

Overview of Market Segment Restructuring

- The Tokyo Stock Exchange, with the goals of supporting sustainable growth and improvement of medium- to long-term corporate value for listed companies, and providing a cash market that is attractive to a variety of investors both domestically and globally, on April 4, 2022 (the day of transition), the existing market segments will be restructured into 3 new market segments: Prime, Standard, and Growth.

Old Market Segments

1st Section

For companies with high liquidity

Mothers

For new companies

2nd Section

For established companies



For a variety of companies
(New/established companies)

Standard

Growth

New Market Segments

Prime Market

For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium- to long-term corporate value, putting constructive dialogue with investors at the center.



Market oriented to companies which center their business on constructive dialogue with global investors

Standard Market

For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments in the open market, keep the basic level of corporate governance expected of listed companies, and commit to sustainable growth and improvement of medium- to long-term corporate value.



Market oriented to companies with sufficient liquidity and governance levels to be investment instruments

Growth Market

For companies which have a certain level of market value which disclose business plans for realizing high growth potential and their progress towards these appropriately and in a timely manner, but at the same time pose a relatively high investment risk from the perspective of their business track record.

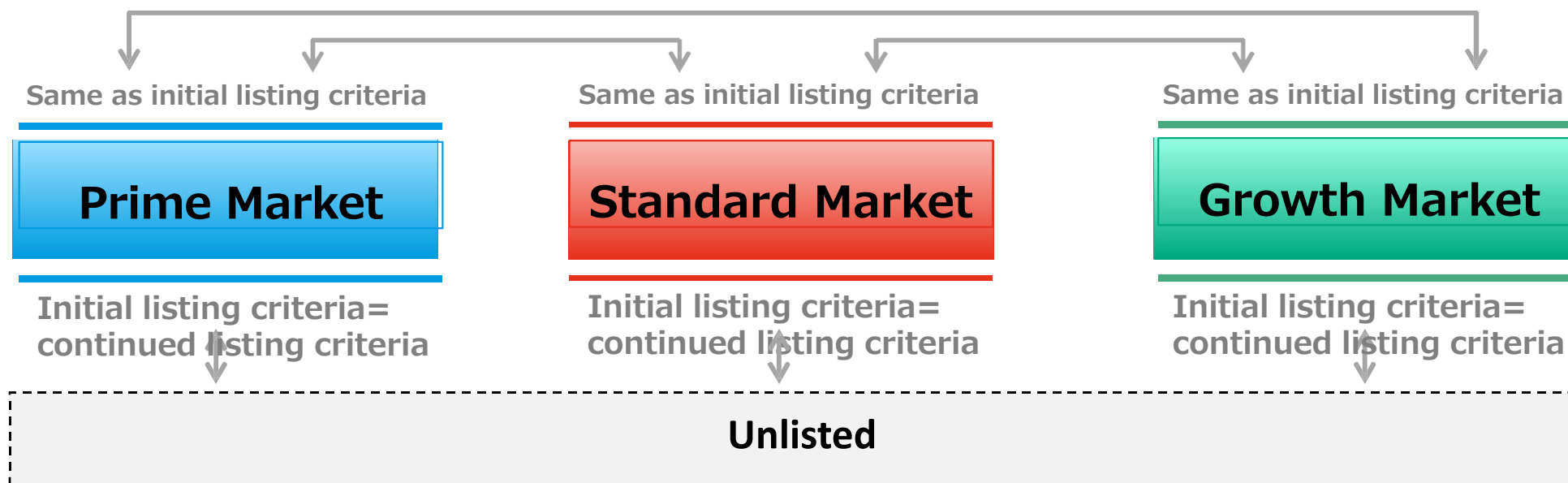


Market oriented to companies with high growth potential

Listing Criteria for the New Market Segments

- In accordance with the concept of each market segment, quantitative and qualitative listing criteria are established for liquidity, corporate governance, and other elements.
- In principle, the initial listing criteria and continued listing criteria for the current market segments are integrated, meaning that listed companies will be required to meet the initial listing criteria for each current market segment on an ongoing basis after listing.
- Each market segment is independent. Thus, if a listed company intends to transfer to another market segment, said company will be subject to examination based on criteria equivalent to the initial listing criteria for that market segment and be required to meet said criteria.

Listing in a New Market Segment



Listed Companies by Market Segment (On Day of Transition)

Old Segment/New Segment	Prime Market	Standard Market	Growth Market	Total
First Section	1,839	338		2,177
Second Section • JASDAQ Standard		1,127		1,127
Mothers • JASDAQ Growth		1	465	466
New listings on April 4	—	—	1	1
Listed companies in new market segments	1,839	1,466	466	3,771
Companies with plans disclosed to meet continued listing criteria	295	209	45	549

* The number of listed companies in the old market segment is as of April 3, 2022, and the number of listed companies in the new market segment is as of April 4, 2022. Due to factors such as new listings, changing markets, and listings being removed, numbers are different from those announced on January 11, 2022.



