

Handling of Transition Measures and Other Matters Relating to Continued Listing Criteria

January 30, 2023

Tokyo Stock Exchange, Inc.

I. Objective

In April 2022, Tokyo Stock Exchange (TSE) restructured its market segments and commenced operation of three new market segments, Prime Market, Standard Market, and Growth Market, with the aim of supporting sustainable growth and medium- to long-term improvement of corporate value at listed companies and providing an attractive market that enlists strong support from a diverse base of investors in Japan and overseas.

In order to achieve a smooth transfer to the new market segments, as a transition measure, we have temporarily eased the continued listing criteria for companies that had already been listed before the transfer. However, from the perspective of promoting listed companies' initiatives to meet the continued listing criteria and adequately realizing the concepts envisioned by each segment, we will make some necessary revisions to the handling of the transition measures and other matters relating to the continued listing criteria.

II. Outline

Item	Content	Details
1. Handling of transition measures relating to the continued listing criteria (1) End date of transition	· The regular continued listing criteria will be applied from record dates of decisions on the continued listing criteria	- Under the current rules, the relaxed continued listing criteria have been applied to companies that had been

Item	Content	Details
measures	that fall on or after March 1, 2025.	<p>listed since before April 4, 2022, when the market segments were restructured (hereinafter, the “Transfer Date”) if they have disclosed a plan to meet the continued listing criteria (hereinafter, “Conformance Plan”). This revision is to set the end date of the transition measures.</p> <ul style="list-style-type: none"> • If listed companies do not meet the continued listing criteria by the earliest record date that falls on or after March 1, 2025, they will enter an improvement period of one year (or if the criterion not met is for trading value, six months). If they then do not meet the criteria by the end of the improvement period, they will be delisted following a period designated as Securities Under Supervision (Confirmation) and then Securities to be Delisted (total six months, as a rule). (For details, see “2. Extension of Designation Period for Securities to be Delisted”.) • However, if, as of the day before these revisions are enforced, a listed company has disclosed a Conformance Plan with an end date that goes beyond the end date of the above improvement period, its securities will be designated as Securities Under Supervision (Confirmation) when the improvement

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(2) Reselection of market segment	<ul style="list-style-type: none"> • Companies listed on the Prime Market that were listed on the First Section of TSE as of the day before the Transfer Date (April 3, 2022) may, during the period from the implementation date of this revision to September 29, 2023, file to TSE an application to select the Standard Market as their listing segment. 	<p>period ends, and unless the company stops meeting the relaxed continued listing criteria applied as a transition measure, this designation shall continue to apply until the company is confirmed to meet or not meet the criteria at the end of the Conformance Plan (if the company meets the criteria during the designation period, the designation will be lifted).</p> <ul style="list-style-type: none"> • From the perspective of appropriately communicating to investors the status of companies under the transition measures, a list of companies subject to the transition measures as well as the criteria that they are not meeting, the period of the Conformance Plan, and other related information will be posted on the Japan Exchange Group (JPX) website. TSE plans to start posting this information from July this year based on the conformance status and Conformance Plans of companies with fiscal years ending in March. - This revision is to give an opportunity for companies to reselect their market segment in light of the determination of the end date of the transition measures and other changes. Companies reselecting in this way will not be subject to the segment transfer examination, which was also the case for the market segment

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		<p>selections conducted between September and December 2021.</p> <ul style="list-style-type: none"> • Companies applying to select the Standard Market must submit a Market Selection Application Form within the designated period. • If a company does not meet the continued listing criteria of the Standard Market upon the submission of an application to select the Standard Market, or stops meeting the criteria after transfer to the Standard Market by reselection, the relaxed continued listing criteria shall be applied until the end date of the transition measure only if the company discloses a Conformance Plan. • Even if a company meets the continued listing criteria of the Standard Market, if it has disclosed a Conformance Plan relating to the Prime Market, given that transfer to the Standard Market will necessitate changes or revisions to this Plan, it shall disclose said changes or revisions upon the submission of the application for reselection. • TSE will compile a list of companies that have applied for reselection every month and publish a list on the JPX website on the fifth business day of the next month.

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		<ul style="list-style-type: none"> • TSE will publish the names of listed companies that applied for segment reselection between the implementation date of this revision and September 29, 2023 on the JPX website on October 13, 2023, and will implement the market segment transfers on October 20.
<p>2. Extension of Designation Period for Securities to Be Delisted</p>	<ul style="list-style-type: none"> • Securities set to be delisted due to not meeting the continued listing criteria shall, after designation, be delisted as a general rule six months after the day following the record date relating to the decision on the continued listing criteria. 	<ul style="list-style-type: none"> - The designation period of securities set to be delisted due to not meeting the continued listing criteria shall be extended from the current period of one month in order to ensure enough opportunities for current shareholders to exit their positions. • The designation period and delisting dates of Securities to Be Delisted in relation to other delisting criteria will remain unchanged.

III. Implementation Date (Scheduled)

- These revisions will come into effect from April 1, 2023.
- 2. will be applicable to securities for which the delisting decision is made on or after the implementation date.

Disclaimer: This English translation is for reference purposes only and not a legally definitive translation of the original Japanese text. In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.