

Development of Listing Rules for Cash Equity Market Restructuring  
(second set of revisions)

December 25, 2020  
Tokyo Stock Exchange, Inc.

I. Purpose

Tokyo Stock Exchange, Inc. (TSE) will restructure its market into three new market segments, the Standard Market, Prime Market and Growth Market, effective on April 4, 2022, as shown in “Overview of Market Structure Review and Outline of the New Market Segments” published in February 2020. Through this we aim to support listed companies' sustainable growth and improvement of corporate value over the medium to long term, thereby providing attractive cash equity markets that enjoy support from a diverse range of global and domestic investors.

In order to realize the smooth transition to the new market segments, TSE will make the necessary developments of its rules pertaining to listing rules of the new market segments, procedures for listed companies to the transition and a transitional measure applied to listed companies which do not meet the continued listing criteria for new market segments.

Besides, TSE will develop its listing rules pertaining to Corporate Governance Code and listing fees applied to the new market segments under the “third set of revisions” next spring or later.

II. Outline

Item	Description	Additional comments
1. Listing Rules of New Market Segments	<ul style="list-style-type: none"><li>- Effective on April 4, 2022 (hereinafter referred to as the "transition date"), TSE shall establish three market segments, "Standard Market", "Prime market", and "Growth Market".</li><li>&lt;Standard Market&gt;</li><li>- TSE shall establish listing rules for companies which have appropriate</li></ul>	

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	<p>levels of market capitalization (liquidity) to be investment instruments in the open market, keep the basic level of corporate governance expected of listed companies, and commit to sustainable growth and improvement of medium- to long-term corporate value. The market for stocks, etc. which list under these rules shall be called the "Standard Market".</p> <p>&lt; Prime Market &gt;</p> <ul style="list-style-type: none"><li>- TSE shall establish listing rules for companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium- to long-term corporate value, putting constructive dialogue with investors at the center. The market for stocks, etc. which list under these rules shall be called the "Prime Market".</li></ul> <p>&lt; Growth Market &gt;</p> <ul style="list-style-type: none"><li>- TSE shall establish listing rules for companies which have a certain level of market value by disclosing business plans for realizing high growth potential and their progress towards these appropriately and in a timely manner, but at the same time pose a relatively high investment risk from the perspective of business track record. The market for stocks, etc. listed under these rules shall be called the "Growth Market".</li></ul>	
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<p>(1) Listing examination criteria</p>	<p>- TSE shall establish listing examination criteria for the new market segments.</p>	<p>- TSE shall accept initial listing applications for the new market segments if an initial listing date is expected to be after the transition date. Before that, TSE shall accept an applications based on the current rules.</p> <p>- If an initial listing application based on the current rules has been made, but the initial listing date is considered likely to be on or after the transition date, TSE will continue the examination by treating the application as an application for initial listing based on the new rules, as follows.</p> <table border="1" data-bbox="1370 767 2033 1080"><thead><tr><th>Current Segment</th><th>New Segment</th></tr></thead><tbody><tr><td>1st Section</td><td>Prime Market</td></tr><tr><td>2nd Section, JASDAQ Standard</td><td>Standard Market</td></tr><tr><td>Mothers, JASDAQ Growth</td><td>Growth Market</td></tr></tbody></table> <p>- A Company which will apply for an initial listing shall specify the new market which the company wishes to list on.</p> <p>- If a company listed on a new market segment wishes to list on another market segment, TSE shall require them</p>	Current Segment	New Segment	1st Section	Prime Market	2nd Section, JASDAQ Standard	Standard Market	Mothers, JASDAQ Growth	Growth Market
Current Segment	New Segment									
1st Section	Prime Market									
2nd Section, JASDAQ Standard	Standard Market									
Mothers, JASDAQ Growth	Growth Market									

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<p>(1)a. Standard Market (1)a.(i) Formal Requirements</p>		<p>to pass an examination based on the same criteria as the listing examination criteria for the market segment.</p> <ul style="list-style-type: none"><li>- The rules of documents to be submitted pertaining to initial listing application shall be in line with the current rules, but in place of the "Written recommendation", "Document describing matters that were given particular attention or were the focus of confirmation in the course of public guidance and underwriting examination" and "Written confirmation" prepared by lead underwriters under the current rules, TSE shall require submission of a "Report on listing eligibility investigation".</li> <li>- Please see "(3) Redefinition of tradable shares" for definition of tradable shares. The other handlings of the calculation method, etc. shall be the same as those under the current rules.</li></ul>
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- Liquidity

- The criteria shall be established as follows.

Item	Criteria
Number of shareholders	400 or more (expected at the time of listing)
Number of tradable shares	2,000 units or more (expected at the time of listing)
Market capitalization of tradable shares	JPY 1 billion or more (expected at the time of listing)

- Corporate governance

- The criteria shall be established as follows.

Item	Criteria
Ratio of tradable shares	25% or more (expected at the time of listing)

- Business performance and financial status

- The criteria shall be established as follows.

