

Tokyo Stock Exchange Market Restructuring: Index Treatment

03 March 2022

On 04 April 2022, the Tokyo Stock Exchange will restructure into three new market segments: Prime Market, Standard Market and Growth Market.

Currently, the First and Second Sections of the Tokyo Stock Exchange are considered eligible exchange segments by FTSE Russell. Subsequent to the exchange restructuring, FTSE Russell will consider the Prime and Standard Markets as eligible segments within the FTSE Global Equity Index Series (FTSE GEIS) and its associated indices, from 04 April 2022.

The Growth Market is currently being reviewed for eligibility within FTSE GEIS and a further announcement will be published in due course.

Consequently, FTSE Russell would like to announce the following index treatment:

- Based on the [Market Segment Selection Results](#) published by the Japan Exchange Group (JPX), FTSE Russell anticipates that all existing FTSE GEIS Japan constituents will list on the Prime and Standard Market segments on 04 April 2022 and will therefore remain eligible (subject to satisfying all other inclusion criteria);
- Non constituents that transition to the Prime or Standard Market segments from a previously ineligible segment (e.g. JASDAQ and Mothers) will be considered newly eligible securities, and will be reviewed accordingly at the subsequent periodic index reviews. To clarify, the minimum three-month trading record and liquidity requirements will be tested from the date of transition to the eligible segment. Please refer to Section 3.1 of the [Guide to Calculation Methods for GEIS Liquidity](#) for details.

For the avoidance of doubt, if a JASDAQ listed non constituent transitions to the Standard Market on 04 April 2022, it will become eligible for index inclusion at the March 2023 semi-annual review at the earliest. FTSE Russell intends to publish an indicative list of additions ahead of the March 2023 semi-annual review announcement date.

For constituents and non-constituents that were previously listed on eligible market segments (i.e. legacy First or Second Sections), the three-month trading and liquidity tests will include their respective trading histories on the legacy eligible segments;

- Initial Public Offerings (IPOs) that occur on or after 04 April 2022 will be eligible for fast entry assessment as outlined in Section 8 of the [FTSE GEIS ground rules](#) if they list on the Prime Market or Standard Market.

The update to the eligible market segments within the FTSE GEIS Round Rules will be published on 04 April 2022.

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