

Results of the Survey of Overseas Investors on English Disclosure by Japanese Companies

August 2023
Listing Department
Tokyo Stock Exchange, Inc.

Executive Summary

1. Assessment of English Disclosures by Overseas Investors (pages 8-14)

- While 75% of respondents saw an improvement in English disclosure, 72% were dissatisfied due to the delay in the timing of disclosure of English-language materials and the lack of English disclosure in small- and mid-cap stocks.
- Some commented that foreign investors were put at a disadvantage and that it would discourage them from investing in Japanese companies.

2. Impact on Investment Activities from Insufficient English Disclosure (pages 16-18)

- 41% of respondents indicated that listed companies with inadequate English disclosure were valued at a discount, 35% excluded from the investment universe, and 28% reduced weights, directly impacting their investment behavior.
- Insufficient English disclosure also affected dialogue and the exercising of voting rights, with 69% of respondents saying that they could not have in-depth dialogue at IR meetings, and 24% of them saying that they could not secure enough time for consideration when exercising voting rights.

3. Documents for which English is Considered Necessary (pages 19-32)

- The highest ratio of respondents needing disclosure in English was 89% for Earnings Reports, followed by 87% for IR presentations and 85% for Annual Securities Reports.
- For institutional investors whose main source of information when making investment decisions is English-language corporate disclosure materials, more than 90% of respondents answered that English-language disclosure is necessary for Earnings Reports, IR presentations, and Annual Securities Reports.

4. Timing of When English Disclosure is Needed (pages 33-38)

- More than 70% of respondents who selected "Essential" or "Necessary" for Earnings Reports and timely disclosure materials indicated that simultaneous disclosure with Japanese is necessary.

Executive Summary

5. Documents that should be Given Priority for English Disclosure (pages 39-45)

- IR presentations and Earnings Reports were the top priority documents, selected by 75% and 67% of respondents, respectively.

6. Companies with Excellent English Disclosure/Companies where More Complete Disclosure in English is Needed (pages 46-52)

- For those companies whose English disclosures were considered excellent, there were comments that praised the comprehensiveness and timeliness of their disclosures in relation to their Japanese-language materials, as well as the quality of their disclosures. Some also praised the disclosure of ESG-related initiatives.
- A number of respondents commented the narrow scope of English disclosure and the delayed timing of disclosure as reasons for giving companies where more complete disclosure is needed.

7. Comments regarding IR Activities (pages 53-57)

- While some commented on the general improvement of IR activities, others desired improvements in securing time for dialogue and in the English-language skills of IR personnel and management.

I. Survey Outline/ Respondent Attributes

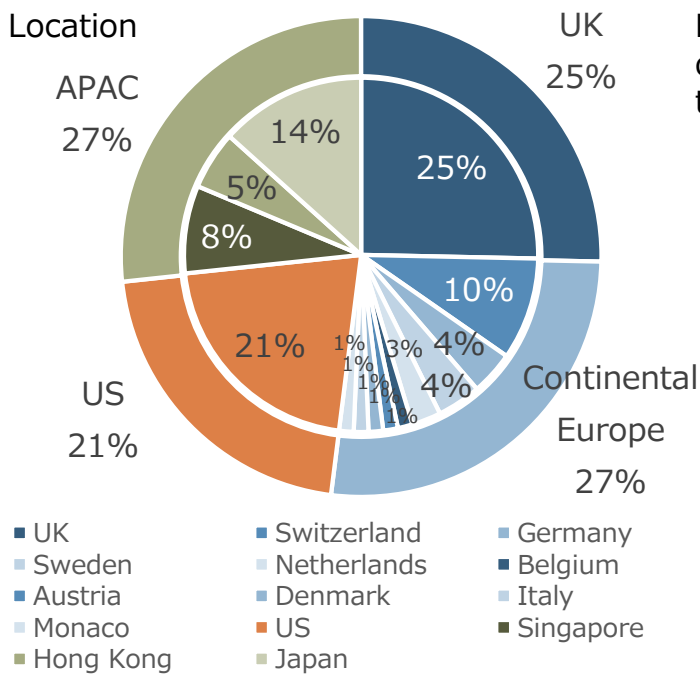
I. Survey Outline/Respondent Attributes

- Period: June 26, 2023 to July 31, 2023
- Method: Web questionnaire (responses on-record)
- Target: Mostly overseas institutional investors
- Number of responses: 75 (including 71 institutional investors)

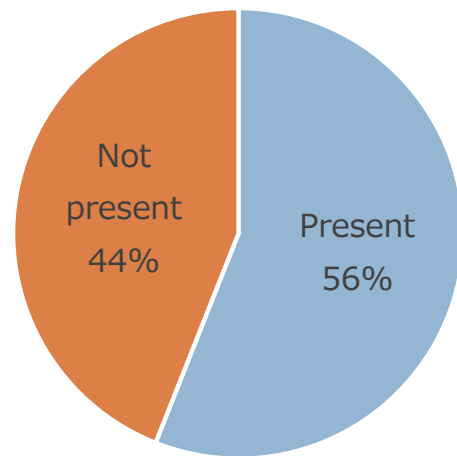
Note: This survey was conducted in English, and the comments quoted in this document are excerpts of the answers.

Note: Responses from non-institutional investors were excluded from the tabulation in II.1 and II.2.

1. Respondent Attributes

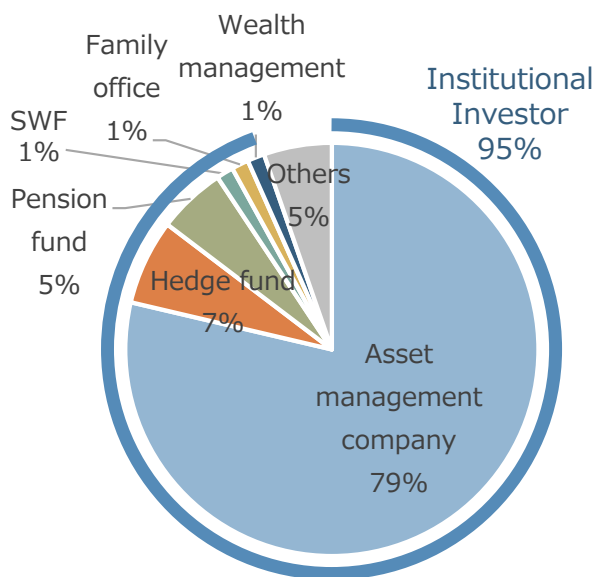


Presence of staff who can read Japanese disclosure documents (on the investment team)

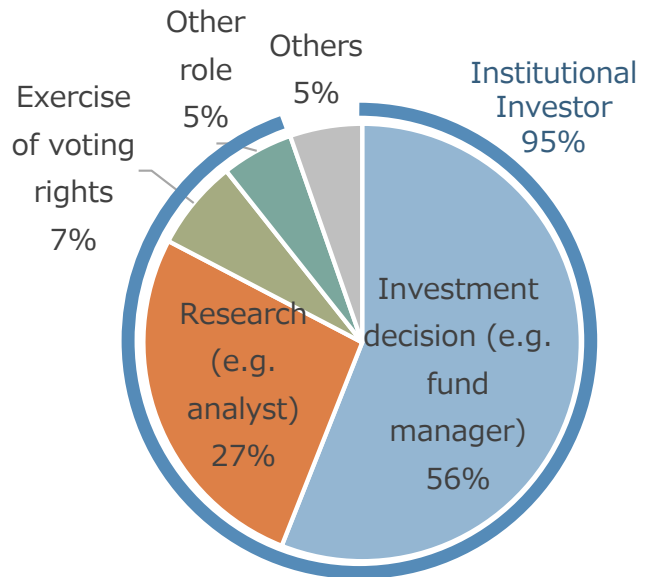


Note: Those categorized as "Japan" are employees of Japanese offices of overseas asset management companies.

Type of organization



Main role



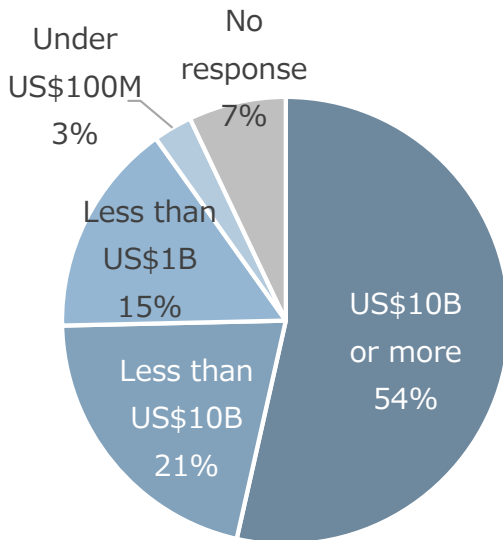
Note: "Others" includes brokerage companies, and independent research companies..

Notes: "Other role" includes those in charge of stewardship at asset management companies. "Others" includes brokerage companies, and independent research companies.

