



JPX-R Annual Report 2024



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Introduction

Japan Exchange Regulation (JPX-R) is a corporate body established under Japan Exchange Group, Inc. (JPX) to specialize in self-regulatory operations of financial instruments exchanges in accordance with the Financial Instruments and Exchange Act of Japan.

JPX, the parent company of JPX-R, serves an important role in social infrastructure as a key financial instruments market that provides a platform for asset management and fund raising both in Japan and overseas. The mission of JPX-R is to ensure and improve the fairness, transparency, and reliability of markets through appropriate self-regulatory operations to facilitate the ability of exchanges to function fully.

In order to do so, it is essential to have close cooperation with Tokyo Stock Exchange (TSE) and Osaka Exchange (OSE), which are the market operators. However, there are concerns regarding conflicts of interest between the for-profit and self-regulatory operations of exchanges, given that they are *kabushiki gaisha* (joint-stock companies); therefore, JPX-R is legally required to be highly independent from both exchanges and conducts its operations independently of the exchanges' other operations.

Since its establishment in 2007, JPX-R has engaged in operations while always keeping in mind its mission and the maintenance of independence as a self-regulatory organization. At the same time, since the market environment is constantly changing, we aim to appropriately respond to environmental changes through close cooperation not only with TSE and OSE, but also government authorities and other related organizations in Japan and overseas, thereby executing better self-regulatory operations that gain and maintain the trust of market users.

Under such circumstances, in FY2023, JPX-R improved its operational system in response to the revisions to the Rules for Securities on Alert and the quarterly disclosure system in order to ensure that its listed company compliance operations are conducted appropriately and consistently. JPX-R also revised the listing examination rules and operations to accommodate a more flexible IPO schedule.

In addition, JPX-R administered the Fifth Nationwide Listed Company Insider Trading Management Survey in collaboration with stock exchanges throughout Japan. JPX-R also engaged in such efforts as holding an in-person seminar for trading participants and offering COMLEC Trade Surveillance Courses as ways of reaching out to them.

We hope that this report will help market stakeholders to further understand JPX-R's self-regulatory operations, and that it will contribute to the establishment of sound exchange markets.

June 2024
Hosomizo Kiyoshi
President
Japan Exchange Regulation



I

Overview of Japan Exchange Regulation



1 Importance of Self-Regulation in Financial Instruments Exchanges

The mission of financial instruments exchanges is to provide a high degree of liquidity, and therefore high-quality price discovery, by building fair and reliable markets that ensure efficiency and convenience of use, thereby enabling efficient fund distribution based on market mechanisms. Accomplishing this mission calls for markets that investors are able to trade in with peace of mind, and where prices reflect diverse investment decisions made by an extensive range of investors, including individual investors. Therefore, it is extremely important for market operators, who are closest to the markets, to implement appropriate self-regulatory operations that aim to maintain the eligibility of listed companies, prevent unfair trading, and ensure the soundness of trading participants through the development of appropriate regulations and rule frameworks, thereby ensuring the fairness, transparency, and reliability of markets.

In addition, structural reform to vitalize the Japanese economy is underway, and calls to shift to a financial system that prioritizes the role of direct financing have been growing ever louder. Under these circumstances, it is necessary to reinforce market surveillance functionality and systems for establishing a financial system centered on market functions. To achieve this it is essential to establish a highly effective, efficient, and harmonized structure which utilizes the strengths of both the regulations of government authorities and the self-regulation of exchanges to complement each other.

The self-regulatory functions of financial instruments exchanges thus embody their public nature, which is to ensure the fairness, transparency, and credibility of markets, and thereby forms the foundations of the market operations that market operators are involved in. JPX recognizes this and implements self-regulatory operations accordingly.



2 Japan Exchange Regulation's Organizational Structure

The task of adequately implementing self-regulatory operations requires a high degree of autonomy with a focus on public interest and investor protection along with an organizational structure that ensures fair management and operations from a neutral position. It also calls for swift and effective responses to various market events as well as substantial expertise in terms of familiarity with market functions and characteristics. For these reasons, self-regulatory operations have historically been the responsibility of the exchanges themselves. Meanwhile, along with the advancement of borderless trading and international market competition, it has become increasingly important for exchanges to flexibly respond to environmental changes and to promote greater efficiency and convenience, and it has also become more common for exchanges to be restructured into stock companies. JPX, which is a listed company, operates TSE and OSE as its subsidiaries.

In order to meet the demand for neutrality and effectiveness in self-regulation while simultaneously maintaining the business strategies and profitability of exchanges, JPX opted for an organizational structure in which JPX-R, a separate corporate body that specializes in self-regulatory operations, is established, within the same group as the exchanges. This structure was created to enable JPX-R to demonstrate its high level of expertise in close proximity to the markets, while achieving highly effective operational execution from a position of neutrality independent from the exchanges. In addition, JPX-R's Board of Governors, which is the highest decision-making body when it comes to business operations, has a majority of independent governors, enabling an independent governance structure in decision-making.

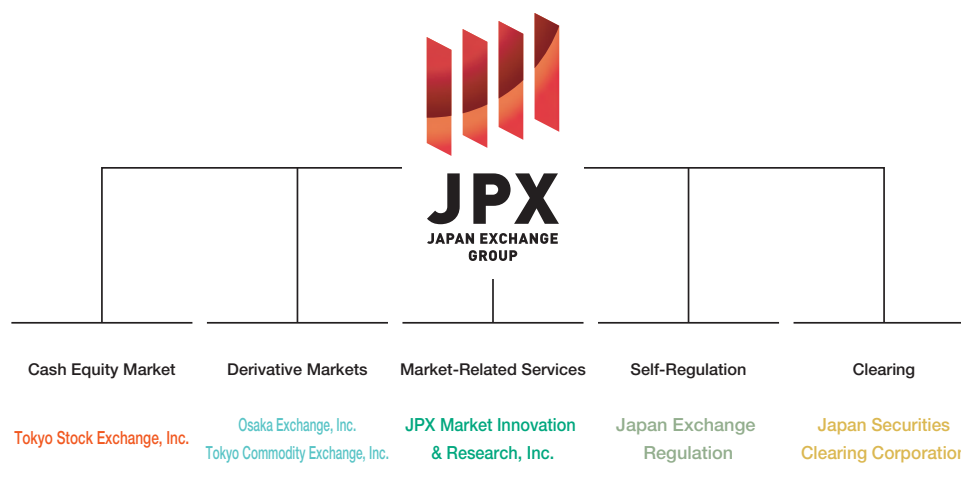
Necessary information regarding specific operations of JPX-R is always shared with the exchanges. However, JPX-R independently conducts neutral inspections and makes decisions on approvals, disciplinary actions, and other measures under the name of the exchanges based on the results of these inspections.

In overseas markets, there is a wide range of organizational structures that perform self-regulatory operations that reflect the history, legal systems, and business practices of each market.

When compared to global standards, JPX-R has a unique organizational structure and framework for executing operations that we believe is exceptionally well suited to maintaining a high level of expertise while simultaneously fulfilling the demand for efficiency and convenience of market operations as well as the demand for ensuring fair and reliable capital markets.

JPX-R ensures market fairness and aspires to continue meeting the expectations of investors through the execution of highly effective self-regulatory operations in line with the market environment and legal systems.

■ Structure of JPX Group



Note: JPX-R was established as a membership association in accordance with the Financial Instruments and Exchange Act. Currently, JPX-R is entrusted with self-regulatory operations by TSE and OSE.

3 Characteristics of Japan Exchange Regulation

Below is an overview of JPX-R's organization and duties.

1 Ensuring Market Fairness, Transparency, and Reliability

JPX-R works to manage market quality through, among other things, the promotion of fairness of exchange trading and investor protection.

Specifically, JPX-R conducts “listing examinations” to review the eligibility of prospective companies, “listed company compliance,” which involves monitoring information disclosure and corporate conduct, “trading participants examination and inspection” to ensure the reliability of securities companies and other trading participants, and “market surveillance” to monitor for unfair trading. Through these operations related to self-regulation, JPX-R maintains the fairness, transparency, and credibility of markets.

2 An Organizational Structure That Ensures Neutrality and Effectiveness

Self-regulatory operations need to be based on neutrality and independence from market operators, and require a high level of expertise in close proximity to the markets. To accomplish this, JPX-R was established within JPX Group as a separate corporate body from the exchanges that function as market operators.

3 Prioritizing Communication with Market Stakeholders

The market environment undergoes significant transformations on a daily basis. New products and trading methods are constantly being developed while new issues are also appearing. To execute self-regulatory operations flexibly in response to market trends, JPX-R carries out its day-to-day operations while always listening to the opinions of market stakeholders and valuing dialogue.

4 Support to Prevent Undesirable Trading Activity

JPX-R also works to prevent activity that is undesirable for markets. Through the holding of compliance seminars, the dispatch of lecturers, and the publication of case report collections, JPX-R provides effective support to ensure that the broadest possible range of market participants understand the importance of preventing this kind of activity.

Please check the official JPX website for details.

<https://www.jpx.co.jp/english/regulation/outline/index.html>



I

Changes in the Market Environment and JPX-R's Responses



This chapter introduces JPX-R's current understanding of changes in the exchange market environment and its responses to these.

1 Adapting the Process for Listing Examinations to Changes in the Market and Social Environment

Since investment in startups forms one of the four pillars of the “Grand Design and Action Plan for a New Form of Capitalism” that was approved by the Cabinet in June 2022, in FY2023, various measures were taken to nurture them by the government and the securities industry, including making revisions to the IPO pricing process to improve the environment for funding them. In addition, various efforts related to listing examinations were made at the Tokyo Stock Exchange (TSE), including establishing listing rules for actively managed ETFs to meet diversified investment needs.

In order to conduct listing examinations appropriately and in line with these changes in the market and social environment, JPX-R closely cooperates with TSE, which has jurisdiction over the listing rules, and makes the necessary response. In FY2023, following revisions to the IPO pricing process, JPX-R revised the rules and operations to accommodate a more flexible IPO schedule. It also revised the “New Listing Guidebook for the Growth Market” in order to clarify the handling of the examinations for biotech startups, which have diverse business models. In addition, to coincide with the introduction of actively managed ETFs, JPX-R revised the “Guidelines Concerning Listing Examination, etc.,” which describe the handling of listing examinations for financial products, primarily to ensure the quality and sound management of listed actively managed ETFs.

Cooperation with the parties involved in IPOs is essential for the effective functioning of such efforts. With the recent rise in the number of newly listed companies, the number of lead underwriters and audit firms has also grown. As a result, JPX-R actively holds study sessions and opinion exchange meetings with a greater number of parties involved in IPOs.

While closely cooperating with related departments and the parties involved in IPOs, JPX-R will continue its efforts to conduct listing examinations appropriately and in line with changes in the market and social environment.

2 Responses to the Revisions to the Rules for Securities on Alert and the Quarterly Disclosure System

In response to the revisions to the Rules for Securities on Alert and the quarterly disclosure system, JPX-R has improved its operational system to ensure that its listed company compliance operations are conducted appropriately and consistently. An overview of the revisions and the status of JPX-R's responses are as follows.

The Rules for Securities on Alert were introduced in 2007 in order to encourage companies that have committed serious violations of the listing rules to make prompt improvements to their internal management systems. However, in recent years, there have been cases where a company's designation as a Security on Alert was extended even though the company had not finished developing its system by the time of the examination one year following its designation. There have also been cases where it was considered necessary to regularly monitor whether a company will continue to properly maintain and operate its internal management system due to issues with its business continuity, profitability, etc. In light of these circumstances, JPX-R consulted with TSE and proposed revisions and improvements to the rules. As a result of these discussions, the new and revised rules urge listed companies with the designation to promptly develop their systems. In addition, the following revisions were made in order to firmly establish the improvements and thus enhance their effectiveness: (1) clarification of the prerequisites for de-designation (De-designation, which used to take place when no issues could be found in the internal management system, now takes place only when it is found to be adequately developed and implemented.), (2) establishment of a stricter development period (The maximum development period of one and a half years has been shortened to one year, and companies that have not developed their systems within said period will be delisted.), (3) establishment of a new follow-up period (The status of the development and implementation of the internal management systems of companies that have issues with their business continuity

and profitability or that do not meet the continued listing criteria will continue to be monitored for up to three fiscal years following improvements.), and (4) establishment of a new improvement status report system following de-designation (For a period of five years following their de-designation, companies may be required to submit reports detailing the status of the development and implementation of their internal management systems.). Furthermore, considering that Securities on Alert do not form an independent market segment and that, as a result of these revisions, the internal management systems of listed companies will be monitored in accordance with the market segments to which the listed companies actually belong, JPX-R has decided to change the name of the rules to “Securities on Special Alert” in order to make it easier for investors to understand.

