



Opportunities for Mongolian Companies to Raise Capital in Japan

September 8, 2015

New Listings, Tokyo Stock Exchange, Inc.

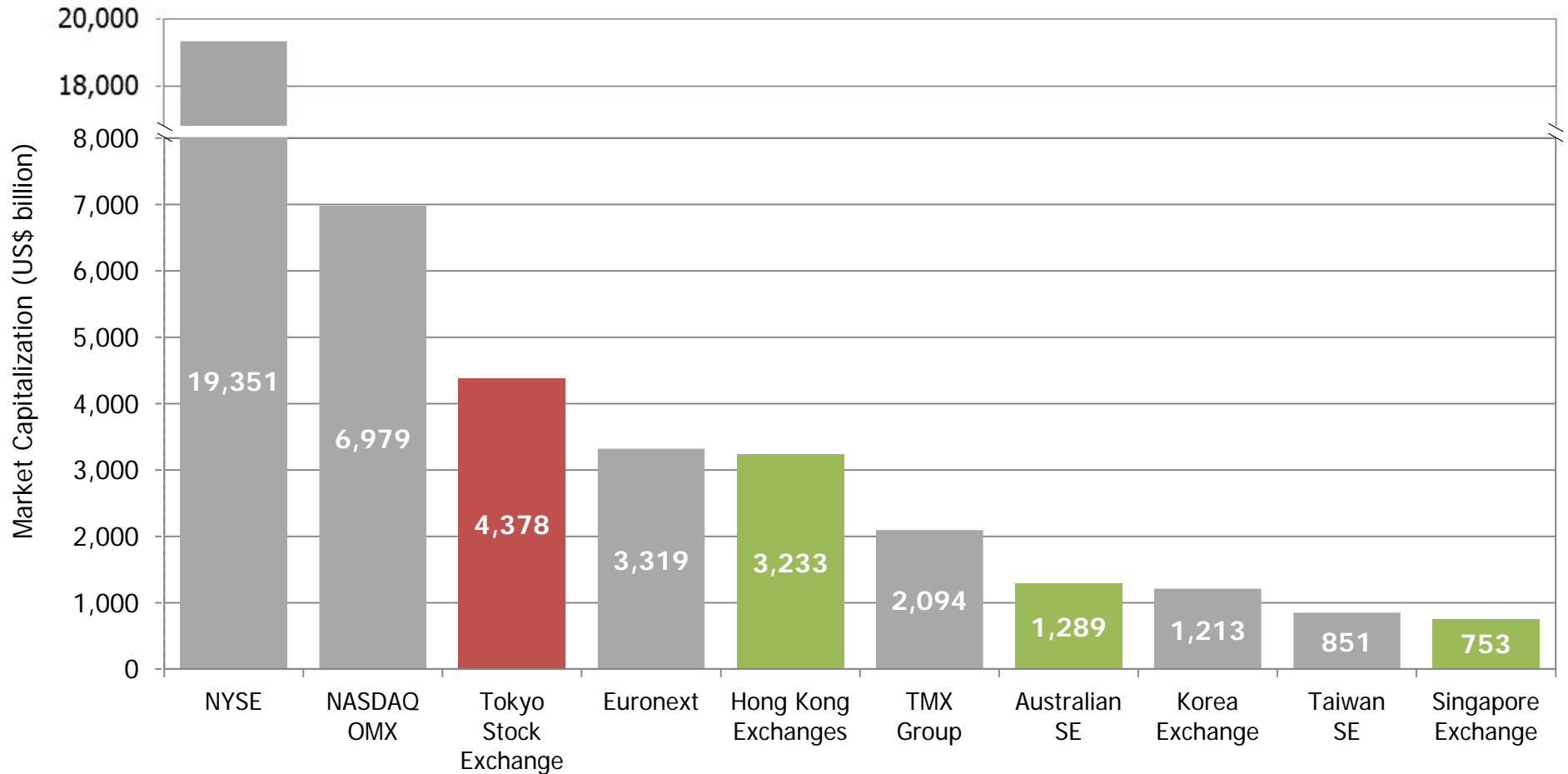


1. Overview of Equity Market & IPO Market in Japan

2. TOKYO PRO-BOND Market

Market Capitalization

Tokyo Stock Exchange ranks No.3 globally and No. 1 in Asia by market capitalization.