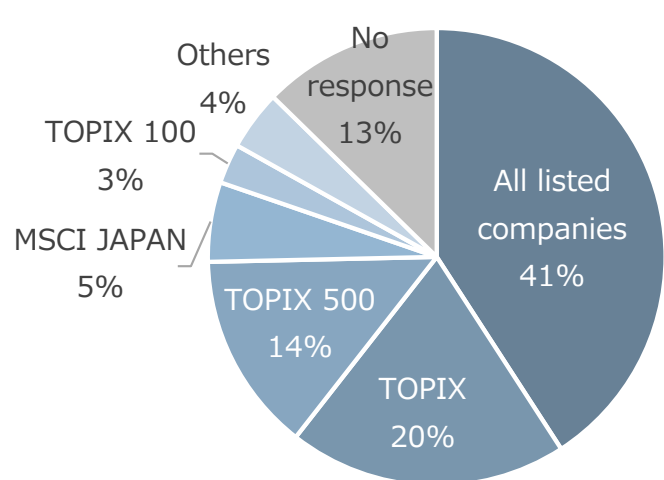
2. Respondent Attributes (Institutional Investors)

- Below are attributes of the institutional investors (71 responses) and all questions were optional.
- Questions on investment management styles were multiple-choice. If none of the applicable options were selected, the response was recorded as “not selected”.

AUM of respondent's fund

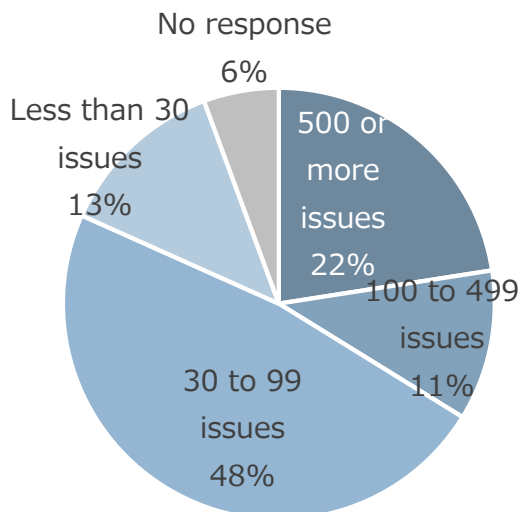


Investment universe (Japanese stocks)

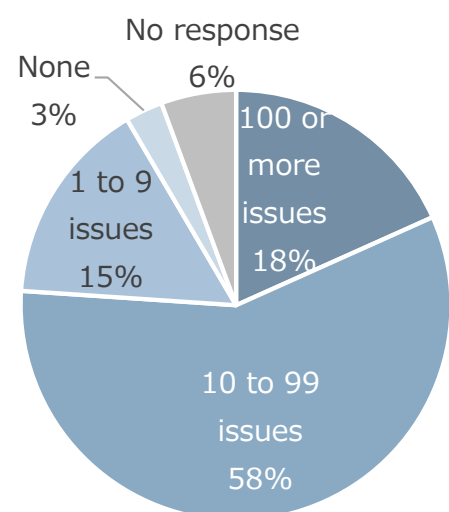


Notes: If multiple options were selected, the option with the widest range of investment targets was recorded as the answer.

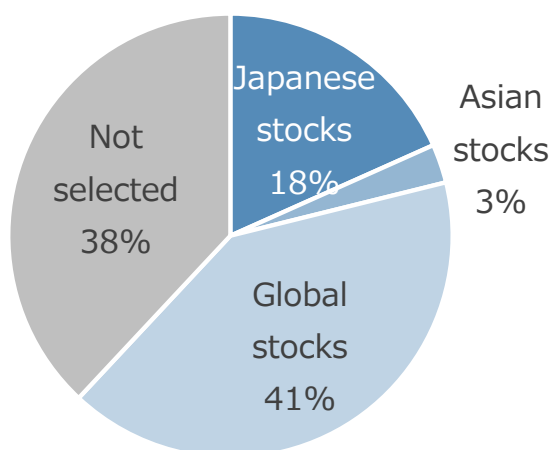
Number of stocks in your fund



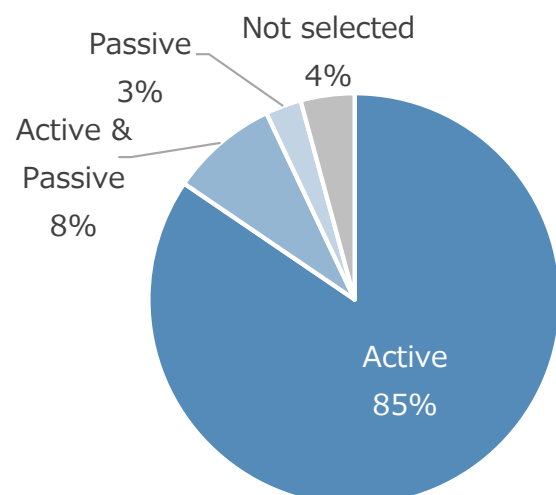
Number of Japanese stocks held by your fund



Investment universe (region)



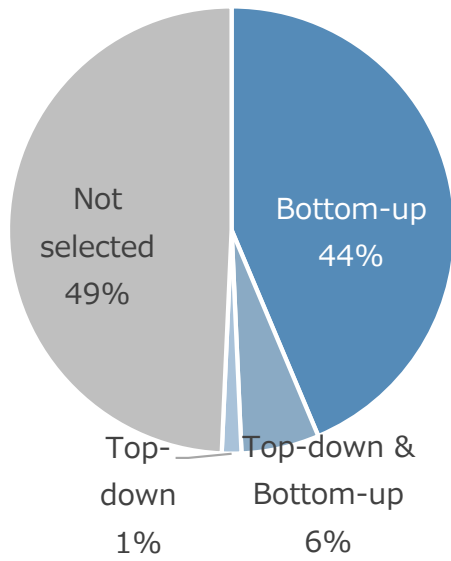
Management style (active or passive)



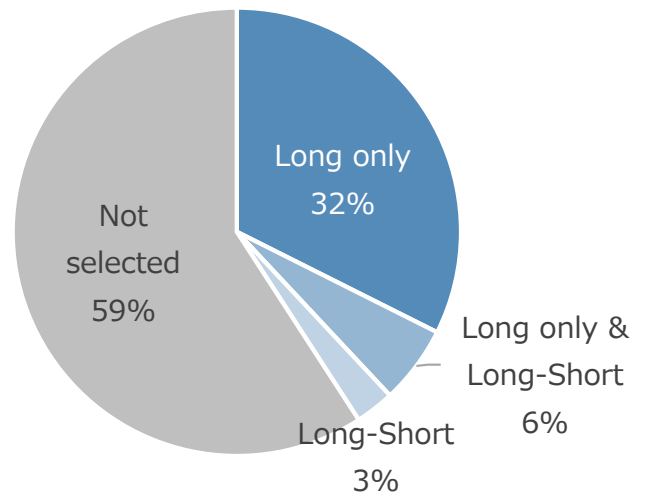
Note: If multiple options are selected, the option with the widest range of regions is counted as the answer.

2. Respondent Attributes (Institutional Investors)

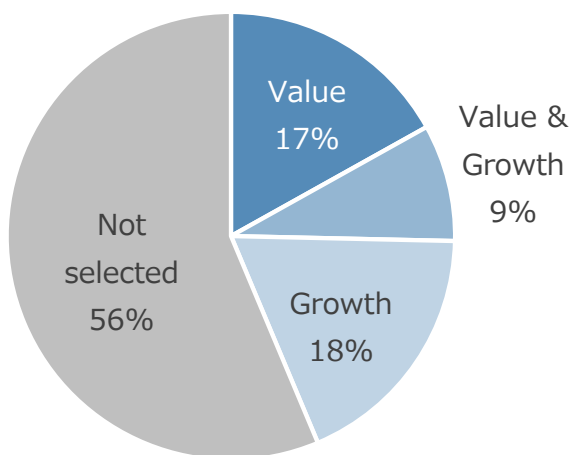
Management style (stock selection)



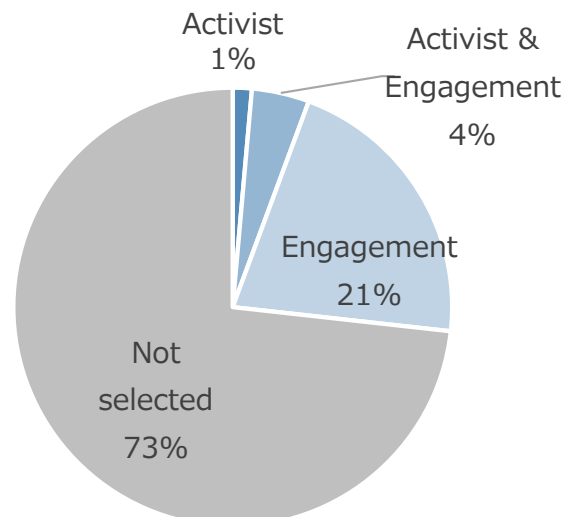
Management style (use of short strategy)



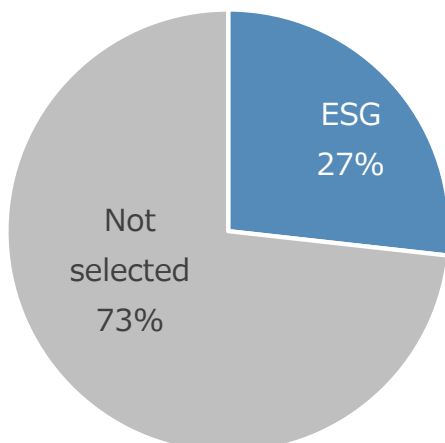
Management style (Value or Growth)