For the revision of the quarterly disclosure system, TSE established the “Council of Experts Concerning the Revision of the Quarterly Disclosure System” in 2023 to ensure that operations are in line with the aims for integration of quarterly disclosures that were specified in the Working Group on Corporate Disclosure of the Financial System Council report. Acting in accordance with the progress of the council’s discussions and deliberations, JPX-R and TSE have consulted with each other and agreed to do the following: (1) clarify the requirements for the mandatory review of quarterly earnings reports (1Q and 3Q) and (2) strengthen enforcement by TSE (clearly stipulate in the listing rules that listed companies may be required to conduct necessary investigations and report the results of such investigations for accurate reporting, and expand the scope of the obligation of listed companies to cooperate when TSE requests a hearing with a certified public accountant from delisting examinations to all examinations of listed company compliance measures).

In addition, JPX-R has stepped up its dissemination of information, such as by holding seminars for listed companies, as a way to address the potential for misconduct by listed companies in order to remain listed (see “Efforts to Prevent Inappropriate Behavior by Listed Companies”) following the decision to abolish the transitional measures related to the continued listing criteria. Furthermore, when listed companies have issues with their internal management systems, JPX-R has actively worked to encourage them to prevent violations of the listing rules and promptly improve their internal management systems through on-site visits, online meetings, and written inquiries.

3 Response to Market Violations

In FY2023, there was a disciplinary action case (March 15, 2024; TSE: Fine of JPY 100 million; OSE: Censure) against a major online trading participant for accepting orders for IPO securities that resulted in artificial price formation.

During its inspections, JPX-R found many deficiencies in the following systems: system risk management systems, trading supervision systems to prevent unfair trading, and order management systems for low-latency trading and other activities. In addition, JPX-R found cases of some trading participants that transferred their management rights and drastically altered their business models in response to changes in the business environment. Although JPX-R has conducted regular monitoring of such trading participants, there are still some cases of trading participants that have unresolved issues with their management structures.

Furthermore, in FY2023, in cooperation with the Securities and Exchange Surveillance Commission (SESC), JPX-R held an in-person seminar for trading participants post-COVID-19 for the first time in four and a half years. At the seminar, JPX-R presented the findings of a cross-sectional survey of the state of market surveillance related to various financing events at trading participants. The survey was conducted in response to a market manipulation case related to block offer trading that occurred at a major trading participant in FY2022.

4 Reaching Out to Market Stakeholders to Prevent Unfair Trading

JPX-R administered the Fifth Nationwide Listed Company Insider Trading Management Survey in collaboration with stock exchanges throughout Japan in order to ascertain the status of insider trading

prevention systems at listed companies and to promote a greater awareness of legal compliance regarding insider trading by providing an opportunity for each company to self-check its internal system.

JPX-R conducted the survey in order to regularly ascertain insider trading management trends at listed companies. Given that some time had passed since the introduction of the “Agreements and Plans Made Before Knowledge of Material Fact” in 2015, it also wanted to once again confirm the status of efforts at listed companies to ensure that officers and employees had opportunities to trade their company’s stock. In addition, it wanted to determine the status of listed companies’ responses to the “Insider Trading Regulations on Providing Insider Information and Making Trade Recommendations” that were introduced in 2014.

The results of the survey reveal that, on the whole, some progress has been made in developing prevention systems, as evidenced by an increase in the number of companies that have developed internal rules and improved their operations to prevent insider trading. Particularly, the number of companies that have responded to the regulations on providing insider information and making trade recommendations by clearly stating in their internal rules that both actions are prohibited increased significantly compared to the previous survey. On the other hand, it was discovered that eight years after its inception, many companies are still not using the “Agreements and Plans Made Before Knowledge of Material Fact” system, which ensures that officers and employees have opportunities to trade their company’s stock.

The survey report is available on the JPX website.

(URL: <https://www.jpx.co.jp/regulation/public/index.html>) (only in Japanese)

In light of these results, JPX-R will continue to cooperate with stock exchanges throughout Japan to encourage listed companies to develop systems to prevent insider trading and to make efforts to further popularize the “Agreements and Plans Made Before Knowledge of Material Fact” system.

Furthermore, JPX-R has held COMLEC Trade Surveillance Courses since FY2019 to support the development of human resources in the trading supervision departments of trading participants and help to improve their ability to prevent unfair trading throughout the entire securities industry. In addition to the online program for beginners, a new in-person intermediate program was introduced in FY2023 to improve relationships among trading participants and deepen their understanding of market surveillance through discussions among them.

In the future, JPX-R will continue to offer the beginner and intermediate programs while adjusting their contents and formats to meet the needs of participants. In addition, JPX-R will work to make the beginner program more convenient for participants and its content more uniform by producing and releasing new videos with standardized content for beginners.



III

Report on Self-Regulatory Operations in FY2023



This section gives a report on our self-regulatory operations (listing examination, listed company compliance, trading participants examination and inspection, market surveillance, etc.) in FY2023.

1 Listing Examination

1 Overview of Listing Examination Operations

A company wishing to be listed on TSE establishes and reinforces its revenue base and develops an internal management system before submitting its application for listing. It proceeds with these under the direction and supervision of a lead underwriter that creates the “Report on Listing Eligibility Investigation” for the listing application and a certified public accountant (audit firm) that handles the audit of financial statements and related documents.

The lead underwriter provides advice for capital policy and internal structure development through departments for consultation such as an underwriting department. After all preparations are complete, a listing examination department, separate from the consultation department, conducts an examination from an objective standpoint.

The listing examination department carries out mainly an examination in order to write the “Report on Listing Eligibility Investigation” and an examination of corporate information that enables it to underwrite the public offering or secondary distribution (the underwriting examination). In principle, a company cannot apply

■ Standard flow from preparation to application for listing

◆ Preparation for Listing to Application for Listing



for listing without passing these examinations.

The audit firm indicates matters to be improved in the accounting processing and internal control system of the company wishing to apply for listing, and provides an auditor's opinion for the financial statements and related documents. In order to apply for listing, in principle, the company must make improvements based on the matters indicated by the audit firm and be expected to receive a qualified opinion for financial statements for two fiscal terms.

As described above, after being reviewed by the lead underwriter and audit firm and preparing the application for listing, the company can apply to TSE for listing.

After submission of the application to TSE, JPX-R examines the eligibility of the company as a listed company in terms of investor protection in accordance with the initial listing criteria specified by TSE. The initial listing criteria consist of initial requirements and the contents of the listing examination. The initial requirements specify the criteria that must be satisfied before listing while the contents of the examination are criteria that will be necessary for companies after listing.

[Purpose of Initial Requirements]

- To ensure smooth distribution and fair price formation (number of shareholders, tradable shares, etc.)
- To maintain listing eligibility in terms of mainly continuity, financial conditions, and profitability of the company (years of business operation, profits, etc.)
- To ensure appropriate disclosure of company information (confirmation of no false statements in annual securities reports, etc.)
- Other (establishment of a shareholder services agent, etc.)

[Purpose of Contents of Examination]

- Corporate continuity and profitability
- Soundness of corporate management
- Effectiveness of corporate governance and internal control system
- Appropriateness of the disclosure of corporate information, etc.
- Other matters deemed necessary from the viewpoint of public interest and investor protection

To confirm compliance with these requirements, we check application documents, interview the applicant company, conduct on-site surveys at factories and offices, interview the certified public accountant acting as the accounting auditor, and interview the president, company auditors, and independent officers, among other things.

In addition to examinations for the initial listing of securities on the Prime Market, Standard Market, Growth Market, and TOKYO PRO Market, there are examinations for the initial listing of ETFs, ETNs, real estate investment trusts (REITs), infrastructure funds, venture funds, bonds on the TOKYO PRO-BOND Market, and preferred stocks. There are also examinations for segment transfers from the Growth Market to the Prime Market and examinations for the listing of companies to which technical listing regulations apply (e.g., companies that have been established as a result of mergers of or share transfers between listed companies).

Please check the official JPX website for details.

<https://www.jpx.co.jp/english/regulation/listing/eligibility/index.html>

2 Number of Listing Examinations

We examined a total of 163 securities* in FY2023.

(Number of securities; based on date of application)

Type of Examination	FY2023	Year-on-year Change
Listing Examination	163	-21

* The number of securities is the total number of initial listing applications (including technical listing applications) for the Prime, Standard, Growth, and TOKYO PRO Markets, and applications for transfer of market segments such as from the Growth to the Prime Market

3 Listing Examination Results

The tables below show the number of initial listings and segment transfers as a result of initial listing and segment transfer examinations conducted by JPX-R in FY2023.

Number of Initial Listings and Segment Transfers

(Number of securities)

Initial Listings	
Stocks	145 (7)
Prime Market	8 (6)
Standard Market	23 (0)
Growth Market	74 (1)
TOKYO PRO Market	40 (0)
Bonds, etc.	0
ETFs, ETNs	51
REITs, Infrastructure Funds	0
Preferred Stocks, etc	1
TOKYO PRO-BOND Market	10
Securities Options	0

(Number of securities)

Segment Transfers		12
From Growth Market to Prime Market		9
From Standard Market to Prime Market		3

Notes:

- The above tables show the number of securities that were listed as a result of initial listings or segment transfers in FY2023.
- Figures shown in parentheses are the number of initial listings that have technical listing status.
- Please see Page 38 "III. 6 Lists of Securities, 1 Securities That Were Listed as a Result of Initial Listings or Segment Transfers" for the names of the individual securities included in each item of each table.

The number of initial listings of stocks in FY2023 increased compared to the previous year, and the number of initial listings on the Growth Market and TOKYO PRO Market have continued to remain high. Under such circumstances, JPX-R continues enhancing cooperation with related organizations to improve the quality of all parties engaged in IPOs. Specifically, we hold opinion exchange meetings with trading participants acting as lead underwriters and audit firms, focusing on cases requiring attention and cases involving misconduct following listing, as well as exchanging information with the Metropolitan Police Department and related parties to eliminate the listing of companies closely associated with anti-social forces, and exchanging information with other financial instruments exchanges in Japan. In addition, we also revised the New Listing Guidebooks and improved the content of the examination manuals to respond to environmental changes as well as to maintain and improve examination quality.

4 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report matters affecting the eligibility of listing applicants. The information provided may be used in our operations as a reference.

Classification	Number of Submissions	Year-on-year Change
Provision of Information Regarding Initial Listing Applications, etc.	112	-9
Other	2	-2
Total	114	-11

2 Listed Company Compliance

1 Overview of Listed Company Compliance Operations

After financial products are listed on a financial instruments exchange market, they are widely held by general investors through day-to-day trading. Prices formed in these markets are widely used as fair prices for listed financial instruments. In order to protect investors and ensure the fairness and reliability of financial instruments exchange market, JPX-R constantly examines issuers to monitor their timely disclosure of corporate information and corporate behavior in relation to the following topics, and notifies TSE of its findings.

a. Examination related to timely disclosure of corporate information

Based on the recognition that timely and appropriate disclosure of corporate information to investors by issuers is an important factor in forming the basis of sound financial instruments exchange markets, JPX-R conducts examinations to ensure the appropriateness of such disclosures.

[Themes of the Examination on Timely Disclosure]

- Whether the timing of the disclosure is appropriate
- Whether disclosed information contains any false statements
- Whether disclosed information lacks any information deemed important for investment decisions
- Whether disclosed information could cause misunderstandings regarding investment decisions
- Whether disclosed information falls short of the disclosure requirements in any other way

b. Examination related to Code of Corporate Conduct

Listed companies and other issuers are expected to remain conscious of their position as a part of the financial instruments exchange markets and to conduct their business in an appropriate manner in the interests of investor protection and for the sound functioning of the market. JPX-R examines whether issuers comply with the “matters to be observed” prescribed in the Code of Corporate Conduct of the Securities Listing Regulations.

c. Disciplinary measures against listed securities

In order to ensure investor protection and the fairness and soundness of financial instruments exchange markets, if a security is found to have violated the Securities Listing Regulations during the above-mentioned examinations, JPX-R will decide the necessary actions to take against the security. These measures include, either individually or in combination, designation as a Security on Alert (the name has been changed to “Security on Special Alert” in accordance with the revision of the Securities Listing Regulations dated January 15, 2024. The same shall apply hereinafter.), request for an improvement report, the listing agreement violation penalty, and the public announcement measure.

d. Examinations related to delisting, etc.