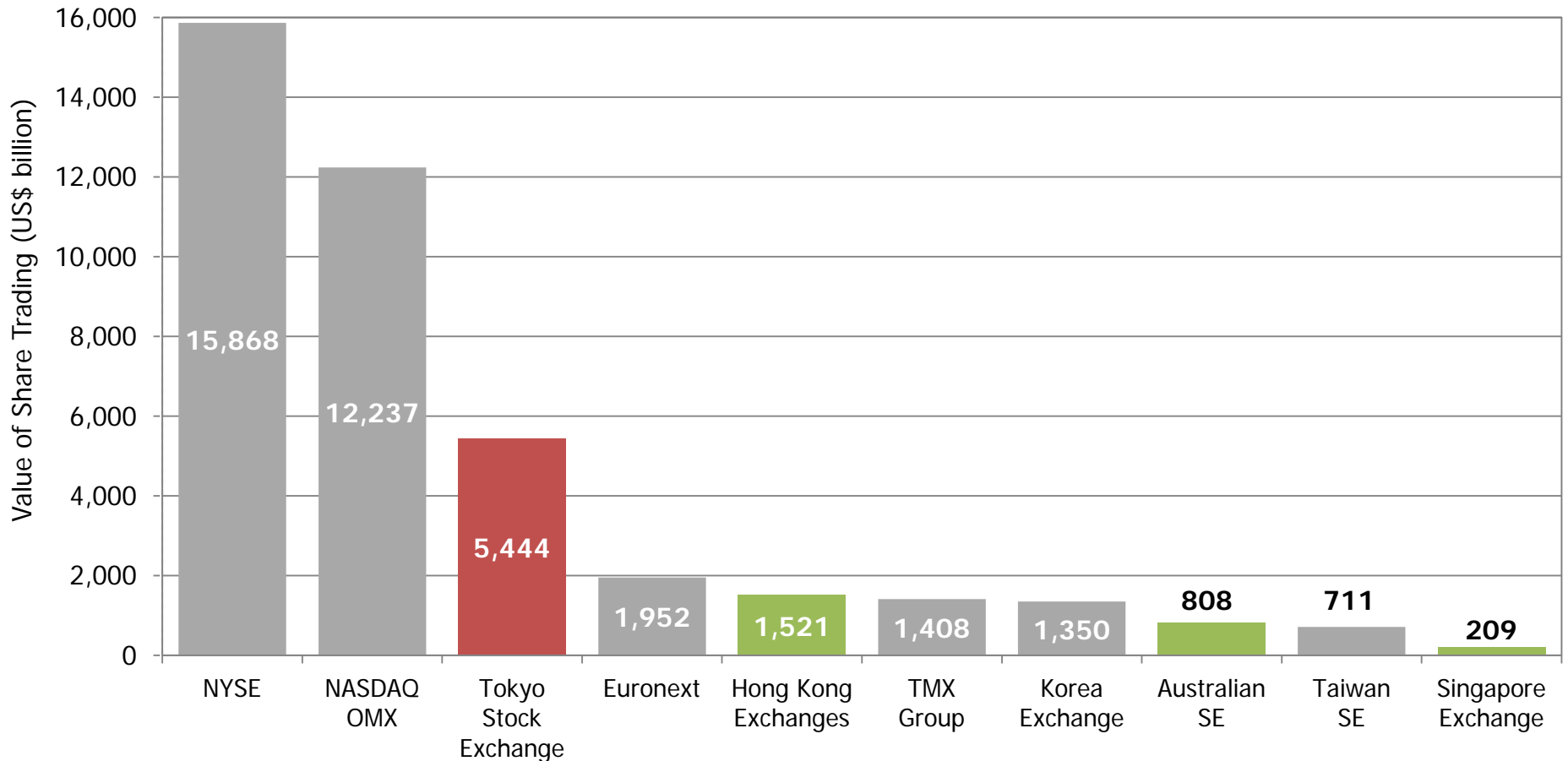


Source: WFE

Note: Domestic market capitalization as of the end of December 2014

Value of Share Trading in the World

Tokyo Stock Exchange is about 3.6 times larger than Hong Kong Exchanges by value of share trading.



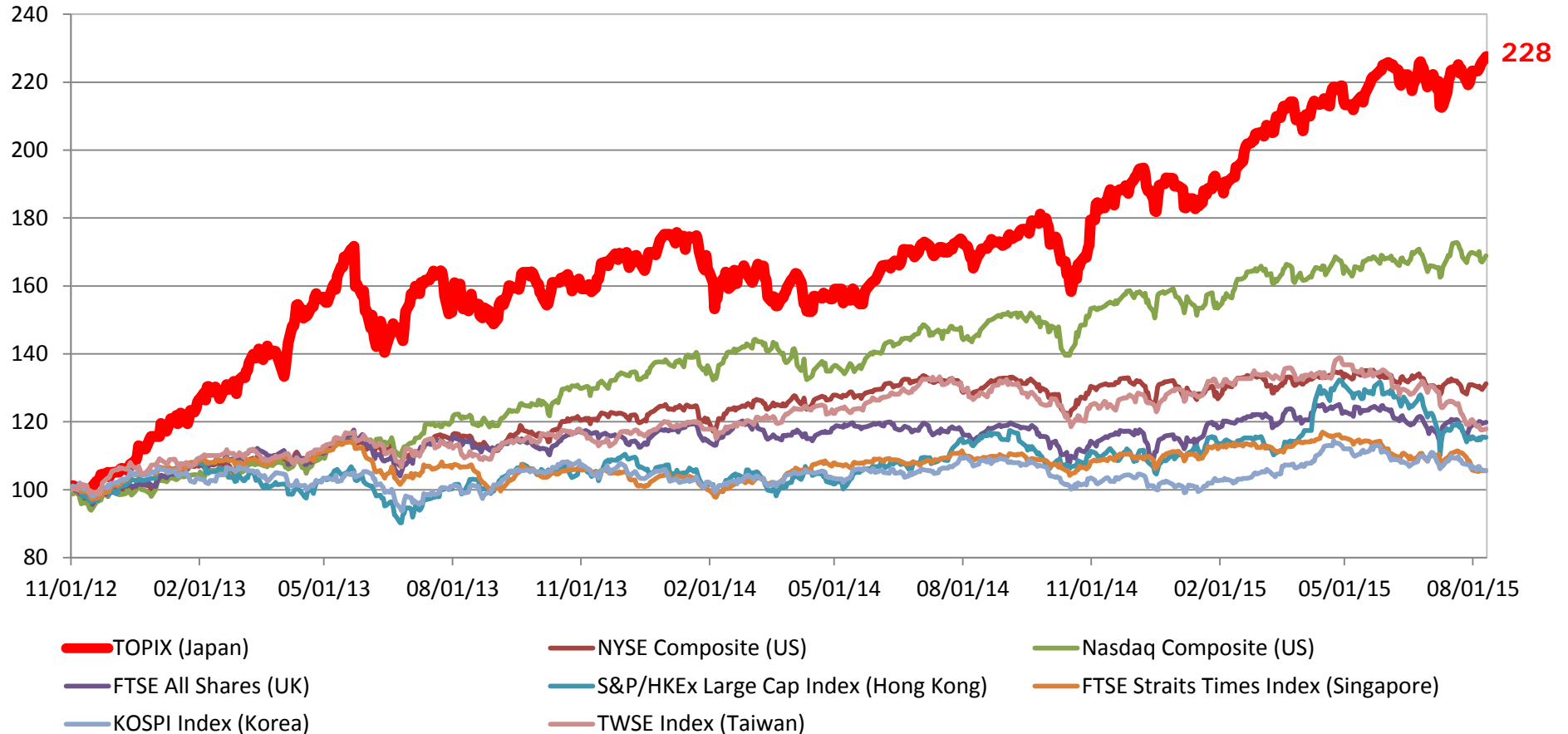
Source: WFE

Note: Value of share trading - Electronic order book trades from January 2014 to December 2014

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Stock Market Index Performance

TOPIX, which represents the movement of the Tokyo market overall, is recording a high growth rate as compared with other markets.