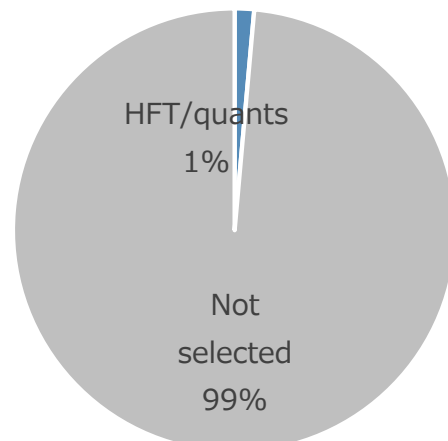
Management style (engagement)



Management style (ESG)



Management style (HFT/quants)

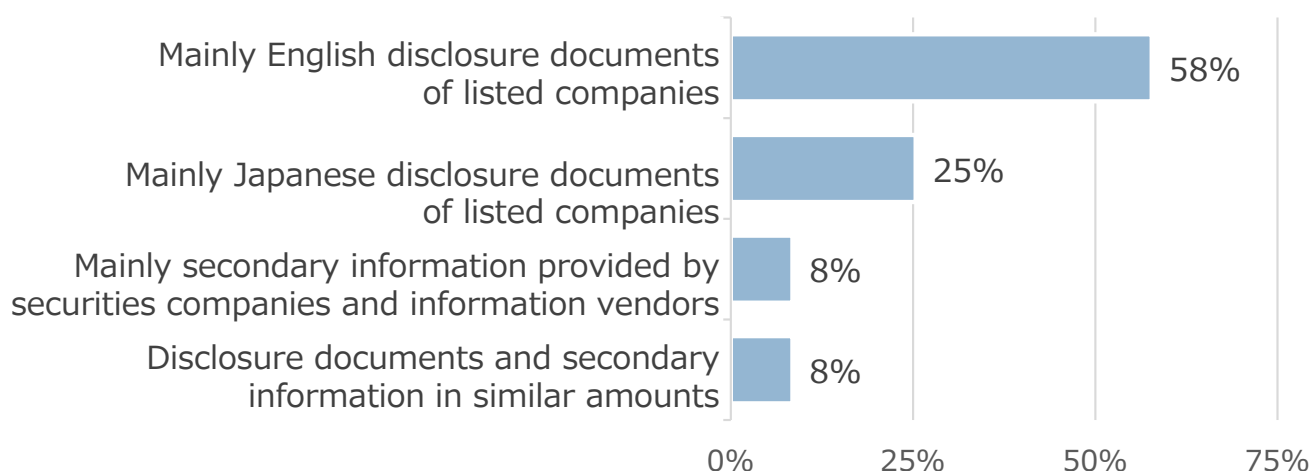


3. Use of English-language Materials by Overseas Investors

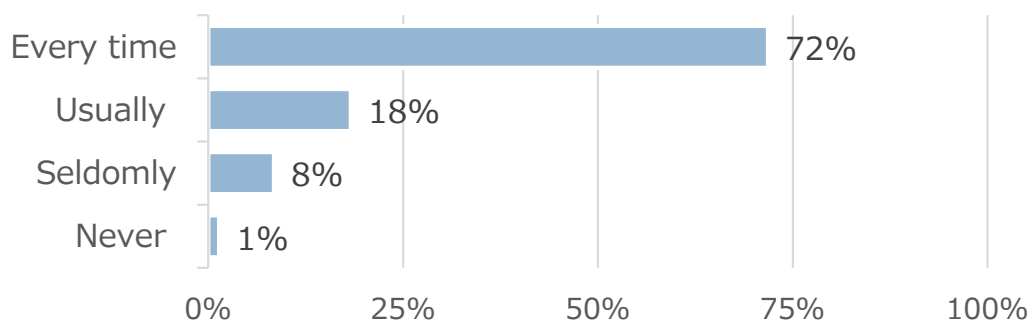
- ◆ 58% of institutional investors use English disclosure documents of listed companies for investment decisions as their primary source of information in the investment process.
- ◆ When making new investments, 90% of institutional investors use English-language materials "usually" or "every time". Among existing portfolio companies, 82% use English-language materials at least once a quarter.

Institutional investors (71)

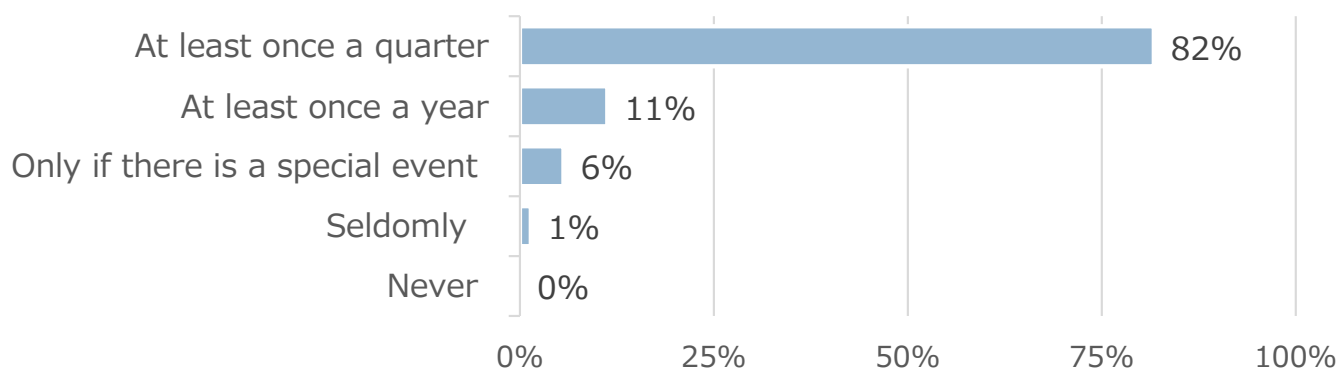
Q. What is your primary source of information in the investment process?



Q. When making new investments, do you use English-language materials disclosed by listed Japanese companies?



Q. How often do you use English-language materials disclosed by listed Japanese companies in which you have already invested?



II. Survey Results

1. Assessment of English Disclosures by Overseas Investors

II. Survey Results

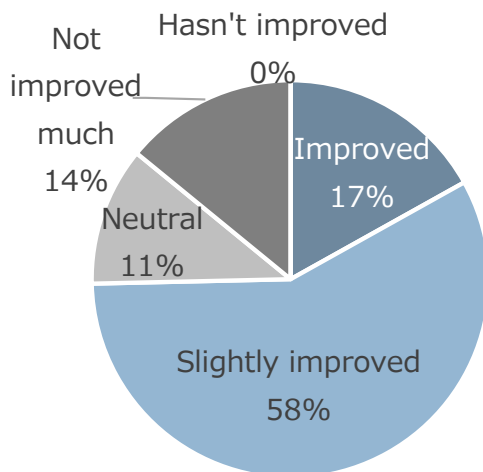
1. Assessment of English Disclosures by Overseas Investors

- ◆ Regarding the status of disclosure in English by Japanese listed companies, 75% of respondents answered that it was "improved" or "somewhat improved", with many investors giving a positive evaluation of the progress made in recent years.
- ◆ On the other hand, 72% (84% if there is no staff who can read Japanese disclosure documents) answered that they were "dissatisfied" or "somewhat dissatisfied" with the current situation, with some citing the delayed timing of disclosure and the lack of English-language disclosure for small- and mid-cap companies as the reason for this.
- ◆ Some commented that foreign investors are put at a disadvantage and that it would discourage them from investing in Japanese companies.

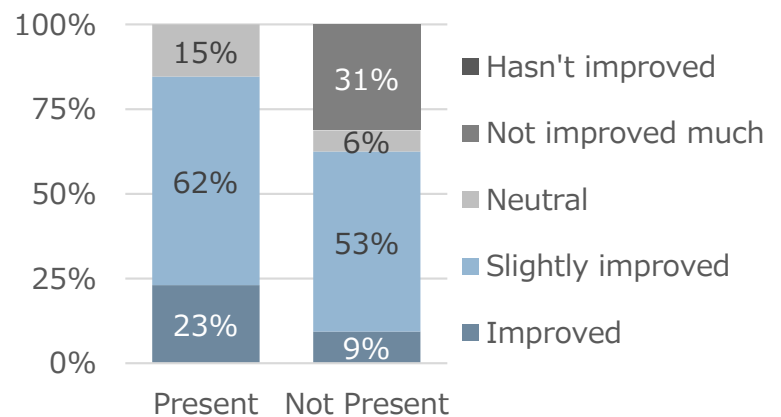
Q. Please tell us about your assessment of English disclosures by listed Japanese companies.

(1) Do you think that the level of English disclosures by listed Japanese companies has improved in recent years?

