

Live Webinar

# TSE Introduces a Brand New Playing Field for Japanese Companies: Who Will Be the Winners?

February 9, 2021



*Featuring:*

**Ryota Kimura**, Chief Representative & General Manager, New York Representative Office, Tokyo Stock Exchange, Inc.

*Moderator:*

**Alicia Ogawa**, Director, Project on Japanese Corporate Governance and Stewardship, Center on Japanese Economy and Business (CJEB), Columbia Business School

On February 9, 2021, CJEB held a live webinar featuring Ryota Kimura and with Alicia Ogawa serving as moderator. In the U.S., NASDAQ has issued new diversity requirements for companies listed on that exchange. Mr. Kimura discussed how, similarly, the TSE is introducing new requirements for being listed on Japan's stock exchange, which will address many persistent concerns of investors: cross-shareholding, lack of diversity, and weak corporate governance are only some examples. He also commented on how stock market indices will be reformed to highlight the companies that meet the new standards. Market indices are a key driver of investor appetite, particularly in the case of large index funds. Therefore, the new "best" companies are likely to enjoy a boost to their stock prices, relative to their former peer group. The event also covered how incentives for companies to list their shares on the stock exchange will change. Once seen mainly as a source of prestige and a means to attract new hires, a listing on the TSE will now demonstrate to investors an accountability to shareholders, as well as a commitment to sustainable growth strategies. The webinar concluded with a Q&A session with the audience. To view the video recording of the webinar, please visit <https://youtu.be/d4XN7Hd89yE>.