To maintain a listing on the exchange markets, financial instruments are required to continuously satisfy the requirements (delisting criteria*) specified to protect investors and ensure the fairness and soundness of financial instruments exchange markets. JPX-R examines securities to confirm that they do not fall under the delisting criteria specified by the Securities Listing Regulations.

* Listed companies are required to continuously satisfy all criteria such as number of shareholders, tradable shares, trading value, and amount of net assets. Non-compliance with any of the continued listing criteria is one of the delisting criteria. As per regulation, a listed company will

be delisted if it fails to meet the continued listing criteria within one year from the first occurrence of non-compliance. In addition, there are other delisting criteria such as delays in submission of securities reports.

Please see the official JPX website for details.

- Listed Company Compliance

<https://www.jpx.co.jp/english/regulation/listing/compliance/index.html>

JPX-R has posted the following three principles in an effort to achieve a qualitative improvement of the capital market as a whole.

- Principles for Preventing Corporate Scandals

<https://www.jpx.co.jp/english/regulation/listing/preventive-principles/index.html>

- Principles for Responding to Corporate Scandals

<https://www.jpx.co.jp/english/regulation/listing/principle/index.html>

- Aiming for Better Equity Financing

<https://www.jpx.co.jp/english/regulation/listing/equity-finance/index.html>

2 Number of Listed Company Compliance Examinations

The number of examinations related to the timely disclosure of corporate information, the Code of Corporate Conduct, and delisting conducted by JPX-R in FY2023 are shown in the chart below.

(Based on when examinations were completed)

Items		Cases in FY2023	Year-on-year Change
1. Examination Related to Timely Disclosure ¹		332	+12
2. Examination Related to Code of Corporate Conduct ²		308	+5
3. Delisting Examination	Examination Regarding Quantitative Criteria ³ (Failure to Meet Continued Listing Criteria)	0	±0
	Examination Regarding Quantitative Criteria ⁴ (Other Than Failure to Meet Continued Listing Criteria)	104	+18
	Examination Regarding Qualitative Criteria ⁵	3	+1
	Examination to Determine Whether the Listed Company Is a Substantial Surviving Company ⁶	59	-15

Notes:

1. Number of examinations for inappropriate information disclosure
2. Number of examinations for compliance with the "matters to be observed" prescribed in the Code of Corporate Conduct of the Securities Listing Regulations
3. Number of examinations for delisting conducted after a certain period of time has passed from the time of the company's failure to meet continued listing criteria such as the number of shareholders and tradable share market capitalization
4. Number of examinations for delisting due to meeting quantitative delisting criteria other than failure to meet the continued listing criteria, such as acquisition by request for sale of shares and share consolidation
5. Number of examinations for delisting due to meeting qualitative delisting criteria such as false statements and listing agreement violations
6. Number of examinations to determine whether a listed company is a substantial surviving company when performing a reorganization

3 Listed Company Compliance Examination Results

The number of securities that were delisted, ceased to be a substantial surviving company, or were brought under other regulatory measures as a result of examinations conducted by JPX-R are shown in the chart below.

Seventy-two stocks were delisted in FY2023, and the majority of these (69 stocks) were delisted due to business restructurings at listed companies, such as by becoming wholly-owned subsidiaries, requests for the sale of shares, and mergers. There were three delisted stocks as a result of the examination regarding qualitative criteria.

Number of Securities That Were Delisted or Ceased to Be a Substantial Surviving Company (Number of Securities)		Number of Securities That Were Brought Under Other Regulatory Measures (Number of Securities)	
Delisted		Designation as a Security on Alert	3
Stocks	72	Request for Improvement Report	5
Prime Market	26	Public Announcement Measure	6
Standard Market	34	Listing Agreement Violation Penalty	4
Growth Market	12		
Securities Options	2		
Bonds, etc.	2		
ETFs, ETNs	13		
REITs	2		
Infrastructure Funds	0		
TOKYO PRO-BOND Market	10		
Ceased to Be a Substantial Surviving Company	0		

Notes:

- The above tables show the number of securities that were delisted, ceased to be a substantial surviving company, or were brought under other measures in FY2023 as a result of examinations conducted by JPX-R.
- Please see Page 42 “III. 6 Lists of Securities, 2 Securities That Were Delisted, Ceased to Be a Substantial Surviving Company, or Were Brought Under Other Regulatory Measures” for the names of the individual securities included in each item of each table.

4 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report matters affecting the eligibility of listed companies, such as the appropriateness of disclosures. The information provided may be used in our operations as a reference.

Based on the usefulness of the information provided and the need to strengthen cooperation with accounting auditors, JPX-R introduced systems for the mutual sharing of tips and complaints filed by the public and for the mutual utilization of pending information with the Japanese Institute of Certified Public Accountants (JICPA) in FY2023. In conjunction with this, JPX-R also revised the reporting system to enable it to respond promptly and effectively.

As a result, we received 76 more reports compared to the previous year, and JPX-R used the information for the prevention or early correction of problems in listed companies through additional investigations and examinations.

Classification		Number of Submissions	Year-on-year Change
Information Regarding Listed Companies	Information Regarding Information Disclosure	76	+6
	Other Information Connected to Listed Companies	69	+42
Other		35	+28
Total		180	+76

5 Efforts to Prevent Inappropriate Behavior by Listed Companies

JPX-R considers the prevention of inappropriate disclosure of corporate information and inappropriate corporate behaviors an important part of its operations. To do so, as well as asking for necessary improvements at individual companies by, for example, indicating problems during consultations with companies prior to the timely disclosure of corporate information, JPX-R regularly exchanges opinions with listed companies for which there are particular concerns about their internal control system or other aspects, shares information with related organizations, and actively works on information provision such as through publications and seminars for listed companies.

Among these efforts, in FY2023, JPX-R conducted activities to raise awareness of the risks of misconduct through such means as contributing a series of articles to a trade journal. The articles discussed recent trends in measures to ensure effectiveness and provided case analysis. JPX-R also began production of educational videos for listed company officers and employees who are in a position to promote efforts to prevent scandals at their companies. A total of five videos have been made available for streaming. Specifically, JPX-R invited leading experts on various themes related to corporate governance and internal control as lecturers to present a series of video webcasts.* The webcasts were entitled “Listed Company Compliance in Practice,” “Corporate Governance as Seen from Cases of Disclosure Regulation Violations,” “The Roles That Management and Head Office Departments Are Expected to Play in Order to Improve the Effectiveness of Group Governance,” “Achieving Compliance through the Whistleblower Policy,” and “Improving the Effectiveness of Internal Auditing in Corporate Governance.” Furthermore, JPX-R invited a government official who has long been in charge of corporate disclosure, accounting, auditing, and corporate governance policy-making and a lawyer with extensive experience in on-site crisis management and as an outside director to lecture at a large-scale live seminar entitled “Compliance Management That Contributes to Preventing Scandals and Improving Corporate Value” (held on February 15, 2024). The lecturers addressed executives, executives in charge of management departments, outside directors, and auditors at listed companies and discussed the importance of fairness and transparency in capital markets, recent issues, and the attitude and ideal roles of listed company executives in order to achieve true compliance. The seminar was streamed live on the day of the event. Afterward, a recording* was made available for streaming. As a result, it was watched by viewers at many of the listed companies.

* Various seminars are available for viewing from the “Listed Company Seminars” tab on the “Seminars and Events” page on the JPX website. (URL: <https://www.jpx.co.jp/regulation/seminar/01.html>) (only in Japanese)

3 Trading Participants Examination and Inspection

1 Overview of Trading Participants Examination and Inspection Operations

When investors trade listed securities on an exchange market, they must place orders through trading participants. Trading participants thus play the role of gatekeepers to the exchange market through their access to it. Hence, it is important for JPX-R to ensure the propriety of trading participants' operations.

As a self-regulatory organization with close proximity to the market, JPX-R conducts inspections of trading participants following the four core principles outlined below.

a. Conducting inspections using specialized expertise as part of an exchange group

In order to ensure the fairness and reliability of the market, JPX-R, as a self-regulatory organization with close proximity to the market, conducts highly specialized inspections in cooperation with the exchanges' market operations and systems departments as well as the clearing house, while accurately grasping the environment and issues surrounding the market, including trends in international regulations.

b. Monitoring trading participants' business operations and financial situation

JPX-R gathers and analyzes information pertaining to trading participants (information on on-exchange trading activity, various statements and reports submitted by trading participants, disclosed information, past inspection results, results of inspections by other organizations, and information on clearing, etc.) in close collaboration with the Financial Services Agency (FSA) and the SESC and conducts monitoring based on the following principles.

- Prompt ascertainment of the circumstances

When JPX-R considers it necessary to use information pertaining to a trading participant to assess internal control systems, it will confirm with the trading participant information such as the circumstances, causes, and improvement plans to quickly gain an understanding of the situation.

- Regular communication

JPX-R will regularly contact the people responsible for inspections and other related people to assess issues specific to each company or internal control system that may be hard to assess through written documents such as statements and reports submitted by trading participants.

- Targeted monitoring

If JPX-R is concerned about the existence of similar deficiencies in multiple trading participants or deems it necessary to check the status of compliance with revisions to laws and regulations and upgrades to the exchange system, it conducts cross-sectional assessments that target specific items or specific themes by conducting surveys and interviews or by requesting that internal inspections be conducted.

In addition, while JPX-R had conducted monitoring mainly of those trading participants whose management systems and financial conditions required checking and had conducted ongoing interviews as needed, it began to actively utilize the same monitoring methods in FY2023 to check areas of concern related to internal management systems.

c. Strengthening inspection using a risk-based approach

JPX-R aims to strengthen its risk-based approach by conducting risk assessments of each trading participant based on the results of its inspections and monitoring. JPX-R also aims to optimize its inspections and monitoring overall in order to manage trading participants efficiently and effectively.

- Selecting trading participants for inspection based on risks

JPX-R prioritizes the inspections of trading participants that are deemed to be high-risk based on risk assessment results.

Regardless of the time since the last inspection, if it is deemed necessary to promptly perform an in-depth check, JPX-R has the flexibility to conduct inspections that focus on specific items.

- Conducting inspections flexibly depending on the severity of the risks

JPX-R selects the items and themes to focus on during inspections based on the results of its risk assessments and the trading participants' types of business and specific circumstances. JPX-R also conducts its inspections flexibly, adjusting the number of days and manpower to be allocated depending on the severity of the risks.

d. Strengthening the internal control systems of trading participants

If an inspection reveals any violations of laws and regulations or activities that are inappropriate for sound market operation, JPX-R will not only correct and follow up on the situation but also raise the trading participant's awareness of the issues through dialogues that include their management, encouraging them to take measures to strengthen their internal control system where it may be at risk in the future even if deficiencies were not presently found.

The inspections conducted are of three types—general inspection, follow-up inspection, and special inspection. The inspections are either on-site or document-based.

