

# Future Direction of the TOKYO PRO Market

New Listings Department  
Tokyo Stock Exchange, Inc.

February 18, 2026



# Future Direction of the TOKYO PRO Market (Draft)

- The creation of startups that are capable of achieving high growth after their IPOs has become an urgent priority. As TSE advances such measures as the revision of its continued listing criteria for the Growth Market, signs of change have appeared within the ecosystem. For example, an increasing number of companies are looking ahead and considering their options, such as whether to review the timing and scale of their IPOs or pursue M&As.
- As a result, there are growing needs for companies to utilize the TOKYO PRO Market (TPM), which is situated between the unlisted and public markets (such as the Growth Market), and TSE plans to turn TPM into a market that broadly accommodates such needs. Specifically, TPM is used by such companies as:
  - ✓ Companies that would like to leverage the benefits of enhanced visibility and credibility in order to increase their size and performance
  - ✓ Companies that would like to use it as a step toward establishing their internal systems
  - ✓ Companies that would like a platform to secure growth capital from professional investors
  - ✓ Companies that would like to provide existing shareholders (including executives and employees) with an exit opportunity while welcoming new shareholders
  - ✓ Companies that would like to search for other business partners for an M&A or capital tie-up

⇒ TSE will help TPM-listed companies make connections and achieve their respective needs by making their listing objectives (their reasons for listing and how they intend to utilize TPM) visible to other stakeholders.

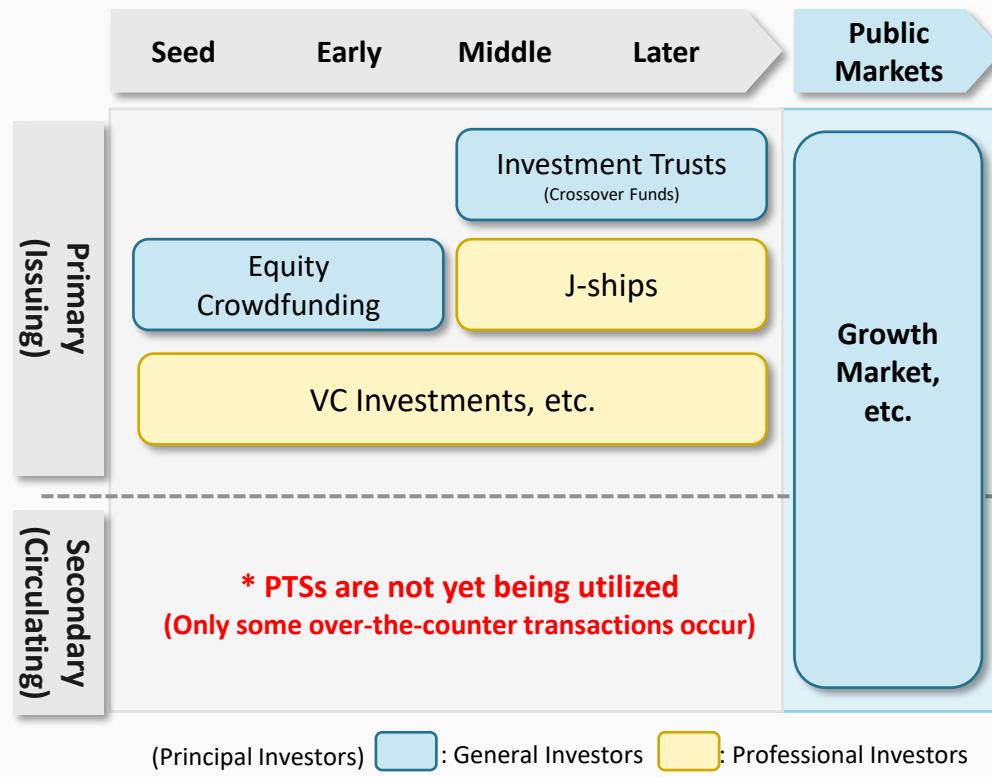
\* In particular, TSE, in collaboration with market stakeholders, will actively support companies that would like to use TPM as a springboard so that they can continue to grow significantly after they list on a public market.