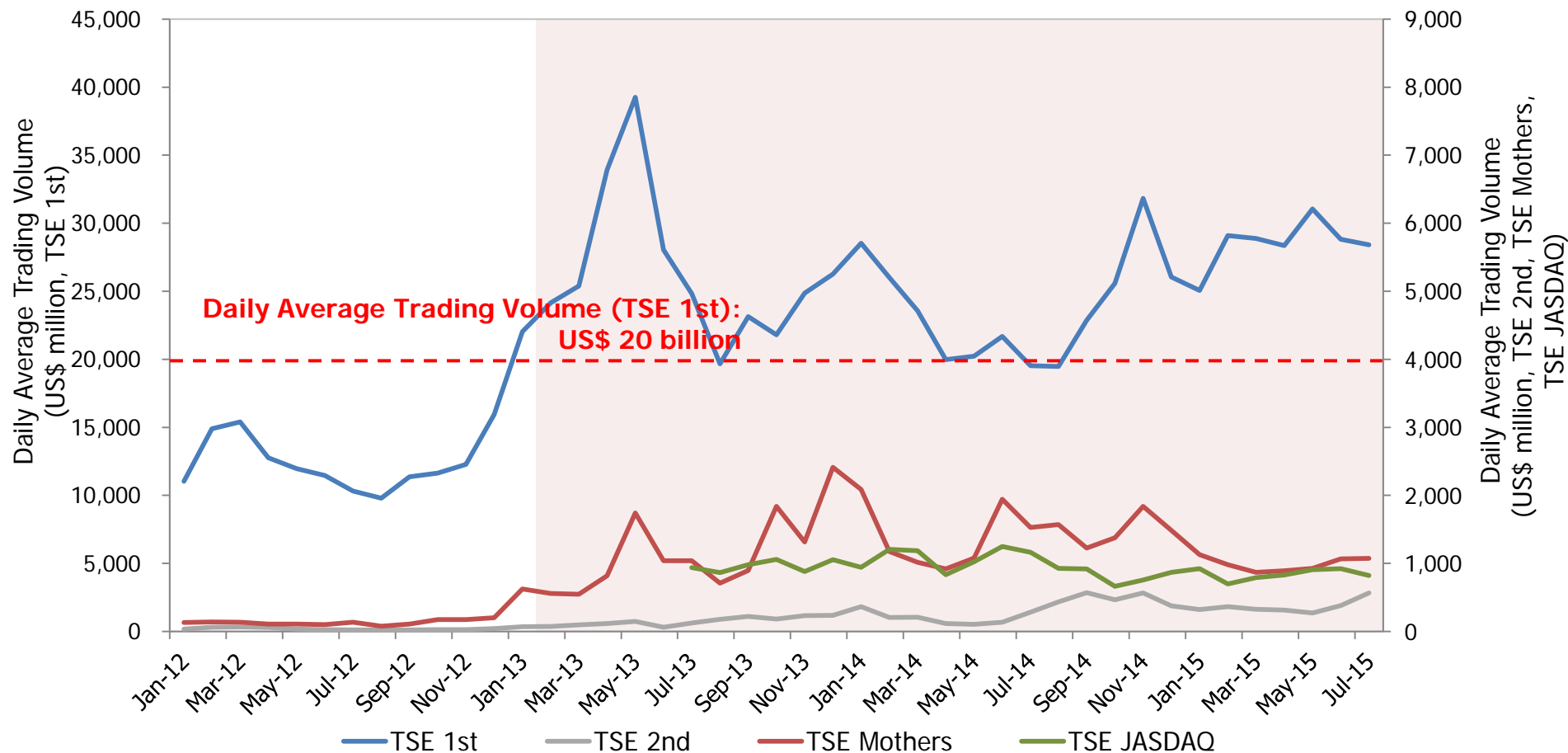


Source: Bloomberg

Note: As of August 10, 2015. Indices rebased to 100 as of November 1, 2012.

Daily Average Trading Volume

Daily average trading volume has exceeded US\$ 20 billion on an ongoing basis since January 2013.