Item	Criteria
business performance	The amount of profits in the most recent year is JPY 100 million or more.
financial status	Amount of net assets: Positive (expected at the time of listing)

-Others

- The rules shall be in line with the current rules for the main market.

(1)a.(ii) Listing

- Listing examination shall be carried out on the matters referred to in

- The details of examination shall be in line with the

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Examination	each of the following items. <ul style="list-style-type: none"><li>✓ corporate continuity and profitability</li><li>✓ soundness of corporate management</li><li>✓ effectiveness of corporate governance and internal management system of an enterprise</li><li>✓ appropriateness of disclosure of corporate information, etc.</li><li>✓ other matters deemed necessary by the Exchange from the viewpoint of the public interest or the investor protection</li></ul>	current rules for the main market.										
(1)b. Prime Market (1)b.(i) Formal Requirements		- Please see “(3) Redefinition of tradable shares” for definition of tradable shares. The other handlings of the calculation method, etc. shall be the same as those under the current rules.										
- Liquidity	- The criteria shall be established as follows. <table border="1" data-bbox="492 919 1276 1382"><thead><tr><th>Item</th><th>Criteria</th></tr></thead><tbody><tr><td>Number of shareholders</td><td>800 or more (expected at the time of listing)</td></tr><tr><td>Number of tradable shares</td><td>20,000 units or more (expected at the time of listing)</td></tr><tr><td>Market capitalization of tradable shares</td><td>JPY 10 billion or more (expected at the time of listing)</td></tr><tr><td>Market capitalization</td><td>JPY 25 billion or more (expected at the time of listing)</td></tr></tbody></table>	Item	Criteria	Number of shareholders	800 or more (expected at the time of listing)	Number of tradable shares	20,000 units or more (expected at the time of listing)	Market capitalization of tradable shares	JPY 10 billion or more (expected at the time of listing)	Market capitalization	JPY 25 billion or more (expected at the time of listing)	
Item	Criteria											
Number of shareholders	800 or more (expected at the time of listing)											
Number of tradable shares	20,000 units or more (expected at the time of listing)											
Market capitalization of tradable shares	JPY 10 billion or more (expected at the time of listing)											
Market capitalization	JPY 25 billion or more (expected at the time of listing)											

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- Corporate governance

- The criteria shall be established as follows.

Item	Criteria
Ratio of tradable shares	35% or more (expected at the time of listing)

- Business performance and financial status

- The criteria shall be established as follows.

Item	Criteria
business performance	A. or B. must be satisfied.
A. Profit	Total amount of profits in the most recent two years is JPY 2.5 billion or more
B. Sales	Sales for the most recent year are JPY 10 billion or more, and market capitalization is JPY 100 billion or more (expected at the time of listing)
financial status	Amount of net assets: JPY 5 billion or more (expected at the time of listing)

-Others

- The rules shall be in line with the current rules for the main market.

(1)b.(ii) Listing Examination

- Listing examination shall be carried out on the matters referred to in each of the following items.

- ✓ corporate continuity and profitability

- The details of examination shall be in line with the current rules of assignment to 1st Section.

- TSE revised the criteria for assignment to the 1st Section,

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(1)c. Growth Market  
(1)c.(i) Formal  
Requirements

- Liquidity

- ✓ soundness of corporate management
- ✓ effectiveness of corporate governance and internal management system of an enterprise
- ✓ appropriateness of disclosure of corporate information, etc.
- ✓ other matters deemed necessary by the Exchange from the viewpoint of the public interest or the investor protection

- The criteria shall be established as follows.

Item	Criteria
Number of shareholders	150 or more (expected at the time of listing)
Number of tradable shares	1,000 units or more (expected at the time of listing)
Market capitalization of tradable shares	JPY 500 million or more (expected at the time of listing)

effective on November 1, 2020, under the "first set of revisions pertaining to cash equity market restructuring". Under the current rules of assignment to the 1st Section, TSE checks that a company operates its business continuously and maintains a stable and excellent revenue/financial base in examining corporate continuity and profitability.

- A higher quality of corporate governance will be required for companies listed on the Prime Market, and the Corporate Governance Code will be revised under the "third set of revisions".

- Please see "(3) Redefinition of tradable shares" for definition of tradable shares. The other handlings of the calculation method, etc. shall be the same as those under the current rules.

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- Corporate governance

- The criteria shall be established as follows.

Item	Criteria
Ratio of tradable shares	25% or more (expected at the time of listing)

-Others

- The rules shall be in line with the current rules for Mothers.

(1)c.(ii) Listing Examination

- Listing examination shall be carried out on the matters referred to in each of the following items.

- ✓ appropriateness of disclosure of corporate information, risk information, etc.
- ✓ soundness of corporate management
- ✓ effectiveness of corporate governance and internal management system of an enterprise
- ✓ reasonableness of business plans
- ✓ other matters deemed necessary by the Exchange from the viewpoint of the public interest or the investor protection

- The details of examination shall be in line with the current rules for Mothers .