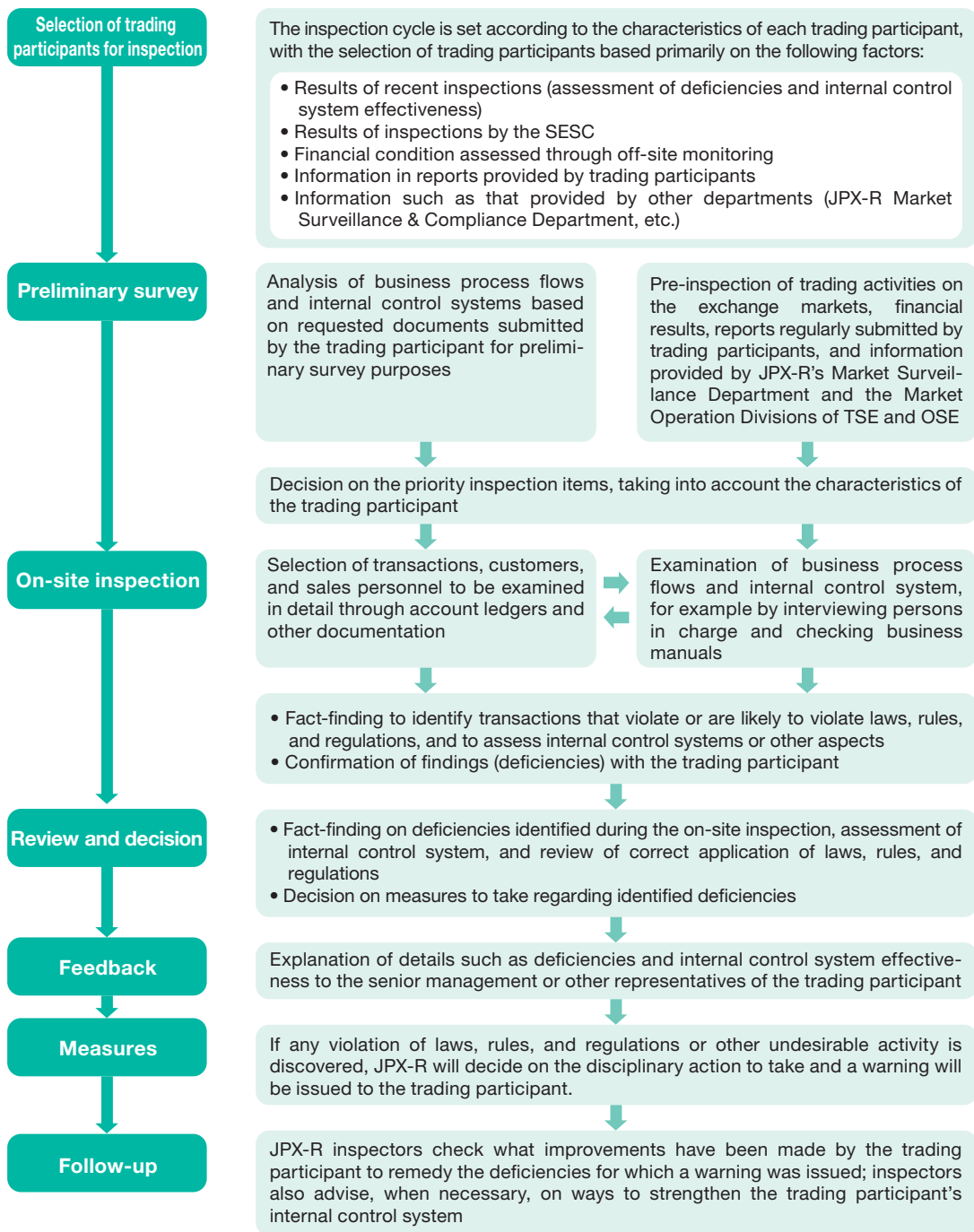
Types of Inspections

	Features
General inspections	Conducted sequentially, starting with those trading participants for which inspections are deemed highly necessary according to mainly the results of past inspections, the results of inspections by the SESC, and the time elapsed since the previous inspection
With the JSDA	Conducted by the Japan Securities Dealers Association (JSDA) and JPX-R simultaneously on-site in an integrated manner
With other exchanges	Conducted with the cooperation of other Japanese exchanges
Follow-up inspections	Conducted as needed to check for improvements within approximately one year after an inspection
Special inspections	Focus on specific issues based on a range of information

Inspection Methods

	Features
On-site inspections	Conducted by visiting the headquarters and selected offices of the trading participant; most inspections are conducted in this manner
Document-based inspections	Conducted without an on-site inspection when it is determined that the materials submitted by the trading participant are sufficient, based on the items subject to inspection and other circumstances

■ Flow of Inspections



Please check the official JPX website for details.

<https://www.jpx.co.jp/english/regulation/maintaining/outline/index.html>

2 Number of Inspections

In FY2023, JPX-R conducted inspections of 22 trading participants (general inspections: 21 companies, special inspection: 1 company), focusing on the following priority inspection items: trading supervision systems to prevent unfair trading; system risk management systems; management systems pertaining to low-latency trading; and management systems pertaining to commodity futures trading.

The average number of days for a general inspection of TSE and OSE trading participants was 10.3 days, and the average number of inspectors per company was 7.0 inspectors. However, the number of days and inspectors for each inspection varied according to the trading participant's type of business and trading activities.

Recognizing the importance of face-to-face communication, inspections in FY2023 were conducted on-site in principle and through the use of online conferencing tools and other means when necessary.

(Number of companies)

Types of inspections	FY2021	FY2022	FY2023
General inspections	23	22	21
(with the JSDA)	21	21	19
(with other exchanges)	8	4	8
Follow-up inspections	0	0	0
Special inspections	0	0	1
Total	23	22	22

3 Inspection Results

If the results of an inspection reveal an infringement of laws and regulations or other undesirable activity, JPX-R will request that improvements are made in business operations such as by issuing a warning or request to the trading participant and determining the appropriate disciplinary action or recommendation for TSE or OSE to impose.

In FY2023, with respect to trading supervision systems to prevent unfair trading, JPX-R found cases where market surveillance was not properly implemented due to the inadequate selection of transactions subject to market surveillance or where measures such as issuing alerts to customers were not properly implemented. With respect to system risk management systems, JPX-R found cases where risk assessment pertaining to cybersecurity and system failure management were inadequate.

a. Number of cases by type of deficiency

(Cases)

Deficiency	Number of cases	
		Cases requiring disciplinary action, warnings, recommendations, or requests
1. Inadequate management of system risks	13(9)	4(1)
2. Inadequate management to prevent unfair trades	7(5)	4(2)
3. Inadequate controls to prevent erroneous order placement	4(8)	2(1)
4. Inadequate management of corporate information	3(2)	1(0)
5. Deficiencies related to contract correction	2(0)	0(0)
6. Deficiencies related to internal inspections and audits	1(2)	1(2)
7. Deficiencies related to regulatory measures regarding trading, etc.	1(1)	1(1)
8. Deficiencies related to bookkeeping and document handling	1(1)	1(0)
9. Deficiencies related to dark pool transactions	1(0)	1(0)
10. Deficiencies in information reported to the exchange or regulator	1(0)	1(0)
11. Inadequate supervision of short selling transactions	1(3)	0(0)
12. Deficiencies related to net settlement	1(0)	0(0)
13. Deficiencies related to margin trading	0(4)	0(1)
14. Deficiencies related to margin for derivatives trading	0(1)	0(0)
15. Other	1(2)	1(2)
Total	37(38)	17(10)

Note: Figures in parentheses indicate the number of cases in the previous financial year.

b. Disciplinary actions, warnings, and other actions based on the results of inspections

In FY2023, JPX-R conducted inspections of 22 trading participants and issued warnings or requests to eight companies. Among the warnings, one warning by the governor in charge was issued to a trading participant who experienced a failure in-house when transferring data to their market surveillance system.

Type of action	Number of cases	Number of companies
Disciplinary action	0	0
Recommendation	0	0
Warning	9	6
Warning by the Governor in charge	1	1
Warning by the Director of Trading Participants Examination and Inspection Dept.	2	1
Warning by an inspector	6	4
Request	8	6
Total	17	8

Note: The total number of companies does not equal the calculated total, as some trading participants received more than one action.

Warnings and other actions taken in FY2023 are listed below by type of deficiency.

(Cases)

Deficiency	Disciplinary action	Warning			Recommendation	Request	Improvement Report
		Governor in Charge	Dept. Director	Inspector			
1. Inadequate management of system risks						4	
2. Inadequate management to prevent unfair trades		1		2		1	2
3. Inadequate controls to prevent erroneous order placement			1	1			1
4. Deficiencies related to dark pool transactions			1				1
5. Deficiencies related to bookkeeping and document handling				1			
6. Deficiencies related to regulatory measures regarding trading, etc.				1			
7. Deficiencies in information reported to the exchange or regulator				1			
8. Inadequate management of corporate information						1	
9. Deficiencies related to internal inspections and audits						1	
10. Other						1	1
Total		1	2	6		8	5

Note: An Improvement Report is a written document that is requested to be submitted regarding improvement measures and other matters.

4 Disciplinary Actions Taken

When JPX-R deems necessary, such as when a trading participant is found to be in violation of laws, rules, and regulations, JPX-R shall determine the type of disciplinary action to be imposed by TSE or OSE (fines, censure, suspension or restriction of trading, or cancellation of trading qualification) after consultation with its advisory body the Disciplinary Committee.

The disciplinary actions taken in FY2023 are outlined below.

Disciplinary action stemming from inspections

In FY2023, no disciplinary actions were taken stemming from inspections.

Disciplinary action based on administrative actions

Trading Participant	Outline of Infringement	Disciplinary Action	Initial Disciplinary Action
Chibagin Securities Co., Ltd.	(1) Solicitations in violation of the suitability principle were continuously conducted for a long time, (2) Insufficient system to comply with the suitability principle	TSE: Censure OSE: Censure (September 28, 2023)	Administrative action by the FSA on June 23, 2023
MIKI SECURITIES CO., LTD.	(1) Solicitations in violation of the suitability principle, (2) Inadequate system to comply with the suitability principle	TSE: Censure OSE: Censure (November 30, 2023)	Administrative action by the FSA on October 6, 2023
SBI SECURITIES Co., Ltd.	Accepting orders from customers to purchase listed financial instruments on a financial instruments exchange market while knowing that causing fluctuations in the market prices of said listed financial instruments would result in artificial price formation out of line with actual market conditions.	TSE: Fine of JPY 100 million OSE: Censure (March 15, 2024)	Administrative action by the FSA on January 12, 2024

* In all cases, the submission of a business improvement report was requested in conjunction with the disciplinary action.

5 Examinations for Trading Qualifications and Reorganizations at Trading Participants

JPX-R conducts examinations of financial instruments business operators and others that have applied for a trading qualification with TSE or OSE.

In addition, JPX-R conducts examinations for the approval of mergers and other types of reorganization above a certain size by trading participants. In FY2023, there were no applications for trading qualifications or any mergers or other types of reorganization by trading participants (based on the effective date).

6 Implementation of Monitoring

Monitoring involves conducting regular interviews with trading participants regarding changes to their business model, internal control systems, or other things, as well as interviews conducted flexibly based on notices and reports from trading participants, information sharing within the exchange group, and media reports. In addition, JPX-R uses monitoring methods not only when conducting cross-sectional fact-finding surveys targeting specific items or themes in response to changes in the market environment or revisions to regulations, but also when checking areas of concern related to the internal control systems of trading participants. As best practices or other points to note for improving management systems are identified in the monitoring process, they are shared with other trading participants when necessary.

7 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report matters non-compliance with laws and regulations by trading participants. The information provided may be used in our operations as a reference.

Classification	Number of Submissions	Year-on-year Change
Information Regarding Trading Participants	1	-1
Other	0	±0
Total	1	-1

8 Efforts to Improve the Inspection Skills of Inspection Staff

JPX-R works to improve the skills of its inspection staff in order to conduct more in-depth, effective inspections. In FY2023, JPX-R conducted training for all of its inspection staff. The training covered advancements in inspection methods, business trends at securities companies, and the use of AI in the industry. JPX-R also actively encourages its inspection staff to obtain professional certifications, such as Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA).

9 Efforts to Strengthen Support for Trading Participants

When JPX-R determines that an internal control system or other aspect of a trading participant may give rise to deficiencies in the future, even if such deficiencies did not require action during an inspection, we raise the trading participant's awareness of the issues and provide advice on matters where a further enhancement of internal control systems is desirable. In addition, JPX-R offers trading participants more comprehensive support in the four highly specialized areas of trading supervision, system risks, HFT and algorithmic trading, and risk management by analyzing their risk factors and making advancements in its inspection methods.

4 Market Surveillance

1 Overview of Market Surveillance Operations

To ensure fairness and reliability in the cash equities and derivatives markets, JPX-R monitors all transactions on a regular basis to detect unfair trading practices such as insider trading and market manipulation. These activities are referred to as “market surveillance.”

JPX-R’s market surveillance process is carried out as follows:

Step 1 Identification of Securities to Investigate

Securities to investigate are identified by the system from transactions that can be thought irregular considering share price or trading volume trends, and may also be identified from information provided by the exchanges’ market departments or external sources.

Securities to investigate can also be identified when a material fact under laws and regulations has been made public pertaining to a security, and the stock price trends before and after the disclosure seem irregular.

Step 2 Investigation and Examination

Investigations begin mostly by requesting client trading data from trading participants and reports on disclosure of material facts from listed companies. Based on these pieces of information, for insider trading, we examine whether company insiders or related parties have made trades coinciding with the disclosure of material facts, while for a market manipulation examination, JPX-R analyzes order placement and execution patterns.

