

Study Group on Developing the Growth Market

2nd Meeting Materials

Listing/New Listings Department, Tokyo Stock Exchange, Inc.

September 16, 2026



Study Group on Developing the Growth Market

Objective

- TSE is promoting initiatives to ensure that the Growth Market becomes a **hub for companies aiming for high growth, regardless of company size or number of years since listing**
- As part of these efforts, we are making revisions to the continued listing criteria and encouraging management that strives for high growth. To **further pursue growth** going forward, we will discuss **what Growth Market listed companies and startups aiming to go public should be like, as well as what infrastructures need to be developed**, and proceed with necessary measures.

Overview

- The study group will be held on an ongoing basis, and **Growth Market listed companies, not-yet-listed startups, institutional investors, venture capitalists, and other startup stakeholders** will be invited to participate
 - ◆ The participants for each session will not be the same; they will change as needed depending on the topics to be discussed
 - ◆ As the issues faced toward achieving high growth vary depending on factors such as company size and nature of business, **we welcome a wide range of opinions from different perspectives**
- Materials and meeting minutes will be posted on the JPX website and **distributed to stakeholders** promptly after each study group session

Items for Discussion

◆ What should startups that are aiming to go public be like?

[Companies] How should companies position and use going public within their growth strategies?

[Investors] What attitudes and initiatives are expected from companies aiming to go public on the Growth Market?

* In addition, what do companies aiming for high growth bear in mind? How do they evaluate the Growth Market for going public on, compared with other domestic and overseas markets and market segments? What should be communicated to companies that are aiming to go public?

◆ What are the problems with going public on the Growth Market and prior to that stage and what infrastructures need to be developed?

[Companies/Investors] What are the problems with going public on the Growth Market and prior to that stage? What is expected of the Growth Market? What support measures and infrastructure development are expected from TSE and other stakeholders? (Ref.: [Survey Results](#))

Ref.: 1st Meeting(Aug. 21): Discussions Based Mainly on Listed Company Perspectives

Participants

Companies	CanBas Co.,Ltd.	Makoto Katozumi	Director, CFO
	TRIAL Holdings,Inc.	Kazuhiisa Kirishima	Senior Executive Officer and Head of Group Corporate Finance
	f-code Inc.	Tsutomu Kudo	President and Representative Director
	SAKURA internet Inc.	Kunihiro Tanaka	Founder & CEO, President
	MTG Co.,Ltd.	Tsuyoshi Matsushita	President
	Astroscale Holdings Inc.	Nobuhiro Matsuyama	Director and Deputy President, Group CFO
Investors	Crossover Capital Asset Management One Co., Ltd.	Shohei Iwaya	
	Invesco Asset Management (Japan) Limited	Yukihiro Hattori	Portfolio Manager, Japanese Growth Equity
	Lazard Japan Asset Management K.K.	Tomomi Fukuta	Director, Portfolio Manager/Analyst, Investment Management
	Signifiant Inc.	Takafumi Murakami	Founder & Representative Director

Planned Discussion Topics

◆ What should Growth Market listed companies be like?

[Companies] How are companies planning for “high growth” on the Growth Market and what efforts have they made so far? In addition, how have companies conveyed that information to investors?

[Investors] What attitudes and initiatives are expected from Growth Market listed companies related to high growth?

- * In addition, what matters do Growth Market listed companies always bear in mind? What are their views on continuing to be listed on the Growth Market or transferring to the Prime Market? What should be communicated to companies that are aiming to meet the revised continued listing criteria (JPY 10 billion market cap. in 5 years) and that are aiming for further growth afterward?

◆ What are the problems with the Growth Market and what infrastructure needs to be developed?

[Companies/Investors] What problems do Growth Market listed companies face? What support measures and infrastructure development are expected from TSE and other stakeholders? (Ref.: [Survey Results](#))

Ref.: Key Opinions From 1st Meeting (1) - What Growth Market Listed Companies Should Be Like