- TSE revised the initial listing criteria for Mothers, effective on November 1, 2020, under the "first set of revisions pertaining to cash equity market restructuring". Under the current rules of initial listing on Mothers, TSE checks whether companies can appropriately disclose "Business Plans and Matters Related to High Growth Potential" when examining the appropriateness of disclosures of corporate information, risk information, etc. (The details of business plans and matters related to high growth potential will be required to be disclosed on the listing day, and progress shall also be disclosed at least once every business year after listing. In addition, if any important changes or corrections have been made to the disclosed information, said changes or corrections shall

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<p>(2) Continued listing criteria</p>	<ul style="list-style-type: none"> <li>- TSE shall establish continued listing criteria for the new market segments.</li> <li>- If a company fails to meet said continued listing criteria and does not carry out improvements during the improvement period, shall be delisted.</li> </ul>	<p>be disclosed swiftly.)</p> <ul style="list-style-type: none"> <li>- If a listed company which fails to meet the continued listing criteria wishes to list on another market segment, the listed company shall apply for listing on the other market segment by the last day of the improvement period. If the examination is not completed by the last day of the improvement period, the company shall be designated as securities under supervision until the examination is completed.</li> <li>- For listed companies on the day prior to the transition date, a relaxed version of the continued listing criteria shall be applied for the time being as a transitional measure. For details, please see “3. Transitional measure concerning the continued listing criteria”.</li> <li>- The rules of other delisting criteria shall be in line with the current rules.</li> </ul>				
<p>(2)a. Standard Market</p> <p>- Liquidity</p>	<ul style="list-style-type: none"> <li>- The criteria shall be established as follows.</li> </ul> <table border="1" data-bbox="492 1324 1276 1380"> <thead> <tr> <th data-bbox="492 1324 806 1380">Item</th> <th data-bbox="806 1324 1276 1380">Criteria</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Item	Criteria			<ul style="list-style-type: none"> <li>- Please see “(3) Redefinition of tradable shares” for definition of tradable shares. The other handlings of the calculation method, etc. shall be the same as those under the current rules unless otherwise stated below.</li> <li>- The tradable share market capitalization shall be calculated by multiplying the number of tradable shares</li> </ul>
Item	Criteria					

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	<table border="1"><tr><td>Number of shareholders</td><td>800 or more (improvement period: 1 year)</td></tr><tr><td>Number of tradable shares</td><td>20,000 units or more (improvement period: 1 year)</td></tr><tr><td>Tradable share market capitalization</td><td>JPY 10 billion or more (improvement period: 1 year)</td></tr><tr><td>Trading Value</td><td>Daily average of JPY 20 million or more (improvement period: 1 year)</td></tr></table>	Number of shareholders	800 or more (improvement period: 1 year)	Number of tradable shares	20,000 units or more (improvement period: 1 year)	Tradable share market capitalization	JPY 10 billion or more (improvement period: 1 year)	Trading Value	Daily average of JPY 20 million or more (improvement period: 1 year)	
Number of shareholders	800 or more (improvement period: 1 year)									
Number of tradable shares	20,000 units or more (improvement period: 1 year)									
Tradable share market capitalization	JPY 10 billion or more (improvement period: 1 year)									
Trading Value	Daily average of JPY 20 million or more (improvement period: 1 year)									
-Corporate governance	<p>- The criteria shall be established as follows.</p> <table border="1"><thead><tr><th>Item</th><th>Criteria</th></tr></thead><tbody><tr><td>Tradable share ratio</td><td>35% or more (improvement period: 1 year)</td></tr></tbody></table>	Item	Criteria	Tradable share ratio	35% or more (improvement period: 1 year)					
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Tradable share ratio	35% or more (improvement period: 1 year)									
(2)c. Growth Market										
-Market capitalization	<p>- The criteria shall be established as follows.</p> <table border="1"><thead><tr><th>Item</th><th>Criteria</th></tr></thead><tbody><tr><td>Market capitalization</td><td>JPY 4 billion or more from 10 years of listing (improvement period: 1 year)</td></tr></tbody></table>	Item	Criteria	Market capitalization	JPY 4 billion or more from 10 years of listing (improvement period: 1 year)	<p>Market.</p> <ul style="list-style-type: none"><li>- For trading value, the figures used shall be daily averages of the trading value on TSE auction trading for the full year to the end of December of every year.</li><li>- The handlings shall be the same as those for the Standard Market.</li><li>- Please see “(3) Redefinition of tradable shares” for definition of tradable shares. The other handlings of the calculation method, etc. shall be the same as those under the current rules unless otherwise stated below.</li><li>- For market capitalization, the figures used shall be average figures for the three months prior to the end of the fiscal year. For the calculation of years after listing, years before the transition date carried over.</li></ul>				
Item	Criteria									
Market capitalization	JPY 4 billion or more from 10 years of listing (improvement period: 1 year)									

