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How will Novel Coronavirus Impact TSE Restructuring?

Companies produce simulations until system outline announced at within the year

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Summary

- One step toward the transition to new market segments in April 2022 following the Tokyo Stock Exchange (TSE) reorganization was to postpone the publication of the institutional guidelines for partial amendments to the current system scheduled for March 2020 due to the spread of COVID-19. It is yet to be decided what will happen to the revision of the system scheduled in July.
- At the end of March, the TSE issued "Frequently Asked Questions regarding "Overview of Market Structure Review and Outline of the New Market Segments."" Companies are worried about the period for calculating tradable share market cap and trading value of outstanding shares, for which details are unclear, and the revised definition of tradable share for calculating the tradable share ratio.
- The outline of the new market classification system is scheduled to be announced within the year, but many listed companies wish to announce it as soon as possible. As a listed company, it is necessary to check ones own situation based on information published by the TSE to date, and at the same time prepare a number of scenarios and simulate possible measures.

Attention

This report is a summary translation. The official document is only in Japanese.