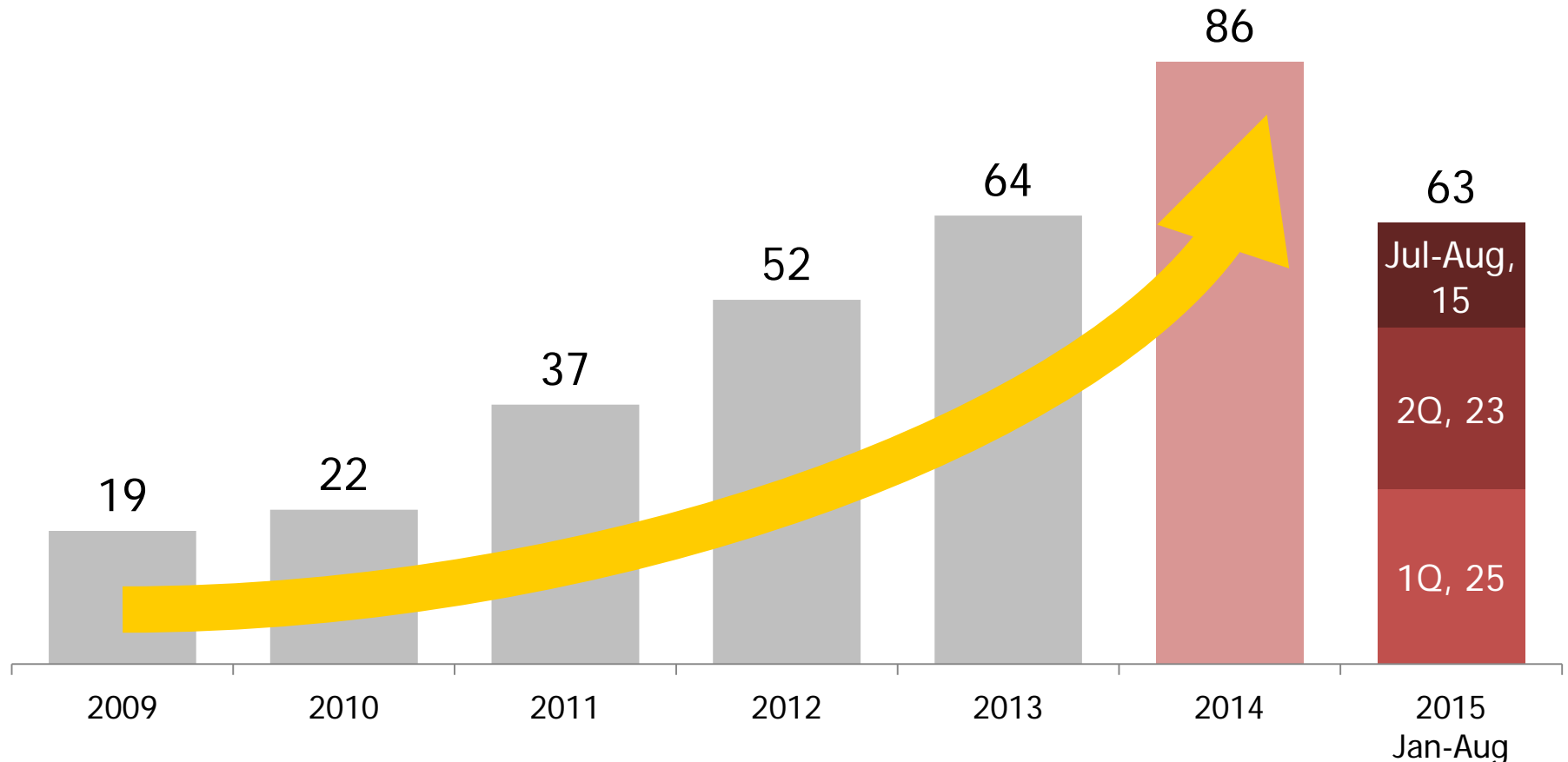


Source: Tokyo Stock Exchange

Note: US\$ = 100 JPY. JASDAQ was integrated with TSE market in July 2013.

Number of IPOs in Japan

IPOs figures showed a significant increase to 86¹ in 2014 from 64 in 2013, confirming a full-fledged recovery in the Japanese IPO market. The number of IPOs is expected to increase from 2014 onward.



Note 1: The number includes Tokyo Pro Market and REITs.

Acucela Inc., (Seattle, U.S.)



On Feb. 13, 2014, Acucela Inc. (TSE Mothers: 4589), a Seattle company, successfully completed its IPO in Japan. Acucela raised US\$190.4 million. The market capitalization of Acucela exceeded US\$800 million on the first trading day.

Company Profile/IPO summary	
Company Name	Acucela Inc. [Mothers: 4589]
CEO	Brian O'Callaghan
Foundation	April 25, 2002
IPO Date	February 13, 2014
Underwriter	Mitsubishi UFJ Morgan Stanley Sec.
IPO Price / First Price	JPY1,800 (US\$18)/JPY2,300 (US\$23)
IPO Amount (New Shares / Sale)	US\$ 190.4 million (US\$165.6 million/US\$24.8 million)
Market Cap (IPO Price /First Price)	US\$ 641 million/ US\$ 819 million
WEB	http://www.acucela.com/

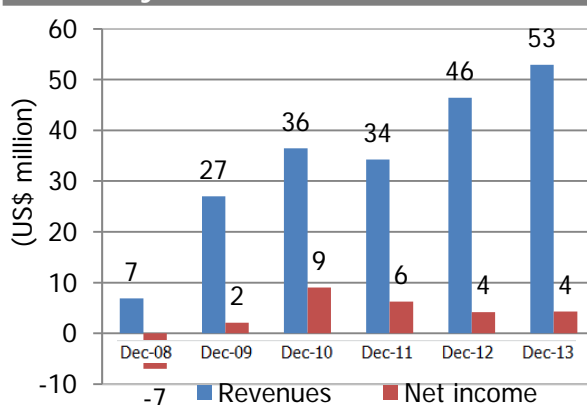
Business

Acucela is a Seattle based clinical-stage biotechnology company that specializes in discovering and developing novel therapeutics to treat and slow the progression of sight-threatening ophthalmic diseases impacting millions of individuals worldwide. Acucela focuses on developing oral products based on Acucela's proprietary visual cycle modulation, or VCM, compounds to address a variety of retinal diseases, primarily age-related macular degeneration, or AMD, diabetic retinopathy, or DR, and diabetic macular edema, or DME, and potentially Stargardt disease, retinitis pigmentosa and retinopathy of prematurity.

Note: 1 US\$ = 100 JPY.

Product Pipeline								
Drug	Indication	Pre Clinical	Phase 1	Phase 2	Phase 3	Originator	Acucela Territory	IP Expiration Date
	AMD	→						
VCM	Emixustat HCI		→			Acucela	North America (Joint), EU, South America and Africa	Nov. 2029 (subject to extension)
	Stargardt, Retinitis Pigmentosa, Retinopathy of Prematurity		→					
Other VCM and retina product candidates	Stargardt, Retinitis Pigmentosa, Retinopathy of Prematurity		→			Acucela	Worldwide	
OPA-6566	Glaucoma			→		Otsuka	US (joint)	April 2025

