory operations in line with the market environment and legal systems.

■ Structure of JPX Group



Note: JPX-R was established as a membership association in accordance with the Financial Instruments and Exchange Act. Currently, JPX-R is entrusted with self-regulatory operations by TSE and OSE.



### 3 Characteristics of Japan Exchange Regulation

Below is an overview of JPX-R's organization and duties.

#### 1 Ensuring Market Fairness, Transparency, and Reliability

JPX-R works to manage market quality through, among other things, the promotion of fairness of exchange trading and investor protection.

Specifically, JPX-R conducts “listing examinations” to review the eligibility of prospective companies, “listed company compliance,” which involves monitoring information disclosure and corporate conduct, “trading participants examination and inspection” to ensure the reliability of securities companies and other trading participants, and “market surveillance” to monitor for unfair trading. Through these operations related to self-regulation, JPX-R maintains the fairness, transparency, and credibility of markets.

#### 2 An Organizational Structure That Ensures Neutrality and Effectiveness

In order to perform its self-regulatory operations in close proximity to the markets, JPX-R needs to be highly specialized, and at the same time, neutral and independent from the markets' operators. For this reason, JPX-R was established within JPX Group as a corporate body that is independent from the exchanges that serve as the markets' operators.

In addition, JPX-R's Board of Governors, which is the highest decision-making body when it comes to business operations, regularly conducts evaluations in order to maintain and improve JPX-R's effectiveness.

#### 3 Prioritizing Communication with Market Stakeholders

The market environment undergoes significant transformations on a daily basis. New products and trading methods are constantly being developed while new issues are also appearing. To execute self-regulatory operations flexibly in response to market trends, JPX-R carries out its day-to-day operations while always listening to the opinions of market stakeholders and valuing dialogue.

#### 4 Support to Prevent Undesirable Trading Activity

JPX-R also works to prevent activity that is undesirable for markets. Through the holding of compliance seminars, the dispatch of lecturers, and the publication of case report collections, JPX-R provides effective support to ensure that the broadest possible range of market participants understand the importance of preventing this kind of activity.

Please check the official JPX website for details.

<https://www.jpex.co.jp/english/regulation/outline/about/index.html>





# I

## **Changes in the Market Environment and JPX-R's Responses**

This chapter introduces JPX-R's current understanding of changes in the exchange market environment and its responses to these.

## 1 Adapting the Process for Listing Examinations to Changes in the Market and Social Environment

Since investment in startups was identified as one of the four pillars of the “Grand Design and Action Plan for a New Form of Capitalism,” various policies to nurture them are being advanced by the government and the securities industry. In addition, various efforts related to listing examinations are being made at TSE, with “Measures to Enhance the Functionality of the Growth Market” being listed as a key topic in the follow-up of market restructuring.

JPX-R has been coordinating with TSE, which oversees the listing regulations, in order to conduct listing examinations in response to these changes in the market and social environment. In FY2024, the Council of Experts Concerning the Follow-up of Market Restructuring held discussions on how to revitalize TSE's Growth Market. Based on these discussions, JPX-R collaborated with TSE's Listing Department and New Listings Department to create and publish the Listing Examination FAQ. The collaboration also resulted in the establishment of the IPO Liaison Meetings. At these meetings, various issues related to the preparation of IPOs are being discussed. Furthermore, JPX-R revised the New Listing Guidebooks in order to clarify how it would conduct its examinations in response to new issues that have emerged from recent examinations and environmental changes. Finally, JPX-R created and published a listing manual for venture funds with a view to potentially increase the number of listed products on JPX's markets.

Cooperation with the parties involved in IPOs is essential for the effective functioning of such efforts. With the recent rise in the number of newly listed companies, the number of lead underwriters and audit firms has also grown. As a result, JPX-R actively holds study sessions and opinion exchange meetings with a greater number of parties involved in IPOs.

While closely cooperating with related departments and the parties involved in IPOs, JPX-R will continue its efforts to conduct listing examinations appropriately and in line with changes in the market and social environment.

## 2 Enforcement of the Rules for Securities on Special Alert and Initiatives for Preventing Corporate Scandals

In January 2024, the Rules for Securities on Alert were revised and reintroduced as the Rules for Securities on Special Alert. The purpose of the revision was to enhance the effectiveness of improvements by urging listed companies with the designation to promptly develop their internal management systems and by promoting the establishment of such systems. Since the new rules took effect, a total of four securities have been designated as Securities on Special Alert: one in October 2024, two in January 2025, and one in March 2025. Under the new rules, the prerequisites for de-designation have been clarified, and the development period has been made more stringent. Based on these changes, JPX-R is urging listed companies that have been designated as Securities on Special Alert to promptly develop their internal management systems and is taking measures to ensure effective improvements.

Going forward, JPX-R will work to further ensure effective improvements by examining the status of listed companies' development and implementation of their internal management systems one year after their designation as Securities on Special Alert as well as by making regular follow-ups thereafter.

In addition, JPX-R works to prevent violations of the Securities Listing Regulations through the following initiatives: (1) providing feedback on issues at pre-disclosure consultations; (2) exchanging opinions on internal management systems at visits to listed companies; and (3) disseminating information through JPX-R's publications, articles contributed to professional journals, and lectures by experts. Notably, in FY2024, JPX-R held an online seminar aimed at listed companies, which featured external experts who spoke about such topics as improving the effectiveness of listed companies' internal control systems in light of the revised internal

control standards that apply to fiscal years beginning on or after April 1, 2024. A video of the seminar is available online (only in Japanese). The video provides not merely an explanation of the standards but also practical content for building internal control systems. It was promoted through advertisements in multiple professional journals and was widely used as a point of reference by the directors, corporate auditors, and staff in the relevant departments of listed companies.

### 3 Response to Market Violations

In FY2024, there was one disciplinary action case, which involved the market manipulation of 10-year JGB Futures by a major trading participant (December 16, 2024; disciplinary action by OSE and TSE).

During its inspections, JPX-R observed deficiencies in the establishment and development of system risk management systems, trading supervision systems to prevent unfair trading, and order management systems for low latency trading. It also observed deficiencies resulting from insufficient responses to revisions in laws and regulations (e.g., inadequate responses to revisions in best execution requirements).

In addition, some trading participants were found to have transferred their management rights or significantly changed their business models and business execution structures in response to changes in the business environment. JPX-R has continued to monitor such trading participants to check on the development of their internal management systems. In doing so, it has identified cases involving violations of basic market regulations, delays in system upgrades, and insufficient procurement of compliance personnel.

Finally, as part of its support activities for trading participants, JPX-R collaborated with the Securities and Exchange Surveillance Commission and other organizations to hold a seminar in FY2024 for the compliance officers of trading participants. In this seminar, JPX-R presented examples from its inspections, as well as the results of research on system capacity management that took into account recent market activity and research on IPO pricing procedures that took into account recent disciplinary cases.

### 4 Response to Market Changes and Efforts to Prevent Unfair Trading

In response to changes in the market environment, including the recent increase in algorithmic trading, JPX-R is proceeding with its four-phased Grand Design for Market Surveillance Project to enhance and streamline its market surveillance operations by sequentially replacing its market surveillance-related systems. The first phase of the project, a market surveillance support system to manage market surveillance cases, began operation in May 2024.

In addition, in response to a growing awareness of compliance, the Compliance Learning Center (COMLEC), which JPX-R established to prevent unfair trading and to help maintain and improve the soundness of trading participants, held more seminars on insider trading regulations and dispatched instructors to more company in-house training sessions in FY2024 than in the previous year.

Furthermore, COMLEC aims to support trading participants in developing human resources for their trading supervision departments through its Trade Surveillance Course Programs. In FY2024, it created new educational videos for the Basic Program to explain the prerequisite knowledge that new staff need in order to conduct trade surveillance. In addition, as part of the Practical Program, it held in-person seminars to explain unfair trading and answer questions about trade surveillance.

Going forward, COMLEC will continue to refine its seminars and instructor dispatch services and enhance its Trade Surveillance Course Programs in response to attendee needs as part of its ongoing efforts to strengthen the ability of listed companies and trading participants to prevent unfair trading.







# III

## Report on Self-Regulatory Operations in FY2024



This section gives a report on our self-regulatory operations (listing examination, listed company compliance, trading participants examination and inspection, market surveillance, etc.) in FY2024.

## 1 Listing Examination

### 1 Overview of Listing Examination Operations

A company wishing to be listed on TSE establishes and reinforces its revenue base and develops an internal management system before submitting its application for listing. It proceeds with these under the direction and supervision of a lead underwriter that creates the “Report on Listing Eligibility Investigation” for the listing application and a certified public accountant (audit firm) that handles the audit of financial statements and related documents.

The lead underwriter provides advice for capital policy and internal structure development through departments for consultation such as an underwriting department. After all preparations are complete, the lead underwriter’s examination department, which is separate from its consultation department, conducts an examination from an objective standpoint.

The lead underwriter’s examination department carries out mainly an examination in order to write the “Report on Listing Eligibility Investigation” and an examination of corporate information that enables it to underwrite the public offering or secondary distribution (the underwriting examination). In principle, a company cannot apply for listing without passing these examinations.

#### ■ Standard flow from preparation to application for listing

##### ◆ Preparation for Listing to Application for Listing





The audit firm indicates matters to be improved in the accounting processing and internal control system of the company wishing to apply for listing, and provides an auditor's opinion for the financial statements and related documents. In order to apply for listing, in principle, the company must make improvements based on the matters indicated by the audit firm and be expected to receive a qualified opinion for financial statements for two fiscal terms.

As described above, after being reviewed by the lead underwriter and audit firm and preparing the application for listing, the company can apply to TSE for listing.

After submission of the application to TSE, JPX-R examines the eligibility of the company as a listed company in terms of investor protection in accordance with the initial listing criteria specified by TSE. The initial listing criteria consist of initial requirements and the contents of the listing examination. The initial requirements specify the criteria that must be satisfied before listing while the contents of the examination are criteria that will be necessary for companies after listing.

#### [Purpose of Initial Requirements]

- To ensure smooth distribution and fair price formation (number of shareholders, tradable shares, etc.)
- To maintain listing eligibility in terms of mainly continuity, financial conditions, and profitability of the company (years of business operation, profits, etc.)
- To ensure appropriate disclosure of company information (confirmation of no false statements in annual securities reports, etc.)
- Other (establishment of a shareholder services agent, etc.)

#### [Purpose of Contents of Examination]

- Corporate continuity and profitability
- Soundness of corporate management
- Effectiveness of corporate governance and internal control system
- Appropriateness of the disclosure of corporate information, etc.
- Other matters deemed necessary from the viewpoint of public interest and investor protection

To confirm compliance with these requirements, we check application documents, interview the applicant company, conduct on-site surveys at factories and offices, interview the certified public accountant acting as the accounting auditor, and interview the president, company auditors, and independent officers, among other things.

Examinations are conducted for the initial listing of securities on the Prime Market, Standard Market, Growth Market, and TOKYO PRO Market as well as for the initial listing of ETFs, ETNs, real estate investment trusts (REITs), infrastructure funds, venture funds, bonds on the TOKYO PRO-BOND Market, preferred stocks, and securities options. Examinations are also conducted for segment transfers, such as from the Growth Market to the Prime Market, as well as for the listing of companies to which technical listing regulations apply (e.g., companies that have been established as a result of mergers of or share transfers between listed companies).

Please check the official JPX website for details.

<https://www.jpx.co.jp/english/regulation/listing/eligibility/index.html>

## 2 Number of Listing Examinations

We examined a total of 171 securities\* in FY2024.

(Number of securities; based on date of application)

Type of Examination	FY2024	Year-on-year Change
Listing Examination	171	+8

\*The number of securities is the total of the number of applications for initial listing (including technical listing) on the Prime Market, Standard Market, Growth Market, and TOKYO PRO Market, and the number of applications for segment transfers, such as from the Growth Market to the Prime Market.

## 3 Listing Examination Results

The tables below show the number of initial listings and segment transfers as a result of initial listing and segment transfer examinations conducted by JPX-R in FY2024.

### | Number of Initial Listings and Segment Transfers

(Number of securities)

Initial Listings	
Stocks	131(9)
Prime Market	8 (3)
Standard Market	16 (4)
Growth Market	62 (2)
TOKYO PRO Market	45 (0)
Bonds, etc.	0
ETFs, ETNs	37
REITs, Infrastructure Funds	0
Preferred Stocks, etc	2
TOKYO PRO-BOND Market	7
Securities Options	6

(Number of securities)

Segment Transfers		13
From Growth Market to Prime Market		5
From Growth Market to Standard Market		5
From Standard Market to Prime Market		2
From Prime Market to Standard Market		1

Notes:

1. The above tables show the number of securities that were listed as a result of initial listings or segment transfers in FY2024.
2. Figures shown in parentheses are the number of initial listings that have technical listing status.
3. Please see Page 41 "III. 6 Lists of Securities, 1 Securities That Were Listed as a Result of Initial Listings or Segment Transfers" for the names of the individual securities included in each item of each table.