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<p>- Liquidity</p>	<p>- The criteria shall be established as follows.</p> <table border="1" data-bbox="495 258 1274 724"><thead><tr><th data-bbox="495 258 824 312">Item</th><th data-bbox="833 258 1274 312">Criteria</th></tr></thead><tbody><tr><td data-bbox="495 316 824 416">Number of shareholders</td><td data-bbox="833 316 1274 416">150 or more (improvement period: 1 year)</td></tr><tr><td data-bbox="495 419 824 520">Number of tradable shares</td><td data-bbox="833 419 1274 520">1,000 units or more (improvement period: 1 year)</td></tr><tr><td data-bbox="495 523 824 624">Tradable share market capitalization</td><td data-bbox="833 523 1274 624">JPY 500 million or more (improvement period: 1 year)</td></tr><tr><td data-bbox="495 627 824 727">Trading volume</td><td data-bbox="833 627 1274 727">Monthly average: 10 units or more ( improvement period : 6 months)</td></tr></tbody></table>	Item	Criteria	Number of shareholders	150 or more (improvement period: 1 year)	Number of tradable shares	1,000 units or more (improvement period: 1 year)	Tradable share market capitalization	JPY 500 million or more (improvement period: 1 year)	Trading volume	Monthly average: 10 units or more ( improvement period : 6 months)	<p>- The handlings shall be the same as those for the Standard Market.</p>
Item	Criteria											
Number of shareholders	150 or more (improvement period: 1 year)											
Number of tradable shares	1,000 units or more (improvement period: 1 year)											
Tradable share market capitalization	JPY 500 million or more (improvement period: 1 year)											
Trading volume	Monthly average: 10 units or more ( improvement period : 6 months)											
<p>-Corporate governance</p>	<p>- The criteria shall be established as follows.</p> <table border="1" data-bbox="495 818 1274 975"><thead><tr><th data-bbox="495 818 824 873">Item</th><th data-bbox="833 818 1274 873">Criteria</th></tr></thead><tbody><tr><td data-bbox="495 876 824 975">Tradable share ratio</td><td data-bbox="833 876 1274 975">25% or more (improvement period: 1 year)</td></tr></tbody></table>	Item	Criteria	Tradable share ratio	25% or more (improvement period: 1 year)	<p>- The handlings shall be the same as those for the Standard Market.</p>						
Item	Criteria											
Tradable share ratio	25% or more (improvement period: 1 year)											
<p>(3) Redefinition of tradable shares</p>	<p>- Listed shares held by domestic banks, insurance companies, or business corporations (corporations other than financial institutions and financial instruments business operators) shall be excluded from tradable shares even if they are held by shareholders who hold less than 10% of the listed shares. However, shares clearly held for net investment purposes shall be treated as tradable shares.</p>	<p>- Under the current rule, only if domestic banks, insurance companies, or business corporations hold 10% or more of the listed shares, the shares are excluded from tradable shares, but TSE shall revise the rule given that they are very illiquid in the market.</p> <p>- "Shares clearly held for net investment purposes" refers to shares for which the reason for possession is indicated</p>										

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	<ul style="list-style-type: none"><li>- Listed shares held by special related parties other than officers shall be excluded from tradable shares in calculation pertaining to the continued listing criteria.</li><li>- Other shares that TSE deems inappropriate to treat as tradable shares shall also be excluded from tradable shares.</li></ul>	<p>as "net investment" in the latest report on possession of a large volume of shares, etc.</p> <ul style="list-style-type: none"><li>- Under the current rule, listed shares held by special related parties other than officers are excluded from tradable shares only in calculation pertaining to the listing examination criteria.</li><li>- TSE will deem shares inappropriate to treat as tradable shares in such case that the listing criteria are evaded.</li><li>- In connection with redefinition of tradable shares, TSE shall revise the format of "Table of Distribution of Stocks, etc." submitted by listed companies to require indication of ownership status of domestic banks, insurance companies, and business corporations as of the end of the business year.</li></ul>
<p>2. Selection of new market segments</p> <p>(1) Selection by listed companies</p>	<ul style="list-style-type: none"><li>- Listed companies shall, between September 1, 2021 and December 30, 2021, select one of the Prime Market, Standard Market, or Growth Market as their new market segment from the transition date and apply to TSE.</li></ul>	<ul style="list-style-type: none"><li>- When listed companies apply to TSE, they are required to submit "Application form for segment selection," "A document that verifies the board's decision on the segment selection" and other documents. (For details, refer to Appendix 1.)</li></ul>

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- Companies to which the following apply shall be required to pass an examination equivalent to that of the listing examination for the relevant new market segment. (For details, refer to Appendix 1.)

Current Segment	Selected New Segment
1st Section	Growth Market
2nd Section	Prime Market or Growth Market
Mothers	Standard Market or Prime Market
JASDAQ Standard	Prime Market or Growth Market
JASDAQ Growth	Standard Market or Prime Market

- If listed companies do not select a new market segment between September 1, 2021 and December 30, 2021, TSE will deem that companies listed on the 1st Section, 2nd Section, and JASDAQ Standard have selected the Standard Market, and those listed on Mothers and JASDAQ Growth have selected the Growth Market.