Growth expected of Growth Market listed companies

- As a growth company, we have set a **sales target of JPY 10 trillion** and aim to achieve **annual growth of at least 20% over the next 20 years**. While we are currently achieving annual growth of over 30%, **we intend to continually take on new business challenges to sustain this high level**. (Listed company)
- As previously discussed, when executives—particularly **the CEO—take the lead in explaining the company's growth strategy and vision in their own words**, it makes **investors feel more confident and fosters trust**. In the process, **the strategy itself also becomes more refined, and permeates more quickly through the company**. (Investor)
- For investors in Growth Market companies, the key question is **whether the stock price will grow significantly** from its current level. Although we **do not necessarily expect stock price to double, we do expect considerable increases**. As a key factor in this, we place particular emphasis on **whether EPS will grow over the medium to long term**. (Investor)
- There are very few Japanese companies that have achieved 30% growth in profits for 10 consecutive years, but **there are a number of companies sustaining 20% growth in profits or 30% growth in sales**. **When companies and investors share a realistic perspective, it becomes easier to discuss growth strategies**. (Investor)
- It is essential for Growth Market listed companies to **maintain high growth rates in sales** to drive up stock price. As long as there are significant opportunities for future growth, **companies should allocate funds to growth investments rather than prioritizing short-term profits or shareholder returns**. (Listed company)
- Substantial fund raising is also necessary for growth investments. We believe **it is important to maintain a continuous cycle in which we use the funds raised for growth investments to expand our business, demonstrate the results to investors, and then conduct additional fund raising**. (Listed company)
- Depending on a company's stage of growth, the **key selling point for investors shifts from growth story to profitability, maintaining profits, and shareholder returns**. Accordingly, **investor benchmarks also shift from EV and sales to EBITDA, P/E ratio, P/B ratio, cash flow, and dividend yield**. Given these changes, isn't it **important to establish a common framework and language for discussion between companies and investors?** (Investor)

Ref.: Key Opinions From 1st Meeting (2) - What Growth Market Listed Companies Should Be Like

Governance required of Growth Market listed companies

- It is difficult for companies to maintain high growth indefinitely, as they **face obstacles such as business stagnation and changes in the business environment**. In such situations, **there are limits to what management can decide on its own**, so **it is important to build a management framework that incorporates advisory and oversight functions**. Governance is not merely an administrative cost but the very foundation for growth, and **it must be implemented with an eye toward future business and organizational expansion**. (Investor)
- As an investor, we **prioritize whether management and the board of directors are functioning effectively with a focus on improving stock price and corporate value**, rather than the number of outside directors or management structures that are just a formality. we would like Growth Market listed companies, especially those where the founding CEO has a strong presence, **to perform effective governance by bringing up feedback from investors and other sources as management issues at board meetings**. (Investor)
- In the past, moving to the First Section of Tokyo Stock Exchange was the trigger for strengthening governance. However, under the **assumption that high-growth companies will continue to pursue growth in the Growth Market**, it is **necessary to advance governance reforms (shift governance models) toward further growth, without relying on a segment transfer to the Prime Market**. (Listed company/Investor)

What is expected of the Growth Market

- Isn't it important for the Growth Market to be branded as a **market where growth is recognized; where companies pursuing growth can receive appropriate evaluation and gain access to investors**? Wouldn't this clarify the significance of listing, **raise the aspirations of not-yet-listed companies, and contribute to the development of the entire startup ecosystem**? (Investor)
- We hope **the Growth Market will be a place where companies aiming for high growth can continue to take on challenges with a focus on future growth, rather than being a stepping stone to the Prime Market**. To achieve this, isn't it important for the Growth Market to be a **market where companies can be evaluated for future growth potential** rather than being evaluated on their current size? This would **make it easier to conduct fund raising and make growth investments, which leads to increased corporate value**. (Listed company)

Ref.: Key Opinions From 1st Meeting (4) – Developing Appropriate Frameworks and Environments

Specific Support Measures

- The Growth Market is home to a mix of companies ranging from those with a market capitalization of around JPY 10 billion, those worth tens of billions of yen, and those valued at JPY 100 billion or more. However, as there is a significant difference in operating environments and the challenges companies face, such as investor access, available fund raising methods, and the impact of revisions to continued listing criteria, isn't it necessary to tailor discussions and support to each company's size and growth phase? (Listed company/Investor)
- As well as supporting efforts to secure the talent that underpins growing companies, such as CFOs and outside directors, shouldn't we also further enhance knowledge-sharing and training opportunities for listed companies regarding, for example, effective investor relations (IR) strategies (such as targeting and approaching investors, utilizing IR videos, and providing Markdown-formatted files for AI)? (Listed company/Investor)
- Some companies have expressed that they do not know how to access institutional investors, so perhaps we should consider similar initiatives to Nasdaq, and provide platforms and other tools to support efficient matchmaking between companies and investors. (Investor)
- To make fund raising easier, discussions should be held on whether to revise TSE rules, such as relaxing the 25% rule for third-party allotments. At the same time shouldn't we explore whether a system is needed that provides incentives for securities firms and other entities to support companies with fund raising and investor relations even after they achieve listing? (Listed company)
- Institutional investors place importance not only on market price but also on liquidity, as they want to ensure they can later sell the stocks they add to their portfolios. Therefore, it is important for companies to bear in mind shareholder numbers, percentage of tradable shares, and trading value when they implement capital policies, as this creates a more accessible environment for institutional investors. Communicating these investor perspectives and approaches is important, and highlighting the new TOPIX inclusion criteria that cover the Growth Market and emphasize liquidity could contribute to this. (Listed company/Investor)