

Status of Disclosure on “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

(As of February 29, 2024)

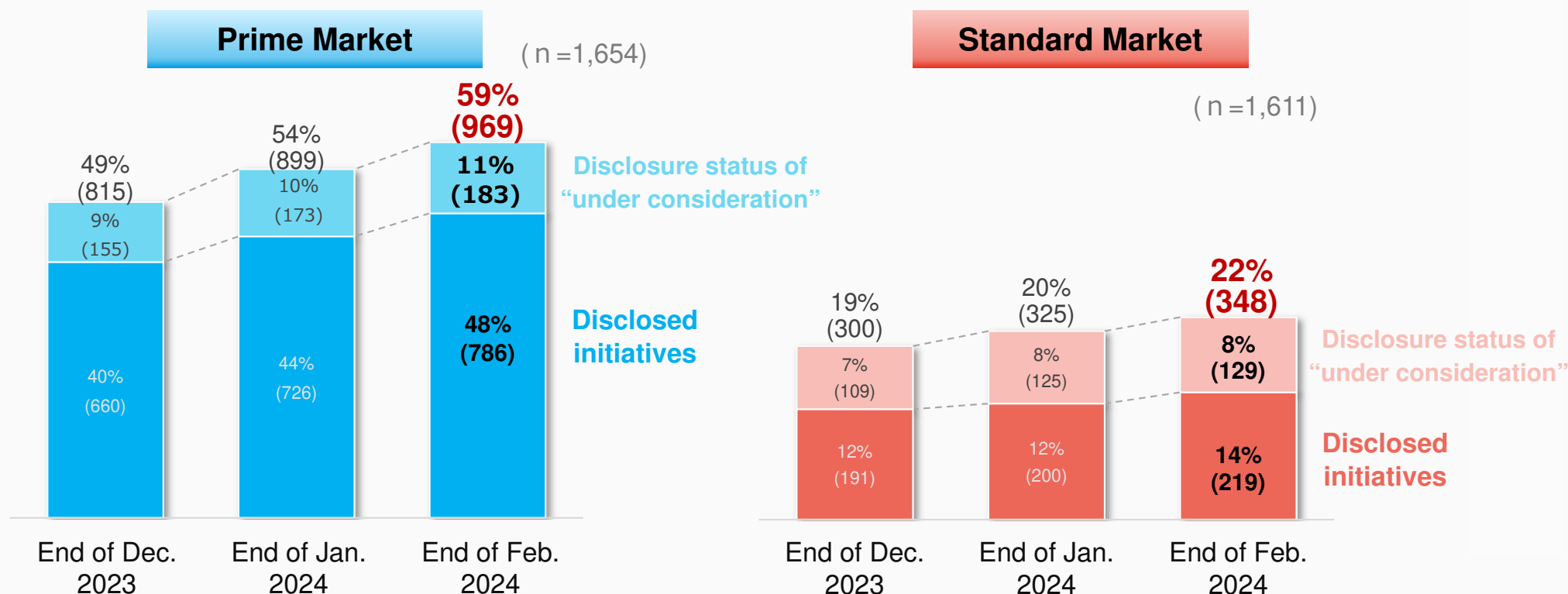
Tokyo Stock Exchange, Inc. Listing Department

March 22, 2024



Status of Disclosure on “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

- ◆ As of February 29, 2024, **59% of Prime Market listed companies (969 cos.)** and **22% of Standard Market listed companies (348 cos.)** have disclosed information regarding “Action to Implement Management that is Conscious of Cost of Capital and Stock Price.” (including companies with a disclosure status of “under consideration”.)
 - Increase of 10 pt (154 companies) in the Prime Market and 3 pt (48 companies) in the Standard Market from the end of December 2023
 - ⇒ Many companies, especially those with fiscal years ending in March, are expected to consider disclosing and updating their initiatives around the time of the announcement of the full-year financial results and the annual general meeting of shareholders. TSE plans to inform all listed companies on the Prime and Standard Markets at the end of March 2024 about points to keep in mind regarding initiatives and disclosure, and procedures to be included in the list, which are frequently inquired about by listed companies.



Reference: Disclosure Status by PBR and Market Cap. Levels (Prime Market)

(As of February 29, 2024)



◆ While, as in the previous survey, disclosure progress is further along among companies with low PBRs and large market capitalizations, **companies with PBRs of 1.0x or more and companies with relatively small market capitalizations are also making progress in disclosure.**

Note: Figures in () indicate changes from December 31, 2023

	PBR	
	Less than 1.0	1.0 or more
Market Cap. JPY 100 billion or more	87% (+9pts) disclosed Disclosed initiatives: 72% (+7pt) Disclosure status of “under consideration”: 15% (+2pts) n=274 (-18)	57% (+11pts) Disclosed initiatives: 50% (+9pt) Disclosure status of “under consideration”: 7% (+2pts) n=524 (+42)
JPY 25 billion – 100 billion	65% (+7pts) Disclosed initiatives: 47% (+4pts) Disclosure status of “under consideration”: 18% (+3pts) n=329 (-23)	42% (+10pts) Disclosed initiatives: 33% (+10pts) Disclosure status of “under consideration”: 9% (+0pts) n=358 (+28)
Less than JPY 25 billion	49% (+12pts) Disclosed initiatives: 36% (+8pt) Disclosure status of “under consideration”: 13% (+4pts) n=78 (-14)	34% (+12pts) Disclosed initiatives: 27% (+11pts) Disclosure status of “under consideration”: 7% (+1pts) n=91 (-17)

Reference: TSE's Recent Initiatives (Resummarized and Updated)

- ◆ TSE has implemented the following measures to encourage more companies to consider and disclose effective measures.
 - TSE will continue to monitor the status of companies' responses and feedback from investors (focusing on the status of responses by companies whose fiscal year ends on March 31), and consider and implement additional measures as necessary.

Publication of a list of companies that have disclosed

- ◆ Publish a list of listed companies that have disclosed the information in accordance with the request to inform investors of who is taking action, thereby encouraging companies to make a proactive effort (Started on Jan. 15, 2024 and updated monthly).

Publication of key points from responses/examples of initiatives

- ◆ Compile and publish several key points based on responses from investors and examples of initiatives that investors deemed as fulfilling these expectations. (On Feb. 1, 2024)

Compilation and distribution of companies' response statuses

- ◆ Compile corporate disclosures and feedback from investors, etc., approximately once every quarter. (Started on Jan. 15, 2024)

Reminder to listed companies

- ◆ Inform all listed companies on the Prime and Standard Markets at the end of March 2024 about points to keep in mind regarding initiatives and disclosure, and procedures to be included in the list. Such points and procedures are frequently inquired about by listed companies. (At the end of Mar. 2024)

Note: In addition to the above, TSE internally established a dedicated group (Listed Company Support Group) in Jan. 2024 to support listed companies to consider initiatives to enhance their corporate value over the medium to long term.

Note: The above documents and data are available on the website page at <https://www.jpx.co.jp/english/equities/follow-up/02.html>