JPX

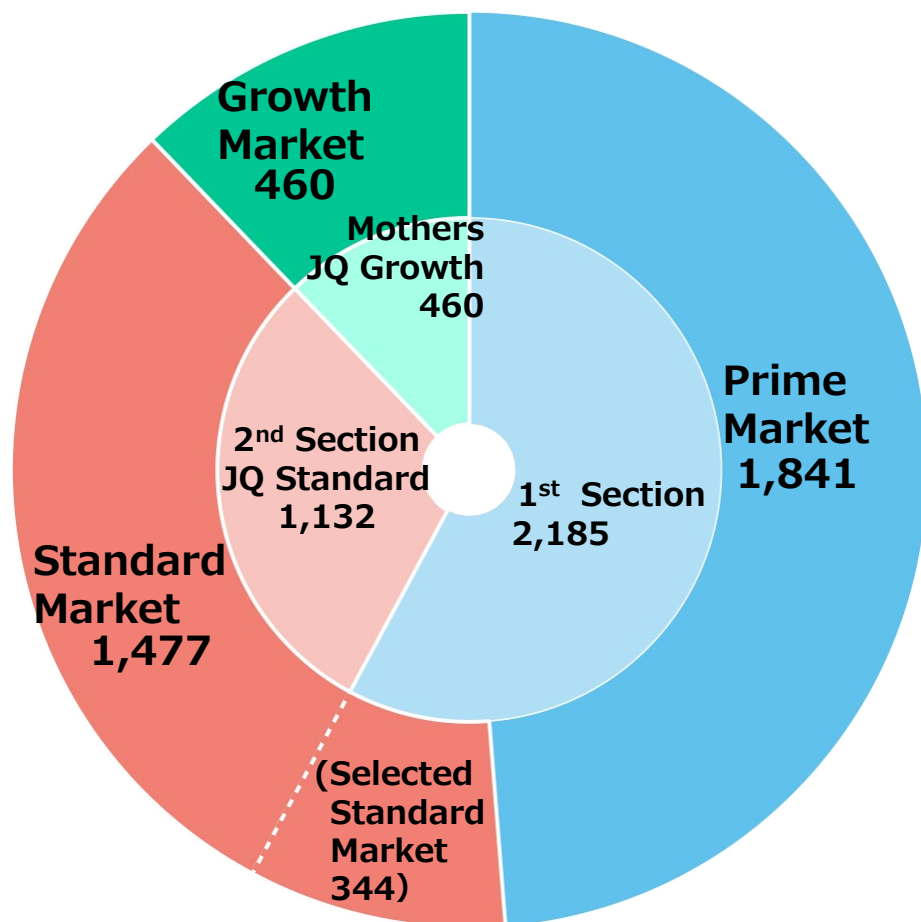
New Market Segment Selection Results

January 11, 2022
Tokyo Stock Exchange

New Market Segment Selection Results

New Market Segment Selection Results

Inner circle: Old segments
Outer circle: New segments



Listed companies: 3,777
(as of January 11)

Companies Which Selected the Prime Market (1,841)

- Initiatives for a higher level of governance (board of directors, English disclosure, etc.) considering the revised CG Code, secondary offerings to further increase liquidity, active review of business portfolios, moves to eliminate parent-subsidary listings
- 296 companies which did not meet the continued listing criteria disclosed plans for meeting the criteria, increasing corporate value through growth strategies and improving liquidity by reducing cross shareholding and cancelling treasury stock

Companies Which Selected the Standard Market (1,477)

- 344 companies listed in the 1st Section chose the Standard Market as being most appropriate for increasing their corporate value considering the state of their company's business environment and management strategies
- JQ Standard listed companies will implement initiatives to meet all sections of the Corporate Governance Code

Companies Which Selected the Growth Market (459)

- Companies will disclose business plans and matters related to high growth potential, and implement policies for future growth

(Ref.) Companies Not Meeting the Continued Listing Criteria for the Prime Market

Total	Prime Market (Disclosed plans to meet criteria)	Standard Market
617 (*1)	296	321 (*2)

(*1) Down 47 companies from 664 at the transition standards date of June 30, 2021 (down 44 due to recalculating liquid shares (second opinion), down 4 due to removal of listing, and up 1 due to transfer to listing on 1st Section)

(*2) Including seven companies designated as Security Under Supervision (Examination)

(Trends by market capitalization value)

(Companies not meeting continued listing criteria)