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<p>(2) decision of new market segments</p>	<p>- Based on applications by listed companies, TSE shall decide their new market segments and list them on the market segments from the transition date.</p>	<ul style="list-style-type: none"><li>- If a company apply for an initial listing, assignment to 1st Section, or section transfer between September 1, 2021 and the day before the transition, TSE will confirm their intention about selection of new market segments at the time of the application.</li><li>- A list of new market segments each company shall list on from the transition date will be published on the JPX website in January 2022.</li></ul>													
<p>3. Transitional measure concerning the continued listing criteria</p>	<p>- For the time being, A relaxed version of the continued listing criteria shall be applied as a transitional measure in the cases set out below.</p> <table border="1" data-bbox="488 820 1272 1235"><thead><tr><th>Market segment on the day before the transition</th><th>Market segment on the transition date</th></tr></thead><tbody><tr><td rowspan="2">1st Section</td><td>Prime Market</td></tr><tr><td>Standard Market</td></tr><tr><td>2nd Section</td><td>Standard Market</td></tr><tr><td>Mothers</td><td>Growth Market</td></tr><tr><td>JASDAQ Standard</td><td>Standard Market</td></tr><tr><td>JASDAQ Growth</td><td>Growth Market</td></tr></tbody></table>	Market segment on the day before the transition	Market segment on the transition date	1st Section	Prime Market	Standard Market	2nd Section	Standard Market	Mothers	Growth Market	JASDAQ Standard	Standard Market	JASDAQ Growth	Growth Market	<ul style="list-style-type: none"><li>- The level of continued listing criteria for the Standard Market or Growth Market will be the same as the current delisting criteria, and that for the Prime Market will be the same as the current criteria for reassignment to the 2nd Section. (For details, please refer to Appendix 2.)</li><li>- In case that listed companies does not meet the continued listing criteria for their selected market segment as of the base date for the transition as June 30, 2021(*), the transitional measure shall be applied to them only if they submit “Plans to meet the continued listing criteria for the new market segment.” TSE will make plans submitted by listing companies public in addition to the list of new market segments each</li></ul>
Market segment on the day before the transition	Market segment on the transition date														
1st Section	Prime Market														
	Standard Market														
2nd Section	Standard Market														
Mothers	Growth Market														
JASDAQ Standard	Standard Market														
JASDAQ Growth	Growth Market														

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		<p>company shall list on from the transition date on the JPX website in January 2022. Besides, listed companies designated as Securities on Alert will be excluded from the transitional measure.</p> <p>(*) TSE will set the base date for the transition as June 30, 2021 and notify listed companies of whether they meet the continued listing criteria for new market segments by July 30, 2021.</p> <ul style="list-style-type: none"><li>- In case that companies continues not to meet the continued listing criteria after the transition date, the transitional measure shall be applied to them only if they disclose their progress based on said plans every year within three months after the end of business year.</li> <li>- If listed companies do not meet the continued listing criteria for their new market segment after the transition date for the first time, the transitional measure shall be applied to them only if they disclose “Plans to meet the continued listing criteria for the new market segment” within three months after the end of business year. (The handling pertaining to the case that companies continues not to meet the continued listing criteria is the same as above.) Besides, listed companies designated as Securities on Alert will be excluded from the transitional</li></ul>
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4. Others	Other necessary revisions will be made.	<p>measure.</p> <ul style="list-style-type: none"><li>- Listed companies which will submit or disclose the plans shall promptly submit or disclose any revisions to said plans.</li> <li>- For listed companies which are subject to TSE's measures for ensuring effectiveness, have entered into a grace period pertaining to delisting, have been designated as securities under supervision or are set to be delisted under the current rules as of the day prior to the transition date, said statuses shall be carried over after the transition to the new market segment (excluding entries into a grace period or designations as securities under supervision which are not be applied under the new rules).</li> <li>- TSE will not revise this transitional measure for the time being, but may do so in the future taking into account changes in the medium-term situation, such as whether listed companies are meeting the continued listing criteria after the transition.</li> <li>- Pertaining to the delisting criteria for inappropriate merger, etc., if a company applies for examination based</li></ul>
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		<p>on criteria equivalent to the listing examination criteria, TSE shall require a "Report on listing eligibility investigation" as with the case of initial listing applications.</p> <ul style="list-style-type: none"><li>- Pertaining to the delisting criteria for bankruptcy proceedings, rehabilitation proceedings or reorganization proceedings, TSE will make the necessary revisions such as abolishing the rule that TSE treats the case where a listed company executes an agreement on exemption of obligations from a creditor as the case where they fall under a situation corresponding to these criteria.</li></ul>
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III. Implementation Date (Planned)

- These revisions will be implemented on April 4, 2022.
- However, 2. will be implemented on September 1, 2021.

