

Revisions to Listing Rules in Relation to the Intensive Policy for Gender Equality and the Empowerment of Women 2023 and the Desired Investment Unit Level

July 28, 2023

Tokyo Stock Exchange, Inc.

I. Purpose

As part of its "Intensive Policy for Gender Equality and the Empowerment of Women 2023," the Japanese government has set out numerical targets for the ratio of female executives at Prime Market-listed companies as one of the specific initiatives intended to realize a virtuous cycle of women's empowerment and economic growth. Based on this, Tokyo Stock Exchange, Inc. (TSE) will implement necessary revisions to its listing rules.

In addition, we will review the desired investment unit level to develop an environment that facilitates investment by individual investors.

II. Outline

| Item | Details | Remarks |
|-------------------------------------|---|---|
| 1. Appointment of female executives | <ul style="list-style-type: none"> • Appointment of female executives by domestic listed companies listed on the Prime Market shall be prescribed as follows: (1) Companies shall strive to appoint at least one female executive by 2025. (2) Companies shall aim to raise the ratio of female executives to at least 30% by 2030. (3) It is recommended that companies formulate an action plan to achieve the above goals. | <ul style="list-style-type: none"> - These provisions are based on the "Intensive Policy for Gender Equality and the Empowerment of Woman 2023" (see the appendix). • They will be prescribed as "Matters Desired to be Observed" in the Code of Corporate Conduct. • The definitions of executives are based on those used for the targets set out in the Fifth Basic Plan for Gender Equality. |

| Item | Details | Remarks |
|---|--|---|
| | <p>Note: The above executives may include directors, company auditors, and <i>shikkōyaku</i> (as defined by the Companies Act for Companies with Three Committees) as well as <i>shikkōyakuin</i> (executives in charge of business administration) and other equivalent officers.</p> | |
| <p>2. Review of the desired investment unit level</p> | <ul style="list-style-type: none"> • The minimum desired investment unit level of "JPY 50,000 or more" will be removed. | <ul style="list-style-type: none"> - This review is based on the recent trading trends of issues whose investment units are below the desired minimum level, and the fact that some listed companies are considering share splits to shift to a level below the desired minimum investment unit from the perspective of creating an environment that facilitates investment by individual investors. • There is no change in the current rule that a listed company shall not carry out a share split or other actions which are likely to disrupt the secondary market or infringe upon shareholder interests with the aim of moving the stock price to an extremely low level. For example, TSE will continue to carefully check the reasons and other circumstances behind stock splits where the stock price is expected to be less than JPY 100. |
| <p>3. Other</p> | <ul style="list-style-type: none"> • Other necessary revisions will be made. | |

III. Implementation Date (planned)

- TSE aims to implement these revisions by October 2023.

Appendix: Excerpt of the Intensive Policy for Gender Equality and the Empowerment of Women 2023

(1) Setting numerical targets for the ratio of female executives at companies listed on the Prime Market, etc.

As an important and symbolic first step to accelerate the promotion of women in the corporate sector, numerical targets for the ratio of female executives in Prime Market-listed companies will be set to increase the ratio of female executives.

Promote initiatives to include the following provisions in exchanges' regulations by the end of 2023:

- Each company listed on the Prime Market shall strive to appoint at least one female executive by 2025
- Each company listed on the Prime Market shall aim to raise the ratio of female executives to 30% or more by 2030
- Each company listed on the Prime Market is recommended to formulate its action plan to achieve the aforementioned goals.

Additionally, based on the Action Program for Accelerating Corporate Governance Reform, the Cabinet Office and the Financial Services Agency will explore additional measures, depending on company progress, to increase diversity on boards and in core human resources including the increase in the ratio of female executives.

Disclaimer: This English translation is for reference purpose 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.