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### **Challenging IPOs by Older Managers**

As mentioned in the previous issue, the first IPO in this year was expected to be SEIKI CORPORATION, but the approval for listing was cancelled. Therefore, the first IPO in this year became M-mart Inc. (4380), which is scheduled to be listed on the MOTHERS market on February 23. Following this, JTEC CORPORATION (3446) will be listed on MOTHERS on February 28. Unless the listing approval is cancelled, the two companies will be IPOs in February.

M-mart Inc. was established in 2000 as a wholesaler of foodstuffs for business use. Their business model is wholesale through the BtoB website. The company's sales for the previous fiscal year ended January exceeded 500 million yen, but by the third quarter of the fiscal year, sales were 448 million yen. Their annual sales seem to exceed 600 million yen. Profits for the previous fiscal year was 52.88 million yen, but for the third quarter of the fiscal year was 88.28 million yen, expected to exceed 100 million yen. The representative director is Mr. Sumio Murahashi, the owner manager who founded the company. According to the data, he was born in 1936 and will be 82 years old this year. MOTHERS stocks are usually led by young managers in their twenties and thirties, but the company, on the other hand, is trying to grow with super-veteran managers. Looking at the company's website, they expressed the corporate philosophy and the precepts. They have also made several promises to their shareholders. With regard to the corporate philosophy, "Commerce is based upon moral and sincerity. Work is the will and act of gratitude for the society that nurtured us. We will become the people needed by society and the company needed by society. " I think this is a philosophy unique to the company, led by a veteran manager.

The following pledges to shareholders are noteworthy. It may be unusual for companies that have made such pledges before the IPO. Regardless of whether or not they will actually take action, their attitude deserves praise. I would like to pay close attention to the challenges of veteran managers to grow after the IPO.

"M-mart is committed to improving business performance and the efficiency of its operations, for returning profits to shareholders in an appropriate manner."

M-mart is responsible for our target numbers.

We will make our utmost efforts to achieve our promises to our shareholders.

M-mart strives to engage in active communication with shareholders.

We respect the voices of our shareholders and apply them to our management.

M-mart will act with compliance above all else.

We will act in compliance with laws and regulations at all times and strive for highly transparent management."

As for the another, JTEC CORPORATION is a high-tech company with 30 employees headquartered in Ibaraki City, Osaka Prefecture. The company's businesses include the development, manufacture, and sale of X-ray nano-concentrator mirrors used in large-scale emitting light facilities, as well as the development and sale of various automatic cell culture equipment. It is impressive that it is an uncommon company involved in both electronics and biotechnology. In the fiscal year ended June 2017, the company's annual sales were approximately 800 million yen, and its ordinary income was approximately 200 million yen, which is a relatively small amount. However, the company is seeing a high rate of growth. The company has set the action guideline of "proposing and supplying products that generate innovation in science and technology, especially in drug discovery and medical technology research and development," and it is impressive that they are a company that is expected to play an increasingly active role in the future.

I hope that those who regret the cancellation of approval of SEIKI CORPORATION will be greatly interested in the emergence of new high-tech IPOs.

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