

# Revision of the Listing Rules pertaining to the Cross Listing of Domestic Companies Listed on Foreign Financial Instruments Exchanges

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Tokyo Stock Exchange, Inc.

## I. Purpose

With the increasingly global nature of business activities and fund raising, it is possible that unlisted domestic companies may seek listing on foreign financial instruments exchanges. Depending on their scale of business and visibility domestically, it is also possible that such companies have or will attract a number of shareholders within Japan. However, such companies may encounter difficulties when seeking cross listing on the TSE market due to failing to meet TSE listing criteria for the ratio and market capitalization of tradable shares, which tend to be higher than those of major foreign exchanges.

As such, domestic companies seeking cross listing on TSE, when already listed on a foreign financial instruments exchange, shall be deemed eligible if they meet either the criteria for the ratio of tradable shares or the market capitalization of tradable shares. In this way, shareholders of such companies will be provided with a domestic venue for trading, alongside the protections of the Financial Instruments and Exchange Act and the convenience offered by the exchange's timely disclosure rules.

## II. Overview

Item	Details	Remarks
Listing Criteria for Domestic Companies listed or which plan to list on a Foreign Financial Instruments Exchange	<ul style="list-style-type: none"><li>A domestic company listed or which plans to list on a foreign financial instruments exchange shall be deemed eligible if it meets either the criteria for the ratio of tradable shares or the market capitalization of tradable shares.</li></ul>	<ul style="list-style-type: none"><li>In order to prevent abuse of this rule, a substantive examination will be conducted to confirm that the company maintains, or is likely to maintain, sufficient liquidity on the foreign financial instruments exchange on which it is listed.</li><li>Other listing criteria will be applied in the same manner as for companies that are only listed domestically.</li><li>The delisting criteria and section transfer criteria, including those related to the ratio and market capitalization of tradable shares, shall be applied in the same manner as for companies that are only listed domestically.</li><li>Foreign companies which plan to list on a foreign financial instruments exchange shall be handled in the same manner.</li></ul>

### III. Implementation (Scheduled)

- This revision is scheduled to be implemented in May 2014.