

# Ideal Future for the Integration of JASDAQ and Hercules

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Osaka Securities Exchange • JASDAQ Securities Exchange

# Introduction

Osaka Securities Exchange Co., Ltd. and Jasdac Securities Exchange, Inc. are discussing specific contents for the integration of JASDAQ, NEO and Hercules with the target set at next autumn. The discussion is build upon a report from The Committee to Consider the Ideal Future for the Integration of Markets (Chairman: Mr. Kazuhito Ikee, Professor, Faculty of Economics, Keio University), which was released on June 29 in this year.

Today we release an overview and concepts of the new market. Also, we are considering announcing listing regulations at the earliest possible time.

The new market will have approximately 1,000 listed companies with uniqueness and become the nation's largest in the number of listed companies, market capitalization, the number of IPOs and trading value. We will accomplish the following tasks in order to build the high-confidence attractive market for SMEs and venture businesses.

1. Contribute to energizing the Japanese economy and regional economy through providing listing opportunities with wide range of companies.
2. Provide attractive investment opportunities where investors can invest with confidence under their self-responsibility.

We strengthen foundations of the nation's largest market for SMEs and venture businesses by facilitating communication with stakeholders such as entrepreneurs, venture capitals, securities firms and auditing firms, then will be the market for SMEs and venture businesses, which would be the world's benchmark of originality like NASDAQ in US.

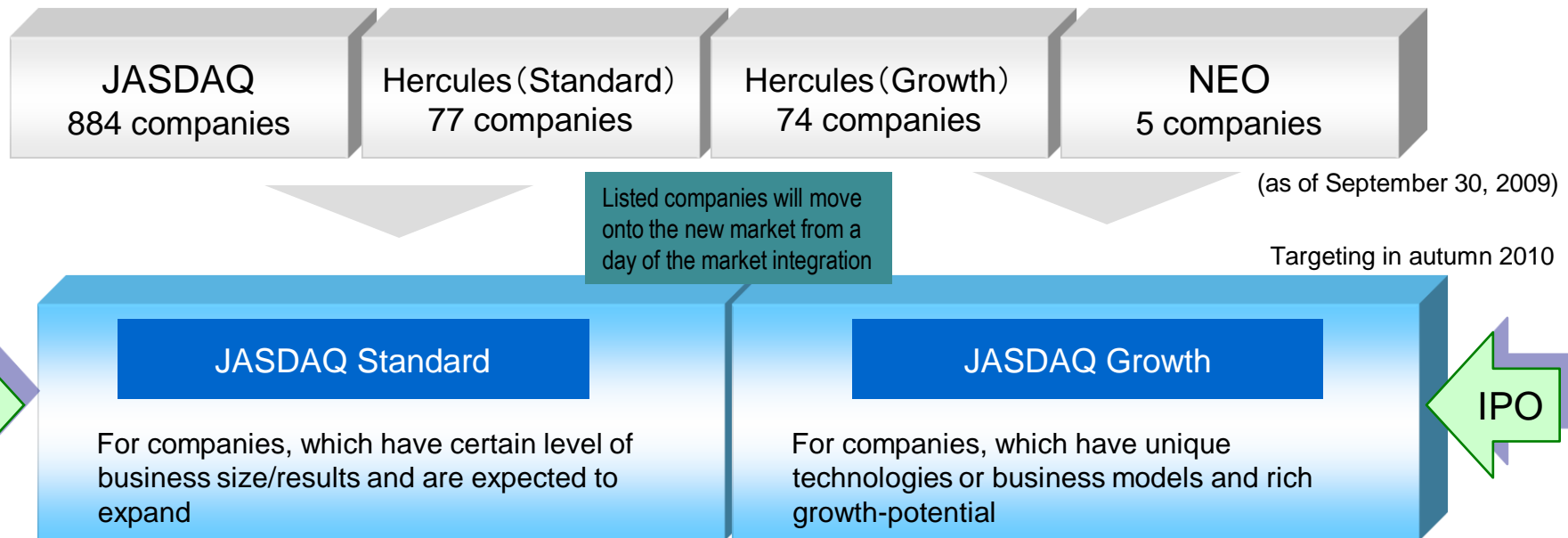
# 1. Overview of The New Market

## 【Basic Principle】

As the nation's largest market for SMEs and venture businesses, we support growth of new industries, SMEs and ventures businesses through widely providing equity money and provide the attractive investment opportunities with investors.

## 【Market Name】

Name of the new market will be well-known **“JASDAQ”**. (Segments into “JQ Standard” and “JQ Growth”)



## 2. Three Concepts of The New Market

### 1. Confidence

- The new market enhances confidence for the whole market so that investors would be able to invest with confidence based on the principle of self-responsibility.

### 2. Innovation

- The new market provides investors with opportunities to invest in companies which work on innovative business bearing the Japan's future economy. (Listing of innovative companies)
- The new market has enough liquidity to demonstrate the price-finding function and enhance convenience for stakeholders such as investors, listed companies and securities firms as a financial-service provider. (Liquidity and convenience)

### 3. Regional & Global

- The new market contribute to energizing regional economies through supporting companies with growth potential in their listing process in each regional area. (Regional)
- The new market supports listed companies in their global business, additionally, catches up to the global standard in business models of exchanges and institutions. (Global)