- The Japanese government and relevant organizations are advancing initiatives to strengthen funding mechanisms for unlisted companies.
- Meanwhile, since 2023, the institutional framework for trading unlisted stocks on the secondary market via PTSS has been continuously developed, but such PTSSs currently remain unused.

## Initiatives by the Japanese Government and Relevant Organizations

Item	Details
Specified Investor System	<ul style="list-style-type: none"> <li>July 2022: The Financial Services Agency (FSA) <b>expanded the scope of individual investors who are eligible for conversion to Specified Investor status</b></li> <li>The FSA is currently <b>considering whether to include potential specified investors*</b> in the scope of those who <b>may be solicited for private placements to specified investors and who may make purchases on TPM</b></li> </ul> <p>* An investor that meets the requirements for conversion to a specified investor but has not completed the conversion procedures</p>
J-ships	<ul style="list-style-type: none"> <li>July 2022: The Japan Securities Dealers Association (JSDA) established J-ships as a <b>system for securities companies to intermediate in the efforts of unlisted companies to raise funds from specified investors</b></li> </ul>
Investment Trusts	<ul style="list-style-type: none"> <li>Feb. 2024: Investment Trusts Association, Japan (JITA) <b>lifted the ban on the inclusion of unlisted stocks in investment trusts</b></li> </ul>
Crowd-funding	<ul style="list-style-type: none"> <li>Feb. 2025: The FSA <b>relaxed the issuance and investment caps on corporate stocks</b></li> </ul>

## Systems for Issuing and Circulating Unlisted Stocks



# Proposed Measure (Disclosure of Listing Objectives)

- Encourage all companies to disclose their objectives for listing when they first list on TPM and periodically thereafter.  
[by Spring 2026]

## Disclosure Contents

### Initial Listing on TPM

- Companies should disclose their listing objectives (i.e., their reasons for listing on TPM and how they would like to use TPM).
  - \* Each company's J-Adviser will confirm beforehand the status of the company's consideration of its listing objectives and the content of the disclosures.
  - \* Based on the company's listing objectives, TSE will encourage additional disclosures to be made towards the achievement of them.

Example of Listing Objectives	Contents of Additional Disclosure
Preparations Toward IPO and Subsequent Growth	<ul style="list-style-type: none"><li>• e.g., medium- to long-term growth targets/strategies, target IPO date (based on these), target listing market, listing preparation schedule</li></ul>
Fundraising and Acquisition of Investments	<ul style="list-style-type: none"><li>• e.g., company's specific business model, market environment and competitive advantages, medium- to long-term growth targets/strategies, risks associated with achieving them</li></ul> <p>* Ref.: Disclosure of "Matters Relating to Business Plans and Growth Potential" in the Growth Market</p>

### After Listing on TPM

- Companies should regularly (at least once a year) evaluate and disclose their progress on achieving their listing objectives.
  - \* Each company's J-Adviser will confirm beforehand whether the company has made the evaluation and, if so, the contents of the disclosure.
  - \* If the company has not adequately achieved its listing objectives, it should also disclose its plan for future action based on its evaluation.
  - \* If the company has made prior additional disclosures related to its listing objectives, it should also update the contents of such disclosures.

- \* Companies that are already listed on TPM should make such disclosures promptly once they have completed the preparations.
- \* TSE will publish a list on the JPX website. The list will describe the location of each company's disclosures.

# Proposed Measures (Support for Listed Companies)

- In collaboration with market stakeholders, TSE will support TPM-listed companies that are preparing to continue to grow significantly after they list on a public market.  
(TSE will regularly consider specific measures based on the feedback that it has obtained from such companies and other market stakeholders.)

