Cross-Border Listings Guide - Tokyo Stock Exchange

Specific situations

| Contents |
| --- |
| To generate table of contents, right-click here and select **Update Field.** |

# Specific situations

[Last updated: 1 January 2024, unless otherwise noted]

There are no additional requirements, or changes in the normal requirements, that apply to very large multinational companies, smaller companies or companies in particular industries.

Small- or medium-sized foreign companies considering an IPO in Japan may consider applying for listing in the Growth Market. The listing criteria and procedures for the listing on the Growth Marketare different from those of the Prime Market or Standard Market, as described above. The Growth Market listing criteria include, among others:

*Novelty*. A listed company must have strong growth potential. The lead underwriter judges the eligibility of the applicant company through the underwriting examination, and submits in written form the reasons for this judgment to the TSE.

*Liquidity*. The company must have prospects of circulating at least 1,000 trading units of its shares (1,000 times the trading unit on the TSE market) at the time of listing. It must also have prospects of obtaining at least 150 new shareholders in Japan in its public offering, as well as forecasted market capitalization (calculated by multiplying the number of shares to be listed by the public offering price) of at least ¥500 million (approximately US$3.55 million) at the time of listing. Furthermore, it must project that at least 25% of its total outstanding shares will be in circulation.

*Business*. The company must have conducted business continuously for one year at the time of the listing application.

*Auditor's opinion/financial statements*. The company must meet the following requirements:

The audit report attached to a "Securities Report for Initial Listing Application" (excluding an audit report attached to financial statements for the business year or the consolidated business year ended in the last 12 months) shall contain an "unqualified opinion" or a "qualified opinion with exceptions" of certified public accountants.

The audit report (limited to an audit report attached to financial statements for the business year or the consolidated business year ended in the last 12 months), an interim audit report or a quarterly review report attached to a "Securities Report for Initial Listing Application" shall contain an "unqualified opinion", an "opinion that the interim financial statements provide useful information" or an "unqualified conclusion" of certified public accountants.

No false statement shall be made in a Securities Report, containing or making reference to financial statements, interim financial statements or quarterly financial statements, pertaining to the audit report, the interim audit report, or the quarterly review report prescribed by the two bullet points above.

*Shares*. There must be no restrictions on the transfer of shares in the law and regulations of the company's home country, its articles of association or other regulations. However, this is not applicable if the restriction is based on special regulation and is not deemed to obstruct any trading in the TSE. In addition, the company must appoint (or agree to appoint) a shareholder service agent and dividend paying bank(s) in Japan by the listing application date. Furthermore, the shares must be treated or expected to be treated under "Custody and Book-Entry Transfer System for Foreign Stocks" by a custody and book-entry transfer institution.

*Disclosure of company profile and risk information.* Information such as the company's profile and risk information must be appropriately disclosed in the "Securities Report for Application for Listing" and similar documents.

*Sound corporate management*. The company must not be conducting any transaction with certain officers and their relatives under terms and conditions clearly disadvantageous to the company. Furthermore, the applicant company and its parent company must not be conducting any transaction under non-standard terms and conditions. The range of the Corporate Governance Code that applies to a company listed on the Growth Market is narrower than a company listed on the Standard Market.

*Other*. The purpose or the content of the company's business must not offend public order and morals. In addition, there must be no pending legal matter that would have material impact on the company's business performance.

There are no situations in which a "fast-track" or expedited listing can be procured on the TSE.

©Copyright © 2025 Baker & McKenzie. All rights reserved. **Ownership**: This documentation and content (Content) is a proprietary resource owned exclusively by Baker McKenzie (meaning Baker & McKenzie International and its member firms). The Content is protected under international copyright conventions. Use of this Content does not of itself create a contractual relationship, nor any attorney/client relationship, between Baker McKenzie and any person. **Non-reliance and exclusion**: All Content is for informational purposes only and may not reflect the most current legal and regulatory developments. All summaries of the laws, regulations and practice are subject to change. The Content is not offered as legal or professional advice for any specific matter. It is not intended to be a substitute for reference to (and compliance with) the detailed provisions of applicable laws, rules, regulations or forms. Legal advice should always be sought before taking any action or refraining from taking any action based on any Content. Baker McKenzie and the editors and the contributing authors do not guarantee the accuracy of the Content and expressly disclaim any and all liability to any person in respect of the consequences of anything done or permitted to be done or omitted to be done wholly or partly in reliance upon the whole or any part of the Content. The Content may contain links to external websites and external websites may link to the Content. Baker McKenzie is not responsible for the content or operation of any such external sites and disclaims all liability, howsoever occurring, in respect of the content or operation of any such external websites. **Attorney Advertising**: This Content may qualify as “Attorney Advertising” requiring notice in some jurisdictions. To the extent that this Content may qualify as Attorney Advertising, PRIOR RESULTS DO NOT GUARANTEE A SIMILAR OUTCOME. **Reproduction**: Reproduction or copying of the Content on this Site without express written authorization is strictly prohibited.