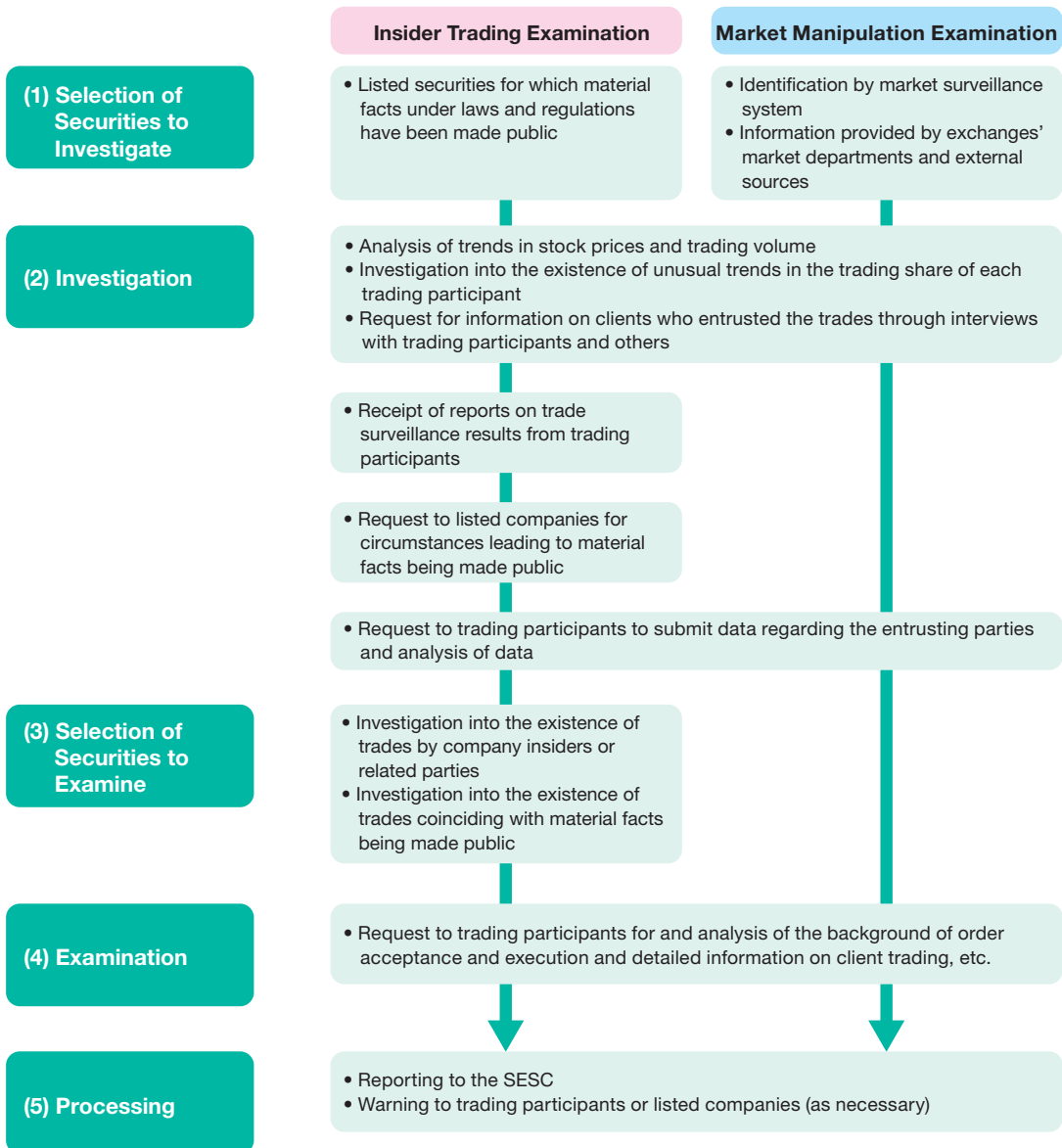
If investigation findings point to the need for more detailed analysis, the case moves to the examination stage. The trading participants are then asked for further clarification and that information is comprehensively analyzed to determine if unfair trading has or is suspected to have taken place.

Step 3 Processing

The results of all examinations are reported to the SESC. JPX-R supports the market surveillance activities of the SESC through such collaboration.

In addition, if the examination results find that a listed company’s internal management system for preventing insider trading is inadequate or that a trading participant’s actions have violated or are likely to lead to a future violation of laws, rules, or regulations, JPX-R will issue a warning and/or otherwise urge improvements.

Market Surveillance Flowchart



2 Number of Market Surveillance Investigations and Examinations

Market surveillance is divided into two levels: the investigation level, at which potentially problematic cases are identified, and the examination level, at which detailed analysis is conducted on those cases deemed to be potentially problematic based on the investigation results.

Securities targeted for investigation include those for which material corporate information has been made public that significantly influences investors' investment decisions, for example on such matters as capital increases, mergers, or dissolutions, or those where irregularities are discovered through price or trading volume fluctuations. For these securities, price and trading volume trends are analyzed, along with the trading status of trading participants, and investigations are conducted as necessary, including by interviewing trading participants. In FY2023, 2,880 such investigations took place.

Furthermore, for securities deemed to require more detailed analysis, examinations are conducted as necessary, including by interviewing trading participants and getting details about their order acceptance and execution and detailed information about their clients. In FY2023, 123 such examinations took place.

A breakdown of the number of cases investigated and examined in FY2023 is as follows:

(Number of Cases)

Classification	Investigation		Examination		
	FY2023	Year-on-year Change	FY2023	Year-on-year Change	
Insider trading	Capital increase	77	-4	7	-3
	Capital reduction	16	-3	3	+1
	Share buybacks	186	+13	2	-6
	Share splits	57	+9	1	-1
	Dividend transfers	396	-13	9	-1
	Mergers	4	+3	0	±0
	Business tie-ups	84	+4	4	-5
	Losses incurred through operations	112	+52	5	+5
	Change in major shareholders	3	-1	0	±0
	Information on financial results	634	+105	18	+7
	Other material facts	245	+4	48	+6
	Subtotal	1,814	+169	97	+3
Market manipulation (stock price fluctuations, etc.)	1,010	-32	26	+4	
Derivatives-related	56	-134	0	±0	
Other	0	±0	0	±0	
Total	2,880	+3	123	+7	

Note: Investigations and examinations are counted at the point of completion. Cases that went to the examination stage are counted as examinations and not investigations.

3 Market Surveillance Results

a. Warnings and Requests for Re-examination of Internal Systems at Listed Companies

If a listed company's actions are found to be in violation of or likely to violate laws, rules, or regulations, or if the company's internal control system to prevent insider trading is considered inadequate, a warning is issued to the company to encourage the development and improvement of its internal control system. Furthermore, if deemed necessary considering the details of the case, JPX-R will also request a written report detailing improvement measures. In FY2023, warnings were issued to listed companies in two cases as outlined in the table below.

In addition, when a government agency issues a recommendation for a penalty to be paid for a violation of insider trading regulations by an officer or employee of a listed company or related entity, JPX-R will request that the listed company re-examine its internal systems or take other action.

As outlined in the table below, a re-examination was requested in two cases in FY2023.

Additionally, explanations regarding particular transactions were provided to listed companies in eight cases to promote enhancement of their systems to prevent insider trading.

Numbers of Warnings and Requests for Re-Examination Issued to Listed Companies

	(Number of Instances)
Warnings to listed companies	2 (2)
Warning by the Governor in charge	0 (0)
Warning by the Director of the Market Surveillance & Compliance Department	0 (0)
Warning by a senior manager	2 (2)
Requests to listed companies for re-examination	2 (2)

Note: Figures in parentheses indicate the number of requests for written reports on improvement measures.

b. Warnings to Trading Participants

As a result of market surveillance, if a trading participant's conduct is found to be in violation of or likely to violate laws, rules, or regulations, to prevent both recurrences and new occurrences of unfair trading, JPX-R takes measures as required based on the exchanges' rules and regulations by deciding on a disciplinary action or issuing a warning to the trading participant. Furthermore, if deemed necessary considering the details of the case, we will also request a written report detailing improvement measures. In FY2023, no such warnings were issued to trading participants.

In addition, even if there is no immediate problem or suspicion of unfair trading with respect to a trading participant's conduct in order acceptance, JPX-R may provide an explanation regarding a particular transaction to a trading participant if deemed necessary to prevent unfair trading if, for example, the order placement and execution patterns of a particular client are deemed likely to lead to a future violation if left unchecked. In FY2023, such explanations were provided to trading participants for 369 transactions.

4 Number of Tips and Complaints Received

JPX-R has established a page on the JPX website for the public to report unfair trading in JPX markets, such as insider trading and market manipulation. The information provided may be used in our operations as a reference.

Classification	Number of Submissions	Year-on-year Change
Insider trading	44	+36
Market manipulation	389	-391
General information on securities	0	±0
Other	0	±0
Total	433	-355

5 Enhancing JPX-R's Market Surveillance System in Line with Market Changes

Major changes are starting to appear in the market structure of the financial instruments markets with the advancement of new technologies for investment and asset management, particularly among institutional investors, against a background of significant progress in data processing and information and communications technology. Most notable are the advent and proliferation of high-frequency trading (HFT) and algorithmic trading.

JPX-R is accumulating the expertise and enhancing its capacity to identify forms of unfair algorithmic trading and HFT through such efforts as the construction of an environment to analyze trading data in greater detail and the development of a new system to detect unfair trading. In doing so, JPX-R aims to ensure that a wide range of investors, including retail investors, may safely trade on the markets operated by companies in the JPX Group, even in a complex market environment with increased traffic.

In addition, JPX-R is also proceeding with its “Grand Design for Market Surveillance” project to build a system to conduct market surveillance that can rapidly respond to environmental changes. The system will consolidate the various data that are essential for surveillance and include a mechanism to smoothly and efficiently conduct surveillance operations utilizing such data. The phased implementation of this system is scheduled to begin in the first quarter of FY2024.

Furthermore, JPX-R is working on efforts to continuously verify AI-generated calculation results and to improve the AI's accuracy so that it can further increase the efficiency and sophistication of its market surveillance operations.

6 Efforts to Enhance Cooperation with Overseas Self-Regulatory Organizations

JPX-R is a member of the Intermarket Surveillance Group (ISG), a global network of self-regulatory organizations for actively exchanging information on the latest developments in the field of market surveillance. In FY2023, JPX-R participated in two ISG meetings, one in Miami in May and the other in Mumbai in October, and worked to exchange information on and strengthen international cooperation in market surveillance and the examination and inspection of market participants.

In addition, JPX-R routinely shares information with other ISG members. For example, when investigating foreign investors as part of its market surveillance activities, JPX-R asks other ISG members to provide information on the investors under investigation.

5 Compliance Support Activities for Listed Companies and Trading Participants

In order to prevent unfair trading and to maintain and enhance the soundness of trading participants, JPX-R proactively implements compliance support activities for listed companies and trading participants, for example through the establishment of the Compliance Learning Center (COMLEC).

1 COMLEC and Other Compliance Education Activities

JPX-R has established the Compliance Learning Center (COMLEC) to promote the provision of compliance support for listed companies and trading participants. The compliance support activities undertaken by COMLEC include the holding of various types of compliance seminars, the dispatching of instructors to provide training at individual companies, and the provision of training tools such as e-learning. In addition to the work of COMLEC, every year JPX-R identifies topics of particular concern to listed companies based on the environment affecting the securities market in that year, and holds seminars featuring experts in relevant fields, mainly for the representative directors of listed companies, officers responsible for compliance, and company auditors.

Going forward, JPX-R will be working to provide even higher-quality services in this area, while expanding the scope of its activities.



2 COMLEC's Activities

a. Holding of Compliance-related Seminars

COMLEC holds seminars on compliance as it relates to financial instruments transactions, mainly for the company officers and employees of listed companies and trading participants.

These seminars provide easy-to-understand explanations of the latest compliance-related topics that are directly linked to the operations of listed companies and trading participants, based on actual case studies and experience accumulated by JPX-R through its day-to-day self-regulatory operations.

■ Seminars Organized by COMLEC

Date	Content
November 8, 2023 (Tokyo) November 27, 2023 (Osaka)	Inspection Practitioner Seminar (Tokyo: 167 participants from 72 companies, Osaka: 18 participants from 12 companies) The purpose of this seminar, which was designed for compliance personnel at trading participants, was to further strengthen the trading participants' internal management systems. The Trading Participants Examination and Inspection Department presented cases from recent inspections, the state of market surveillance related to block offers, IPOs, and other financing events that are believed to have a higher potential for unfair trading, and the status of data transmission management for low-latency trading activities. In addition, the Market Surveillance & Compliance Department presented recent cases of market surveillance.

b. Holding of Compliance Seminars and Dispatching of Training Instructors

With the aim of realizing thorough compliance with relevant laws and regulations, COMLEC assigns JPX-R personnel to act as instructors for internal compliance training in response to requests from listed companies and trading participants.

Training relating to market surveillance is tailored to meet the needs of individual listed companies and trading participants, and besides covering the rules relating to insider trading and market manipulation, it may also include explanations of relevant case reports and of case studies of actual market surveillance cases identified by JPX-R.

Training relating to trading participants examination and inspection is also tailored to meet the needs of individual trading participants, and includes presentations for the officers and employees of individual companies on actual violations that have been identified, as well as discussion of measures to resolve such issues, and of the approach for putting in place a suitable internal control system to achieve prevention of such issues in advance.