In FY2024, the Growth Market and the TOKYO PRO Market have continued to boast a high number of initial listings. In light of this, JPX-R continues to strengthen its cooperation with related organizations to raise the standards of all parties involved in IPOs. Specifically, it does so not only by holding meetings to exchange opinions with lead underwriters and audit firms regarding cases requiring attention that were found during listing examinations and cases involving misconduct after listing but also by exchanging information with the Metropolitan Police Department and related organizations to exclude companies that are associated with anti-social forces from listing and by exchanging information with other financial instruments exchanges in Japan. In addition, JPX-R has revised the New Listing Guidebooks and improved the content of examination manuals in order to respond appropriately to environmental changes as well as to maintain and improve examination quality.

#### 4 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report matters affecting the eligibility of listing applicants. The information provided may be used in our operations as a reference.

Category	Number of Submissions	Year-on-year Change
Provision of Information Regarding Initial Listing Applications, etc.	178	+64



## 2 Listed Company Compliance

### 1 Overview of Listed Company Compliance Operations

After financial products are listed on a financial instruments exchange market, they are widely held by general investors through day-to-day trading. Prices formed in these markets are widely used as fair prices for listed financial instruments. In order to protect investors and ensure the fairness and reliability of financial instruments exchange market, JPX-R constantly examines issuers to monitor their timely disclosure of corporate information and corporate behavior in relation to the following topics and notifies TSE of its findings.

#### a. Examination related to timely disclosure of corporate information

Based on the recognition that timely and appropriate disclosure of corporate information to investors by issuers is an important factor in forming the basis of sound financial instruments exchange markets, JPX-R conducts examinations to ensure the appropriateness of such disclosures.

##### [Themes of the Examination on Timely Disclosure]

- Whether the timing of the disclosure is appropriate
- Whether disclosed information contains any false statements
- Whether disclosed information lacks any information deemed important for investment decisions
- Whether disclosed information could cause misunderstandings regarding investment decisions
- Whether disclosed information falls short of the disclosure requirements in any other way

#### b. Examination related to the Code of Corporate Conduct

Listed companies and other issuers are expected to remain conscious of their position as a part of the financial instruments exchange markets and to conduct their business in an appropriate manner in the interests of investor protection and for the sound functioning of the market. JPX-R examines whether issuers comply with the “matters to be observed” prescribed in the Code of Corporate Conduct of the Securities Listing Regulations.

#### c. Disciplinary measures against listed securities

If a security is found to be in violation of the Securities Listing Regulations during the above-mentioned examinations, JPX-R will determine the appropriate disciplinary measures to be taken against it in order to protect investors and ensure the fairness and soundness of financial instruments exchange markets. The measures to be taken may consist of (1) designation as a Security on Special Alert, (2) request for an improvement report, (3) imposition of the listing agreement violation penalty, (4) implementation of the public announcement measure, or some combination thereof.

#### d. Examinations related to delisting, etc.

To maintain a listing on the exchange markets, financial instruments are required to continuously satisfy the requirements (delisting criteria\*) specified to protect investors and ensure the fairness and soundness of financial instruments exchange markets. JPX-R examines securities to confirm that they do not fall under the delisting criteria specified by the Securities Listing Regulations.

\* Listed companies are required to continuously satisfy all criteria such as number of shareholders, tradable shares, trading value, and amount of net assets. Non-compliance with any of the continued listing criteria is one of the delisting criteria. As per regulation, a listed company will be delisted if it fails to meet the continued listing criteria within one year from the first occurrence of non-compliance. In addition, there are other delisting criteria such as delays in submission of securities reports.

Please see the official JPX website for details.

- Listed Company Compliance

<https://www.jpx.co.jp/english/regulation/listing/compliance/index.html>

JPX-R has posted the following three principles in an effort to achieve a qualitative improvement of the capital market as a whole.

- Principles for Preventing Corporate Scandals

<https://www.jpx.co.jp/english/regulation/listing/preventive-principles/index.html>

- Principles for Responding to Corporate Scandals

<https://www.jpx.co.jp/english/regulation/listing/principle/index.html>

- Aiming for Better Equity Financing

<https://www.jpx.co.jp/english/regulation/listing/equity-finance/index.html>

## 2 Number of Listed Company Compliance Examinations

The number of examinations related to the timely disclosure of corporate information, the Code of Corporate Conduct, and delisting conducted by JPX-R in FY2024 are shown in the chart below.

(Based on when examinations were completed)

Items		Cases in FY2024	Year-on-year Change
1. Examination Related to Timely Disclosure <sup>1</sup>		363	+31
2. Examination Related to Code of Corporate Conduct <sup>2</sup>		359	+51
3. Delisting Examination	Examination Regarding Quantitative Criteria <sup>3</sup> (Failure to Meet Continued Listing Criteria)	0	±0
	Examination Regarding Quantitative Criteria <sup>4</sup> (Other Than Failure to Meet Continued Listing Criteria)	106	+2
	Examination Regarding Qualitative Criteria <sup>5</sup>	1	-2
	Examination to Determine Whether the Listed Company Is a Substantial Surviving Company <sup>6</sup>	88	+29

Notes:

1. Number of examinations for inappropriate information disclosure

2. Number of examinations for compliance with the "matters to be observed" prescribed in the Code of Corporate Conduct of the Securities Listing Regulations

3. Number of examinations for delisting conducted after a certain period of time has passed from the time of the company's failure to meet continued listing criteria such as the number of shareholders and tradable share market capitalization

4. Number of examinations for delisting due to meeting quantitative delisting criteria other than failure to meet the continued listing criteria, such as acquisition by request for sale of shares and share consolidation

5. Number of examinations for delisting due to meeting qualitative delisting criteria such as false statements and listing agreement violations

6. Number of examinations to determine whether a listed company is a substantial surviving company when performing a reorganization

### 3 Listed Company Compliance Examination Results

The number of securities that were delisted, ceased to be a substantial surviving company, or were brought under other regulatory measures as a result of examinations conducted by JPX-R are shown in the chart below.

Ninety-six stocks were delisted in FY2024. The majority of the delistings (95 stocks) were due to such reasons as a business restructuring to convert the listed company into a wholly-owned subsidiary, a request for the sale of shares, or a merger. One stock was delisted as a result of the examination regarding qualitative criteria.

■ Number of Securities That Were Delisted or Ceased to Be a Substantial Surviving Company		■ Number of Securities That Were Brought Under Other Regulatory Measures	
(Number of Securities)		(Number of Securities)	
Delisted		Designation as a Security on Special Alert	4
Stocks	96	Request for Improvement Report	7
Prime Market	32	Listing Agreement Violation Penalty	5
Standard Market	51	Public Announcement Measure	7
Growth Market	13		
Securities Options	1		
Bonds, etc.	0		
ETFs, ETNs	5		
REITs	1		
Infrastructure Funds	0		
TOKYO PRO-BOND Market	4		
Ceased to Be a Substantial Surviving Company	2		

Notes:

- The above tables show the number of securities that were delisted, ceased to be a substantial surviving company, or were brought under other measures in FY2024 as a result of examinations conducted by JPX-R.
- Please see Page 44 "III. 6 Lists of Securities, 2. Securities That Were Delisted, Ceased to Be a Substantial Surviving Company, or Were Brought Under Other Regulatory Measures" for the names of the individual securities included in each item of each table.

JPX-R may take steps to ensure the effectiveness of improvements to a listed company's internal management system when it deems that such improvements are highly necessary. Such steps include designation as a Security on Special Alert, imposition of the listing agreement violation penalty, request for an improvement report, and implementation of the public announcement measure. Among such steps, a security that has been designated as a Security on Special Alert may be delisted when JPX-R deems it no longer likely that the listed company's internal management system can be improved. Securities that were designated as Securities on Special Alert in FY2024 are shown in the tables below.



## Case 1

<b>Name of Security (Code/Market Segment)</b>	ARDEPRO Co., Ltd. (8925/Standard Market)
<b>Case Summary</b>	It was found that the Company had been conducting accounting processing for round-trip transactions to record sales, sales costs, and operating income that did not actually exist, and the Representative Director and President had been overseeing real estate transactions that constituted a portion of those round-tripping transactions. It was also found that the Company violated the listing rules by disclosing false information in its earnings report for the third quarter of the fiscal year ended July 2023.
<b>Background into the Listing Rules Violation</b>	<ul style="list-style-type: none"> <li>- The Company's system of checks and balances for preventing wrongdoing was not functioning properly. For example, the Company had formulated preventative measures in response to a prior designation as a Security on Alert. However, following the designation's removal, the Company's management did not take sufficient action to rectify several deficiencies that had developed over time in said measures' implementation.</li> <li>- The Company's management, including its Representative Director and President, lacked an awareness of compliance. For instance, the Representative Director and President prepared and submitted balance confirmation letters to the audit firm under the name of a business partner, and a director engaged in acts that were suspected of being in breach of contract with another business partner.</li> <li>- The Company's internal controls had been rendered ineffective. The Representative Director and President conducted real estate transactions while concealing from the board of directors and others such details as the fact that they were actually silent partnership contributions to the limited liability companies that were the counterparties to said transactions. As a result, the board of directors did not adequately verify whether these transactions, which involved a major shareholder of the Company, were fair or appropriate or whether they fell under business transactions with a related party.</li> </ul>
<b>Status of the Security</b>	The Company has abandoned the idea of formulating a plan to improve its internal management system, and there are no signs that it will change its stance. In addition, the preventive measures that the Company was to implement apart from the plan's formulation are insufficient in terms of making such improvements. Therefore, TSE has concluded that the Company has no plans to improve its internal management system and that such improvements are unlikely to occur. Because of this, it has decided to delist the Company's stock and has designated it as a Security to Be Delisted.

## Case 2

<b>Name of Security (Code/Market Segment)</b>	Wellco Holdings Corporation (7831/Standard Market)
<b>Case Summary</b>	It was found that the Company and its subsidiary Well Corporation Co., Ltd. had been fraudulently receiving employment adjustment subsidies, which were distributed in light of the impact of COVID-19, over an extended period of time due to the involvement of a director and founder of the Company (hereinafter referred to as the "Director"), and that they had conducted inappropriate accounting processing as a result, including understating their personnel expenses and not posting significant impairment losses.
<b>Background into the Listing Rules Violation</b>	<ul style="list-style-type: none"> <li>- The Director severely lacked an awareness of compliance. For example, as the de facto head of the Company, the Director actively instructed employees to work while on leave (teleworking), which is an act of misconduct.</li> <li>- The Director was referred to as the "Owner," and there was a corporate culture that regarded instructions and orders from the Director as absolute. As a result, company-wide misconduct had been taking place under the Director's instructions. For example, in multiple departments, there were repeated requests for leave that differed from the actual work status.</li> <li>- The directors were not adequately performing their oversight and counterbalancing duties. Despite several full-time directors, including the representative director &amp; president and a member of the audit and supervisory committee, being in a position to be aware that company-wide misconduct was taking place under the Director's instructions, they did not point out the misconduct or call for corrective actions against it. Instead, they allowed the misconduct to continue unchecked and tacitly approved of it.</li> </ul>
<b>Status of the Security</b>	Company Making Improvements