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## Procedures for Selecting and New Market Segments

## 1. 1st Section-listed Companies

Selected New Market Segment	Procedure															
Standard Market, Prime Market	<p data-bbox="521 539 1675 564">- Please submitted the following documents between September 1, 2021 and December 30, 2021.</p> <table border="1" data-bbox="551 576 2018 906"> <thead> <tr> <th data-bbox="551 576 1697 632">Documents</th> <th data-bbox="1697 576 2018 632">Submission deadline</th> </tr> </thead> <tbody> <tr> <td data-bbox="551 632 1697 687">1. Application form for segment selection</td> <td data-bbox="1697 632 2018 852" rowspan="3">Application date</td> </tr> <tr> <td data-bbox="551 687 1697 743">2. A document that verifies the board's decision on the segment selection</td> </tr> <tr> <td data-bbox="551 743 1697 852">3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)</td> </tr> <tr> <td data-bbox="551 852 1697 906">4. Corporate Governance Report based on revised Corporate Governance Code</td> <td data-bbox="1697 852 2018 906">December 30, 2021</td> </tr> </tbody> </table> <p data-bbox="521 975 2040 1110">- TSE will set the base date for the transition as June 30, 2021 and notify listed companies of whether they meet the continued listing criteria for new market segments(necessity of submission of the above document 3.) based on the following calculation methods by July 30, 2021.</p> <p data-bbox="595 1134 808 1160">(Standard Market)</p> <table border="1" data-bbox="658 1174 2018 1350"> <thead> <tr> <th data-bbox="658 1174 943 1222">Items</th> <th data-bbox="943 1174 1245 1222">Criteria</th> <th data-bbox="1245 1174 2018 1222">Calculation Method</th> </tr> </thead> <tbody> <tr> <td data-bbox="658 1222 943 1350">Number of shareholders</td> <td data-bbox="943 1222 1245 1350">400 or more</td> <td data-bbox="1245 1222 2018 1350">- For the number of shareholders and the number of tradable shares, the figures used shall be those as of the most recent</td> </tr> </tbody> </table>		Documents	Submission deadline	1. Application form for segment selection	Application date	2. A document that verifies the board's decision on the segment selection	3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)	4. Corporate Governance Report based on revised Corporate Governance Code	December 30, 2021	Items	Criteria	Calculation Method	Number of shareholders	400 or more	- For the number of shareholders and the number of tradable shares, the figures used shall be those as of the most recent
Documents	Submission deadline															
1. Application form for segment selection	Application date															
2. A document that verifies the board's decision on the segment selection																
3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)																
4. Corporate Governance Report based on revised Corporate Governance Code	December 30, 2021															
Items	Criteria	Calculation Method														
Number of shareholders	400 or more	- For the number of shareholders and the number of tradable shares, the figures used shall be those as of the most recent														

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(Reference Translation)

Selected New Market Segment	Procedure				
	Number of tradable shares	2,000 units or more	end of the business year based on "Table of Distribution of Stocks, etc." submitted by listed companies. (Tradable shares shall be based on the reviewed definition.)		
	Market capitalization of tradable shares	JPY 1 billion or more		- Tradable share market capitalization shall be the number of tradable shares multiplied by the average of the last prices of the company's shares in trading sessions at TSE each day for the three months before the transition base date.	
	Ratio of tradable shares	25% or more			- The tradable share ratio shall be calculated by dividing the number of tradable shares by the number of listed shares as of the most recent end of the business year.
	(Prime Market)				
	Items	Criteria	Calculation Method		
	Number of tradable shares	20,000 units or more	- The methods shall be the same as those for the Standard Market.		
	Market capitalization of tradable shares	JPY 10 billion or more			
Ratio of tradable shares	35% or more				
Trading Value	Daily average of JPY 20 million or more	- The figures used shall be calculated by average daily trading value in trading sessions at TSE for the year before the transition base date.			

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(Reference Translation)

Selected New Market Segment	Procedure
Growth Market	<ul style="list-style-type: none"><li>- Companies will be required to submit documents to apply for an examination at the same level as the Growth Market listing examination criteria.</li><li>- Documents necessary for application shall be the same as those for an initial listing application to the Growth Market.</li><li>- The standard examination period will be two months.</li></ul>

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2. 2nd Section/JASDAQ Standard-Listed Companies