Summary of Financial Data

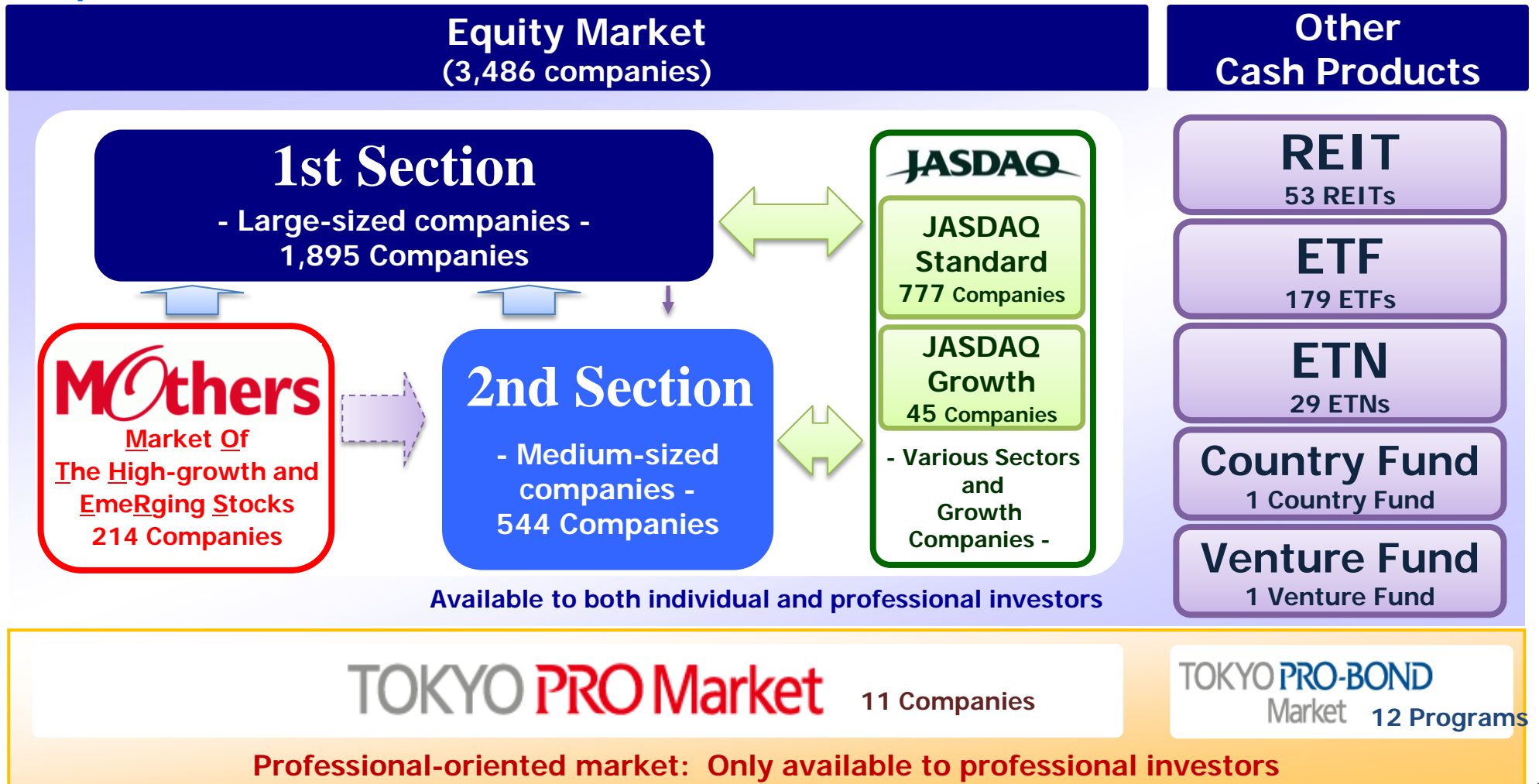


Market Cap Chart



Structure of TSE Cash Equity Market

JPX offers several markets with different concepts to allow companies to make an optimal choice.

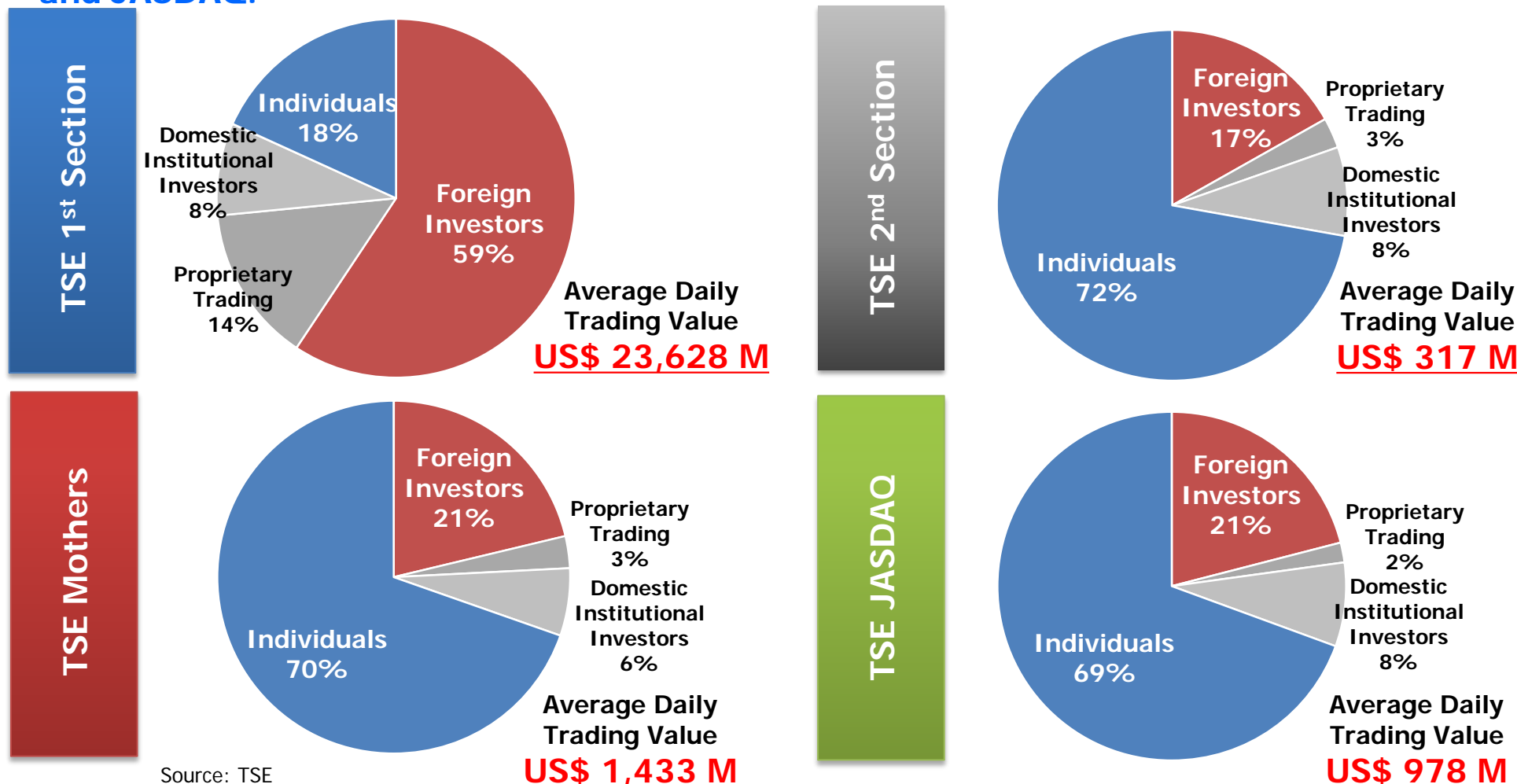


Note: As of July 31, 2015

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Stock Trading Value by Investor Category (2014)

Foreign investors account for more than half of trading in the TSE 1st Section. By contrast, individual investors make up the majority in the TSE 2nd Section, Mothers, and JASDAQ.



Source: TSE
Note: 1 US\$ = 100 JPY

Deep and Diverse Investor Base

Participation by various types of investors in the TSE market creates fair and reliable valuations of its listed companies.

1 The World's Largest Institutional Investor

- Japan is the primary investment focus for the Government Pension Investment Fund, Japan (GPIF), the largest institutional investor in the world.
- Assets under management at GPIF was valued at US\$1.4 trillion¹ (Dec. 2014), an amount comparable to the GDP of South Korea (US\$ 1.3 trillion, 2013). GPIF's investments in foreign stocks accounted for 19.6% of its entire portfolio, an amount valued at US\$269 billion¹ (Dec. 2014).
- There are also other pension funds that manage huge amounts of funds.