In FY2023, in-person training sessions that had been suspended to prevent the spread of COVID-19 were resumed. A total of 169 training sessions for listed companies and other participants were held both in-person and online. Starting in October, in-person seminars on insider trading regulations for listed company management personnel also resumed. A total of 16 seminars were conducted (videos of seminars on the same topics continue to be available online for streaming).

For overviews of the various types of seminars, please visit the JPX website:

<https://www.jpx.co.jp/regulation/seminar/index.html> (only in Japanese)

c. Issuance of Publications and E-Learning Training Service

COMLEC issues various publications and provides compliance training services with the aim of helping the company officers and employees of listed companies, securities companies, and other market players, as well as the investing public in general, to acquire more knowledge regarding compliance as it relates to financial instruments transactions, through explanations of the laws and regulations governing financial instruments transactions, the presentation of case studies, and other methods.

In addition, COMLEC provides e-learning training services on the internet as part of its securities education activities for market users, including the officers and employees of listed companies and trading participants as well as other investors. These services, which can be accessed using a smartphone, tablet, or other mobile device, represent a highly convenient, optimal compliance training tool for all company officers and employees, including those who may be working in remote locations or may be too busy to attend in-person training activities, and they also allow company personnel responsible for organizing training to verify the learning progress of each trainee. As such, COMLEC's e-learning training services have been widely used, and can be expected to provide a highly effective learning experience.

For more details about the services and how to apply, please visit the JPX website:

1. E-learning for rules relating to insider trading

<https://www.jpx.co.jp/regulation/preventing/activity/01.html> (only in Japanese)

2. E-learning for trading participants

<https://www.jpx.co.jp/regulation/preventing/activity/index.html> (only in Japanese)

Name of E-Learning Course	Intended Audience	Length	Content
Konpura-kun's ("Mr. Compliance") Introduction to Insider Trading Regulations 1: Insider Trading Basics	All adults, including new employees	20 minutes	The aim of this course is to help people learn precisely what insider trading is. Compiled in such a way as to be easy to understand even for people who have only a vague idea, it uses an approach that focuses on what is regulated by insider trading regulations, and why it needs to be regulated. (2023 version)
Konpura-kun's Introduction to Insider Trading Regulations 2: The Content of Insider Trading Regulations	Mainly officers and employees of listed companies, securities companies, etc.	20 minutes	The aim of this course is to present the knowledge that company officers and employees of listed companies should possess regarding the content of insider trading regulations. It explains insider trading regulations and their scope by focusing on four key terms. (2023 version) (English-language version available)
Konpura-kun's Introduction to Insider Trading Regulations 3: Misconceptions and Case Studies	Mainly officers and employees of listed companies, securities companies, etc.	20 minutes	This course, which assumes a certain degree of knowledge about insider trading regulations, collates the key points that related parties need to pay particular attention to. Specific examples are used to illustrate the more practical points. (2023 version)

Name of E-Learning Course	Intended Audience	Length	Content
Key Points for Practitioners in Order to Prevent Insider Trading	Mainly officers and compliance personnel of listed companies	15 minutes	This course collates the key points that listed companies, as opposed to individuals, need to pay attention to in order to prevent insider trading. It uses case studies to explain the approach that listed companies should adopt toward their management systems.
Konpura-kun's Guide to Insider Trading Rules: Key Points to Note for REITs	Mainly officers and employees of listed investment corporations, securities companies, etc.	15 minutes	This course enables users to learn the main content of the insider trading rules relating to real estate investment trusts (REITs). It explains not only the content of the rules relating to REITs, but also key points connected to the special characteristics of investment corporations as opposed to ordinary corporations.
Konpura-kun's Introduction to Stock Price Manipulation Rules 1	Mainly intended for the sales staff, new employees, and other related employees of securities companies	25 minutes	This course enables users to learn the main content of the rules governing stock price manipulation (market manipulation) pursuant to the Financial Instruments and Exchange Act starting from the basics. It uses concrete examples to explain what kinds of behavior are prohibited by the rules governing stock price manipulation.
Konpura-kun's Introduction to Stock Price Manipulation Rules 2	Mainly intended for the sales staff, new employees, and other similar employees of securities companies	20 minutes	This course enables users to learn the main content of the rules governing stock price manipulation (market manipulation) pursuant to the Financial Instruments and Exchange Act, starting from the basics. Following on from Part 1, it explains things such as the penalties for illegal stock price manipulation, and presents numerous case studies to facilitate more in-depth understanding.

d. Issuance of Publications

The main publications that COMLEC has issued relating to compliance are as follows. Item (i) is available for sale via the JPX website at <https://www.jpx.co.jp/learning/tour/books-brochures/index.html> (only in Japanese). Items (ii) and (iii) can be found on the JPX website at <https://www.jpx.co.jp/regulation/public/index.html> (only in Japanese).

Name of Publication	Summary
i) Konpura-kun's Guide to Insider Trading Rules Q&A (reflecting the revisions made to the Financial Instruments and Exchange Act in 2013)	This "bible" of insider trading rules brings together the fundamental content of the insider trading rules in Q&A format.
ii) Collection of Internal Insider Trading Prevention Rules	This collection of case studies analyses internal insider trading prevention rules provided voluntarily by 348 companies listed on the Tokyo Stock Exchange at the time of implementation of the Second Nationwide Listed Company Insider Trading Management Survey.
iii) Report on the Fifth Nationwide Listed Company Insider Trading Management Survey	A survey regarding insider trading management and the status of efforts to ensure that officers and employees have opportunities to trade their company's stock was administered to listed companies throughout Japan. A report was compiled based on an analysis of the responses received from the 2,261 companies that assisted in the survey. The report was posted on each exchange's website in March 2024. (The survey was conducted in collaboration with stock exchanges throughout Japan.)

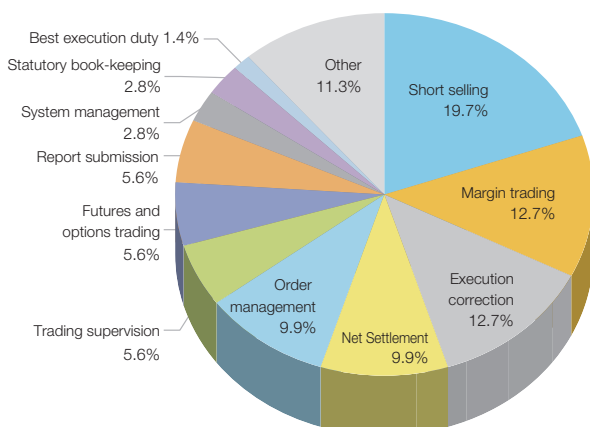
3 Handling Inquiries from Listed Companies, Trading Participants, and Related Organizations

The Trading Participants Examination & Inspection Department and the Market Surveillance & Compliance Department take and answer inquiries from, respectively, trading participants and related parties regarding the laws and regulations relating to securities trading, and listed companies, trading participants, and other related parties regarding the rules and regulations governing insider trading and market manipulation.

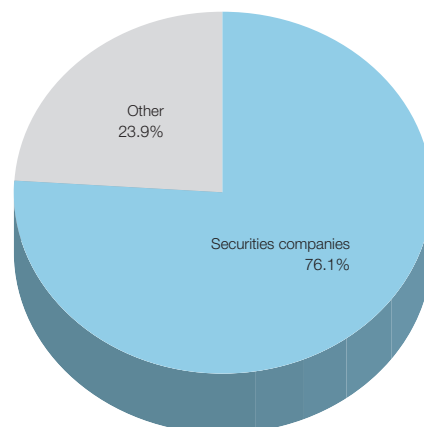
In FY2023, the Trading Participants Examination & Inspection Department handled 71 inquiries, and the Market Surveillance & Compliance Department handled 526 inquiries. An overview of the inquiries received is shown in the table below.

Trading Participants Examination and Inspection-Related

Breakdown of inquiry content

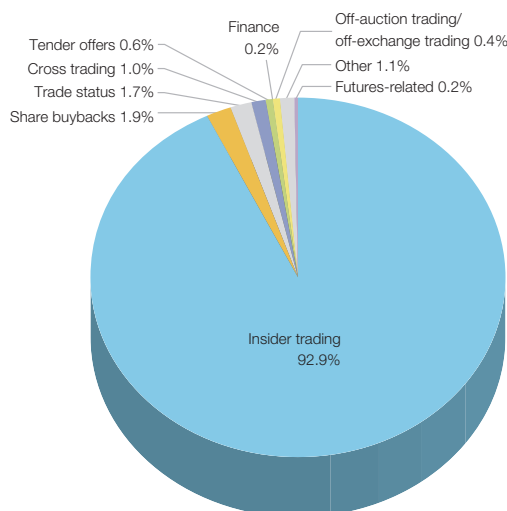


Breakdown of parties submitting inquiries

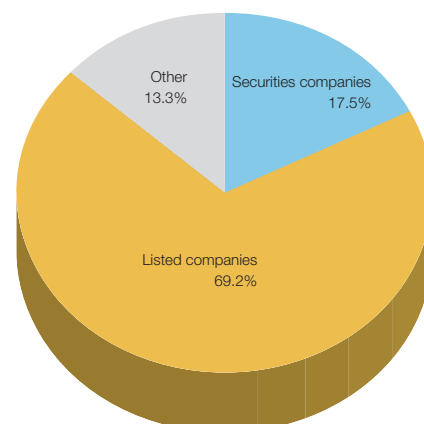


Market Surveillance-Related

Breakdown of inquiry content



Breakdown of parties submitting inquiries



4 J-IRISS Registration Promotion Activities

The Japan-Insider Registration & Identification Support System (J-IRISS) was established by the Japan Securities Dealers Association to help prevent insider trading through registering the data of officers and other insiders at listed companies, thereby enhancing the efficacy of insider registration and similar operations at securities companies. JPX-R is striving to promote the registration of listed companies by encouraging registration when companies newly list or transfer market segments, and by continuing to implement PR activities such as seminars for listed companies. As of the end of March 2024, the registration rate for companies listed on the Tokyo Stock Exchange had reached 89.6%.

6 Lists of Securities

1 Securities That Were Listed as a Result of Initial Listings or Segment Transfers

New Listings

<Stocks> 145

(Prime Market) 8

Apr. 03, 2023 NIPPON KANZAI Holdings Co.,Ltd. *

Apr. 21 Rakuten Bank,Ltd.

Jul. 03 Integrated Design & Engineering Holdings Co.,Ltd. *

Oct. 02 MIGALO HOLDINGS Inc. *

Oct. 02 Kyoto Financial Group,Inc. *

Oct. 02 NPR- RIKEN CORPORATION*

Oct. 02 NISSO HOLDINGS Co.,Ltd. *

Oct. 25 KOKUSAI ELECTRIC CORPORATION

(Standard Market) 23

Apr. 19, 2023 Excite Holdings Co.,Ltd.

Apr. 20 NANKAI CHEMICAL COMPANY,LIMITED

Jun. 21 O.B.System Inc.

Jun. 27 Elitz Holdings Co.,Ltd.

Jun. 30 GDEP ADVANCE,Inc.

Jun. 30 NOVARESE,Inc.

Jul. 26 TECNISCO,LTD.

Sep. 22 Sasatoku Printing Co.,Ltd.

Sep. 25 J.E.T.Co.,LTD.

Sep. 26 AUTOSERVER CO.,LTD.

Sep. 27 Okamura Foods Co.,LTD

Oct. 03 Nippon Insure Co.,Ltd.

Oct. 03 Seibu Giken Co.,Ltd.

Oct. 25 ZENHOREN CO.,LTD.

Nov. 16 Japan Eyewear Holdings Co.,Ltd.

Dec. 04 ASMARQ Co.,Ltd.

Dec. 15 Kairikiya Co.,Ltd.

Dec. 20 Rococo Co.Ltd.

Dec. 22 WASEDA GAKUSHUKENKYUKAI Co.,LTD.

Feb. 07, 2024 SOLIZE Corporation

Mar. 13 NAGOYA ELECTRIC WORKS CO.,LTD.

Mar. 18 MINO CERAMIC CO.,LTD.

Mar. 27 Columbia Works Inc.

(Growth Market) 74

Apr. 03, 2023 BBD Initiative Inc. *

Apr. 04 Transaction Media Networks Inc.

Apr. 12 ispace,inc.

Apr. 18 JENOBA CO.,LTD.

Apr. 25 RHEOS CAPITAL WORKS Inc.

Apr. 26, 2023 Ridge-i Inc.

Jun. 13 ABEJA,Inc.