Institutional investors (71)

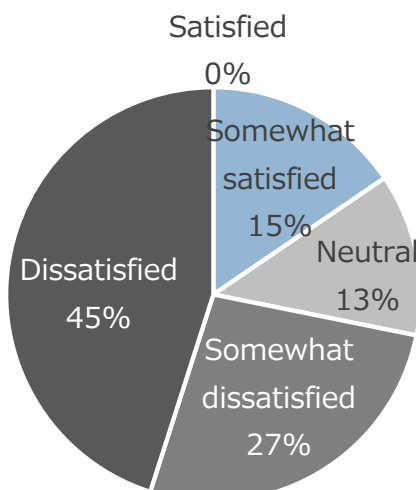


Answers by presence of staff who can read Japanese disclosure documents (on the investment team)

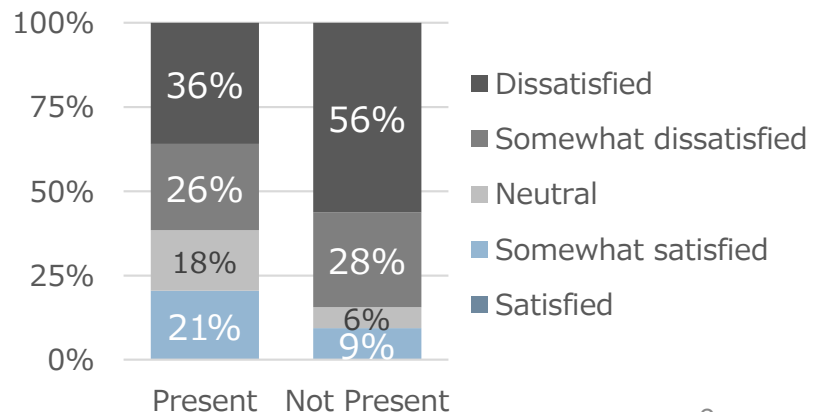


(2) Are you satisfied with the level of English disclosure by listed Japanese companies?

Institutional investors (71)



Answers by presence of staff who can read Japanese disclosure documents (on the investment team)



(3) Please state the reasons for your selections in the above (1) and (2)

(2) : Dissatisfied

(Work location, Type of organization, Main role)

- **We still struggle to get real-time high quality information in English, and many times would have to rely on translators.** Moreover our research is limited by the amount of relevant company disclosures in English. Because of this disadvantage, **despite there being many at first glance attractive companies that we would be long term investors in, we usually cannot build the confidence to take stakes in Japanese companies.** (Continental Europe, Asset management company, Investment decision)
- Many companies still disclose information in Japanese that is not disclosed in English. **This disadvantages overseas investors and discourages investment in Japanese companies. There is also often a timing delay.** (UK, Asset management company, Investment decision)
- Too little information. Too generic. **Oftentimes coming late with respect to the Japanese version.** Difficult to have all the information you'd need in English. JP needs to break the language barrier. **There is no easier way to attract overseas investors than by increasing timely English disclosure.** (Continental Europe, Hedge fund, Research)
- Lots of the companies **disclose much less information in the English disclosure, and even if so, the disclosure timing is 2-3 weeks later compared to the Japanese disclosure. This disclosure timing difference creates huge investment opportunity cost for us.** (UK, Asset management company, Research)
- Although it has improved, very few companies translate all their documents and if they do **it is often with a delay, which puts overseas investors at a disadvantage.** (UK, Asset management company, Research)
- Despite some improvements over recent years, the availability of English disclosures by listed Japanese companies is poor, and **translations are only provided weeks later than Japanese originals.** (UK, SWF, Other role)
- **English disclosure should be at the same time as Japanese disclosure** for fairness towards all shareholders (UK, Asset management company, Research)
- **Disclosure level between Japanese and English is different.** In addition, **there is time lag of releasing Japanese version and English version. I suggest TSE also implements policy of having English fluent persons in IR division** in order to have stress free discussion with investors. this is very important. (Hong Kong, Hedge fund, Investment decision)
- English materials **should be provided at the same time and in the same detail as Japanese materials** (UK, Asset management company, Investment decision)
- **Very few companies practice disclosure in English, even with material ownership from outside Japan.** (US, Asset management company, Research)

(3) Reasons (continued)

(2): Dissatisfied (continued)

- Not enough companies are disclosing in English sufficiently. **Sometimes it is not even clear what information is missing in English vs Japanese.** (UK, Hedge fund, Investment decision)
- Disclosures have greatly improved overall, but there is still room for more improvement. **Many small and mid-size companies, especially smaller ones do not have equally detailed English investor relations information, such as investor presentations.** (US, Asset management company, Investment decision)
- **Numerous companies, especially small and mid cap stocks, still have no English language website.** Their websites, IR materials, etc. are all in Japanese which makes **it impossible for overseas investors to analyse and invest in these companies.** (UK, Asset management company, Investment decision)
- **We primarily invest in micro and small cap companies.** I believe I have noticed some improvement, but **I also believe there is a long way to go.** (US, Hedge fund, Research)
- **Lags all other countries.** Very limited disclosure. (Continental Europe, Asset management company, Investment decision)
- We see some more companies filing various reports in English, but **we are dissatisfied with companies still only publishing short versions of the Tanshin report in English,** for example. (US, Asset management company, Research)
- Most Japanese companies **still do not publish English annual reports. Calls are largely conducted in Japanese without available English translation for many months.** In most cases, the English translation does not include Q&A sessions from the calls. (US, Asset management company, Research)
- Some companies **do not publish the presentation material of the quarterly earnings briefing in English.** (Continental Europe, Asset management company, Investment decision)
- **Availability of English IR presentation is not enough.** Also, **there are some delays of English version release for some companies.** (US, Asset management company, Research)
- **The English documents are published days after the Japanese version is online, that is asymmetric information distribution. The scripts of the conference calls are not available in English as well.** (Continental Europe, Asset management company, Investment decision)
- Too many listed companies still have limited English publication and **provide little details with regards to segments.** (Continental Europe, Asset management company, Investment decision)

(3) Reasons (continued)

(2): Dissatisfied (continued)

- **Calls are not published with English transcripts**, and even English disclosures are often machine-translated and do not capture the meaning of the message very well. (UK, Asset management company, Research)

(2): Somewhat dissatisfied

- **English language disclosure has improved slightly by Japanese companies in recent years**, but **it is still very difficult for a non-Japanese investor to find basic information about a company**. Furthermore, we have often encountered companies providing different types of disclosure in Japanese vs English. (UK, Asset management company, Exercise of voting rights)
- Better companies disclose in English and **more have been doing so over time**, but many companies still do not. More importantly, **the English disclosure is published at a considerable time-lag to Japanese disclosure**, putting English speakers at a considerable information disadvantage during that period. (UK, Asset management company, Investment decision)
- **More companies are producing kessans and annual presentations in English** but **many more could do so**. **English material also often comes out several days or sometimes weeks after the Japanese material**. (UK, Asset management company, Investment decision)
- More companies share English materials, but **it's often a shortened version vs. the Japanese original** and **published well after results**, so it's impossible to rely on it during the earnings presentation. **Often there is information only available in the Japanese original**. (Japan, Asset management company, Investment decision)
- English disclosure is often delayed, and sometimes delayed by a couple of weeks. (Japan, Hedge fund, Research)
- Detailed English disclosure (identical to Japanese should be mandatory for and listed company (certainly in the "Prime" market segment). **There has been an improvement, but it should extend to small medium sized companies including the "Growth" segment**. (UK, Asset management company, Investment decision)
- **It seems newly listed growth companies disclose more news in English than well-established ones**. This is especially true in the small-medium cap space. (Continental Europe, Asset management company, Investment decision)
- It has improved but **regional companies are still not submitting English disclosures at the same time as Japanese disclosure**. (US, Asset management company, Investment decision)

(3) Reasons (continued)

(2): Somewhat dissatisfied (continued)

- Large companies have made more efforts **but not so much by smaller firms.** (Japan, Asset management company, Investment decision)
- **I know it's getting better,** but **the English disclosure for most Japanese companies, especially smaller cap companies, does not match Japanese language disclosures - much less detail.** (US, Asset management company, Investment decision)
- All relevant company **updates should be in English to have a level playing field.** (Continental Europe, Pension fund, Investment decision)
- Japanese reports tend to contain much more information. **The English reports do not contain all material info.** (Continental Europe, Asset management company, Investment decision)
- I think **there are lot of improvement around financial disclosure** but **corporate governance related disclosure more room for improvement.** (Japan, Asset management company, Exercise of voting rights)
- I **would like to see the complete financial statements in English,** vs currently we generally get the summary statements. (US, Pension fund, Investment decision)
- Often times when **the disclosure in Japanese is much better than English** (Continental Europe, Asset management company, Research)
- **Not everything is translated to English.** (US, Asset management company, Research)

(2): Neutral

- It depends on the company. **Many small cap companies still don't provide sufficient reports in English.** Also, sometimes the English report comes out after the Japanese report, which is not fair to global investors. (US, Asset management company, Investment decision)
- All Japanese companies have some English disclosures, but **many small caps still do not release the English version of their integrated report** & more English disclosure is needed on data points like cross shareholdings (Hong Kong, Asset management company, Research)
- **English disclosure for financial results has improved.** However, **there is often the case that for materials other than results, there can be significant lags in terms of the disclosure timing, which is an area that can be improved.** (Japan, Asset management company, Investment decision)

(3) Reasons (continued)

(2): Neutral

- Important information/reports are not disclosed in English, such as the Securities Report, IR news about share repurchase (Singapore, Asset management company, Other role)
- There could be improved English disclosure of director affiliations/ex-affiliations; as well as improved English disclosure of remuneration structures. (UK, Asset management company, Research)
- No much change in the previous year (Hong Kong, Pension fund, Exercise of voting rights)
- Our team relies upon Japanese disclosure, so we are neutral for our purposes. That said, we see English disclosure as important for most global investors. (US, Asset management company, Investment decision)