2 High Net Worth Individuals

- Financial assets held by Japanese individuals stood at US\$16.2 trillion at the end of 2014
- This is comparable to 3 times of Japan's GDP. This is a very high level worldwide.

3 Accessibility to Japanese Markets for International Investors

- Foreign investors are the largest players in Japan. The increase in investments by foreign investors can be seen from their trading value, which reached US\$6.8 trillion^{1, 2} in 2014.
- Globally reputable investors from many countries have shown interest in the Tokyo market. A TSE listing promises a company access to investment by international investors.

Source: GPIF web site, BOJ, World Bank

Note: 1 US\$= 100 JPY

2 Total amount of buy and sell

Successful Small IPOs

IPO Companies Size (2010-2014)

	Revenue	Net Profit	Net Asset	Market Cap (First Price)	Actual PER (First Price)	IPO Amount ²
Median	US\$ 1,637M	US\$ 41M	US\$ 704M	US\$ 958M	16.5x	US\$ 425M
Max	US\$ 52,253M	1,866M	9,485M	US\$ 18,197M	214.6x	US\$ 10,089M
Min	US\$ 112M	US\$ -1.8M	US\$ -35M	US\$ 297M	3.7x	US\$ 67M
TSE 1st	US\$ 197M	US\$ 6.3M	US\$ 50M	US\$ 64M	11.8x	US\$ 69M
TSE 2nd	US\$ 854M	US\$ 19M	US\$ 130M	US\$ 183M	130.8x	US\$ 455M
Mothers	US\$ 18M	US\$ 1.9M	US\$ 6.1M	US\$ 108M	63.8x	US\$ 11M
JASDAQ	US\$ 69M	US\$ 4.0M	US\$ 17M	US\$ 41M	15.0x	US\$ 7.9M
	US\$ 283M	US\$ 26M	US\$ 177M	US\$ 1,018M	10,210x	US\$ 190M
	US\$ 0.5M	US\$ -11M	US\$ -0.8M	US\$ 23M	9.6x	US\$ 1.7M
	US\$ 1,173M	US\$ 29M	US\$ 91M	US\$ 1,478M	71.4x	US\$ 74M
	US\$ 0.6M	US\$ -13M	US\$ 1.6M	US\$ 9.6M	2.8x	US\$ 3.6M












Source: TSE

Note:

1 Excluding REIT. US\$ = 100JPY.

2 Total of offering and sales.










Mining Sector

Ticker	Sector	Name	Revenue (US\$ M)	Net Profit (US\$ M)	Net Asset (US\$ M)	Market Cap (US\$ M)	PER (x)	PBR (x)
8058	Trading Company	MITSUBISHI CORP  Mitsubishi Corporation	76,695	4,006	60,556	39,107	9.8	0.65
8031		MITSUI & CO LTD  MITSUI & CO., LTD.	54,049	3,065	43,974	29,436	9.6	0.67
8001		ITOCHU CORP 	55,914	3,006	27,483	25,426	8.5	0.93
8053		SUMITOMO CORP  Sumitomo Corporation	37,622	-732	26,173	17,290	-23.6	0.66
8002		MARUBENI CORP 	78,343	1,056	16,787	12,597	11.9	0.75
2768		SOJITZ CORP 	18,097	331	5,907	3,404	10.3	0.58
1605	Oil, Gas	INPEX CORP 	11,712	778	32,887	18,864	24.2	0.57
1662		JAPAN PETROLEUM EXPLORATION 	3,049	296	5,406	2,195	7.4	0.41
1515	Limestone	NITTETSU MINING  NITTETSU MINING	1,255	60	925	509	8.5	0.55
1518	Coal	MITSUI MATSUSHIMA  三井松島産業株式会社 MITSUI MATSUSHIMA CO.,LTD.	680	6	344	186	31.8	0.54
1514		SUMISEKI HOLDINGS 	201	39	99	71	1.8	0.72
Average (Coal Cos)			440	22	222	129	16.8	0.63
Average			30,692	1,083	20,049	13,553	9.1	0.64
Median			18,097	331	16,787	12,597	9.6	0.65

Source: Bloomberg

Note: As of August 12, 2015. US\$ = 100 JPY.

Privatization

Ticker	Sector	Name	Revenue (US\$ M)	Net Profit (US\$ M)	Net Asset (US\$ M)	Market Cap (US\$ M)	PER (x)	PBR (x)
1605	Mining (Oil, Gas)	INPEX CORP 	11,712	778	32,887	18,864	24.2	0.57
1662		JAPAN PETROLEUM EXPLORATION 	3,049	296	5,406	2,195	7.4	0.41
9513	Power Utilities	ELECTRIC POWER DEVELOPMENT 	7,506	432	6,963	7,551	17.5	1.08
9432	Telecom	NIPPON TELEGRAPH & TELEPHONE 	110,953	5,181	110,498	113,852	22.0	1.03
9437		NTT DOCOMO 	43,834	4,101	54,182	114,831	28.0	2.12
2914	Tobacco	JAPAN TOBACCO 	23,998	4,280	25,961	93,300	21.8	3.59
9020	Railway	EAST JAPAN RAILWAY 	27,562	1,804	23,050	48,435	26.8	2.10
9022		CENTRAL JAPAN RAILWAY 	16,723	2,641	20,640	45,753	17.3	2.22
9021		WEST JAPAN RAILWAY 	13,503	667	8,467	17,270	25.9	2.04
Average (Mining)			7,381	537	19,147	10,529	15.8	0.49
Average			28,760	2,242	32,006	51,339	21.2	1.69
Median			16,723	1,804	23,050	45,753	22.0	2.04

Source: Bloomberg

Note: As of August 12, 2015. US\$ = 100 JPY.

Formal Requirements for Listing

Each market has different criteria in line with its concept.

