

## Optimization of Tick Sizes for Medium Liquidity Stocks

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Tokyo Stock Exchange, Inc.

### I. Purpose

For the purpose of improving the convenience of investment by lowering execution costs for investors when trading, Tokyo Stock Exchange, Inc. (TSE) optimized tick sizes in its regular trading session for high liquidity stocks from January 2014 to September 2015, and for ETFs, etc. (meaning ETFs and ETNs (including those aimed at tracking leverage indicators, etc.); the same shall apply hereinafter) in November 2021. However, for medium liquidity stocks, execution costs associated with tick sizes remain high from a global perspective, and we have received requests for revisions from market users. In light of this, TSE will optimize tick sizes for medium liquidity stocks with a view to developing an environment where various investors, centered around retail and long-term investors, can execute trades at better prices.

Specifically, tick sizes applied to TOPIX 100 constituents will also be applied to TOPIX Mid 400 constituents.

### II. Outline

Item	Details	Remarks
1. Optimization of tick sizes for medium liquidity stocks	- Tick sizes applied to TOPIX 100 constituents shall be applied to TOPIX Mid 400 constituents.	- This revision will mean that the same tick sizes will be applied to TOPIX 500 constituents and ETFs, etc. <sup>1</sup>

<sup>1</sup> For, ETFs, etc., tick sizes applied to TOPIX 100 constituents are applied, as a general rule, but for some of those whose trading unit is one, different tick sizes are applied. Please see the following for details.

<https://www.jpx.co.jp/english/equities/products/etfs/trading/index.html>

Item	Details	Remarks
2. Other	- Other necessary revisions shall be made.	

**III. Implementation Date**

The above revisions are planned to be implemented in the first quarter of FY 2023.