Jun. 14 Globee Inc.

Jun. 21 CUC Inc.

Jun. 22 REALGATE INC.

Jun. 22 Aidemy Inc.

Jun. 23 AR advanced technology,Inc.

Jun. 26 Bridge Consulting Group Inc.

Jun. 27 Cuorips Inc.

Jun. 28 Noile-Immune Biotech Inc.

Jun. 28 Prodelight Co.,Ltd.

Jun. 29 W TOKYO Inc.

Jun. 30 KURADASHI.Co.,Ltd.

Jul. 04 AeroEdge Co.,Ltd

Jul. 05 Bleach,Inc.

Jul. 07 GRID Inc.

Jul. 21 Nareru Group Inc.

Jul. 24 TRYT Inc.

Jul. 26 EcoNaviSta,Inc.

Jul. 28 Qualtec Co.,Ltd.

Jul. 28 GENDA Inc.

Jul. 31 Laboro.AI Inc.

Aug. 09 JRC Co.,Ltd.

Aug. 30 Inbound Platform Corp.

Sep. 12 Rise Consulting Group,Inc.

Sep. 20 Integral Corporation

Sep. 21 AGEHA Inc.

Sep. 22 Fast Accounting Co.,Ltd.

Sep. 26 NETSTARS Co.,Ltd.

Sep. 27 AVILEN Inc.

Oct. 04 Kusurinomadoguchi,Inc.

Oct. 04 Caster Co.Ltd.

Oct. 17 K Pharma,Inc.

Oct. 23 Ureru Net Advertising Co.,Ltd.

Oct. 24 Japan M&A Solution Incorporated

Oct. 26 Emimen Co.,Ltd.

Oct. 27 DreamArts Corporation

Nov. 08 DAIWA CYCLE CO.,LTD.

Nov. 22 VALUE CREATION CO.,LTD.

Dec. 06 Institute for Q-shu Pioneers of Space,Inc.

Dec. 12 OutlookConsulting Co.,Ltd.

Dec. 12 Blue innovation Co.,Ltd.

Dec. 15 S&J Corporation

Dec. 18 Ame Kaze Taiyo,Inc.

Dec. 19 ES NETWORKS CO.,LTD.

Dec. 20, 2023	Nyle Inc.
Dec. 21	MRSO.,Inc
Dec. 22	Human Technologies,Inc.
Dec. 25	Nalnet Communications Inc.
Dec. 25	ASNOVA Co.,Ltd.
Dec. 27	yutori,Inc.
Feb. 08, 2024	Veritas In Silico Inc.
Feb. 22	VRAIN Solution,Inc.
Feb. 28	Cocolive,Inc.
Feb. 28	Hikari Food Service Co.,Ltd.
Mar. 21	Trial Holdings Inc.
Mar. 21	STG CO.,LTD.
Mar. 22	JINJIB Co.,Ltd.
Mar. 25	Ishin Co.,Ltd.
Mar. 26	L is B Corp.
Mar. 26	SORACOM,INC.
Mar. 26	HATCH WORK CO.,LTD.
Mar. 26	JSH Co.,Ltd.
Mar. 27	Thinca Co.,Ltd.
Mar. 27	Dive Inc.
Mar. 28	Caulis Inc.
Mar. 28	Information Strategy and Technology Co.,Ltd.
Mar. 29	Material Group Inc.
Mar. 29	Green Monster Inc.

(TOKYO PRO Market) 40

Apr. 11, 2023	HANA HOLDINGS Co.,Ltd.
Apr. 18	GT Holdings Co.,Ltd.
Apr. 26	NAKAYAMA FUDOUSAN Co.,Ltd.
Apr. 28	Doraku Holdings Co.,Ltd.
Jun. 02	WAKA MANUFACTURING CO.,LTD.
Jun. 27	OOKABE GLASS CO.,LTD.
Jun. 30	Chi-technology Co.,Ltd.
Jul. 12	Strawberry jams Co.,Ltd.
Jul. 14	Kokyo,Inc.
Aug. 04	Nippon Souken Co.,Ltd.
Aug. 10	Futonmaki Jiro,Inc.
Sep. 13	Daishinsha Inc.
Sep. 21	Angel Group Inc.
Oct. 20	IBIS HOLDINGS Co.,Ltd.
Oct. 31	REVO International Inc.
Nov. 10	Kyobashi Art Residence Co.,Ltd.
Nov. 22	KET Inc.
Nov. 27	MY FARM,INC.
Nov. 29	AlbaLink Co.,Ltd.
Nov. 30	M.D.B Corporation
Dec. 08	WizBiz Inc.
Dec. 13	Yottavias Co.,Ltd.
Dec. 13	OFFICEBUSTERS CORPORATION
Dec. 19	WILLDo Inc.

Dec. 22, 2023	SPO Entertainment Inc.
Jan. 11, 2024	OneBe,Inc.
Jan. 25	RAVIPA Ltd.
Jan. 30	IN Holdings Co.,LTD.
Feb. 09	CCN Group Corporation
Feb. 20	UPraise,Inc
Feb. 26	Sankosyoji Co.,Ltd.
Feb. 27	Higashinihon Jisho Co.,Ltd.
Mar. 13	ENERGY POWER CO.,Ltd.
Mar. 19	Exseli Co.,Ltd.
Mar. 22	Mitsuba Co.,Ltd.
Mar. 25	Applepark.CO.,LTD.
Mar. 27	OPTY CO.,LTD.
Mar. 27	GAIA Inc.
Mar. 28	ZEROJAPAN.Co.,Ltd
Mar. 29	NEO HOME Co.,Ltd.

“**” denotes a technical listing.

<Bonds> N/A

<ETFs/ETNs> 51

Apr. 13, 2023	Global X Semiconductor ETF
Apr. 13	Global X US Tech Top 20 ETF
Apr. 26	NEXT FUNDS Bloomberg Germany Treasury Bond (7-10 year) Index (Yen-Hedged) Exchange Traded Fund
Apr. 26	NEXT FUNDS Bloomberg France Treasury Bond (7- 10 year) Index (Yen-Hedged) Exchange Traded Fund
May 12	iFreeETF S&P500 (NON HEDGED)
May 12	iFreeETF S&P500 (JPY HEDGED)
May 12	iFreeETF S&P500 Double Inverse (-2x)
Jun. 08	iShares MSCI Japan Climate Action ETF
Jun. 23	NEXT FUNDS JPX JGB Futures Double Inverse Index Exchange Traded Fund
Jul. 13	Global X Morningstar US Small Mid Moat ETF
Jul. 13	Global X SuperDividend U.S. ETF
Jul. 13	Global X China Electric Vehicle and Battery ETF
Sep. 07	PBR Improvement over 1x ETF
Sep. 07	Strategic Shareholding Disposal Promotion ETF
Sep. 07	Investor-Management Unite as One ETF
Sep. 07	NEXT FUNDS Japan Growth Equity Active Exchange Traded Fund
Sep. 07	NEXT FUNDS Japan High Dividend Equity Active Exchange Traded Fund
Sep. 07	MAXIS High Dividend Japan Equity Actively Managed ETF

Sep. 22, 2023 NZAM ETF S&P500 (JPY Hedged)
 Sep. 22 NZAM ETF NASDAQ100 (JPY Hedged)
 Sep. 22 NZAM ETF NY Dow30 (JPY Hedged)
 Sep. 22 NZAM ETF DAX (JPY Hedged)
 Sep. 22 NZAM ETF US Treasury 7-10Y (JPY Hedged)
 Sep. 22 NZAM ETF German Government Bond 7-10Y (JPY Hedged)
 Sep. 22 NZAM ETF France Government Bond 7-10Y (JPY Hedged)
 Oct. 05 Listed Tracers US Government Bond 0-2years Ladder (No Currency Hedge)
 Oct. 06 TSE REIT Inverse ETF
 Oct. 26 Global X S&P 500 Dividend Aristocrats ETF (JPY Hedged)
 Oct. 26 Global X Office J-REIT ETF
 Oct. 26 Global X Residential J-REIT ETF
 Oct. 26 Global X Hotel & Retail J-REIT ETF
 Nov. 28 iShares 20+ Year US Treasury Bond ETF
 Nov. 28 iShares US Aggregate Bond ETF
 Nov. 28 iShares USD Investment Grade Corporate Bond ETF
 Nov. 28 iShares USD High Yield Corporate Bond ETF
 Nov. 28 iShares 7-10 Year France Government Bond JPY Hedged ETF
 Nov. 29 SMDAM Active ETF Japan High Dividend Equity
 Jan. 18, 2024 iShares 0-3 Month US Treasury Bond ETF
 Jan. 18 iShares US High Dividend ETF
 Jan. 18 iShares US Dividend Growth ETF
 Jan. 18 iFreeETF US Treasury Bond 7-10 Year (NON HEDGED)
 Jan. 18 iFreeETF US Treasury Bond 7-10 Year (JPY HEDGED)
 Jan. 24 iFreeETF JPX Prime 150
 Jan. 31 Global X Ultra Short-Term T-Bill ETF
 Jan. 31 Global X US REIT Top 20 ETF
 Jan. 31 Global X U.S. Preferred Security ETF (Bi-monthly dividend type)
 Feb. 28 iFreeETF 10-Year U.S. Treasury Note Futures Inverse
 Mar. 18 NEXT FUNDS JPX Prime 150 Index Exchange Traded Fund
 Mar. 22 AI Select Megatrend Japan Equity Net Return ETN
 Mar. 22 Semiconductor Focus Japan Equity Net Return ETN
 Mar. 25 SMT ETF Japan Equity Income Strategy Active

<REITs/Infrastructure Funds> N/A

<Preferred Stocks, etc.> 1

Nov. 02, 2023 Series 1 Bond-Type Class Shares of SoftBank Corp.

<TOKYO PRO-BOND Market> 10

(Program Listings) N/A

(Individual Listings Based on Program Information) 9

Apr. 28, 2023 Japan Finance Organization for Municipalities Series 102 U.S.\$1,000,000,000 4.125 per cent. Notes due 2028

Jun. 02 The Metropolis of Tokyo U.S.\$500,000,000 4.625 per cent. Bonds due 2026

Jun. 26 Japan International Cooperation Agency JPY 15,000,000,000 0.681 per cent FILP Agency Bonds #73

Jun. 26 Japan International Cooperation Agency JPY 10,000,000,000 1.110 per cent FILP Agency Bonds #74

Sep. 04 Japan Finance Organization for Municipalities Series 103 U.S.\$750,000,000 5.125 per cent. Notes due 2026

Sep. 25 Japan International Cooperation Agency JPY 10,000,000,000 0.349 per cent FILP Agency Bonds #75

Sep. 25 Japan International Cooperation Agency JPY 12,000,000,000 0.747 per cent FILP Agency Bonds #76

Sep. 25 Japan International Cooperation Agency JPY 10,000,000,000 1.404 per cent FILP Agency Bonds #77

Jan. 24, 2024 Japan Finance Organization for Municipalities Series 105 EUR500,000,000 2.875 per cent. Notes due 2029

(Individual Listings (Standalone)) 1

Jan. 26, 2024 CSI MTN Limited JPY14,700,000,000 1.00 per cent. Guaranteed Notes due 2027
 Guaranteed by CITIC Securities International Company Limited 中信證券國際有限公司 under its U.S.\$3,000,000,000
 Guaranteed Medium Term Note Programme

Segment Transfers 12

<Growth to Prime> 9

Jun. 08, 2023 ANYCOLOR Inc.

Jul. 28 Plus Alpha Consulting Co.,LTD.

Aug. 29 M&A Research Institute Holdings Inc.

Sep. 11 FP Partner Inc.

Sep. 19, 2023 I-ne CO.,LTD.

Oct. 06 Kasumigaseki Capital Co.,Ltd.

Oct. 06 CellSource Co.,Ltd.

Nov. 29 CareNet,Inc.

Dec. 14 Visional,Inc.

<Standard to Prime> 3

May 17, 2023 ZUIKO CORPORATION

Jun. 26 LIFEDRINK COMPANY,INC.

Dec. 06 FURUYA METAL CO.,LTD.

