

Revisions to the Listing Rules Regarding Minority Shareholder Protection

March 27, 2026

Tokyo Stock Exchange, Inc.

I. Purpose

Tokyo Stock Exchange, Inc. (TSE) has been working to strengthen its listing rules to protect minority shareholders in light of the potential for structural conflicts of interest between controlling shareholders and minority shareholders in listed subsidiaries and owner-run companies.

To further encourage management at these companies to consider the interests of minority shareholders and to ensure the independence and effectiveness of independent directors, who play a central role in minority shareholder protection, TSE will revise its listing rules. These include mandatory disclosure of the minority shareholder approval ratio for resolutions for director appointment and the revision of independence criteria.

Note: For details on the purpose of these revisions, key points of the measures, and points to note, please also refer to “Revisions to the Listing Rules Regarding Minority Shareholder Protection (Explanatory Materials for Listed Companies).”

<https://www.jpx.co.jp/english/rules-participants/public-comment/detail/d1/20260327-01.html>

II. Outline

Item	Description	Notes
I. Disclosure of Minority Shareholder Approval Rates, etc.		- In companies with quasi-controlling shareholders, those shareholders effectively have the authority to appoint directors. Even if decisions are made by majority vote, it is essential for management to consider the interests of not only quasi-controlling shareholders but minority shareholders as well. In cases where a significant number of minority shareholders have voted against the resolution,

Item	Description	Notes
(1) Scope	<ul style="list-style-type: none"> • Listed companies that fall under any of the following items as of the record date for the general shareholders meeting: <ul style="list-style-type: none"> ➤ Those with a parent company ➤ Those with other associated companies that hold 40% or more of the voting rights ➤ Those with a major shareholder that jointly holds 40% or more of the voting rights with the following parties: <ul style="list-style-type: none"> – Close relatives of said major shareholder – A company, such as an asset management company, through which said major shareholder and their close relatives jointly hold a majority of the voting rights 	<p>this revision is intended to encourage companies to engage in dialogue with them and consider whether additional measures are necessary based on their feedback.</p> <ul style="list-style-type: none"> • “Parent company” and “other associated company” are as defined in Article 8, Paragraph 3 and Paragraph 8, respectively, of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements. • The third item will be aggregated in the same manner as a “controlling shareholder” under the listing rules. A controlling shareholder is defined as one who holds a <u>majority</u> of voting rights; however, for the purposes of this disclosure, please confirm whether the party in question falls under the <u>40% or more</u> threshold. • “Close relatives” refers to relatives within the second degree of kinship.
(2) Contents of Disclosures	<ul style="list-style-type: none"> • Resolutions for director appointment (limited to those proposed by the company) at the general shareholders’ meeting require the following to be disclosed. 	<ul style="list-style-type: none"> • For timely disclosure under the listing rules, the information is expected to be disclosed via TDnet. (Details, including disclosure form examples, and the revised rules will be provided around summer 2026.)

Item	Description	Notes
<p>(a) Immediately after the general shareholders' meeting</p> <p>(b) Within six months after the general shareholders' meeting:</p>	<ul style="list-style-type: none"> • The following matters shall be disclosed immediately after the general shareholders' meeting: <ul style="list-style-type: none"> ➤ The number and ratio of votes for, against, and abstained by minority shareholders for each resolution for director appointment ➤ Shareholders excluded from the category of minority shareholder • If a company has found that there was a resolution that more than 50% of its minority shareholders opposed, the following matters shall also be disclosed: <ul style="list-style-type: none"> ➤ What measures the board of directors will take to understand the reasons and causes for minority shareholders' opposing votes (such as policies on engaging with shareholders) • If a company has disclosed that there was a resolution that more than 50% of its minority shareholders opposed as in (a), the following matters shall also be disclosed within six months after said general shareholders' meeting: <ul style="list-style-type: none"> ➤ What measures the board of directors have taken to understand the reasons and causes for minority 	<ul style="list-style-type: none"> • With regard to shareholders excluded from the category of minority shareholder, please specify the parent company, other associated companies, major shareholders (including aggregated shareholders), and other parties as listed in (1) "Scope."