(2): Somewhat satisfied

- **English disclosure improved significantly over the past 5 years.** Still areas to work on, but momentum is positive. (Continental Europe, Family office, Investment decision)
- **It has got much better** but **often English disclosure is delayed.** (UK, Asset management company, Investment decision)
- **English disclosure is clearly improving,** but **more smaller cap companies could still improve further.** (Japan, Asset management company, Investment decision)
- **Mostly improving. Still lack of disclose in English by medium/small size companies.** (Singapore, Asset management company, Investment decision)
- I would like to see more companies adopt English disclosure. **The ones I cover and invest in all have good disclosure.** (US, Asset management company, Investment decision)
- (1) More companies are publishing in English at least their Annual Report, Sustainability Report and AGM Notice.(2) Most of the companies that publish information, use a pdf format that does not allow to copy and paste information. **To allow the possibility of copy and paste the text of the pdf would be beneficial for our analysis.** (Continental Europe, Asset management company, Research)
- A mandatory English disclosure would help a lot as some prominent firms have limited disclosure also in Japanese(Continental Europe, Asset management company, Investment decision)
- Some of the companies do not update English IR page on time. Even yesterday I can see some companies IR page is updated till 2021 (Japan, Asset management company, Other role)

(3) Reasons (continued)

(2): Somewhat satisfied (continued)

- Level of English disclosure varies among companies. Some companies provide excellent disclosure while some others are lagging behind(Singapore, Asset management company, Research)

II. Survey Results

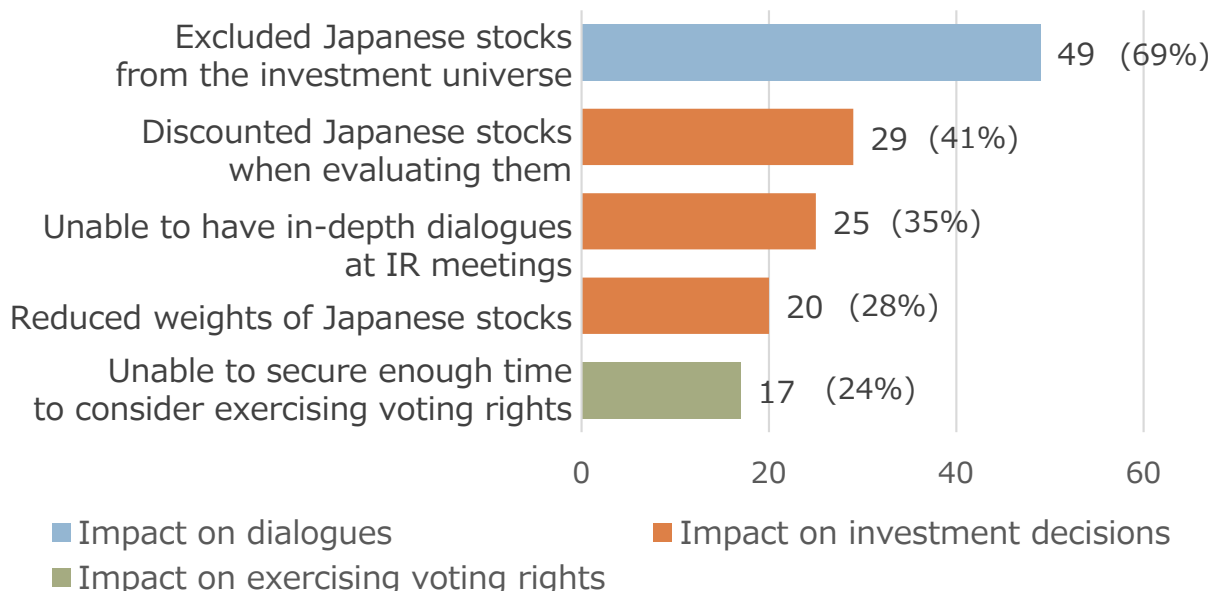
2. Impact on Investment Activities from Insufficient English Disclosure

2. Impact on Investment Activities from Insufficient English Disclosure

- ◆ 69% said that inadequate English disclosure did not deepen the dialogue in IR meetings.
- ◆ Regarding listed companies with inadequate English disclosure, 41% answered that they discounted Japanese stocks when evaluating them, 35% answered that they excluded Japanese stocks from the investment universe, 28% answered that they reduced weights of Japanese stocks. A respondent commented that assessing investment risk in Japan is much more difficult than in other countries around the world.
- ◆ 24% indicated that they did not have sufficient time to consider their vote. Some commented that they voted against directors because they could not obtain sufficient information.

Q. What kind of consequences have you experienced due to inadequacy of English disclosure?

Institutional investors (71)



Other answers

- I believe **it's much harder to evaluate the risks of an investment in Japan compared to elsewhere in the world.** (US, Asset management company, Research)
- **It is difficult to explain the investment thesis for a company if one cannot access sufficient disclosure in English.** (UK, Asset management company, Research)
- Ultimately **we are forced to make very conservative assumptions where we do not have information which can often lead to not investing.** We are also not comfortable investing where we feel that not all investors have the same access to information. (UK, Asset management company, Investment decision)

- **Unable to properly assess the risk-opportunity profile of the company, in particular about the ESG dimensions.** (Continental Europe, Asset management company, Research)
- **Risk premium in valuation should stay elevated.** (Continental Europe, Asset management company, Investment decision)
- **We have voted against the re-election of a director because it was not clear what their affiliation was to the company, and when it ended.** (UK, Asset management company, Research)
- The inadequacy of English disclosures creates barriers to investing for non-Japanese investors, and limits the investor base available to Japanese companies. **Better English disclosure, provided at the same time as Japanese versions, would enlarge the investor base of Japanese companies, the level of market knowledge of Japanese listed companies, and lead to better investment decisions as well as better informed stewardship.** (UK, SWF, Other role)
- It is often difficult for us to find contact information for Japanese companies on their website due to the lack of English disclosure, which can **make it difficult to engage with companies.** In addition, the lack of English disclosure means that we often need to reach out to companies to verify information at the time of the AGM/EGM, which is difficult given the condensed time period. (UK, Asset management company, Exercise of voting rights)
- **Similar to in-depth dialogues at IR meetings, but also engagement meetings with managements.** (Continental Europe, Family office, Investment decision)
- **Significantly more time required to research companies.** In many cases, an inadequate understanding of companies, and also confusion over the content of press releases and filings due to translation required. (US, Hedge fund, Research)
- **Time consuming machine translation of Japanese documents.** (Continental Europe, Asset management company, Investment decision)
- **This is especially penalizing during periods of corporate results,** where investors are mostly left in the dark. (Continental Europe, Asset management company, Investment decision)
- We have Japanese language speakers but takes an extra effort to set up meetings with international colleagues. (US, Asset management company, Investment decision)
- Need to translate for my non-Japanese speaking colleagues and unproductive. (Japan, Asset management company, Investment decision)
- Unable to send my English speaking boss the presentation, and tell him that it is only available in Japanese. (Japan, Hedge fund, Research)

II. Survey Results

3. Documents for which English is Considered Necessary

3. Documents for which English is Considered Necessary

- ◆ For all the documents surveyed, the ratio of institutional investors who answered that English disclosure is necessary ("Essential" or "Necessary") was over 60%.
- ◆ The highest ratio of respondents needing disclosure in English was 89% for Earnings Reports, followed by 87% for IR presentations and 85% for Annual Securities Reports.
- ◆ The ratio of respondents who answered "Essential", thus not investing if English-language disclosure was not available was the highest for Earnings Reports at 72%, followed by 59% for IR presentations, 58% for Annual Securities Reports and timely disclosure materials, and 56% for notices of general shareholders meetings.

Q. Please select one of the following items for each document to determine whether disclosure in English by listed Japanese companies is necessary when investing in those companies (a), and the timing at which they are needed relative to the Japanese release (b).