Selected New Market Segment	Procedure										
Standard Market	<p>- Please submitted the following documents between September 1, 2021 and December 30, 2021.</p>										
	<table border="1"><thead><tr><th data-bbox="533 430 1677 488">Documents</th><th data-bbox="1682 430 2000 488">Submission deadline</th></tr></thead><tbody><tr><td data-bbox="533 491 1677 549">1. Application form for segment selection</td><td data-bbox="1682 491 2000 703" rowspan="3">Application date</td></tr><tr><td data-bbox="533 552 1677 609">2. A document that verifies the board's decision on the segment selection</td></tr><tr><td data-bbox="533 612 1677 703">3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)</td></tr><tr><td data-bbox="533 707 1677 762">4. Corporate Governance Report based on revised Corporate Governance Code</td><td data-bbox="1682 707 2000 762">December 30, 2021</td></tr></tbody></table>	Documents	Submission deadline	1. Application form for segment selection	Application date	2. A document that verifies the board's decision on the segment selection	3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)	4. Corporate Governance Report based on revised Corporate Governance Code	December 30, 2021		
	Documents	Submission deadline									
	1. Application form for segment selection	Application date									
	2. A document that verifies the board's decision on the segment selection										
3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)											
4. Corporate Governance Report based on revised Corporate Governance Code	December 30, 2021										
<p>- TSE will set the base date for the transition as June 30, 2021 and notify listed companies of whether they meet the continued listing criteria for new market segments(necessity of submission of the above document 3.) based on the following calculation methods by July 30, 2021.</p>											
<table border="1"><thead><tr><th data-bbox="640 1026 925 1083">Items</th><th data-bbox="929 1026 1240 1083">Criteria</th><th data-bbox="1245 1026 2018 1083">Calculation Method</th></tr></thead><tbody><tr><td data-bbox="640 1086 925 1182">Number of shareholders</td><td data-bbox="929 1086 1240 1182">400 or more</td><td data-bbox="1245 1086 2018 1326" rowspan="3">- For the number of shareholders and the number of tradable shares, the figures used shall be those as of the most recent end of the business year based on "Table of Distribution of Stocks, etc." submitted by listed companies. (Tradable shares shall be based on the reviewed definition.)</td></tr><tr><td data-bbox="640 1185 925 1281">Number of tradable shares</td><td data-bbox="929 1185 1240 1281">2,000 units or more</td></tr><tr><td data-bbox="640 1284 925 1385">Market capitalization of tradable shares</td><td data-bbox="929 1284 1240 1385">JPY 1 billion or more</td><td data-bbox="1245 1329 2018 1385">- Tradable share market capitalization shall be the number of</td></tr></tbody></table>	Items	Criteria	Calculation Method	Number of shareholders	400 or more	- For the number of shareholders and the number of tradable shares, the figures used shall be those as of the most recent end of the business year based on "Table of Distribution of Stocks, etc." submitted by listed companies. (Tradable shares shall be based on the reviewed definition.)	Number of tradable shares	2,000 units or more	Market capitalization of tradable shares	JPY 1 billion or more	- Tradable share market capitalization shall be the number of
Items	Criteria	Calculation Method									
Number of shareholders	400 or more	- For the number of shareholders and the number of tradable shares, the figures used shall be those as of the most recent end of the business year based on "Table of Distribution of Stocks, etc." submitted by listed companies. (Tradable shares shall be based on the reviewed definition.)									
Number of tradable shares	2,000 units or more										
Market capitalization of tradable shares	JPY 1 billion or more		- Tradable share market capitalization shall be the number of								

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Selected New Market Segment	Procedure			
		Ratio of tradable shares	25% or more	tradable shares multiplied by the average of the last prices of the company's shares in trading sessions at TSE each day for the three months before the transition base date. - The tradable share ratio shall be calculated by dividing the number of tradable shares by the number of listed shares as of the most recent end of the business year.
Prime Market, Growth Market	<ul style="list-style-type: none"><li>- Companies will be required to submit documents to apply for an examination at the same level as the Prime Market listing examination criteria or the Growth Market listing examination criteria.</li><li>- Documents necessary for application shall be the same as those for an initial listing application to the Prime Market or the Growth Market.</li><li>- The standard examination period for the Prime Markets will be three months and for the Growth Market, two months.</li></ul>			

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3.Mothers/JASDAQ Growth-Listed Companies