## Examples of Specific Measures

- Describe the key points for consideration when preparing for a public market listing and subsequent growth [Spring 2026 onwards]
  - E.g., host seminars in collaboration with market stakeholders and seasoned executives, compile case studies
- Support fundraising and investment acquisition on TPM [Fall 2026 onwards]
  - E.g., host events for dialogue between listed companies and crossover investors, disseminate information to specific investors (e.g., collaborate with the securities companies that handle orders for TPM-listed stocks), revise the listing fees for companies at the time of fundraising
- Encourage companies to get guidance from J-Advisers [Summer 2026 onwards]
  - E.g., point out the strengths of each J-Adviser firm and give examples of the guidance offered (e.g., guidance on fundraising, stock trading, M&As, IR, system development)
- Facilitate public market listings [by Fall 2026]
  - E.g., streamline the listing examinations for public markets (considering the company's past performance as a TPM-listed company), revise disclosure formats (e.g., align the Issuer Filing Information format with the Annual Securities Report and make certain items optional)

# Ref.: Previous Discussion (Positioning of TPM)

## Place for Corporate Growth

- There is a significant barrier between unlisted and listed companies, which can lead to a loss of continuity. Since the TPM framework was designed to be more flexible than those of public markets, **shouldn't TPM be used as a place where companies can raise funds, develop their internal systems, respond to investors, and perform other activities in preparation for a public market listing and subsequent growth?**
- Since it is assumed that **the revisions to the continued listing criteria for the Growth Market** will result in a shift to larger-sized companies listing on the public markets, **TPM may be able to fill the gap created between the unlisted and public markets. Wouldn't that give it distinct characteristics and significance as a market?**

## Secondary Market for Shares

- Japan does not have a well-functioning secondary market for unlisted stocks. As a result, unlisted companies tend to have the same shareholders until they are listed, and few of them grow significantly before they are listed. **Couldn't TPM also be used as a secondary market for unlisted stocks so that companies may replace their risk capital providers before they go public?**
- Recently, more listed companies are seeking to acquire other firms through M&As as part of restructuring their business portfolios. While a company's ultimate goal may be to list on a public market, **couldn't TPM also be used as a gathering place for companies that would like to merge with or be acquired by a listed company before they reach that goal?**
- Considering that **some companies may transfer to TPM from a public market following the expiration of transitional measures** related to TSE's market restructuring, could TPM also be used as a place to provide liquidity for the shares of companies that are not eligible to be listed a public market (regardless of whether their aim is to be listed there)?

## Other (Points to Consider)

- TSE should clarify whether the concept of TPM is to provide growth capital or liquidity.
- There are also other frameworks, such as J-ships, for unlisted companies. TSE needs to clarify the differences between TPM and those frameworks before determining TPM's place in its market structure.

# Ref.: Previous Discussion (Specific Measures)

## TSE's Initiatives

- It is important for TSE to increase the visibility of those companies that are proactive about advancing to a public market and raising funds from external shareholders.
- I agree that the examinations for transferring from TPM to a public market could be conducted more smoothly and efficiently by taking into account that TPM-listed companies already have certain systems in place.
- In order to support companies that are aiming to list on a public market, wouldn't it also be effective to build a network with companies that have transferred from TPM to a public market and with companies that are listed on the Growth Market?
- Adding TPM to the Prime, Standard, and Growth markets would create a massive pyramid structure. It is not efficient for an exchange to take on everything related to the ideal market structure. Shouldn't TSE consider that there are limits to the amount of nurturing and support it can provide to listed companies?

## Stakeholders' Initiatives

- J-Advisers are consultants to TPM-listed companies. It is important for them to understand TPM's new direction and increase the number of listings of suitable companies.
- TPM could serve as a preparatory period for companies to better attract institutional investors. J-Advisers and VCs could offer them intensive guidance and help them refine their business models and how to present such models. If a set of best practices were provided, then consultants would better understand how to offer such guidance.