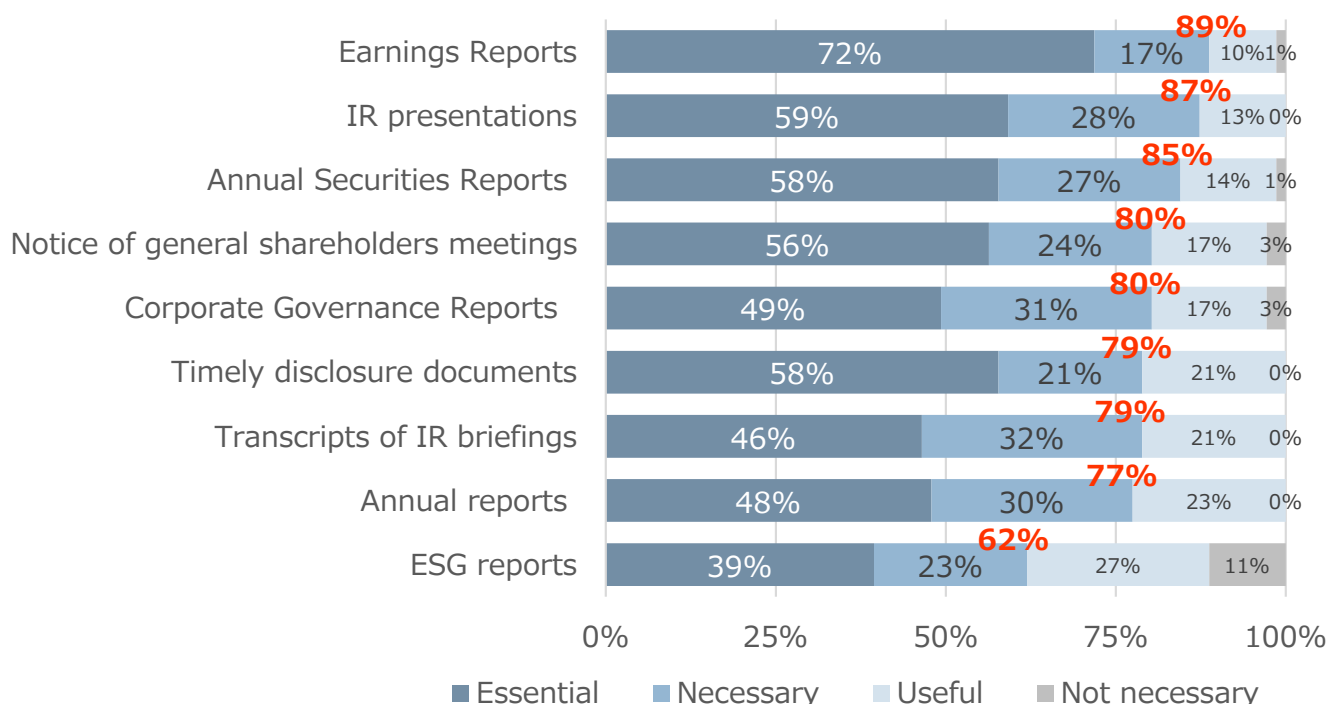
Essential: If listed Japanese companies do not provide disclosure documents in English, we will not make investments.

Necessary: We need disclosure documents in English.

Useful: If disclosure documents are available in English, we will use them.

Not necessary: We do not use disclosure documents in English even if they are available.

Institutional investors (71)

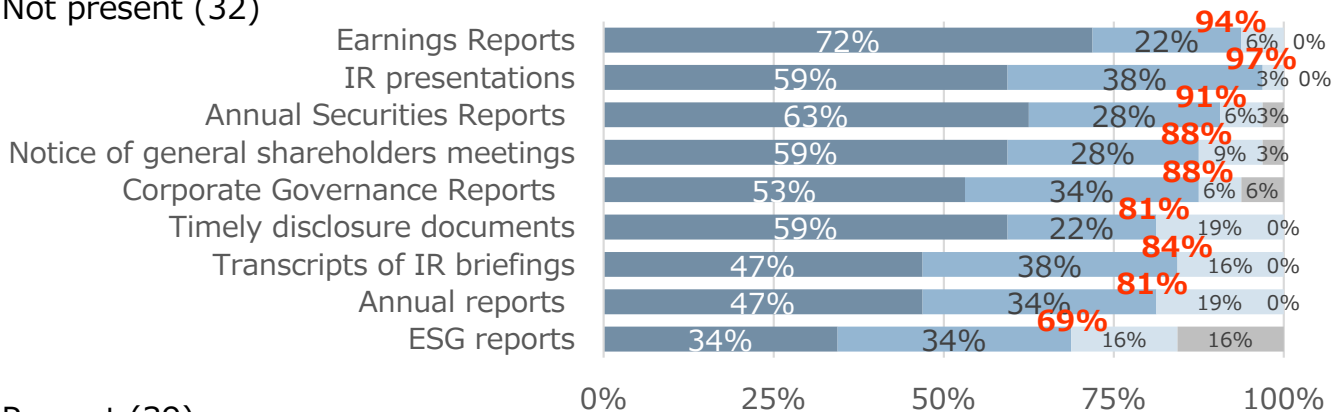


Note: "Timely disclosure documents" means timely disclosure documents other than Earnings Reports. Same applies to following slides.

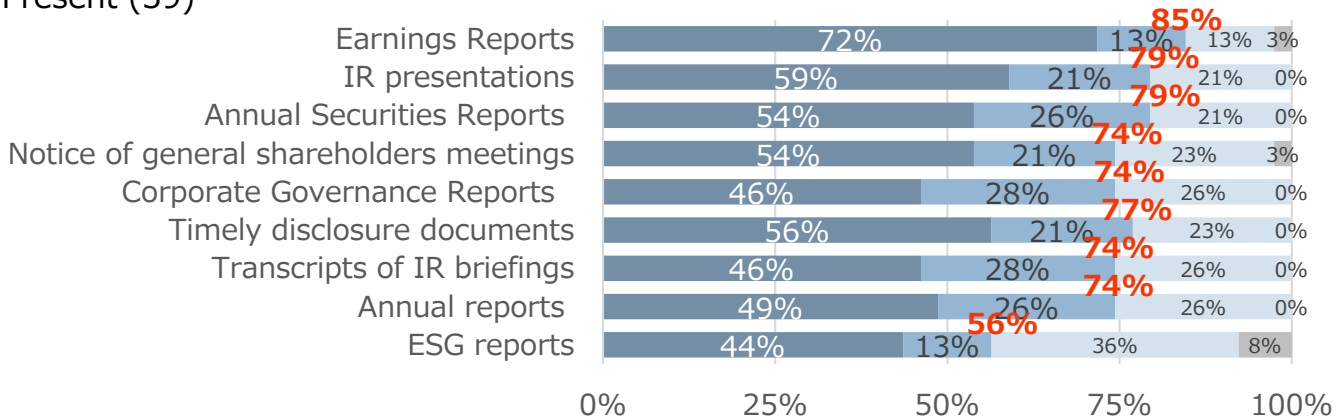
- ◆ When the respondents have no staff who can read Japanese disclosure documents on the investment team, the need for English disclosure is high in general compared to those that do, and all documents included in the survey other than ESG report exceeded 80%.
- ◆ For institutional investors whose main source of information when making investment decisions is English-language corporate disclosure materials, more than 90% of them answered that English-language disclosure is "Essential" or "Necessary" for Earnings Reports, IR presentations, and Annual Securities Reports.

Answers by presence of staff who can read Japanese disclosure documents at institutional investors (on the investment team)

Not present (32)

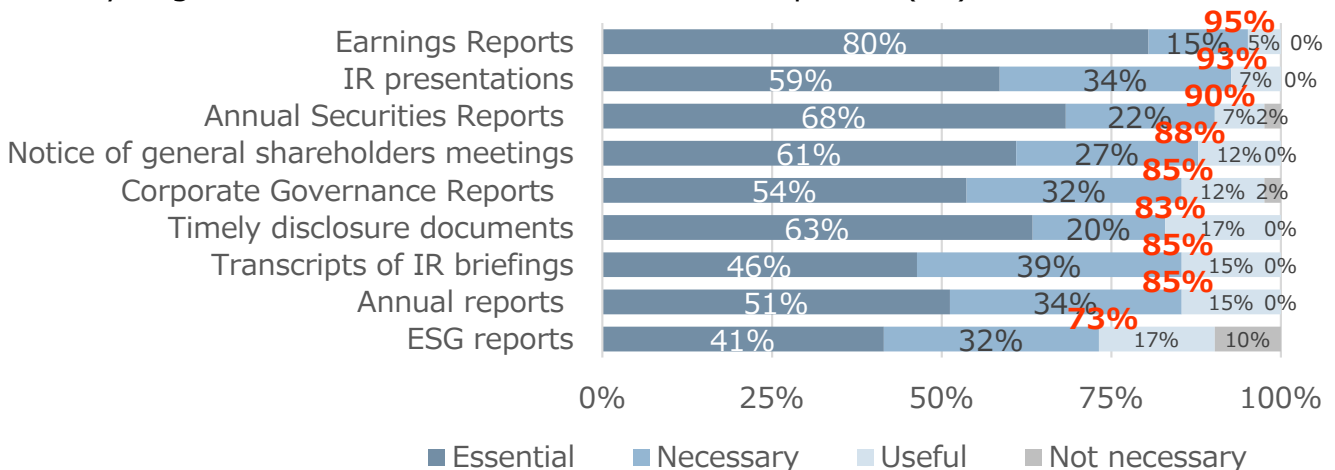


Present (39)



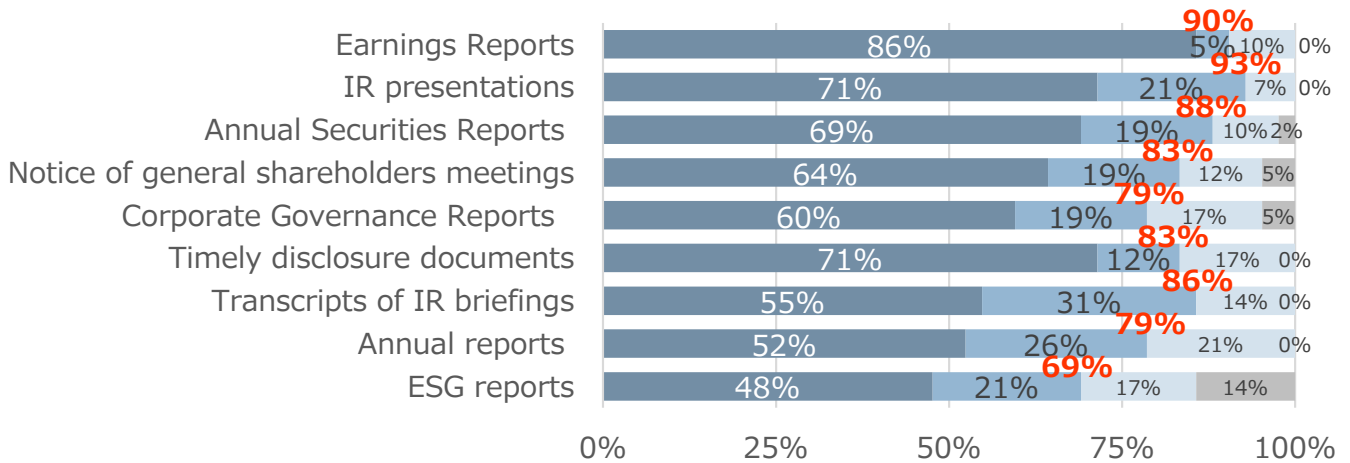
Primary source of information in the investment process