## Case 3

<b>Name of Security (Code/Market Segment)</b>	PIXEL COMPANYZ INC. (2743/Standard Market)
<b>Case Summary</b>	It was found that the Company had been engaging in inappropriate accounting practices over an extended period, namely the years 2019 to 2023, in relation to the solar power generation business of PIXEL ESTATE INC., which was then a subsidiary of the Company (hereinafter "the Subsidiary"). The former representative director and president (hereinafter "the Former President") of the Company had been diverting some of the Subsidiary's funds to repay personal debts (hereafter "the Fraudulent Expenditures") by disguising the transactions as advance payments on the acquisition of land, rights, and other assets for said business.
<b>Background into the Listing Rules Violation</b>	<ul style="list-style-type: none"> <li>- In spite of being the person most responsible for establishing and implementing internal controls, the Former President severely lacked an awareness of compliance as a company president. For example, the Former President not only diverted some of the Subsidiary's funds to repay personal debts by personally disguising transactions with outside collaborators and others, but also made the Company jointly liable for the personal debts without the board of directors' approval, in addition to giving false explanations and responses to inquiries from JPX-R.</li> <li>- In addition, the Company as a whole lacked an awareness of compliance. For example, on multiple occasions, the Company raised capital through third-party allotments of new shares and falsely explained in its disclosure documents that the funds were for its solar power generation business when they were actually used to repay the Former President's personal debts. Furthermore, it gave false explanations and responses to inquiries from JPX-R.</li> <li>- The Company's board of directors was not adequately performing its supervisory duties, and the Company's directors were not adequately performing their oversight and counterbalancing duties. For example, they approved the excessively large advance payments without confirming the background, details, or progress of the payments. In addition, the Company's auditors and its board of company auditors were not adequately performing their auditing duties. For instance, they merely confirmed the existence of internal approval papers and contracts regarding the Fraudulent Expenditures and did not confirm the specific details or circumstances that led to such expenditures.</li> <li>- Following the discovery of the Former President's misconduct in March 2022, the Company decided to strengthen its governance system by formulating and implementing measures to prevent such a recurrence. The measures included the appointment of outside directors and a revision of the Company's regulations on decision-making authority. However, this did not resolve the failure of the Company's governance functions, since the Company's board of directors, its board of company auditors, and each of its directors and company auditors did not perform their expected duties, and the Fraudulent Expenditures continued.</li> <li>- There was no system of checks and balances or any supervision to prevent conflicts of interest. Some of those who collaborated with the Former President in making the Fraudulent Expenditures were working at the Company and its Subsidiary as contract workers and were in a position to approve payments to themselves. In addition, there was no management system in place for conflict-of-interest transactions or related-party transactions, there were no rules in place regarding such transactions, and there was a lack of awareness among the Company's executives and employees.</li> <li>- The Subsidiary did not follow the proper procedures for making decisions on major transactions. For example, improper transactions and payments were commonly approved after the fact, and there were no indications that the designated procedures for approval had been followed for the Fraudulent Expenditures. In addition, procedures for making decisions had not been developed in line with the actual circumstances at the Subsidiary. For instance, even though the Subsidiary had no board of directors, it had established rules for such a board, and its rules on authority and approval prescribed matters that were subject to the approval of the non-existent board of directors. The Company also did not follow the proper procedures for making decisions on major transactions. For example, there were no indications that the Company's board of directors had actually approved any of the Fraudulent Expenditures that required its approval.</li> </ul>
<b>Status of the Security</b>	Company Making Improvements

## Case 4

<b>Name of Security (Code/Market Segment)</b>	Aqualine Ltd. (6173/Growth Market)
<b>Case Summary</b>	It was found that the Company's representative director and president (hereinafter referred to as "the President") (i) disclosed false financial results such as the false recording of (a) fund transfers through the bank accounts of specific franchisees in the Company's plumbing service support business and (b) sales to the specific franchisees and allowances for their doubtful accounts, (ii) did not disclose its borrowings from the President in a timely manner, and (iii) did not properly record the extraordinary losses related to the investment securities (bonds convertible to crypto assets) and crypto assets held by the Company (e.g., it did not sufficiently record valuation losses, and it failed to record allowances that should have been recognized).
<b>Background into the Listing Rules Violation</b>	<ul style="list-style-type: none"> <li>- The Company's management and some of its executives and employees severely lacked an awareness of compliance. For instance, under the President's direction, the director and managers responsible for the Company's administration department engaged in such misconduct as (i) faking the collection of debts through fund transfers that were disguised as transactions with franchisees, (ii) concealing and avoiding the disclosure of the borrowings from the President, which constituted conflict-of-interest and related-party transactions, and (iii) falsifying material documents.</li> <li>- The Company's board of directors and its board of company auditors had not been provided with adequate information related to the transactions with franchisees and the acquisition of crypto assets and bonds convertible to crypto assets (hereinafter referred to collectively as "the Crypto Assets") that had been conducted under the President's direction. As a result, the boards became boards in name only, and the Company's internal controls were rendered ineffective by the Company's management.</li> <li>- The Company had not established a system for retaining and managing transaction-related information. For example, it did not retain written records of agreements regarding the transactions with franchisees or of agreements regarding the acquisition of the Crypto Assets. The Company also did not have a system in place for adequately providing information to the accounting and compliance/legal departments.</li> <li>- The Company received an administrative disposition including an order to suspend its main business activities from the Consumer Affairs Agency on August 30, 2021. On December 15 of the same year, it formulated measures to prevent the incident's recurrence, decided to strengthen its administration department and establish a company-wide compliance system, and disclosed the status of the progress it had made. However, the Company had not actually resolved the failure of its directors and company auditors to perform their oversight and counterbalancing duties. For instance, the board of directors and the board of company auditors did not adequately confirm or verify the status of the strengthening efforts. This resulted in the inadequate strengthening of the Company's administration department and compliance system, including staff shortages in the internal audit and compliance/legal departments.</li> </ul>
<b>Status of the Security</b>	Company Making Improvements

## Case 5

<b>Name of Security (Code/Market Segment)</b>	Life Intelligent Enterprise Holdings Co., Ltd (5856/Standard Market)
<b>Case Summary</b>	<p>On November 18, 2024, the Company disclosed the results of an investigation by the governance committee, which was established as an advisory committee to the Company's board of directors and is made up of external experts. The investigation concerned the inappropriate actions of the former representative director and president (hereinafter "the Former President"). The inappropriate actions included increasing his own executive compensation without following the proper procedures, such as obtaining the board of directors' approval, and transferring money to his personal and other accounts.</p> <p>The disclosure revealed that the Former President severely lacked an awareness of compliance, and this resulted in the inappropriate actions. It also revealed that the Company's internal controls had been rendered practically ineffective.</p>
<b>Background into the Listing Rules Violation</b>	<ul style="list-style-type: none"> <li>- As a manager, the Former President severely lacked an awareness of compliance. He had acted inappropriately on multiple occasions. For instance, he ordered large increases in his executive compensation and received such payments despite the fact that the board of directors had not given him the authority to determine such matters. He also transferred money from the Company's account to his personal account without obtaining the board of directors' approval. In addition, the Company's internal controls had been rendered ineffective by the Former President. For example, he ordered the execution of the inappropriate acts while engaging in such forms of power harassment as verbally abusing and insulting the executives who opposed his policies.</li> <li>- The current representative director and president also lacked an awareness of compliance. At the time that the inappropriate actions by the Former President were taking place, he held such positions as director and accounting department manager. By executing the inappropriate actions and related orders without reporting them to the board of directors or the audit committee, he failed to adequately perform his duties to oversee and act as a counterbalance to the Former President by overlooking and condoning the inappropriate actions.</li> <li>- The board of directors functioned in name only. While board resolutions are required for such matters as business investments and starting new businesses, the board of directors did not actually pass such resolutions. Instead, it had created board meeting minutes after the fact to give the appearance that such resolutions had been passed at extraordinary board meetings. Furthermore, the directors apart from the Former President failed to adequately fulfill their own roles as directors. They were negligent in not demanding that specific corrections or improvements be made regarding the actual state of the board.</li> <li>- The audit and supervisory committee failed to correct the Former President's inappropriate actions and his invalidation of internal controls. It did not adequately perform its auditing duties to ensure that the directors and the board of directors were adequately executing their duties. In addition, the internal audit system was not adequately developed or functioning. The internal auditing office was only nominally staffed with sales personnel who were not actually carrying out any work as auditors, and the members of the audit and supervisory committee were going through the motions of formulating an internal audit plan and dealing with internal control reports.</li> <li>- The Company's board of directors and other bodies did not function properly for an extended period, and there were extremely serious deficiencies in the internal management system. The Company had corrected past financial statements, citing the lack of compliance awareness of the Former President and the other management members at the time as the main reason and context for doing so. It had also received two requests from TSE for an improvement report. Despite this, the fundamental causes behind the requests were not resolved, and a series of inappropriate actions occurred as a result of the Former President's invalidation of internal controls.</li> </ul>
<b>Status of the Security</b>	Company Making Improvements

In FY2024, there were no significant cases, such as decisions to conduct a re-examination due to a violation of a written oath\*, other than those related to Securities on Special Alert.

\* When a company submits an initial listing application, a segment transfer application, or other type of application, it submits a written oath along with the application documents. In the written oath, the company declares that it has provided all of the required information in the documents that it is submitting to TSE and that all of the provided information is true. If the company is later found to have made false statements in the submitted documents or to have otherwise violated the contents of the written oath, JPX-R will give the company one year to submit an application for re-examination. If the company does not submit its application within the application period or if, upon re-examination, JPX-R determines that the company does not meet the initial listing criteria, the company will be delisted.



#### 4 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report matters affecting the eligibility of listed companies, such as the appropriateness of disclosures. The information provided may be used in our operations as a reference.

As a result, we received 92 more reports compared to the previous year, and JPX-R used the information for the prevention or early correction of problems in listed companies through additional investigations and examinations.

Category			Number of Submissions	Year-on-year Change
Information Regarding Listed Companies	Information Regarding Information Disclosure		143	+67
	Other Information Connected to Listed Companies		113	+44
Other			16	-19
Total			272	+92

#### 5 Efforts to Prevent Inappropriate Behavior by Listed Companies

JPX-R considers the prevention of inappropriate disclosures of corporate information and inappropriate corporate behavior to be an important part of its operations. For example, it provides feedback on issues at pre-disclosure consultations with companies and asks each one to make the necessary improvements, it regularly exchanges opinions with listed companies that have issues with their internal management systems and shares information with related organizations, and it also proactively disseminates information through its publications and seminars for listed companies.

As part of these efforts, in FY2024, JPX-R contributed an article to a trade journal to raise awareness for the Rules for Securities on Special Alert that were introduced in January 2024 by outlining the rules and some recent cases. It also produced two educational videos on corporate scandal prevention aimed at the directors and personnel responsible for promoting the development of internal control systems at listed companies and posted them online. Specifically, leading experts in corporate governance and internal control were invited to give seminars that were recorded and posted online. The titles of the seminars\* (only in Japanese) were “Improving the Effectiveness of Internal Control Systems for the Prevention of Misconduct—Measures Required of Listed Companies in Light of Revisions to Internal Control Standards” and “Practical Considerations for Building Effective Internal Management Systems at Startups and Mid-Sized Companies.” As a result of placing advertisements in financial periodicals and other promotional activities, these videos achieved the most views out of all of JPX-R’s posted videos on corporate scandal prevention and were viewed by people at many listed companies.

\* Various seminars are available for viewing from the “Listed Company Seminars” tab on the “Seminars and Events” page on the JPX website. (URL: <https://www.jpx.co.jp/regulation/seminar/01.html>) (only in Japanese)

## 3 Trading Participants Examination and Inspection

### 1 Overview of Trading Participants Examination and Inspection Operations

When investors trade listed securities on an exchange market, they must place orders through trading participants. Trading participants thus play the role of gatekeepers to the exchange market through their access to it. Hence, it is important for JPX-R to ensure the propriety of trading participants' operations.

As a self-regulatory organization with close proximity to the market, JPX-R conducts inspections of trading participants following the four core principles outlined below.

#### a. Conducting inspections using specialized expertise as part of an exchange group

In order to ensure the fairness and reliability of the market, JPX-R, as a self-regulatory organization with close proximity to the market, conducts highly specialized inspections in cooperation with the exchanges' market operations and systems departments as well as the clearing house, while accurately grasping the environment and issues surrounding the market, including trends in international regulations.

#### b. Monitoring trading participants' business operations and financial situation

JPX-R gathers and analyzes information pertaining to trading participants (information on on-exchange trading activity, various statements and reports submitted by trading participants, disclosed information, past inspection results, results of inspections by other organizations, and information on clearing, etc.) in close collaboration with the Financial Services Agency (FSA) and the SESC and conducts monitoring based on the following principles.

- Targeted monitoring

If JPX-R is concerned about the existence of similar deficiencies at multiple trading participants or deems it necessary to check on the status of their responses to revisions of laws and regulations and to exchange system upgrades, it makes cross-sectional assessments through surveys and interviews or by requesting them to conduct internal inspections.

In addition to inspections, JPX-R proactively monitors trading participants through surveys, interviews, and other methods to swiftly confirm changes in the management structures, financial conditions, and business execution structures of trading participants, the status of deficiency-related improvements, and the status of high-risk operations.

- Regular communication

JPX-R will regularly contact the people responsible for inspections and other related people to assess issues specific to each company or internal control system that may be hard to assess through written documents such as statements and reports submitted by trading participants.

#### c. Strengthening inspection using a risk-based approach

JPX-R aims to strengthen its risk-based approach by conducting risk assessments of each trading participant based on the results of its inspections and monitoring. JPX-R also aims to optimize its inspections and monitoring overall in order to manage trading participants efficiently and effectively.

