Establishment of New Rules for Examination of Material Changes in a Listed Company's Business or Governance That Raise Serious Concerns Regarding Listing Eligibility and Related Revisions

November 27, 2026

Tokyo Stock Exchange, Inc.

I. Purpose

In light of recent cases in which listed companies have made material changes to their business or governance after listing that may raise serious concerns regarding their listing eligibility, Tokyo Stock Exchange, Inc. (TSE) will establish new rules for the examination of such cases from the perspective of shareholder and investor protection and the maintenance of market confidence.

In addition, TSE will revise the listing criteria concerning the tradable share ratio so that, where a listed company issues shares with voting rights in addition to its listed shares, etc., the tradable share ratio will be calculated based on the number of voting rights rather than the number of listed shares, etc.

II. Outline

Item	Description	Notes
1. Establishment of New Rules for Examination of Material Changes in a Listed Company's Business or Governance That Raise	・ Where a listed company makes material changes to its business or governance, such as its management structure, the status of major shareholders, or business activities, and TSE deems that such changes raise serious concerns regarding its listing eligibility, TSE shall conduct an examination equivalent to the initial listing examination. ・ If TSE deems that the issue does not meet the listing eligibility requirements through an examination	- The purpose of establishing rules for the examination of material changes in a listed company's business or governance that raise serious concerns regarding listing eligibility is to deter and prevent such cases. ・ Examples of cases in which TSE deems that serious concerns regarding listing eligibility are expected to arise include the following: a) Where, at a listed company, directors or other officers are sent by an entity that has newly become

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Serious Concerns Regarding Listing Eligibility	equivalent to the initial listing examination within one year, TSE shall delist said issue.	a major shareholder and complex changes occur, such as the commencement of a new business with little connection to the company's existing business, thereby giving rise to serious concerns regarding the effectiveness of its internal management system, the soundness of corporate management, corporate continuity and profitability, the public interest, investor protection, etc. (A comprehensive assessment will be made, taking into account the current status of the listed company, including whether it falls under the delisting criteria (such as liabilities in excess of assets and market capitalization criteria), its management performance, and financial condition, as well as the attributes of the new major shareholders and directors, and the operating base for the new business, and the reasonableness of its business plan.) b) Where a listed company is expected to undergo a significant change to the nature of the business that accounts for the majority of its revenue or similar indicators upon commencing a new business and, in light of the business model and other relevant

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		characteristics of the business after the change, there are serious concerns regarding the continuity or profitability of the company. (Losses resulting from upfront investment in a new business do not, in themselves, constitute grounds for determining that serious concerns exist.) ・ Material changes in a listed company's business or governance that do not raise serious concerns regarding listing eligibility shall not be subject to said rules, so as not to hinder the sound business activities of listed companies. ・ In principle, before the resolution concerning the change is adopted, TSE shall notify a listed company through prior consultation or other means whether the change falls under a case where TSE deems that it gives rise to serious concerns regarding listing eligibility. ・ Where a resolution concerning a change has been adopted and TSE deems that it gives rise to serious concerns regarding listing eligibility, said issue shall be designated as a Security Under Supervision (Examination) until it is confirmed, through an examination equivalent to the initial listing

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		examination, whether the issue satisfies the listing eligibility requirements, and investors shall be informed thereof. ・ An examination equivalent to the initial listing examination shall be conducted following an application by the listed company; however, the listed company shall not be required to submit a “Report on Listing Eligibility Investigation” prepared by a managing trading participant. ・ In addition, even where TSE determines that an issue meets the listing eligibility requirements through an examination equivalent to the initial listing examination, during the five-year period following such determination, the listed company may be required to report on the status of its business, governance, and other matters when TSE deems it necessary, including where further material changes to its business or governance occur after such determination.
2. Revision of the Application of the Listing	・ In applying the tradable share ratio criterion to a listed company that issues shares with voting rights other than listed shares, etc., the tradable share ratio shall be	- From a corporate governance perspective, the tradable share ratio criterion is intended to ensure that voting rights held by parties other than stable shareholders

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Criteria Concerning the Tradable Share Ratio Where Shares With Voting Rights Other Than Listed Shares, etc. Are Issued	calculated using the following formula, rather than being calculated as the ratio of the number of tradable shares to the total number of listed shares, etc.: (A - B)/A (%) A: Total number of voting rights of the listed company B: Number of voting rights attached to shares with voting rights issued by the listed company that have low liquidity	account for a certain proportion of the total voting rights. In light of recent cases in which listed companies have sought to meet the criterion by acquiring and canceling listed shares, etc. from major shareholders and then issuing unlisted classified shares with voting rights to those shareholders, certain aspects of the application of the criterion will be revised. ・ Where a listed company has not issued any shares with voting rights other than its listed shares, etc., the tradable share ratio shall continue to be calculated as the ratio of the number of tradable shares to the total number of listed shares, etc. ・ In addition, where a company has issued multiple classes of shares with voting rights and the shares with fewer voting rights are listed, the tradable share ratio criterion shall continue not to apply.
3. Other	・ Other necessary revisions will be made.	・ In calculating tradable shares, shares held by a *tanshi* company (money market broker) shall be treated as tradable shares in light of the nature of its business and its shareholdings; provided, however, that this shall not apply where the *tanshi* company holds 10%

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		or more of listed shares, etc.

III. Implementation Date (Planned)

-These revisions are scheduled for implementation in March 2027.

-Item 1. shall apply to material changes in a listed company's business or governance, such as its management structure, the status of major shareholders, and business activities, that are determined or occur on or after the implementation date.

-Item 2. shall apply to the continued listing criteria for companies whose business year-end falls on or after the implementation date. Item 2 shall apply to the initial listing criteria for companies that file an initial listing application or any similar application on or after the implementation date.