Mainly English disclosure documents of listed companies (41)

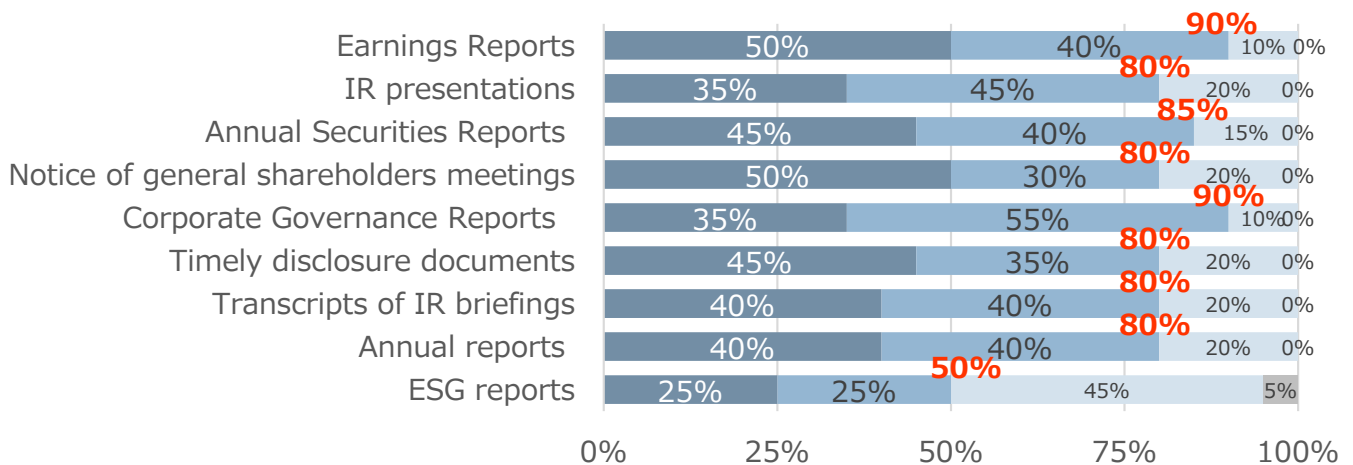


- ◆ For institutional investors, respondents in charge of investment decisions generally considered disclosure in English more necessary than those in charge of research or exercise of voting rights. 90% or more of respondents answered that IR presentations and Earnings Reports are necessary.

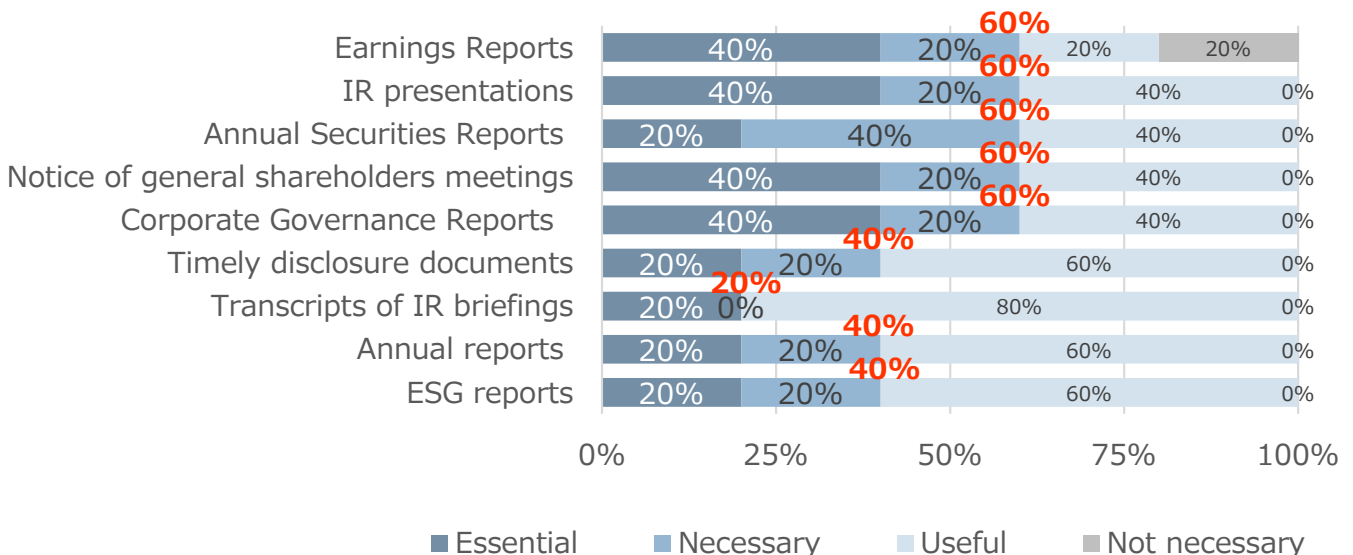
Investment decision roles at institutional investors (e.g. fund managers) (42)



Research roles at institutional investors (e.g. analysts) (20)

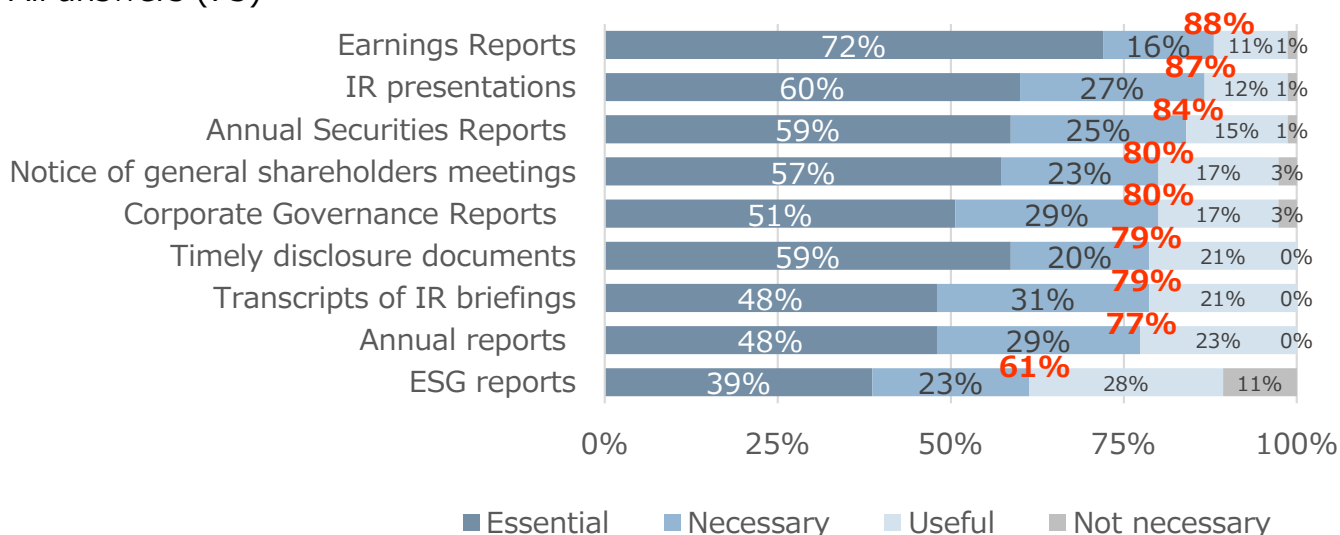


Exercise of voting rights roles at institutional investors (5)



- ◆ Among all respondents, including non-institutional investors, the ratio of responses needing disclosure in English was not significantly different from that of institutional investors, and more than 60% of all documents in the survey needed disclosure in English.
- ◆ Among the respondents, those in charge of investment decisions at institutional investors who have no staff who can read Japanese disclosure documents were more likely to choose the option of English disclosure documents as primary source of information in the investment process.