- Selecting trading participants for inspection based on risks

JPX-R prioritizes the inspections of trading participants that are deemed to be high-risk based on risk assessment results.

Regardless of the time since the last inspection, if it is deemed necessary to promptly perform an in-depth

check, JPX-R has the flexibility to conduct inspections that focus on specific items.

- Conducting inspections flexibly depending on the severity of the risks

JPX-R selects the items and themes to focus on during inspections based on the results of its risk assessments and the trading participants' types of business and specific circumstances. JPX-R also conducts its inspections flexibly, adjusting the number of days and manpower to be allocated depending on the severity of the risks.

#### d. Strengthening the internal control systems of trading participants

If an inspection reveals any violations of laws and regulations or activities that are inappropriate for sound market operation, JPX-R will not only correct and follow up on the situation but also raise the trading participant's awareness of the issues through dialogues that include their management, encouraging them to take measures to strengthen their internal control system where it may be at risk in the future even if deficiencies were not presently found.

The inspections conducted are of three types—general inspection, follow-up inspection, and special inspection. The inspections are either on-site or document-based.

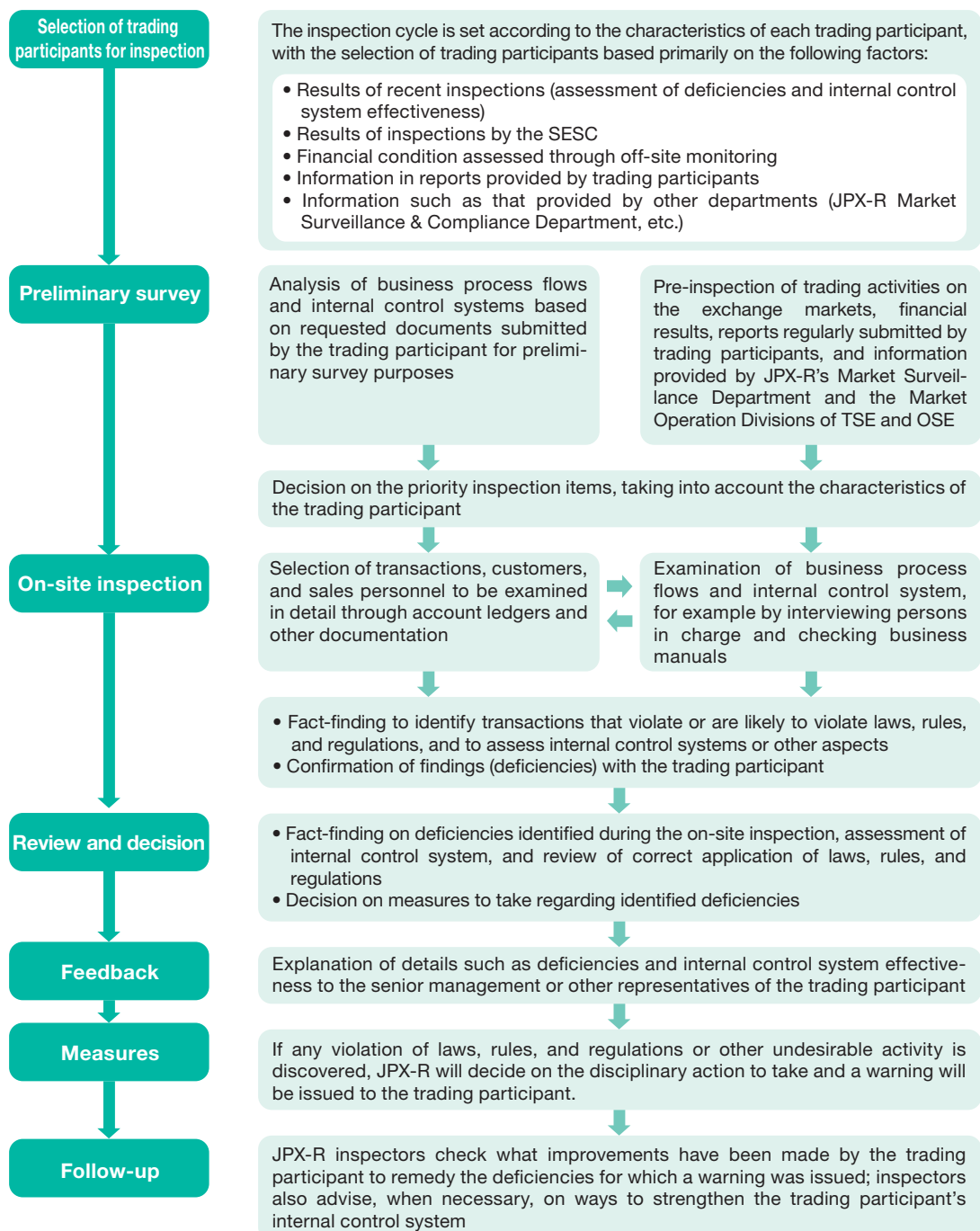
### ■ Types of Inspections

	Features
General inspections	Conducted sequentially, starting with those trading participants for which inspections are deemed highly necessary according to mainly the results of past inspections, the results of inspections by the SESC, and the time elapsed since the previous inspection
With the JSDA	Conducted by the Japan Securities Dealers Association (JSDA) and JPX-R simultaneously on-site in an integrated manner
With other exchanges	Conducted with the cooperation of other Japanese exchanges
Follow-up inspections	Conducted as needed to check for improvements within approximately one year after an inspection
Special inspections	Focus on specific issues based on a range of information

### ■ Inspection Methods

	Features
On-site inspections	Conducted by visiting the headquarters and selected offices of the trading participant; most inspections are conducted in this manner
Document-based inspections	Conducted without an on-site inspection when it is determined that the materials submitted by the trading participant are sufficient, based on the items subject to inspection and other circumstances

## ■ Flow of Inspections



Please check the official JPX website for details.

<https://www.jpx.co.jp/english/regulation/maintaining/outline/index.html>



## 2 Number of Inspections

In FY2024, JPX-R conducted inspections of 24 trading participants, focusing on the following priority inspection items: trading supervision systems to prevent unfair trading, system risk management systems, and management systems pertaining to low latency trading.

The average number of days for a general inspection of TSE and OSE trading participants was 10.5 days, and the average number of inspectors per company was 7.1 inspectors. However, the number of days and inspectors for each inspection varied according to the trading participant's type of business and trading activities.

Recognizing the importance of face-to-face communication, inspections in FY2024 were conducted on-site in principle and through the use of online conferencing tools and other means when necessary.

(Number of companies)

Types of inspections	FY2022	FY2023	FY2024
General inspections	22	21	24
(with the JSDA)	21	19	21
(with other exchanges)	4	8	7
Follow-up inspections	0	0	0
Special inspections	0	1	0
Total	22	22	24

## 3 Inspection Results

If the results of an inspection reveal an infringement of laws and regulations or other undesirable activity, JPX-R will request that improvements are made in business operations such as by issuing a warning or request to the trading participant and determining the appropriate disciplinary action or recommendation for TSE or OSE to impose.

The number of deficiencies found by JPX-R in FY2024 are shown in the chart below.

## a. Number of cases by type of deficiency

(Cases)

Deficiency	Number of cases	
		Cases requiring disciplinary action, warnings, recommendations, or requests
1. Inadequate management of system risks	10 (13)	3 (4)
2. Inadequate management of corporate information	5 (3)	3 (1)
3. Deficiencies related to bookkeeping and document handling	4 (1)	3 (1)
4. Inadequate controls to prevent erroneous order placement	4 (4)	1 (2)
5. Inadequate management to prevent unfair trades	3 (7)	1 (4)
6. Inadequate internal management systems	2 (1)	2 (1)
7. Deficiencies related to best execution duties	2 (0)	2 (0)
8. Deficiencies related to internal inspections and audits	1 (1)	1 (1)
9. Inadequate entries in business reports and related documents	1 (0)	1 (0)
10. Inadequate management of registered representatives	1 (0)	1 (0)
11. Deficiencies in information reported to the exchange or regulator	1 (1)	0 (1)
12. Deficiencies related to net settlement	1 (1)	0 (0)
13. Deficiencies related to stabilizing transactions	1 (0)	0 (0)
14. Deficiencies related to execution correction	0 (2)	0 (0)
15. Other	3 (3)	3 (2)
Total	39 (37)	21 (17)

Note: Figures in parentheses indicate the number of cases in the previous financial year.

## b. Disciplinary actions, warnings, and other actions based on the results of inspections

In FY2024, JPX-R conducted inspections of 24 trading participants. Eleven of them were issued warnings or requests, and one of them was issued a recommendation by TSE. In one of the cases where a warning was issued (concerning an executive who was selling a security acquired through material, non-public corporate information as well as deficiencies in the management of corporate information and of trading by executives and employees), the trading participant was issued a warning by the Governor in charge.

Type of action	Number of cases	Number of companies
Disciplinary action	0	0
Recommendation	1	1
Warning	13	6
Warning by the Governor in charge	1	1
Warning by the Director of Trading Participant Examination and Inspection Dept.	4	2
Warning by an inspector	8	4
Request	7	6
Total	21	11

Note: The total number of companies does not equal the calculated total, as some trading participants received more than one action.

Warnings and other actions taken in FY2024 are listed below by type of deficiency.

(Cases)

Deficiency	Disciplinary action	Warning			Recommendation	Request	Improvement Report
		Governor in Charge	Dept. Director	Inspector			
1. Inadequate management of system risks						3	
2. Inadequate management of corporate information		1				2	1
3. Deficiencies related to bookkeeping and document handling			1	2			1
4. Inadequate internal management systems			1		1		2
5. Deficiencies related to best execution duties			1	1			1
6. Inadequate management to prevent unfair trades			1				1
7. Inadequate entries in business reports and related documents				1			
8. Inadequate management of registered representatives				1			
9. Inadequate controls to prevent erroneous order placement						1	1
10. Deficiencies related to internal inspections and audits						1	
11. Other				3			
Total		1	4	8	1	7	7

Note: An Improvement Report is a written document that is requested to be submitted regarding improvement measures and other matters.

## 4 Disciplinary Actions Taken

When JPX-R deems necessary, such as when a trading participant is found to be in violation of laws, rules, and regulations, JPX-R shall determine the type of disciplinary action to be imposed by TSE or OSE (fines, censure, suspension or restriction of trading, or cancellation of trading qualification) after consultation with its advisory body the Disciplinary Committee.

The disciplinary actions taken in FY2024 are outlined below.

### a. Disciplinary action stemming from inspections

In FY2024, no disciplinary actions were taken stemming from inspections.

## b. Disciplinary action based on administrative actions

Trading Participant	Outline of Infringement	Disciplinary Action	Initial Disciplinary Action
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	(1) Inappropriate sharing, usage, and management of information (2) Inappropriate conclusion of financial instruments transaction contracts	TSE: Fine of JPY 40 million OSE: Censure (October 1, 2024)	Administrative action by the FSA on June 24, 2024
Morgan Stanley MUFG Securities Co., Ltd.	Inappropriate sharing, usage, and management of information	TSE: Fine of JPY 10 million OSE: Censure (October 1, 2024)	Administrative action by the FSA on June 24, 2024
Nomura Securities Co., Ltd.	This constituted a series of market derivatives transactions on the Company's account that would potentially mislead others into believing that the trading of JGB Futures is thriving and cause fluctuations in its prices on the OSE market.	TSE: Censure OSE: Fine of JPY 60 million and Suspension of the Company's proprietary trading of JGB Futures and Options on JGB Futures (excluding activity specifically authorized by OSE) (three days) (December 16, 2024)	Administrative monetary penalty payment order by the FSA on October 31, 2024

\* In all cases, the submission of a business improvement report was requested in conjunction with the disciplinary action.

## 5 Examinations for Trading Qualifications and for Reorganizations at Trading Participants

JPX-R examines entities (e.g., financial instruments business operators) that have applied to TSE or OSE for trading qualifications.

In FY2024, there were no cases requiring examination (based on the effective date).

In addition, JPX-R examines trading participants to approve their mergers or other types of reorganization above a certain scale. In FY2024, the following case was examined.

Date	Company Name	Matter Approved
April 1, 2024 (Date of Succession)	Okasan Securities Co., Ltd.	Succession of part of another company's business via a company split

## 6 Implementation of Monitoring

In addition to conducting regular interviews with trading participants regarding such matters as changes to their business models or internal management systems, monitoring involves conducting ad hoc interviews based on information gained from notices and reports from trading participants, information sharing within the JPX Group, media reports, and/or other sources.