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	<p>shareholders' opposing votes (such as dialogue with shareholders)</p> <ul style="list-style-type: none"> ➤ A summary of feedback received from shareholders ➤ Whether the board of directors will implement additional measures (and if not, the reasons for not doing so), the policy for such measures (details of the initiatives, timing of implementation, etc.), and the status of their implementation 	
<p>II. Revision of Independence Criteria and Disclosure for Independent Directors/Auditors</p> <p>(1) Expansion of Independence Criteria</p> <p>(a) Major shareholders</p>	<ul style="list-style-type: none"> • A person cannot qualify as an independent director/auditor if the person is: <ul style="list-style-type: none"> ➤ A major shareholder of the listed company, or their close relatives ➤ A person who is, or has recently been, an executive at a 	<ul style="list-style-type: none"> - These revisions aim to ensure the independence and effectiveness of independent directors. • "Major shareholder" is as defined in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act. • "Recently" generally refers to a period of time within one year.

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(b) Others	<p>major shareholder of the listed company, or their close relatives</p> <ul style="list-style-type: none"> ➤ A person who is, or has recently been, an executive of a company of which the listed company is a major shareholder, or their close relatives <ul style="list-style-type: none"> • A person cannot qualify as an independent director/auditor if such person is: <ul style="list-style-type: none"> ➤ An outside director who has served as an auditor at the parent company of the listed company within the past ten years, or their close relatives ➤ An outside director/outside company auditor who has served as an accounting advisor at the parent company of the listed company within the past ten years, or their close relatives 	<ul style="list-style-type: none"> • “Close relatives” refers to relatives within the second degree of kinship. • An outside company auditor who was an auditor of the parent company cannot qualify as an independent director/auditor under the current rules.
(2) Expansion of Disclosure of Attribute Information	<ul style="list-style-type: none"> • Outside directors and outside company auditors who fall under the following categories shall be required to describe the relevant status and provide a summary thereof in the Independent Director/Auditor Notification and similar documents: <ul style="list-style-type: none"> ➤ A person who is, or has within the past ten years been, an executive of a company that holds shares of the listed company as cross-shareholdings 	<ul style="list-style-type: none"> • Details expected to be included in the summary are: the name of the company in which cross-shareholdings are held, an outline of the cross-shareholding relationship (such as the number of shares held and the purpose of holding), the period and number of years the person served as an executive, the position held at that time, and, if the relationship continues after

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	<ul style="list-style-type: none"> ➤ A person who is, or has within the past ten years been, an executive of a company in which the listed company holds shares as cross-shareholdings 	<p>resignation, a summary of that ongoing relationship.</p> <ul style="list-style-type: none"> • In addition, for outside directors and others who are from or associated with a non-major business partner or recipient of donations from the listed company, detailed attribute information shall be required to be disclosed. For example, information such as “sales amount is less than JPY XXX” or “less than XX% of total sales” shall be required in order to clarify the scale of the business relationship.
<p>III. Other</p> <p>(1) Revision Regarding the Early Business Recovery Act</p> <p>(a) Timely disclosure</p>	<ul style="list-style-type: none"> • A listed company shall promptly disclose the details when, at the relevant creditors’ meeting, a resolution to modify 	<ul style="list-style-type: none"> – In light of the enforcement of the Outline of the Act on Financial Debt Adjustment Procedures for Enterprises to Facilitate Business Recovery (Act No. 67 of 2025, hereinafter referred to as the “Early Business Recovery Act”), TSE will revise the listing rules so that the treatment will be consistent with that of the procedures in the business revitalization ADR system and similar procedures. • In addition, with regard to mediation based on the Act on Special Conciliation for Expediting

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(b) Handling of improvement period regarding continued listing criteria	<p>creditors' rights concerning financial claims is adopted by unanimous consent, or when such resolution is adopted by majority vote and subsequently approved by the court.</p> <ul style="list-style-type: none"> • If a listed company does not satisfy the continued listing criteria for net assets in the relevant market segment and plans to satisfy the criteria based on the Early Business Recovery Act, the improvement period will not be limited to one year but will instead be set for a period approved by TSE. 	<p>Arrangement of Specified Debts (Act No. 158 of 1999), the disclosure requirement at the time of filing will be abolished, and instead, the disclosure will be required when the mediation is concluded.</p> <ul style="list-style-type: none"> • The period approved by TSE shall be determined based on the duration of the early business recovery plan.
(2) Other	<ul style="list-style-type: none"> • Other necessary revisions will be made. 	

III. Implementation Date (Planned)

- These revisions are scheduled for implementation in June 2026.

1. Item 1. shall apply from the date of the annual general shareholders' meeting for fiscal years ending on or after December 2026.
2. Item 2. shall apply from the day following the date of the annual general shareholders' meeting for fiscal years ending on or after December 2026.
3. Item 3. (1) shall apply from the date of enforcement of the Early Business Recovery Act.