Selected New Market Segment	Procedure															
Growth Market	<p data-bbox="506 331 1659 360">- Please submitted the following documents between September 1, 2021 and December 30, 2021.</p> <table border="1" data-bbox="533 427 2000 863"><thead><tr><th data-bbox="533 427 1677 480">Documents</th><th data-bbox="1682 427 2000 480">Submission deadline</th></tr></thead><tbody><tr><td data-bbox="533 483 1677 536">1. Application form for segment selection</td><td data-bbox="1682 483 2000 699" rowspan="3">Application date</td></tr><tr><td data-bbox="533 539 1677 592">2. A document that verifies the board's decision on the segment selection</td></tr><tr><td data-bbox="533 595 1677 699">3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)</td></tr><tr><td data-bbox="533 702 1677 754">4. Business plans and matters related to high growth potential</td><td data-bbox="1682 702 2000 863" rowspan="2">December 30, 2021</td></tr><tr><td data-bbox="533 758 1677 863">5. Commitment to continue disclosure on progress of business plans and matters related to high growth potential</td></tr></tbody></table> <p data-bbox="506 930 2040 1066">- TSE will set the base date for the transition as June 30, 2021 and notify listed companies of whether they meet the continued listing criteria for new market segments(necessity of submission of the above document 3.) based on the following calculation methods by July 30, 2021.</p> <table border="1" data-bbox="640 1131 2018 1385"><thead><tr><th data-bbox="640 1131 922 1184">Items</th><th data-bbox="927 1131 1240 1184">Criteria</th><th data-bbox="1245 1131 2018 1184">Calculation Method</th></tr></thead><tbody><tr><td data-bbox="640 1187 922 1385">Market capitalization</td><td data-bbox="927 1187 1240 1385">JPY 4 billion or more (limited to cases where ten years have elapsed since the listing)</td><td data-bbox="1245 1187 2018 1385">- The average of market capitalization in trading sessions at the Exchange each day for the three (3) months before the transition base date.</td></tr></tbody></table>	Documents	Submission deadline	1. Application form for segment selection	Application date	2. A document that verifies the board's decision on the segment selection	3. Plans to meet the continued listing criteria (If continued listing criteria for the selected market segment are not met on the base date for transition)	4. Business plans and matters related to high growth potential	December 30, 2021	5. Commitment to continue disclosure on progress of business plans and matters related to high growth potential	Items	Criteria	Calculation Method	Market capitalization	JPY 4 billion or more (limited to cases where ten years have elapsed since the listing)	- The average of market capitalization in trading sessions at the Exchange each day for the three (3) months before the transition base date.
Documents	Submission deadline															
1. Application form for segment selection	Application date															
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4. Business plans and matters related to high growth potential	December 30, 2021															
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Items	Criteria	Calculation Method														
Market capitalization	JPY 4 billion or more (limited to cases where ten years have elapsed since the listing)	- The average of market capitalization in trading sessions at the Exchange each day for the three (3) months before the transition base date.														

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Selected New Market Segment	Procedure		
	Number of tradable shares	1,000 units or more	<ul style="list-style-type: none"> <li>- For the number of tradable shares, the figures used shall be those as of the most recent end of the business year based on "Table of Distribution of Stocks, etc." submitted by listed companies. (Tradable shares shall be based on the reviewed definition.)</li> <li>- Tradable share market capitalization shall be the number of tradable shares multiplied by the average of the last prices of the company's shares in trading sessions at TSE each day for the three months before the transition base date.</li> <li>- The tradable share ratio shall be calculated by dividing the number of tradable shares by the number of listed shares as of the most recent end of the business year.</li> </ul>
Market capitalization of tradable shares	JPY 500 million or more		
Ratio of tradable shares	25% or more		
Standard Market, Prime Market	<ul style="list-style-type: none"> <li>- Companies will be required to submit documents to apply for an examination at the same level as the Standard Market listing examination criteria or the Prime Market listing examination criteria.</li> <li>- Documents necessary for application shall be the same as those for an initial listing application to the Standard Market or the Prime Market.</li> <li>- The standard examination period will be three months.</li> </ul>		

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## Transitional Measures concerning Application of Continued Listing Criteria for New Market Segments

## 1. Standard Market

Item	Transitional Measures	(For reference) Continued Listing Criteria
(1) Number of shareholders	150 or more (improvement period : 1 year)	400 or more (improvement period : 1 year)
(2) Number of tradable shares	500 units or more (improvement period : 1 year)	2,000 units or more (improvement period : 1 year)
(3) Market capitalization of tradable shares	JPY 250 million or more (improvement period : 1 year)	JPY 1 billion or more (improvement period : 1 year)
(4) Tradable share ratio	5% or more (no improvement period granted)	25% or more (improvement period: 1 year)
(For reference) Trading volume	Monthly average: 10 units or more (improvement period : 6 months)	

## 2. Prime Market

Item	Transitional Measures	(For reference) Continued Listing Criteria
(1) Number of tradable shares	10,000 units or more (improvement period: 1 year)	20,000 units or more (improvement period: 1 year)
(2) Market capitalization of tradable shares	JPY 1 billion or more (improvement period: 1 year)	JPY 10 billion or more (improvement period: 1 year)
(3) Trading volume	Monthly average: 40 units or more (improvement period : 6 months)	Daily average of JPY 20 million or more (improvement period: 1 year)
(4) Tradable share ratio	5% or more	35% or more

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	(no improvement period granted)	(improvement period: 1 year)
(For reference) Number of shareholders	800 or more (improvement period: 1 year)	

3. Growth Market

Item	Transitional Measures	(For reference) Continued Listing Criteria
(1) Market capitalization	JPY 500 million or more from 10 years of listing (improvement period: 1 year)	JPY 4 billion or more from 10 years of listing (improvement period: 1 year)
(2) Number of tradable shares	500 units or more (improvement period : 1 year)	1,000 units or more (improvement period : 1 year)
(3) Market capitalization of tradable shares	JPY 250 million or more (improvement period : 1 year)	JPY 500 million or more (improvement period : 1 year)
(4) Tradable share ratio	5% or more (no improvement period granted)	25% or more (improvement period: 1 year)
(For reference) Number of shareholders	150 or more (improvement period: 1 year)	
(For reference) Trading volume	Monthly average: 10 units or more (improvement period : 6 months)	

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