In FY2024, JPX-R conducted research on a cross section of trading participants in light of changes in the market environment, revisions to rules, and other factors. In addition, trading participants that were flagged for prioritized monitoring were monitored for changes in their management structures, financial conditions, and business execution structures as well as on the status of deficiency-related improvements and of high-risk operations.



## 7 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report matters non-compliance with laws and regulations by trading participants. The information provided may be used in our operations as a reference.

(件)

Category	Number of Submissions	Year-on-year Change
Information Regarding Trading Participants	3	+2
Other	0	±0
Total	3	+2

## 8 Efforts to Improve the Skills of JPX-R's Inspectors

JPX-R works to improve the skills of its inspectors so that they can conduct inspections more effectively and in greater detail.

In FY2024, JPX-R conducted training for all of its inspectors on advances in inspection and on the Financial Instruments and Exchange Act. JPX-R also actively encourages its inspectors to obtain professional certifications, such as Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA).

## 9 Efforts to Strengthen Support for Trading Participants

When JPX-R determines that an internal control system or other aspect of a trading participant may give rise to deficiencies in the future, even if such deficiencies did not require action during an inspection, we raise the trading participant's awareness of the issues and provide advice on matters where a further enhancement of internal control systems is desirable.

## 4 Market Surveillance

### 1 Overview of Market Surveillance Operations

To ensure fairness and reliability in the cash equities and derivatives markets, JPX-R monitors all transactions on a regular basis to detect unfair trading practices such as insider trading and market manipulation. These activities are referred to as “market surveillance.”

JPX-R’s market surveillance process is carried out as follows:

#### Step 1 Identification of Securities to Investigate

Securities to investigate are identified by the system from transactions that can be thought irregular considering share price or trading volume trends, and may also be identified from information provided by the exchanges’ market departments or external sources.

Securities to investigate can also be identified when a material fact under laws and regulations has been made public pertaining to a security, and the stock price trends before and after the disclosure seem irregular.

#### Step 2 Investigation and Examination

Investigations begin mostly by requesting client trading data from trading participants and reports on disclosure of material facts from listed companies. Based on these pieces of information, for insider trading, we examine whether company insiders or related parties have made trades coinciding with the disclosure of material facts, while for a market manipulation examination, JPX-R analyzes order placement and execution patterns.

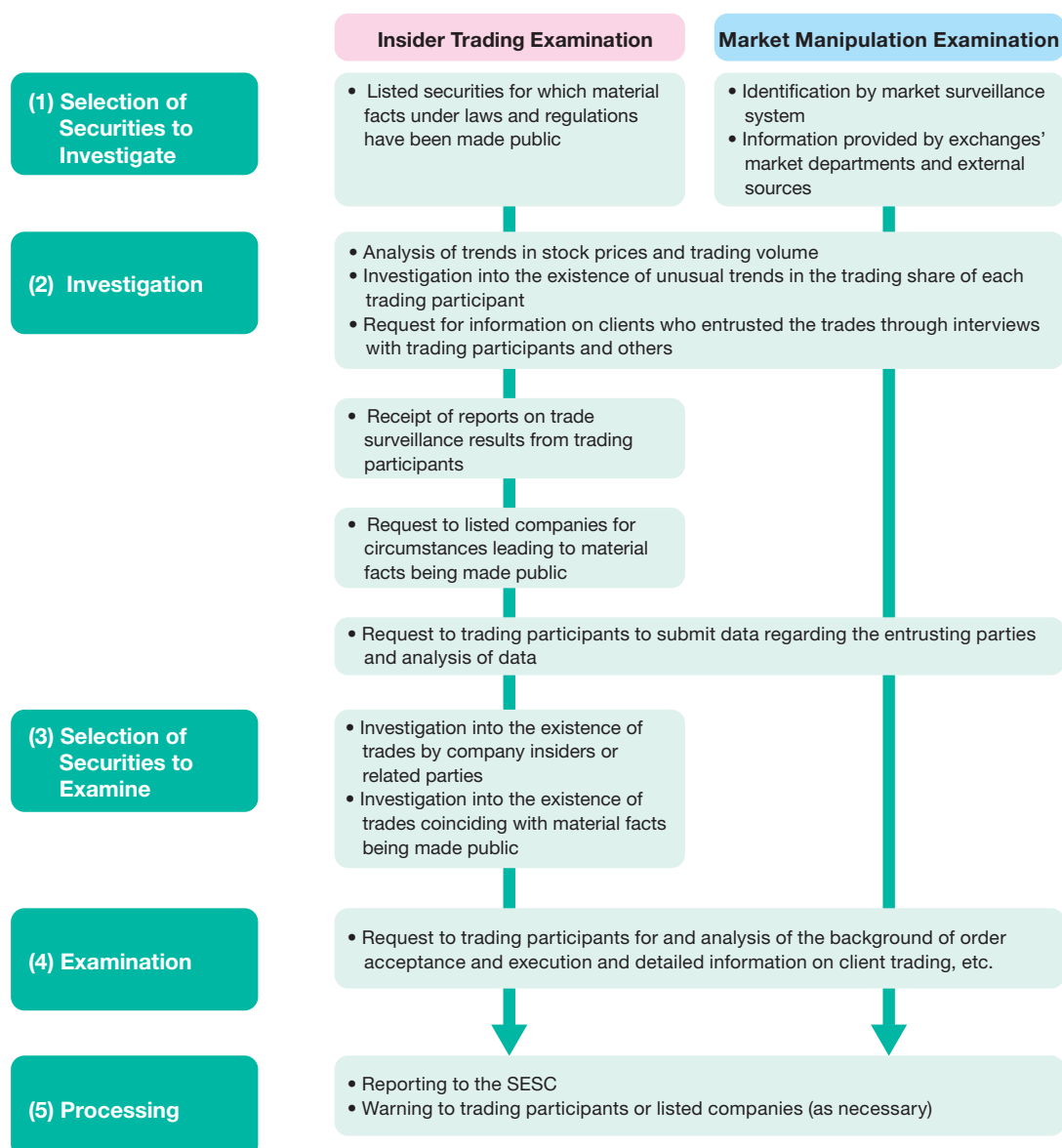
If investigation findings point to the need for more detailed analysis, the case moves to the examination stage. The trading participants are then asked for further clarification and that information is comprehensively analyzed to determine if unfair trading has or is suspected to have taken place.

#### Step 3 Processing

The results of all examinations are reported to the SESC. JPX-R supports the market surveillance activities of the SESC through such collaboration.

In addition, if the examination results find that a listed company’s internal management system for preventing insider trading is inadequate or that a trading participant’s actions have violated or are likely to lead to a future violation of laws, rules, or regulations, JPX-R will issue a warning and/or otherwise urge improvements.

## ■ Market Surveillance Flowchart



## 2 Number of Market Surveillance Investigations and Examinations

Market surveillance is divided into two levels: the investigation level, at which potentially problematic cases are identified, and the examination level, at which detailed analysis is conducted on those cases deemed to be potentially problematic based on the investigation results.

Securities targeted for investigation include those for which material corporate information has been made public that significantly influences investors' investment decisions, for example on such matters as capital increases, mergers, or dissolutions, or those where irregularities are discovered through price or trading volume fluctuations. For these securities, price and trading volume trends are analyzed, along with the trading status of trading participants, and investigations are conducted as necessary, including by interviewing trading participants. In FY2024, 2,958 such investigations took place.

Furthermore, for securities deemed to require more detailed analysis, examinations are conducted as necessary, including by interviewing trading participants and getting details about their order acceptance and execution and detailed information about their clients. In FY2024, 113 such examinations took place.

A breakdown of the number of cases investigated and examined in FY2024 is as follows:

(Number of Cases)

Category		Investigation		Examination	
		FY2024	Year-on-year Change	FY2024	Year-on-year Change
Insider trading	Capital increase	72	-5	7	±0
	Capital reduction	24	+8	2	-1
	Share buybacks	240	+54	4	+2
	Share splits	57	±0	1	±0
	Dividend transfers	453	+57	3	-6
	Mergers	1	-3	0	±0
	Business tie-ups	99	+15	10	+6
	Losses incurred through operations	112	±0	1	-4
	Change in major shareholders	6	+3	0	±0
	Information on financial results	579	-55	8	-10
	Other material facts	271	+26	57	+9
	Subtotal	1,914	+100	93	-4
Market manipulation (stock price fluctuations, etc.)		1,033	+23	19	-7
Derivatives-related		11	-45	1	+1
Other		0	±0	0	±0
Total		2,958	+78	113	-10

Note: Investigations and examinations are counted at the point of completion. Cases that went to the examination stage are counted as examinations and not investigations.



### 3 Market Surveillance Results

#### a. Warnings and Requests for Re-examination of Internal Systems at Listed Companies

If a listed company's actions are found to be in violation of or likely to violate laws, rules, or regulations, or if the company's internal control system to prevent insider trading is considered inadequate, a warning is issued to the company to encourage the development and improvement of its internal control system. Furthermore, if deemed necessary considering the details of the case, JPX-R will also request a written report detailing improvement measures. In FY2024, warnings were issued to listed companies in two cases as outlined in the table below.

In addition, when a government agency issues a recommendation for a penalty to be paid for a violation of insider trading regulations by an officer or employee of a listed company or related entity, JPX-R will request that the listed company re-examine its internal systems or take other action.

As outlined in the table below, a re-examination was requested in five cases in FY2024.

Additionally, explanations regarding particular transactions were provided to listed companies in 12 cases to promote enhancement of their systems to prevent insider trading.

#### ■ Numbers of Warnings and Requests for Re-Examination Issued to Listed Companies

		(Number of Cases)
Warnings to listed companies		2 (2)
	Warning by the Governor in charge	1 (1)
	Warning by the Director of the Market Surveillance & Compliance Department	1 (1)
	Warning by a senior manager	0 (0)
Requests to listed companies for re-examination		5(5)

Note: Figures in parentheses indicate the number of requests for written reports on improvement measures.

\* The warning was issued by the President instead of the Governor in charge.

#### b. Warnings to Trading Participants

As a result of market surveillance, if a trading participant's conduct is found to be in violation of or likely to violate laws, rules, or regulations, to prevent both recurrences and new occurrences of unfair trading, JPX-R takes measures as required based on the exchanges' rules and regulations by deciding on a disciplinary action or issuing a warning to the trading participant. Furthermore, if deemed necessary considering the details of the case, we will also request a written report detailing improvement measures. In FY2024, no such warnings were issued to trading participants.

In addition, even if there is no immediate problem or suspicion of unfair trading with respect to a trading participant's conduct in order acceptance, JPX-R may provide an explanation regarding a particular transaction to a trading participant if deemed necessary to prevent unfair trading if, for example, the order placement and execution patterns of a particular client are deemed likely to lead to a future violation if left unchecked. In FY2024, such explanations were provided to trading participants for 299 transactions.

#### 4 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report unfair trading in JPX markets, such as insider trading and market manipulation. The information provided may be used in our operations as a reference.

(Number of Instances)

Category	Number of Submissions	Year-on-year Change
Insider trading	28	-16
Market manipulation	478	+89
General information on securities	0	±0
Other	14	+14
Total	520	+87

#### 5 Enhancing JPX-R's Market Surveillance System in Line with Market Changes

As tremendous progress in data processing and in information and communications technology has spurred innovations in investment and asset management technologies, particularly at institutional investors, major changes have appeared in the structure of financial instruments markets. The most notable changes are the advent and proliferation of algorithmic trading and high-frequency trading (HFT).

JPX-R is accumulating the expertise and enhancing its capacity to identify forms of unfair algorithmic trading and HFT through such efforts as the construction of an environment to analyze trading data in greater detail and the development of a new system to detect unfair trading. In doing so, JPX-R aims to ensure that a wide range of investors, including retail investors, may safely trade on the markets operated by companies in the JPX Group, even in a complex market environment with increased traffic.

Furthermore, JPX-R is making use of AI so that it can perform its market surveillance operations more efficiently and accurately. It continuously verifies the AI's output and is working to make the AI even more accurate.

#### 6 Efforts to Enhance Cooperation with Overseas Self-Regulatory Organizations

JPX-R is a member of the Intermarket Surveillance Group (ISG), a global network of self-regulatory organizations for actively exchanging information on the latest developments in the field of market surveillance. In FY2024, JPX-R participated in an ISG meeting that was held in Chicago in May, and worked to exchange information on and strengthen international cooperation in market surveillance and the examination and inspection of market participants.

In addition, JPX-R routinely shares information with other ISG members. For example, when investigating foreign investors as part of its market surveillance activities, JPX-R asks other ISG members to provide information on the investors under investigation.