	Main Market		Mothers	JASDAQ		TOKYO PRO Market
	1st Section	2nd Section		Standard	Growth	
Number of shareholders	2,200 or more	800 or more	200 or more	200 or more		—
Tradable shares						
Number of tradable shares	20,000 units or more	4,000 units or more	2,000 units or more	—		—
Market capitalization of tradable shares	JPY 1 billion (USD 10m) or more	JPY 1 billion (USD 10m) or more	JPY 500 million (USD 5m) or more	JPY 500 million (USD 5m) or more		—
Ratio of tradable shares to listed shares	35% or more	30% or more	25% or more	—		—
Public offering	—	—	500 trading units or more	10 percent or more or 1,000 trading units		—
Market capitalization of listed shares	JPY 25 billion (USD 250m) or more	JPY 2 billion (USD 20m) or more	JPY 1 billion (USD 10m) or more	—		—
Number of years of business operation	3 years or more		1 year or more	—		—
Shareholders' equity	JPY 1 billion (USD 10m) or more		—	JPY 200 million (USD 2m) or more	Not negative	—
Amount of profits or Market capitalization	[Ordinary profit] Total amount of JPY500 million (USD 5m) or more in the last 2 fiscal years [Market cap] Market cap: JPY 50 billion (USD 500m) or more Sales: JPY 10 billion (USD 100m) or more		—	[Ordinary profit] JPY100 million (USD 1m) or more [Market cap] JPY5 billion (USD 50m) or more	—	—

Note: 1US\$ = 100JPY

Overview of Listing Examination for Main Board

TSE examines the company, which meets “Formal Requirements” and conducts an examination based on the “Eligibility Requirements.”

When applying TSE rules to a foreign country or a foreign corporation where the foreign country or the foreign corporation is an issuer of a listed security, TSE shall also take into account the legal systems, practices and customs in such foreign country or the country of the foreign corporation.

1 Corporate Continuity and Profitability

- The applicant company must conduct its business continuously and have a stable revenue base.

2 Sound Corporate Management

- The applicant company must conduct its business in a fair and honest manner.

3 Effective Corporate Governance and Internal Control System

- The applicant company has built an appropriate framework for corporate governance and internal control.

4 Appropriate Disclosure of Corporate Information

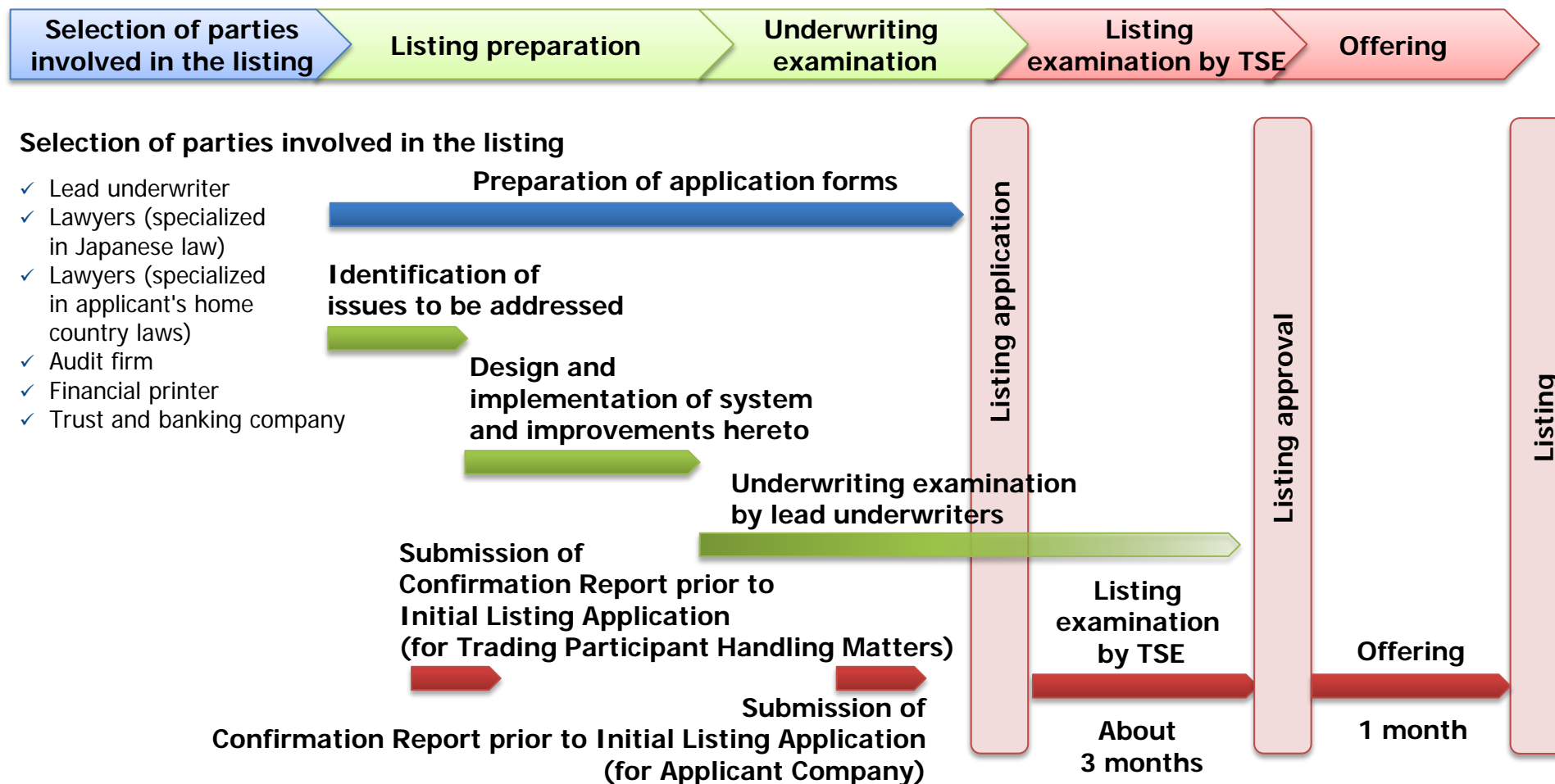
- The applicant company is capable of appropriately disclosing corporate information, etc.

5 Other Matters deemed necessary in light of Public Interest and Investor Protection

- a. Shareholders’ rights and exercise of such rights are not unduly restricted.
- b. Relationship with a parent company is deemed appropriate.
- c. Other matters are deemed appropriate in light of public interest and investor protection.

Listing Schedule

Depending on the internal systems of the company, however, it takes about one year from kick-off to listing. Note that the company needs to be audited for two business years.





1. Overview of Equity Market & IPO Market in Japan

2. TOKYO PRO-BOND Market

What is TOKYO PRO-BOND Market?

- 1 A new bond issuance market for professional investors operated by Tokyo Stock Exchange (Established in March, 2012)
- 2 A bond issuance market regulated by the principle-based approach
 - Less regulated bond market by Regulators but appropriately **self-regulated by market participants**
 - **Much concise disclosure** compared with conventional format of registered bond issuance in a Samurai bond market **because of the market for professional investors**
 - Concise disclosure requirement
 - **Acceptance of English language documentation** and financial statements in **US-GAAP and IFRS**
 - User friendly documentation and listing process
- 3 Efficient access to Japanese professional investors
 - **Program listing** which allows flexible and timely bond issuances in response to market conditions
 - **Wider bond issuance window** than a Samurai bond market because translation is unnecessary
- 4 As of the end of August 2015, 12 programs and 15 kinds of bonds are listed.