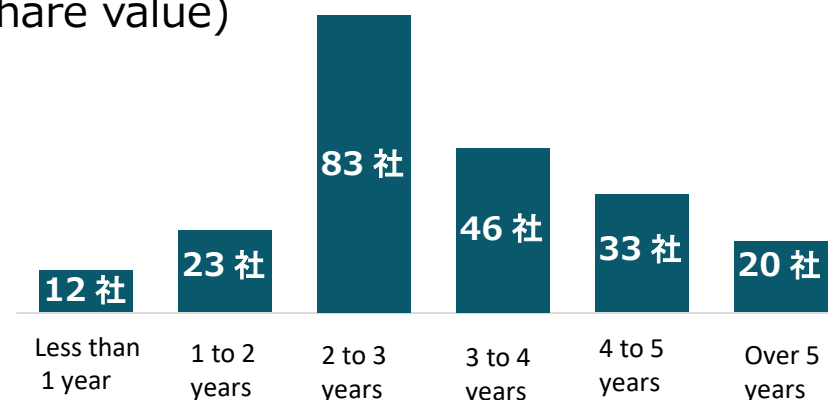
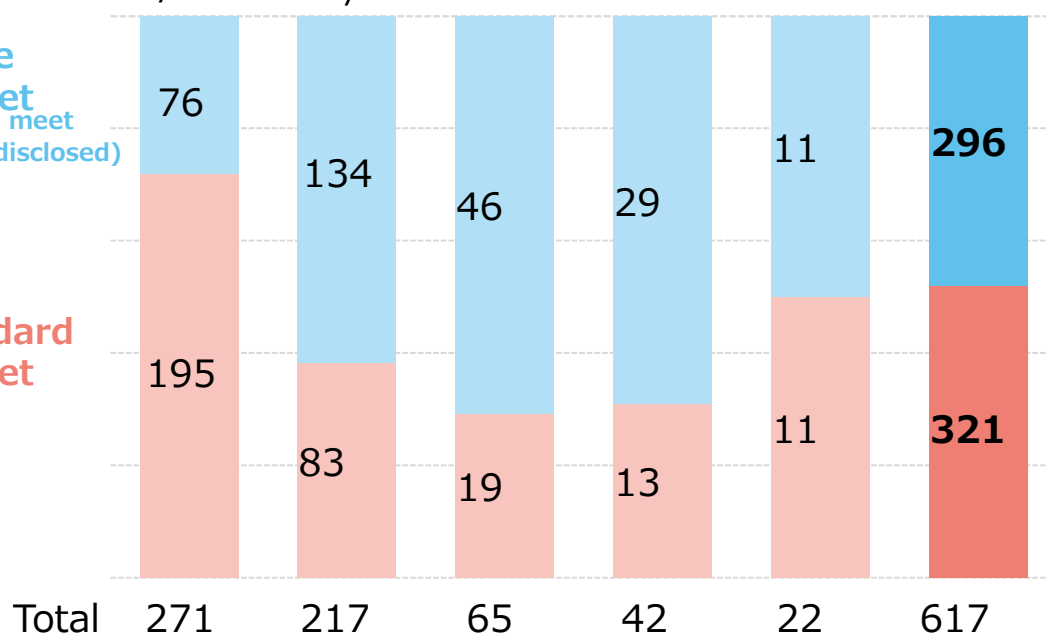
Up to 10 bil. yen 10-20 bil. yen 20-30 bil. yen 30-100 bil. yen 100 billion yen + Overall

- Total MCV : 217
- Tradable share ratio : 36
- Trading value : 84

(Length of plan to meet total tradable share value)

Prime Market
(Plans to meet criteria disclosed)

Standard Market



(Ref.) Companies That Disclosed Plans to Meet the Continued Listing Criteria by Market Segment

Old Segment/New Segment	Prime Market	Standard Market	Growth Market	(Ref.) Listed Companies
First Section	1,841	344		2,185
Second Section • JASDAQ Standard		1,132		1,132
Mothers • JASDAQ Growth		1	459	460
Total	1,841	1,477	459	3,777
Companies with plans disclosed to meet continued listing criteria	296	212	46	554

(Ref.) Future Schedule

	Time	Topic	Notes
2022	January 11	Market segment selection results published	<ul style="list-style-type: none"> ■ Published on TSE website *Updated when markets changed
	April 4	Transition to new market segments	<ul style="list-style-type: none"> ■ Complete transition to new segments * Continued listing criteria for the new market segments applied starting with companies with fiscal years ending in April (if criteria continue to not be met, disclose a plan to meet criteria within three months of the end of the business year)
	July	Submission of corporate governance reports based on the revised Code by Prime Market listed companies (with March end of financial year)	<ul style="list-style-type: none"> ■ Disclosure of comply or explain in principle for the Prime Market
	End of Oct.	Begin reduction of TOPIX weight (10 stages, by fiscal quarter)	<ul style="list-style-type: none"> ■ Applicable securities will be published on the Tokyo Stock Exchange website on October 7
2023	End of Oct.	Reevaluate TOPIX weight reduction	
2025	End of Jan.	Finish TOPIX weight reduction	