## 5 Compliance Support Activities for Listed Companies and Trading Participants

In order to prevent unfair trading and to maintain and enhance the soundness of trading participants, the Compliance Learning Center (COMLEC) is actively involved in compliance support activities for listed companies and trading participants.

### 1 COMLEC and Other Compliance Education Activities

JPX-R has established the Compliance Learning Center (COMLEC) to promote the provision of compliance support for listed companies and trading participants. The compliance support activities undertaken by COMLEC include the holding of various types of compliance seminars, the dispatching of instructors to provide training at individual companies, and the provision of training tools such as e-learning. In addition to the work of COMLEC, every year JPX-R identifies topics of particular concern to listed companies based on the environment affecting the securities market in that year, and holds seminars featuring experts in relevant fields, mainly for the representative directors of listed companies, officers responsible for compliance, and company auditors.

Going forward, JPX-R will be working to provide even higher-quality services in this area, while expanding the scope of its activities.



### 2 COMLEC's Activities

#### a. Holding of Compliance-related Seminars

COMLEC holds seminars on compliance as it relates to financial instruments transactions, mainly for the company officers and employees of listed companies and trading participants.

These seminars provide easy-to-understand explanations of the latest compliance-related topics that are directly linked to the operations of listed companies and trading participants, based on actual case studies and experience accumulated by JPX-R through its day-to-day self-regulatory operations.

## ■ Seminars Organized by COMLEC

Date	Content
May 28, 2024 (online)	Inspection Practitioner Seminar (225 attendees from 85 companies) The seminar was held for the compliance officers and IT personnel of trading participants. It covered JPX-R's Inspection Plan for FY2024 and recent inspection cases. It also featured a talk by a guest speaker on practical approaches to system risk assessment.
November 25, 2024 (Tokyo) December 10, 2024 (Osaka)	Inspection Practitioner Seminar (Tokyo: 153 attendees from 69 companies, Osaka: 12 attendees from 9 companies) In collaboration with the Securities and Exchange Surveillance Commission and other organizations, JPX-R held a seminar for the compliance officers of trading participants. At the seminar, JPX-R presented examples from its inspections, as well as the results of research on system capacity management that took into account recent market activity and research on IPO pricing procedures that took into account recent disciplinary cases.

### b. Holding of Compliance Seminars and Dispatching of Training Instructors

COMLEC dispatches JPX-R personnel to listed companies and trading participants that request an instructor for their in-house compliance training so that their staff are able to fully comply with the relevant laws and regulations.

Training related to trade surveillance is tailored to meet the needs of the requesting listed company or trading participant. In addition to explaining the regulations on insider trading and on market manipulation, the instructor may present previous court decisions and examples from actual cases of market surveillance performed by JPX-R.

Training related to the examination and inspection of trading participants is also tailored to the requester's needs. The instructor may present actual cases of violations and how they were resolved or explain how to put a suitable internal management system in place in order to prevent such violations.

In FY2024, COMLEC dispatched instructors to a total of 197 training sessions at listed companies and trading participants. In addition, it held a total of 31 seminars on insider trading regulations for the management personnel of listed companies. (Videos featuring the same content as the seminars on insider trading regulations are available online).

For overviews of the various types of seminars, please visit the JPX website:  
<https://www.jpx.co.jp/regulation/seminar/index.html> (only in Japanese)



### c. Issuance of Publications and E-Learning Training Service

COMLEC issues various publications and provides compliance training services with the aim of helping the company officers and employees of listed companies, securities companies, and other market players, as well as the investing public in general, to acquire more knowledge regarding compliance as it relates to financial instruments transactions, through explanations of the laws and regulations governing financial instruments transactions, the presentation of case studies, and other methods.

In addition, COMLEC provides e-learning training services on the internet as part of its securities education activities for market users, including the officers and employees of listed companies and trading participants as well as other investors. These services, which can be accessed using a smartphone, tablet, or other mobile device, represent a highly convenient, optimal compliance training tool for all company officers and employees, including those who may be working in remote locations or may be too busy to attend in-person training activities, and they also allow company personnel responsible for organizing training to verify the learning progress of each trainee. As such, COMLEC's e-learning training services have been widely used, and can be expected to provide a highly effective learning experience.

For more details about the services and how to apply, please visit the JPX website:

1. E-learning for rules relating to insider trading

<https://www.jpx.co.jp/regulation/preventing/activity/01.html> (only in Japanese)

2. E-learning for trading participants

<https://www.jpx.co.jp/regulation/preventing/activity/index.html> (only in Japanese)

Name of E-Learning Course	Intended Audience	Length	Content
Konpura-kun's ("Mr. Compliance") Introduction to Insider Trading Regulations :1 <b>Insider Trading Basics</b>	All adults, including new employees	20 minutes	The aim of this course is to help people learn precisely what insider trading is. Compiled in such a way as to be easy to understand even for people who have only a vague idea, it uses an approach that focuses on what is regulated by insider trading regulations, and why it needs to be regulated. (2023 version)
Konpura-kun's Introduction to Insider Trading Regulations 2: <b>The Content of Insider Trading Regulations</b>	Mainly officers and employees of listed companies, securities companies, etc.	20 minutes	The aim of this course is to present the knowledge that company officers and employees of listed companies should possess regarding the content of insider trading regulations. It explains insider trading regulations and their scope by focusing on four key terms. (2023 version) (English-language version available)
Konpura-kun's Introduction to Insider Trading Regulations 3: <b>Misconceptions and Case Studies</b>	Mainly officers and employees of listed companies, securities companies, etc.	20 minutes	This course, which assumes a certain degree of knowledge about insider trading regulations, collates the key points that related parties need to pay particular attention to. Specific examples are used to illustrate the more practical points. (2023 version)
Key Points for Practitioners in Order to Prevent Insider Trading	Mainly officers and compliance personnel of listed companies	15 minutes	This course collates the key points that listed companies, as opposed to individuals, need to pay attention to in order to prevent insider trading. It uses case studies to explain the approach that listed companies should adopt toward their management systems.
Konpura-kun's Guide to Insider Trading Rules: <b>Key Points to Note for REITs</b>	Mainly officers and employees of listed investment corporations, securities companies, etc.	15 minutes	This course enables users to learn the main content of the insider trading rules relating to real estate investment trusts (REITs). It explains not only the content of the rules relating to REITs, but also key points connected to the special characteristics of investment corporations as opposed to ordinary corporations.

Name of E-Learning Course	Intended Audience	Length	Content
Konpura-kun's Introduction to Stock Price Manipulation Rules 1	Mainly intended for the sales staff, new employees, and other related employees of securities companies	25 minutes	This course enables users to learn the main content of the rules governing stock price manipulation (market manipulation) pursuant to the Financial Instruments and Exchange Act starting from the basics. It uses concrete examples to explain what kinds of behavior are prohibited by the rules governing stock price manipulation.
Konpura-kun's Introduction to Stock Price Manipulation Rules 2	Mainly intended for the sales staff, new employees, and other similar employees of securities companies	20 minutes	This course enables users to learn the main content of the rules governing stock price manipulation (market manipulation) pursuant to the Financial Instruments and Exchange Act, starting from the basics. Following on from Part 1, it explains things such as the penalties for illegal stock price manipulation, and presents numerous case studies to facilitate more in-depth understanding.

#### d. Issuance of Publications

The main publications that COMLEC has issued relating to compliance are as follows.

Item (i) is available for sale via the JPX website at <https://www.jpx.co.jp/corporate/learning/resources/index.html> (only in Japanese).

Items (ii) and (iii) can be found on the JPX website at <https://www.jpx.co.jp/regulation/public/index.html> (only in Japanese).

Name of Publication	Summary
i) Konpura-kun's Guide to Insider Trading Rules Q&A (reflecting the revisions made to the Financial Instruments and Exchange Act in 2013)	This "bible" of insider trading rules brings together the fundamental content of the insider trading rules in Q&A format.
ii) Collection of Internal Insider Trading Prevention Rules	This collection of case studies analyses internal insider trading prevention rules provided voluntarily by 348 companies listed on Tokyo Stock Exchange at the time of implementation of the Second Nationwide Listed Company Insider Trading Management Survey.
iii) Report on the Fifth Nationwide Listed Company Insider Trading Management Survey	A survey regarding insider trading management and the status of efforts to ensure that officers and employees have opportunities to trade their company's stock was administered to listed companies throughout Japan. A report was compiled based on an analysis of the responses received from the 2,261 companies that assisted in the survey. The report was posted on each exchange's website in March 2024. (The survey was conducted in collaboration with stock exchanges throughout Japan.)

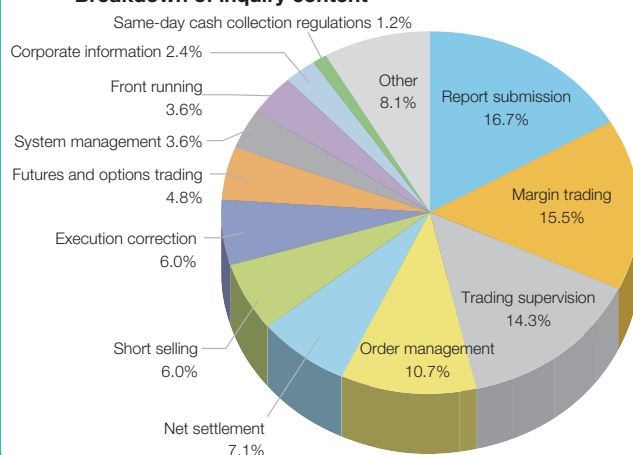
### 3 Handling Inquiries from Listed Companies, Trading Participants, and Related Organizations

The Trading Participants Examination & Inspection Department and the Market Surveillance & Compliance Department take and answer inquiries from, respectively, trading participants and related parties regarding the laws and regulations relating to securities trading, and listed companies, trading participants, and other related parties regarding the rules and regulations governing insider trading and market manipulation.

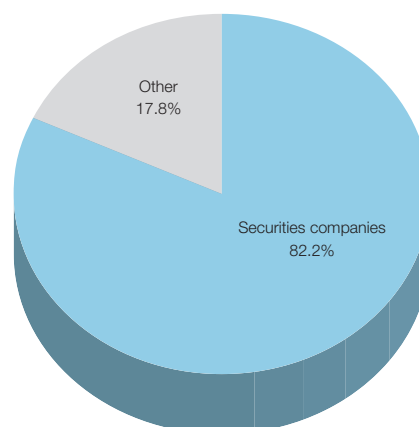
In FY2024, the Trading Participants Examination & Inspection Department handled 84 inquiries, and the Market Surveillance & Compliance Department handled 478 inquiries. An overview of the inquiries received is shown in the table below.

#### Trading Participants Examination and Inspection-Related

##### Breakdown of inquiry content

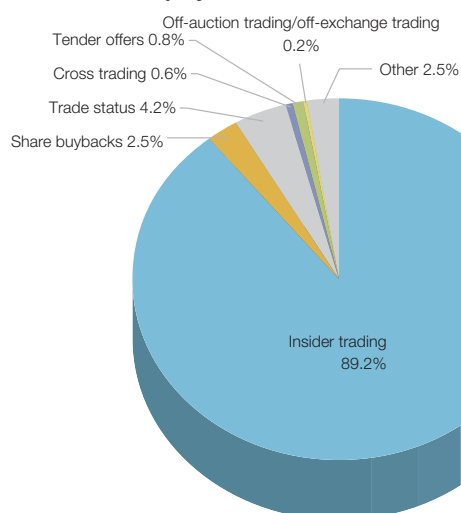


##### Breakdown of parties submitting inquiries

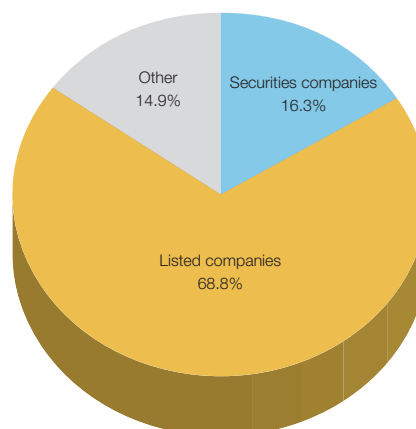


#### Market Surveillance-Related

##### Breakdown of inquiry content



##### Breakdown of parties submitting inquiries



## 6 Lists of Securities

### 1 Securities That Were Listed as a Result of Initial Listings or Segment Transfers

#### New Listings

<Stocks> 131

(Prime Market) 8

Apr. 1, 2024	Ryoyo Ryosan Holdings, Inc. *
Jun. 3	SAMTY HOLDINGS Co., Ltd. *
Oct. 1	TOBISHIMA HOLDINGS Inc. *
Oct. 18	INTERMESTIC INC.
Oct. 23	Tokyo Metro Co., Ltd.
Oct. 25	Rigaku Holdings Corporation
Dec. 18	Kioxia Holdings Corporation
Mar. 19, 2025	JX Advanced Metals Corporation

(Standard Market) 16

Apr. 4, 2024	As Partners CO., LTD.
Jun. 20	TAUNS Laboratories, Inc.
Jul. 1	KOZO KEIKAKU ENGINEERING HOLDINGS Inc. *
Jul. 18	Cados Corporation
Jul. 23	FIT EASY Inc.
Jul. 31	Faber Company Inc.
Oct. 1	Shimadaya Corporation
Oct. 1	ETS Group Co., Ltd. *
Oct. 1	AI FUSION CAPITAL GROUP CORP. *
Oct. 1	GLTECHNO HOLDINGS, INC. *
Oct. 16	Nihon Suido Consultants Co., Ltd.
Nov. 22	Garden Co., Ltd.
Dec. 17	Kuroda Group Co., Ltd.
Dec. 25	ALPICO HOLDINGS CO., LTD.
Dec. 25	MIC Co., Ltd.
Mar. 19, 2025	Medix Inc.