Advantages over Samurai Bonds

	Traditional Samurai Bond transactions	TOKYO PRO-BOND Market
Investor Base	All Investors including General Investors	All type of Professional Investors
Listed on	Not Listed (Needs to disclose the information on J-FSA's disclosure system : EDINET)	TOKYO PRO-BOND Market
Governing institution	Government	Tokyo Stock Exchange
Disclosure Language	Japanese ²	Japanese or/and English
Accounting Standards	J-GAAP or IFRS ^{3,4}	Japan GAAP, IFRS, US GAAP, Other standards approved by TSE
Issuing Methods	Stand-alone (Shelf registration allowed)	EMTN type program or Stand-alone
Offering in Japan	Public Offering	Private Placement for Specified Investors
Financial Disclosure Document	J-FSA Format: Securities Registration Statement or Shelf Registration Statement	Format approved by TSE: Specified Securities Information ⁵ (Euro Format is applicable)
Frequency of Continuous Disclosure	Twice or Four times a year	Once a year
Period ^{6, 7}	Approx. 3 Months ⁸	A Few Weeks ⁹
Upfront Cost ⁶	Approx. \$200-300 thousand	Approx. \$100-150 thousand
Annual Running Cost ⁶	Approx. \$20-30 thousand	Minimal cost

Note:

1 USD= 100 JPY

2 English disclosure is available when the certain conditions are met.

3 IFRS is allowed using for the consolidated financial statement of companies submitting consolidated financial statement.

4 If the company has disclosed financial statements in another country before and the Commissioner of J-FSA determines that financial statements are appropriate in light of the public interest or the investor protection, the foreign issuer may use the financial statements as disclosed in the home country or another country. This approval will be made on a case-by-case basis.

5 **Description of corporate information can be referred to Annual Report in the home country by noting its website address**

6 Common example

7 The period is from the beginning of drafting disclosure documents to the closing day

8 In the case of first issue in Japan

9 If the issuers disclose their annual report in their home countries

Programs Listed on TOKYO PRO-BOND Market

3 programs newly listed on TOKYO PRO-BOND Market in 2015.

TOKYO PRO-BOND
Market

Programs Listed on TOKYO PRO-BOND Market as of Aug. 2015

Date of Initial Filing	Issuer Name	Nationality	Program Amount	Remarks
Mar. 30, 2012	ING Bank N.V.	Netherlands	JPY 400 billion	-
Jul. 27, 2012	Nomura Bank International plc (NBI) Nomura Europe Finance N.V. (NEF)	NBI:Netherlands NEF:England	NBI: USD 5 billion NEF: USD 30 billion	Multiple Listing (Lux)
Jun. 18, 2013	ICICI Bank Limited	India	JPY 50 billion	-
Nov. 11, 2013	Asian Development Bank	Supranational	Note 1	Multiple Listing (Lux)
Mar. 07, 2014	Bank of America Corporation	USA	USD 65 billion	Multiple Listing (LSE)
Apr. 02, 2014	Banco Santander-Chile	Chile	JPY 200 billion	-
May 01, 2014	Malayan Banking Berhad	Malaysia	USD 5 billion	Multiple Listing (SGX)
Jun. 10, 2014	First Gulf Bank P.J.S.C.	UAE	USD 1 billion	Multiple Listing (LSE)
Jun. 27, 2014	Deutsche Pfandbriefbank AG	Germany	JPY 500 billion	-
Feb. 18, 2015	HYPO NOE Gruppe Bank AG	Austria	EUR 5.5 billion	Multiple Listing (Lux)
Feb. 24, 2015	Macquarie Bank Limited	Australia	USD 25 billion	Multiple Listing (LSE)
May 11, 2015	The Metropolis of Tokyo	Japan	Not Applicable	-

Note 1: Program amount in any calendar year will not exceed the amount authorized by the Board of Directors of ADB in its global borrowing authorization for such calendar year.

Bonds Listed on TOKYO PRO-BOND Market

7 kinds of bonds newly listed on TOKYO PRO-BOND Market in 2015.

TOKYO PRO-BOND
Market

Bonds Listed on TOKYO PRO-BOND Market as of Aug. 2015

Listing Date (*1)	Issuer Name	Nationality	Tranche Size	Coupon	Tenor (Year)	Settlement
Dec. 20, 2012	ING Bank N.V.	Netherlands	JPY 164.5 billion	0.96%	3	JASDEC
			JPY 11.4 billion	3M JPY-LIBOR-BBA + 80bp	3	
Apr. 25, 2014	Banco Santander-Chile	Chile	JPY 2 billion	0.72%	3	JASDEC
			JPY 18.7 billion	0.97%	5	
			JPY 6.6 billion	3M JPY-LIBOR-BBA + 55bp	3	
May 23, 2014	Malayan Banking Berhad	Malaysia	JPY 31.1 billion	0.4375%	3	<ul style="list-style-type: none"> • Euroclear • Clearstream, Luxembourg
Aug. 22, 2014			JPY 20 billion	0.52%	5	
Jul. 03, 2014	First Gulf Bank P.J.S.C.	UAE	JPY 10 billion	0.863%	5	Euroclear
Mar. 24, 2015	Macquarie Bank Limited	Australia	JPY 3.2 billion	0.353%	3	<ul style="list-style-type: none"> • Euroclear • Clearstream Banking, société anonyme
			JPY 30.9 billion	0.563%	5	
May 20, 2015	The Metropolis of Tokyo	Japan	USD 1 billion	2.125%	5	<ul style="list-style-type: none"> • Euroclear Bank SA/NV • Clearstream Banking, société anonyme
Jul. 6, 2015	ING Bank N.V.	Netherlands	JPY 50 billion	0.313%	3	JASDEC
			JPY 20.1 billion	0.468%	5	
			JPY 11 billion	3M JPY-LIBOR-BBA + 0.13%	4	
Jul. 10, 2015	Mizuho Bank, Ltd.	Japan	CNY 250 million	3.82%	2	<ul style="list-style-type: none"> • Euroclear Bank S.A./N.V. • Clearstream, Luxembourg

Note: 1 Generally, listing date is the next business day of the payment date.

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