2 Securities That Were Delisted, Ceased to Be a Substantial Surviving Company, or Were Brought Under Other Regulatory Measures

Delistings

<Stocks> 72

(Prime Market) 26

Apr. 27, 2023	Nissin Electric Co.,Ltd.
May 02	KANEMATSU ELECTRONICS LTD.
Jun. 05	WOW WORLD GROUP Inc.
Jun. 09	IWASAKI ELECTRIC CO.,LTD.
Jun. 21	NIPPON STEEL TRADING CORPORATION
Jun. 29	Nippon Koei Co.,Ltd.
Jul. 27	Relia,Inc.
Aug. 30	ARCLAND SERVICE HOLDINGS CO.,LTD.
Sep. 28	PROPERTY AGENT Inc.
Sep. 28	Nippon Piston Ring Co.,Ltd.
Sep. 28	RIKEN CORPORATION
Sep. 28	NISSO CORPORATION
Sep. 28	The Bank of Kyoto,Ltd.
Oct. 18	ARTERIA Networks Corporation
Oct. 27	PC DEPOT CORPORATION
Nov. 01	SANEI ARCHITECTURE PLANNING CO.,LTD.
Dec. 01	ITOCHU Techno-Solutions Corporation
Dec. 20	TOSHIBA CORPORATION
Dec. 21	DAIKEN CORPORATION
Dec. 28	SEIKO PMC CORPORATION
Jan. 04, 2024	Keiyo Co.,Ltd.
Feb. 07	SYSTEM INFORMATION CO.,LTD.
Mar. 25	Japan Best Rescue System Co.,Ltd.
Mar. 28	RYOYO ELECTRO CORPORATION
Mar. 28	Ryosan Company,Limited
Mar. 28	CMIC HOLDINGS Co.,Ltd.

(Standard Market) 34

Apr. 27, 2023	TECHNO ASSOCIE Co.,Ltd.
Apr. 30	Asia Development Capital Co.Ltd. *
May 10	CASSINA IXC.Ltd.
May 19	Kabushiki Kaisha Seiyoken.
May 30	KANEMATSU SUSTECH CORPORATION
May 30	THE NAGANO BANK,LTD.
Jun. 12	IHARA SCIENCE CORPORATION
Jun. 19	NITTO KAKO CO.,LTD.
Jul. 19	SHL-JAPAN Ltd.
Jul. 28	Interworks,Inc.
Aug. 21	SAKAI TRADING CO.,LTD.
Sep. 26	BROCCOLI Co.,Ltd.
Sep. 28	SBI Shinsei Bank,Limited
Oct. 25	LONGLIFE HOLDING Co.,Ltd.
Oct. 26	KYODEN COMPANY,LIMITED
Oct. 30	TOKYO NISSAN COMPUTER SYSTEM CO.,LTD
Nov. 27	HCS HOLDINGS CO.,LTD.

Dec. 13, 2023	ROCK PAINT CO.,LTD.
Jan. 06, 2024	MARUMITSU CO.,LTD.
Jan. 10	Yachiyo Industry Co.,Ltd.
Jan. 29	VISIONARYHOLDINGS CO.,LTD.
Jan. 30	MICS CHEMICAL CO.,LTD.
Jan. 31	TAKISAWA MACHINE TOOL CO.,LTD.
Feb. 08	Cyber Com Co.,Ltd.
Feb. 09	Cybernet Systems Co.,Ltd.
Feb. 15	VINX CORP.
Feb. 16	FUJI SOFT SERVICE BUREAU INCORPORATED
Mar. 07	The Japan Living Service Co.,LTD.
Mar. 11	TERAOKA SEISAKUSHO CO.,LTD.
Mar. 18	SHiDAX CORPORATION
Mar. 19	FUJI GLASS CO.,LTD.
Mar. 25	IJTT Co.,Ltd.
Mar. 28	SHIN-NIHON TATEMONO CO.,LTD.
Mar. 28	Sunwood Corporation

(Growth Market) 12

Jun. 29, 2023	Impact HD Inc.
Jun. 29	Metaps Inc.
Aug. 04	DDS,Inc. *
Oct. 27	AmidA Holdings Co.,Ltd.
Dec. 30	RUDEN HOLDINGS CO.,Ltd. *
Jan. 29, 2024	amana inc.
Jan. 30	HyAS&Co.Inc.
Feb. 08	OHIZUMI MFG.CO.,LTD.
Mar. 19	SERIO HOLDINGS CO.,LTD.
Mar. 28	TASUKI Corporation
Mar. 28	RHEOS CAPITAL WORKS Inc.
Mar. 28	SKIYAKI Inc.

Securities marked "*" were delisted as a result of examination regarding qualitative criteria.

(TOKYO PRO Market) N/A

<Securities Options> 2

Dec. 1, 2023	ITOCHU Techno-Solutions Corporation
Dec. 20	TOSHIBA CORPORATION

<Bonds> 2

Jul. 12, 2023	HOKUTO CORPORATION, 120% Call Option Attached 1st Series Unsecured Convertible Bond(with limited inter-CB pari passu clause)
Jul. 18	ARATA CORPORATION, 120% Call Option Attached 2nd Series Unsecured Convertible Bond(with limited inter-CB pari passu)

clause)

<ETFs/ETNs> 13

Jun. 11, 2023	JPX-Nikkei 400 Bull 2x Leveraged ETF
Jun. 11	JPX-Nikkei 400 Bear -1x Inverse ETF
Jul. 21	UBS ETF EURO STOXX 50 UCITS ETF-JDR
Jul. 21	UBS ETF MSCI Europe UCITS ETF-JDR
Jul. 21	UBS ETF MSCI EMU UCITS ETF-JDR
Jul. 21	UBS ETF MSCI EMU Small Cap UCITS ETF-JDR
Jul. 21	UBS ETF FTSE 100 UCITS ETF-JDR
Jul. 21	UBS ETF MSCI Pacific (ex Japan) UCITS ETF-JDR
Jul. 21	UBS ETF MSCI Switzerland 20/35 UCITS ETF-JDR
Jul. 21	UBS ETF MSCI United Kingdom UCITS ETF-JDR
Jul. 21	UBS ETF MSCI USA UCITS ETF-JDR
Jul. 21	UBS ETF MSCI World UCITS ETF-JDR
Feb. 12, 2024	KOKUSAI S&P500 VIX SHORT-TERM FUTURES INDEX ETF

<REITs> 2

Oct. 30, 2023	Kenedix Residential Next Investment Corporation
Oct. 30	Kenedix Retail REIT Corporation

<Infrastructure Funds> N/A

<TOKYO PRO-BOND Market> 10

Apr. 19, 2023	Japan Finance Organization for Municipalities Series 63 U. S.\$1,000,000,000 3.250 per cent. Notes due 2023
May 29	The Metropolis of Tokyo U.S.\$500,000,000 3.250 per cent. Bonds due 2023
Sep. 22	Japan Finance Organization for Municipalities Series 66 U. S.\$1,000,000,000 3.375 per cent. Notes due 2023
Oct. 20	Japan Finance Organization for Municipalities Series 54 U. S.\$1,000,000,000 2.125 per cent. Notes due 2023
Nov. 02	UBS Group Funding (Switzerland) AG Issue of JPY 130,000,000,000 0.719 per cent. Fixed Rate/Floating Rate Senior Notes due 2024 Guaranteed by UBS Group AG under the Senior Debt Programme
Nov. 24	JPY 2,400,000,000 0.839% Non-Preferred

Senior Notes due 29 November 2023

-TOKYO PRO-BOND (2018)

Dec. 08	ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds – First Series (2018)
Feb. 16, 2024	ING Groep N.V. Japanese Yen TOKYO PRO-BOND Market Listed Bonds - Third Series (2019)
Mar. 07	Japan Finance Organization for Municipalities Series 68 U. S.\$1,000,000,000 3.000 per cent. Notes due 2024
Mar. 19	Bank of China Limited, Tokyo Branch JPY10,000,000,000 Floating Rate Notes due 2024 under the U.S.\$40,000,000,000 Medium Term Note Programme

Securities that Ceased to Be a Substantial Surviving Company

N/A

Securities Brought Under Other Regulatory Measures

<Designation as a Security on Alert> 3

Jul. 03, 2023	amana inc.
Aug. 30	VISIONARYHOLDINGS CO.,LTD.
Nov. 29	ARDEPRO Co.,Ltd.

<Request for an Improvement Report> 5

Sep. 15, 2023	MARUMITSU CO.,LTD.
Sep. 22	YAMAURA CORPORATION
Oct. 12	ITbook Holdings Co.,LTD.
Mar. 5, 2024	ImageONE Co.,Ltd.
Mar. 29	GOODSPEED.CO.,LTD.

<Public Announcement Measure> 6

Sep. 15, 2023	MARUMITSU CO.,LTD.
Sep. 22	YAMAURA CORPORATION
Oct. 12	ITbook Holdings Co.,LTD.
Dec. 20	OUTSOURCING Inc.
Dec. 20	THE WHY HOW DO COMPANY,Inc.
Mar. 05, 2024	ImageONE Co.,Ltd.

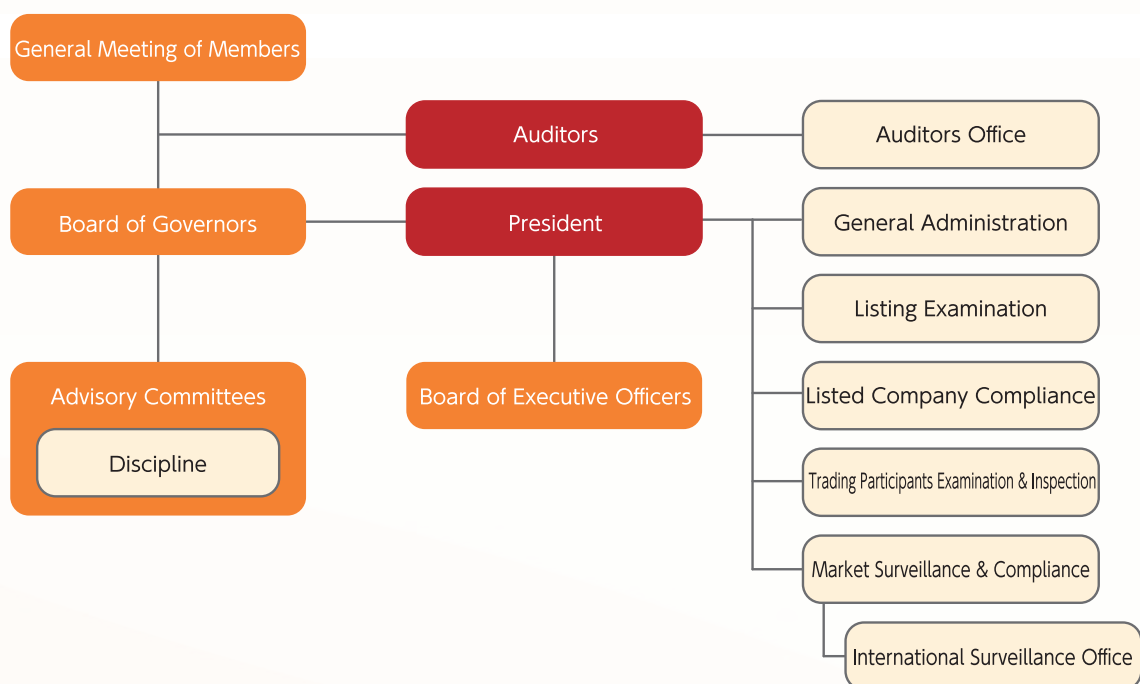
<Listing Agreement Violation Penalty> 4

Jul. 03, 2023	amana inc.
Aug. 29	SANEI ARCHITECTURE PLANNING CO.,LTD.
Nov. 29	ARDEPRO Co.,Ltd.
Mar. 29, 2024	GOODSPEED.CO.,LTD.

Company Profile

Trade Name	Japan Exchange Regulation
Location of Head Office	2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo 103-8229, Japan
Tel	+81-3-3666-0431 (Operator)
Name and Title of Representative	President: Hosomizo Kiyoshi
Founding	October 17, 2007 (Date of Commencement of Operations: November 1, 2007)
Amount of Capital	JPY 3,000,000,000
Business Description	Self-regulatory activities delegated by entrusting financial instruments exchanges Other activities related to the above

Organizational Structure



History

Oct. 17, 2007	Tokyo Stock Exchange Regulation is established under Tokyo Stock Exchange Group
Nov. 1, 2007	Began conducting self-regulatory operations for Tokyo Stock Exchange, the market operations subsidiary of Tokyo Stock Exchange Group
Jan. 1, 2013	Japan Exchange Group, Inc. is established
Jul. 16, 2013	Self-regulatory operations of Osaka Securities Exchange are integrated into Tokyo Stock Exchange Regulation
Apr. 1, 2014	Tokyo Stock Exchange Regulation is renamed Japan Exchange Regulation

JPX-R Annual Report 2024

Compilation: General Administration Department, Japan Exchange Regulation
Original Japanese Published June 19, 2024

Publisher: Japan Exchange Regulation
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Design: Shobi Printing Co., Ltd.

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