(Growth Market) 62

Apr. 1, 2024	SBI RHEOS HIFUMI Inc. *
Apr. 1	TASUKI Holdings Inc. *
Apr. 8	itamiarts inc.
Apr. 11	Hammock Inc.
Apr. 16	Will Smart Co., LTD.
Apr. 24	Rezil Inc.
Apr. 25	Kohjin Bio Co., Ltd.
May 28	Manabi-aid Co., Ltd.
Jun. 5	Astroscale Holdings Inc.
Jun. 11	D&M COMPANY CO., LTD
Jun. 14	Chordia Therapeutics Inc.
Jun. 18	Integroup Inc.
Jun. 19	Ricecurry Inc.

Jun. 20	WOLVES HAND Co., Ltd.
Jun. 20	PostPrime Inc.
Jun. 21	MFS, Inc.
Jun. 27	MAMEZO DIGITAL HOLDINGS CO., LTD.
Jun. 28	LOGOS HOLDINGS INC.
Jul. 2	PRISM BioLab Co., LTD
Jul. 26	Timee, Inc.
Jul. 29	Liberaware Co., Ltd.
Jul. 30	Heartseed Inc.
Aug. 21	OPRO Co., Ltd.
Sep. 25	ROXX, inc.
Sep. 26	Growth X Partners, Inc.
Sep. 26	INGS inc.
Sep. 26	ASUA Inc.
Sep. 26	KIDS STAR Inc.
Sep. 27	Ai ROBOTICS INC.
Oct. 11	alt Inc.
Oct. 22	Schoo, inc.
Oct. 28	Hmcomm Inc.
Oct. 29	Sapeet Inc.
Nov. 28	CCReB Advisors Inc.
Nov. 29	Globe-ing Inc.
Nov. 29	Terra Drone Corporation
Dec. 4	TMH Inc.
Dec. 9	Informetis Co., Ltd.
Dec. 11	QLS Holdings Co., Ltd
Dec. 12	EUCALIA Inc.
Dec. 13	Lexus Technologies Inc.
Dec. 17	Reskill Corp.
Dec. 19	Synspective Inc.
Dec. 19	dely inc.
Dec. 23	Reiwa Accounting Holdings Co., Ltd.
Dec. 26	GVA TECH, Inc.
Dec. 26	visumo Inc.
Dec. 26	FORCIA, Inc.
Dec. 27	b-style holdings, Inc.
Feb. 5, 2025	Next Generation Technology Group Inc.
Feb. 20	Flier Inc.
Feb. 21	Booking Resort Co., Ltd.
Feb. 28	TENTIAL Inc.
Mar. 18	TalentX Inc.
Mar. 21	MEEQ Inc.
Mar. 24	Mirairo Inc.
Mar. 25	Visual Processing Japan Co., Ltd.
Mar. 27	Dynamic Map Platform Co., Ltd.

Mar.27	ZenmuTech,Inc.
Mar.28	PROGRESS TECHNOLOGIES GROUP,Inc.
Mar.28	TOYOKOH Inc.
Mar.31	zig-zag,Inc.

(TOKYO PRO Market) 45

Apr.11,2024	AGENTEC Co.,Ltd.
May 28	Recycle Tech Japan CORPORATION
Jun. 7	Mediair corporation
Jun.18	MIMOSA CO.,LTD.
Jun.20	Gro-Bels Co.,Ltd.
Jun.24	Rising Corporation Inc.
Jun.27	Shunbin Co.,Ltd.
Jun.27	TaiyoPackage Co.,Ltd.
Jul.11	Onodani Machine Co.Ltd
Jul.17	SUPPORT Co.,Ltd.
Jul.26	Life create Co.,Ltd
Jul.30	Katsu Mi Japan Inc.
Aug. 5	INSIGHT LAB,Inc.
Aug. 8	Nippon Information Control System Inc.
Aug.13	Asumi HD Inc.
Aug.29	Hillstone Inc.
Sep. 6	Balleggs Co.,Ltd.
Sep.24	Wedge Co.,Ltd.
Sep.26	Top's Inc.
Sep.27	HUMAN ADJUST Co.,Ltd.
Sep.30	Neuromagic Co.,Ltd.
Oct.18	DigitalCube Co.Ltd.
Oct.23	TOWARISE CORPORATION
Oct.25	Glocal Marketing Co.,Ltd.
Oct.31	Accelia,Inc.
Nov.14	Hanwa Home's Co.,Ltd.
Nov.20	Interg Inc.
Nov.26	FUKUYA Construction Co.,Ltd.
Dec.16	Double Tree Inc.
Dec.16	Housing staff Inc.
Dec.19	SIE Co.,Ltd.
Dec.19	BABY JOB CO.,LTD.
Dec.19	Postmate Holdings,Inc.
Dec.25	In-dex,Inc.
Dec.27	Thirty Four co.,ltd.
Jan. 8,2025	COSMOS CHOUZAI Pharmacy Co.,Ltd.
Jan.17	Shinko Holdings Corporation
Jan.30	NPT CO.,LTD.
Jan.31	SMS Data Tech Corporation
Jan.31	Human Stage Holdings Corporation
Feb. 5	HIMEJI RIKA CO.,LTD.
Feb.13	D&I,Inc.
Mar. 3	aero lab international Inc.
Mar.11	ZEAL Associate Corp.

Mar.17 TECHNOSMILE,INC.

“\*” denotes a technical listing.

<Bonds> N/A

<ETFs/ETNs> 37

Apr.10,2024	Global X Innovative Bluechip Top 10+ ETF
Apr.10	Global X 25+ Year T-Bond ETF (JPY Hedged)
Apr.10	Global X 25+ Year T-Bond ETF
Apr.25	MAXIS US Treasury Bond 1-3 Year ETF (Unhedged)
Apr.25	MAXIS US Treasury Bond 20+ Year ETF (Unhedged)
Apr.25	MAXIS US Treasury Bond 20+ Year ETF (JPY Hedged)
May 23	Global X India Top 10+ ETF
Jun. 4	NEXT FUNDS Nikkei Semiconductor Stock Index Exchange Traded Fund
Jun.12	iShares Nifty 50 ETF
Jun.26	iFreeETF Nikkei High Yield REIT Index
Jul.12	Listed Index Fund Nikkei Semiconductor Stock
Jul.19	MAXIS Nikkei Semiconductor Stock (Japan) ETF
Jul.25	Global X Artificial Intelligence & Technology ETF
Jul.25	Global X Uranium ETF
Aug.20	iFreeETF Nifty50
Aug.22	Global X MSCI Japan Cash Flow Kings ETF
Aug.22	Global X Japan High Dividend 30 ETF
Aug.28	iShares 7-10 Year Japan Government Bond ETF
Aug.28	iShares 25+ Year US Treasury Bond Long Duration ETF
Aug.28	iShares 25+ Year US Treasury Bond Long Duration JPY Hedged ETF
Sep.24	SMT ETF Selected J-REIT Active
Sep.24	SMT ETF Selected Japan Equity Active
Oct.31	SBI Saudi Arabia Equity Exchange Traded Fund
Nov.21	Global X Japan Semiconductor Top 10 ETF
Nov.21	Global X US Tech Dividend Aristocrats ETF
Dec. 3	NEXT FUNDS MSCI Global Climate 500 Japan Selection Index Exchange Traded Fund
Dec.12	One ETF FTSE Saudi Arabia Index
Jan. 9,2025	Global X Japan Bank High Dividend ETF
Jan.10	iFreeETF FANG+
Jan.15	SIMPLEX VIX Short-Term Futures ETF
Jan.16	iShares S&P 500 Top 20 ETF
Jan.16	iShares Gold ETF
Feb.20	Global X Japan Pricing Power Leaders ETF
Mar.21	High Dividend Growth Japan Equity Net Return ETN
Mar.27	NEXT FUNDS S&P 500 Semiconductors & Semiconductor Equipment (Industry Group) 35% Capped Index Exchange Traded Fund
Mar.27	MAXIS Yomiuri333 Japan Stock ETF
Mar.28	SMDAM Active ETF Japan Growth Equity

<REITs/Infrastructure Funds> N/A



## &lt;Preferred Stocks, etc.&gt; 2

Aug. 2, 2024	Series 1 Bond-Type Class Shares of INFRONEER Holdings Inc.
Oct. 4	Series 2 Bond-Type Class Shares of SoftBank Corp.

## &lt;Securities Options Market&gt; 6

Jul. 29, 2024	Mercari, Inc. Stock
Jul. 29	DISCO CORPORATION Stock
Jul. 29	Socionext Inc. Stock
Jul. 29	Lasertec Corporation Stock
Jul. 29	SCREEN Holdings Co., Ltd. Stock
Jul. 29	Nitori Holdings Co., Ltd. Stock

## &lt;TOKYO PRO-BOND Market&gt; 7

(Program Listings) N/A

(Individual Listings Based on Program Information) 7

Apr. 24, 2024	Japan Finance Organization for Municipalities Series 106 U.S.\$1,500,000,000 5.000 per cent. Notes due 2029
Jun. 5	The Metropolis of Tokyo U.S.\$500,000,000 4.750 per cent. Bonds due 2029
Jun. 28	Japan International Cooperation Agency JPY 20,000,000,000 0.580 per cent FILP Agency Bonds #79
Oct. 25	The Metropolis of Tokyo EUR300,000,000 2.625 per cent. Bonds due 2029
Nov. 29	Japan International Cooperation Agency JPY 20,000,000,000 0.820 per cent FILP Agency Bonds #80
Nov. 29	apan International Cooperation Agency JPY 10,000,000,000 1.181 per cent FILP Agency Bonds #81
Jan. 17, 2025	Japan Finance Organization for Municipalities Series 107 EUR500,000,000 2.750 per cent. Notes due 2030

Individual Listings (Standalone) N/A

**Segment Transfers 13**

## &lt;Growth to Prime&gt; 5

Jul. 16, 2024	Macbee Planet, Inc.
Jul. 18	SUNWELS Co., Ltd.
Sep. 20	GENOVA, Inc.
Nov. 1	WA, Inc.
Mar. 10, 2025	baudroie, inc.

## &lt;Growth to Standard&gt; 5

May 22, 2024	EnBio Holdings, Inc
Oct. 23	Edia Co., Ltd.
Feb. 17, 2025	Nextgen, Inc.
Mar. 7	Palma Co., Ltd.
Mar. 27	PLATZ Co., Ltd.

## &lt;Standard to Prime&gt; 2

Sep. 25, 2024	CELSYS, Inc.
Sep. 27	PKSHA Technology Inc.

