

Tokyo Stock Exchange, Inc

By Email: jojo-kikaku@jpx.co.jp

29th November 2016

Dear Sir or Madam,

Consultation on Increasing Flexibility of Earnings Reports and Quarterly Earnings Reports

As major global asset managers and asset owners, the signatories to this letter are very interested in the standard of corporate disclosure. We welcome the opportunity to comment on the proposals of the Disclosure Working Group.

We support the objective of promoting constructive dialogue between companies and investors to improve sustainable corporate value. However, the proposals made by the Working Group may have the unintended consequence of reducing the amount of information that is available to investors when they make voting decisions ahead of the annual shareholder meeting (AGM).

Under the proposals, it will no longer be a requirement that companies publish the full year 'financial statement' supplementary document with the fourth quarter earnings digest. If a company does not voluntarily provide this supplementary document at that time, the disclosure of detailed financial information may be delayed and potentially not be available until after the AGM. A potential consequence of this will be that investors will have less information when they are making voting decisions or less time to assess the information provided. Additionally a constructive dialogue between shareholders and the company ahead of the AGM will be more difficult.

If we may make an alternative suggestion, we would respectfully suggest that consideration is given to amending the relevant and prevailing rules and practices to allow companies to hold their AGM later. The time between the end of the financial year and the shareholder meeting is shorter in Japan than in other major equity markets. This may be placing unnecessary strain on companies who are required to meet several demanding deadlines with respect to reporting.

Moreover, holding the AGM later would enable companies to publish the full Annual Report ahead of the meeting with sufficient time for shareholders to absorb the relevant information. This would facilitate a more constructive dialogue with investors at that time. As an additional benefit, this would also give more time for translation of the Annual Report into English, something that would be of value to foreign investors.

We recognise that this solution may take longer to review and implement. In the meantime it is important that investors have the full and detailed financial information ahead of the AGM. This information is required so we are fully able to exercise our voting rights and engage with companies in an informed and constructive way in accordance with our stewardship commitments.

We hope this letter will be helpful to the Working Group as it continues its work in this important area. We would be happy to discuss our comments further. Please contact Jeannette Andrews at Legal & General Investment Management and Alison Kennedy at Standard Life Investments to arrange a meeting or for further information.

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Yours sincerely,

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This letter is supported by the following organisations:

Asian Corporate Governance Association

Council of Institutional Investors