## &lt;Prime to Standard&gt; 1

Feb. 27, 2025	STUDIO ALICE Co., Ltd.
---------------	------------------------

## 2 Securities That Were Delisted, Ceased to Be a Substantial Surviving Company, or Were Brought Under Other Regulatory Measures

### Delistings

<Stocks> 96

(Prime Market) 32

Apr. 2, 2024	TOKYO RAKUTENCHI CO., LTD.
Apr. 25	T&K TOKA CO., LTD.
May 17	Benesse Holdings, Inc.
May 20	Benefit One Inc.
May 30	Samty Co., Ltd.
May 30	GLOSEL Co., Ltd.
Jun. 6	OUTSOURCING Inc.
Jun. 11	Welbe, Inc.
Jun. 25	JSR CORPORATION
Jul. 9	Snow Peak, Inc.
Jul. 24	Lawson, Inc.
Sep. 3	Roland DG Corporation
Sep. 6	SB Technology Corp.
Sep. 11	JASTEC Co., Ltd.
Sep. 27	TOBISHIMA CORPORATION
Sep. 27	NAGATANIEN HOLDINGS CO., LTD.
Oct. 9	Chilled & Frozen Logistics Holdings Co., Ltd.
Oct. 16	INFOCOM CORPORATION
Oct. 29	C.I. TAKIRON Corporation
Nov. 7	TATSUTA ELECTRIC WIRE AND CABLE CO., LTD.
Nov. 12	MIMASU SEMICONDUCTOR INDUSTRY CO., LTD.
Nov. 28	Inageya Co., Ltd.
Dec. 17	ALPS LOGISTICS CO., LTD.
Dec. 18	FANCL CORPORATION
Jan. 15, 2025	TRANCOM CO., LTD.
Jan. 24	Elematec Corporation
Jan. 24	DESCENTE, LTD.
Jan. 30	SAMTY HOLDINGS Co., Ltd.
Mar. 3	T-Gaia Corporation
Mar. 10	I-PEX Inc.
Mar. 18	Net One Systems Co., Ltd.
Mar. 21	NEC Networks & System Integration Corporation

(Standard Market) 51

Apr. 5, 2024	O S CO., LTD.
Apr. 9	TAISHO PHARMACEUTICAL HOLDINGS CO., LTD.
Apr. 17	TOHO KINZOKU CO., LTD.
Apr. 23	ARDEPRO Co., Ltd. *
Apr. 25	INV Inc.
Apr. 26	CHUO BUILD INDUSTRY CO., LTD.
May 2	Aoki Super Co., LTD.
Jun. 6	YAIZU SUISANKAGAKU INDUSTRY CO., LTD.
Jun. 27	KOZO KEIKAKU ENGINEERING Inc.
Jul. 16	GRAPHICO, Inc.

Jul. 17	SOSHIN ELECTRIC CO., LTD.
Jul. 29	KANSAI FOOD MARKET LTD.
Aug. 29	IWATSU ELECTRIC CO., LTD.
Sep. 2	NIHON HOUSING CO., LTD.
Sep. 17	S LINE GROUP CO., LTD.
Sep. 18	KFC Holdings Japan, Ltd.
Sep. 27	ETS Holdings Co., Ltd.
Sep. 27	Techno Quartz Inc.
Sep. 27	GL Sciences Inc.
Sep. 27	Future Venture Capital Co., Ltd.
Sep. 27	ZUKEN ELMIC, INC.
Sep. 27	FueTrek Co., Ltd.
Oct. 15	JAPAN FOODS CO., LTD.
Oct. 16	NC Holdings Co., Ltd.
Oct. 18	ONTSU Co., Ltd.
Oct. 30	Apaman Co., Ltd.
Nov. 5	Riken Corundum Company Limited
Nov. 19	ViSCO Technologies Corporation
Nov. 19	KHC Ltd.
Dec. 12	CDG Co., Ltd.
Dec. 24	Ishii Iron Works Co., Ltd.
Dec. 26	TOKATSU HOLDINGS CO., LTD.
Jan. 7, 2025	JAPAN PUBLICATIONS TRADING CO., LTD.
Jan. 7	PASCO CORPORATION
Jan. 30	Faith, Inc.
Jan. 30	FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO. LTD.
Jan. 30	HOUSECOM CORPORATION
Jan. 31	AGRO-KANESHO CO., LTD.
Feb. 6	TAIYO KOKI CO., LTD.
Feb. 10	MONEY PARTNERS GROUP CO., LTD.
Feb. 10	Alpha Group Inc.
Feb. 12	YASUE CORPORATION
Feb. 19	Joban Kosan Co., Ltd.
Feb. 25	LAC Co., Ltd.
Feb. 26	GINZA YAMAGATAYA CO., LTD.
Mar. 4	Raysum Co., Ltd.
Mar. 11	Daiwa Heavy Industry Co., Ltd.
Mar. 17	ASO FOAM CRETE Co., Ltd.
Mar. 21	GANTAN BEAUTY INDUSTRY CO., LTD.
Mar. 28	PRESSANCE CORPORATION
Mar. 28	TATSUMI Corporation

(Growth Market) 13

Apr. 24, 2024	MELDIA Development & Construction CO., LTD.
May 27	GUPPY's Inc.
Jun. 10	Payroll Inc.
Jun. 27	Samantha Thavasa Japan Limited
Aug. 23	GOODSPEED.CO., LTD.

Sep.27	KIZUNA HOLDINGS Corp.
Oct.30	MEDIASEEK,inc.
Dec. 6	EDGE Technology Inc.
Dec.28	Nippon Denkai,Ltd.
Jan. 7,2025	JTOWER Inc.
Feb.17	UUUM Co.,Ltd.
Mar. 4	WealthNavi Inc.
Mar.19	Renewable Japan Co.,Ltd.

Securities marked “\*” were delisted as a result of examination regarding qualitative criteria.

(TOKYO PRO Market) N/A

<Securities Options> 1

Jul.24,2024 Lawson,Inc.

<Bonds> N/A

<ETFs/ETNs> 5

Apr.14,2024	MAXIS JPX-Nikkei Mid and Small Cap Index ETF
Aug.19	NEXT FUNDS Nikkei-JPX Platinum Index Linked Exchange Traded Fund
Nov. 9	JPX-Nikkei 400 Leveraged (2x) Index
Nov. 9	JPX-Nikkei 400 Inverse (-1x) Index
Dec.20	NEXT FUNDS Russian Equity Index Exchange Traded Fund

<REIT> 1

Oct.30,2024 Advance Logistics Investment Corporation

<Infrastructure Funds> N/A

<TOKYO PRO-BOND Market> 4

May 24,2024	The Metropolis of Tokyo U.S. \$1,000,000,000 2.625 per cent. Bonds due 2024
Sep. 2	Japan Finance Organization for Municipalities Series 69 U.S. \$1,000,000,000 1.750 per cent. Notes due 2024
Dec.17	Japan International Cooperation Agency JPY 20,500,000,000 0.090 per cent FILP Agency Bonds #72
Jan.22,2025	Japan Finance Organization for Municipalities Series 92 U.S. \$750,000,000 1.500 per cent. Notes due 2025

**Securities that Ceased to Be a Substantial Surviving Company 2**

Jun.25,2024	GMO internet,Inc.(Old Trade Name: GMO AD Partners Inc.)
Dec. 2	CUMICA CORPORATION

**《Securities Brought Under Other Regulatory Measures》**

**<Designation as a Security on Special Alert> 4**

Oct.25,2024	Wellco Holdings Corporation
Jan.28,2025	PIXEL COMPANYZ INC.
Jan.28	Aqualine Ltd.
Mar.26	Life Intelligent Enterprise Holdings Co.,Ltd.

**<Request for an Improvement Report> 7**

May 17,2024	TOKYO SANGYO CO.,LTD.
Jul. 2	LUCKLAND CO.,LTD.
Aug.23	ENECHANGE Ltd.
Nov.21	SHINWA WISE HOLDINGS CO.,LTD.
Nov.22	FINE SINTER CO.,LTD.
Dec.13	GALA INCORPORATED
Jan.31,2025	Sanyo Engineering & Construction Inc.

**<Listing Agreement Violation Penalty> 5**

Oct.25,2024	Wellco Holdings Corporation
Dec.13	GALA INCORPORATED
Jan.28,2025	PIXEL COMPANYZ INC.
Jan.28	Aqualine Ltd.
Mar.26	Life Intelligent Enterprise Holdings Co.,Ltd.

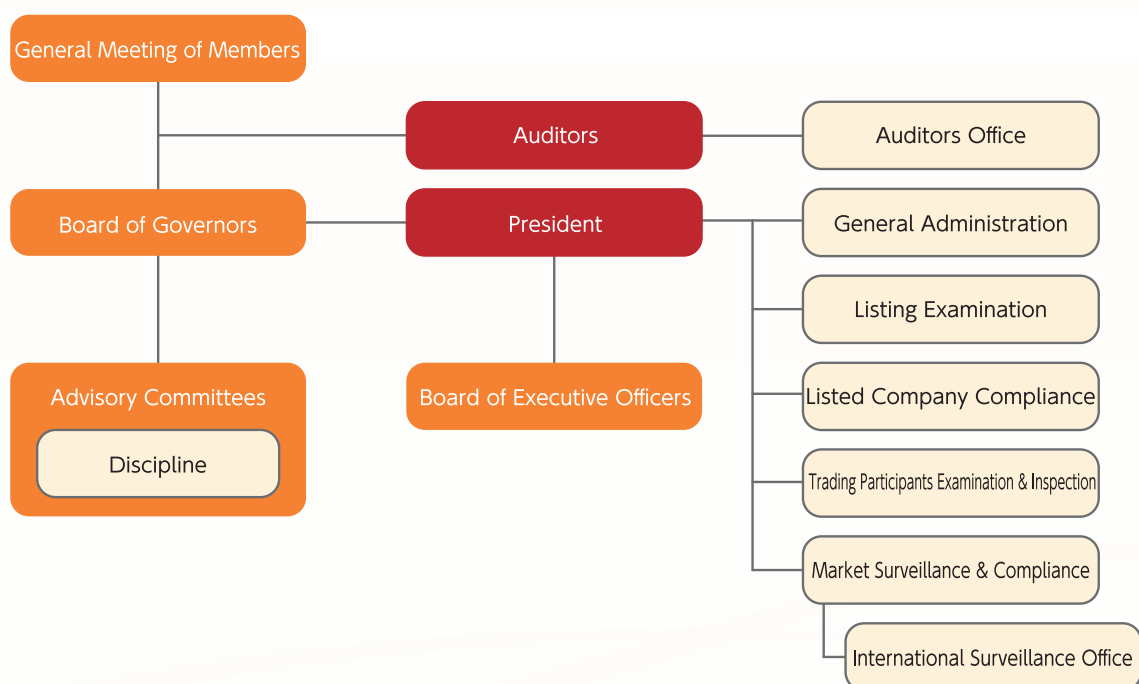
**<Public Announcement Measure> 7**

May 17,2024	TOKYO SANGYO CO.,LTD.
Jul. 2	LUCKLAND CO.,LTD.
Jul.26	NIC Autotec,Inc.
Aug.23	ENECHANGE Ltd.
Nov.21	SHINWA WISE HOLDINGS CO.,LTD.
Nov.22	FINE SINTER CO.,LTD.
Jan.31,2025	Sanyo Engineering & Construction Inc.

## Company Profile

Trade Name	Japan Exchange Regulation
Location of Head Office	2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo 103-8229, Japan
Tel (Operator)	+81-3-3666-0431
Name and Title of Representative	President: Nakajima Junichi
Founding	October 17, 2007 (Date of Commencement of Operations: November 1, 2007)
Amount of Capital	JPY 3,000,000,000
Business Description	Self-regulatory activities delegated by entrusting financial instruments exchanges

## Organizational Structure



## History

Oct. 17, 2007	Tokyo Stock Exchange Regulation is established under Tokyo Stock Exchange Group
Nov. 1, 2007	Began conducting self-regulatory operations for Tokyo Stock Exchange, the market operations subsidiary of Tokyo Stock Exchange Group
Jan. 1, 2013	Japan Exchange Group, Inc. is established
Jul. 16, 2013	Self-regulatory operations of Osaka Securities Exchange are integrated into Tokyo Stock Exchange Regulation
Apr. 1, 2014	Tokyo Stock Exchange Regulation is renamed Japan Exchange Regulation
Sep. 1, 2015	Established an International Surveillance Office under the Market Surveillance and Compliance Department to strengthen monitoring of cross-border transactions





## JPX-R Annual Report 2025

---

Compilation: General Administration Department, Japan Exchange Regulation  
Original Japanese Published June 23, 2025

---

Publisher: Japan Exchange Regulation  
2-1 Nihombashi-kabuto-cho, Chuo-ku, Tokyo 103-8229, Japan  
TEL: +81-3-3666-0431 (Operator)  
Design: Shobi Printing Co., Ltd.

---

Copyright © 2025 Japan Exchange Regulation. All Rights Reserved

Reproducing, copying, or altering all or part of this report or inputting it into magnetic or optical storage without permission are prohibited.

JPX-R is not liable for omissions or errors in the data and language used in this report.

While we have made every effort to ensure the completeness and accuracy of the information in this report, we make no guarantees regarding either.

Rules and figures used in this report were based on sources that JPX-R deems reliable; however, we do not guarantee their accuracy or completeness.

Graphs do not predict or guarantee future results.

# JPX-R Annual Report 2025

Contact

**+81-3-3666-0431**

(Operator)

Please check the official JPX website for details

**<https://www.jpx.co.jp/english/>**

Japan Exchange Group, Inc.

Search