All answers (75)



(Reference) Presence of staff who can read Japanese disclosure documents, by respondent attributes

| Type of organization | Main role | Presence of staff who can read Japanese disclosure documents | | Total | | |
|-------------------------|---------------------------|--|---------|-------|-----|----|
| | | Not present | Present | | | |
| Institutional investors | Investment decision | 22 | 52% | 20 | 48% | 42 |
| | Research | 7 | 35% | 13 | 65% | 20 |
| | Exercise of voting rights | 2 | 40% | 3 | 60% | 5 |
| | Other role | 1 | 25% | 3 | 75% | 4 |
| Other | | 1 | 25% | 3 | 75% | 4 |
| Total | | 33 | 44% | 42 | 56% | 75 |

(Reference) Respondents' primary source of information in the investment process, by respondent attribute

| Type of organization | Main role | Primary source of information in the investment process | | Total | | |
|-------------------------|---------------------------|---|-------|-------|-----|----|
| | | English disclosure | Other | | | |
| Institutional investors | Investment decision | 28 | 67% | 14 | 33% | 42 |
| | Research | 9 | 45% | 11 | 55% | 20 |
| | Exercise of voting rights | 3 | 60% | 2 | 40% | 5 |
| | Other role | 1 | 25% | 3 | 75% | 4 |
| Other | | 3 | 75% | 1 | 25% | 4 |
| Total | | 44 | 59% | 31 | 41% | 75 |

Q. Please state the reasons for your selections above. If there are any necessary documents other than those mentioned above, please list them.

- **IR presentations are difficult to translate using machine translation tools**, so importance of availability in English is high. **Earnings reports and timely disclosure documents are too critical to be left to machine translation. AGM notices in English are essential to informed voting and fulfilling our commitments to responsible investment. IR briefing transcripts are highly valuable given the opportunity to hear directly from Directors and Presidents who may not otherwise be available for one on one meetings.** (US, Asset management company, Research)
- **We do not explicitly exclude companies from our investment universe due to lack of English materials, but it does make the likelihood of a successful investment much lower.** To the extent publishing English materials is mandated, the translated materials should all be released simultaneously with the Japanese disclosure. (UK, Asset management company, Investment decision)
- **Any material regarding earnings should be released in a comprehensive and timely manner.** (Japan, Asset management company, Investment decision)
- **Time sensitive contents should be released simultaneously with Japanese release**, while **some more qualitative / less sensitive information can be allowed more time** to reduce the burden of the IR team. (UK, Hedge fund, Investment decision)
- **Need price-sensitive material on same day.** (UK, Asset management company, Investment decision)
- **Key market-sensitive information.** (Singapore, Asset management company, Investment decision)
- **Selection depends on necessity and impact on stock prices.** (Hong Kong, Hedge fund, Investment decision)
- Documents in English and Japanese should be made available simultaneously on the company's website along the release on JPX site. Furthermore, **presentation materials provided in Prime Analyst Meetings should be released on the company's website either in Japanese or English** so that there is a broader knowledge distribution among investors and shareholders **in order to limit insider trading.** (Continental Europe, Asset management company, Investment decision)
- **Information from IR meetings should be made available to all market participants under equal conditions.** (Continental Europe, Others)
- These (answered IR presentations, annual reports, and transcripts of IR briefings as "Essential") are **the most useful for evaluating the overall quality of the business and management's strategic plans.** (US, Asset management company, Investment decision)

Answers (continued)

- We recommend having an a) prepared remark and b) Q&A. By dividing the timing of the prepared remark and Q&A, we think it provides an opportunity for companies to reduce the amount needed to be translated. Also, we think **a transcript of the IR presentations reduces the questions we have for management, making IR meetings more efficient and productive.** (Japan, Hedge fund, Research)
- **Results meeting transcript, which is as important as Tanshin and results presentation on a quarterly basis.** TSE should mandate the disclosure of results meeting transcripts before the market opening next day. This should be in both Japanese and English, and the release should be simultaneous. Most major markets in the world have this service; I don't see why Japan cannot do the same, especially if Japan wants to be a global player. (Japan, Asset management company, Investment decision)
- **I find transcripts useful to understand the business.** (US, Asset management company, Investment decision)
- **Change in executive or board members.** I feel most companies disclose only in Japanese but found **it useful when analyzing the board size change or change in mix internal vs. outside directors.** (Japan, Asset management company, Exercise of voting rights)
- Any delay in publishing English versions of Japanese releases would create a barrier for global investors. Beyond the documents explicitly listed in the above, **every formal document related to the governance of the companies** (such as the articles of association, or material on issuance of securities) **should be made available in English and with no delay.** (UK, SWF, Other role)
- Document (answered all documents as "Essential") are needed because **the information is part of the valuation/ investment case.** (Continental Europe, Asset management company, Investment decision)
- They (answered all documents as "Essential") are essential but **can be later than Japanese releases.** (Singapore, Others)
- Any type of information provided to the investor community **needs to be distributed in English and simultaneously to provide equal playing field among all investors and avoid information asymmetry in the market.** (Continental Europe, Asset management company, Investment decision)
- We need to have the above reports (answered all documents as "Essential" or "Necessary") for our analysis, and **it would be wrong if you allow Japanese investors to get information before foreign investors** if all investors are supposed to be treated equally. (US, Asset management company, Investment decision)
- There is important information in all these documents (answered all documents as "Essential"). **Having to wait days, weeks, even months for an English version makes it difficult to keep up for non Japanese speakers and overseas investors.** (Japan, Asset management company, Investment decision)

Answers (continued)

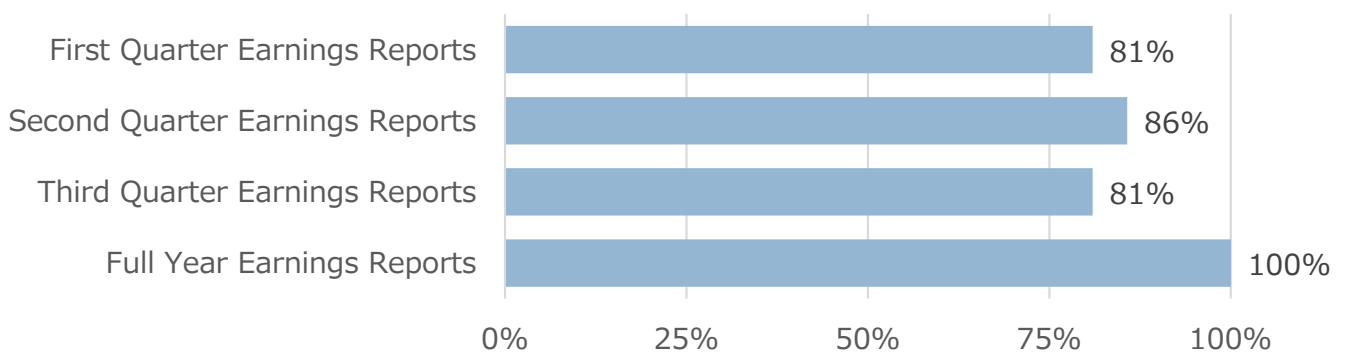
- All of the above documents are essential to enable us to make an informed opinion of the company (answered all documents as "Essential"). (UK, Asset management company, Investment decision)
- I did not select "Essential" or "Necessary" for the above because we have invested in Japanese companies without English materials (answered all documents as "Useful"). However, we still believe the materials are incredibly helpful. (US, Hedge fund, Research)
- Ideally all information would be in English and Japanese and released at the same time. (UK, Asset management company, Investment decision)

Earnings Reports: Documents type and items needed to be disclosed in English

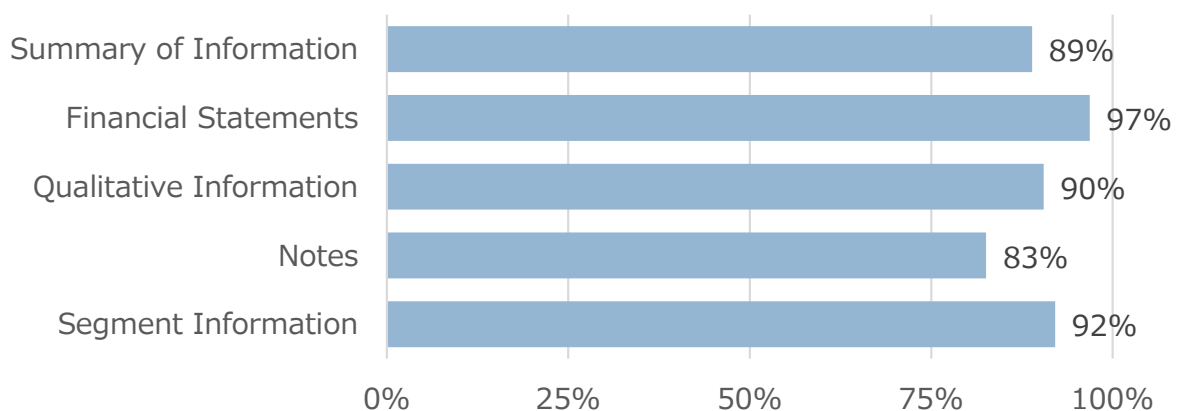
- ◆ 100% of respondents who selected "Essential" or "Necessary" said they needed full-year Earnings Reports.
- ◆ Regarding Quarterly Earnings Reports, 86% responded that they needed 2nd Quarterly Earnings Reports and, and 81% responded that they needed the 1st and 3rd Quarterly Earnings Reports. Most investors answered that English disclosure of Quarterly Earnings Reports is also necessary.
- ◆ More than 80% of the respondents answered that they need all items listed, indicating that many investors consider all items necessary.
- ◆ On the other hand, there were also some investors who did not select all items, and the order of necessity by percentage was as follows: financial statements, segment information, qualitative information, summary of information, and notes.

Q. If you selected "Essential" or "Necessary", please select from the following options which types of documents and items that you need to be disclosed in English.

Document type (Institutional investors who responded "Essential" or "Necessary": 63)



Items (Institutional investors who responded "Essential" or "Necessary": 63)

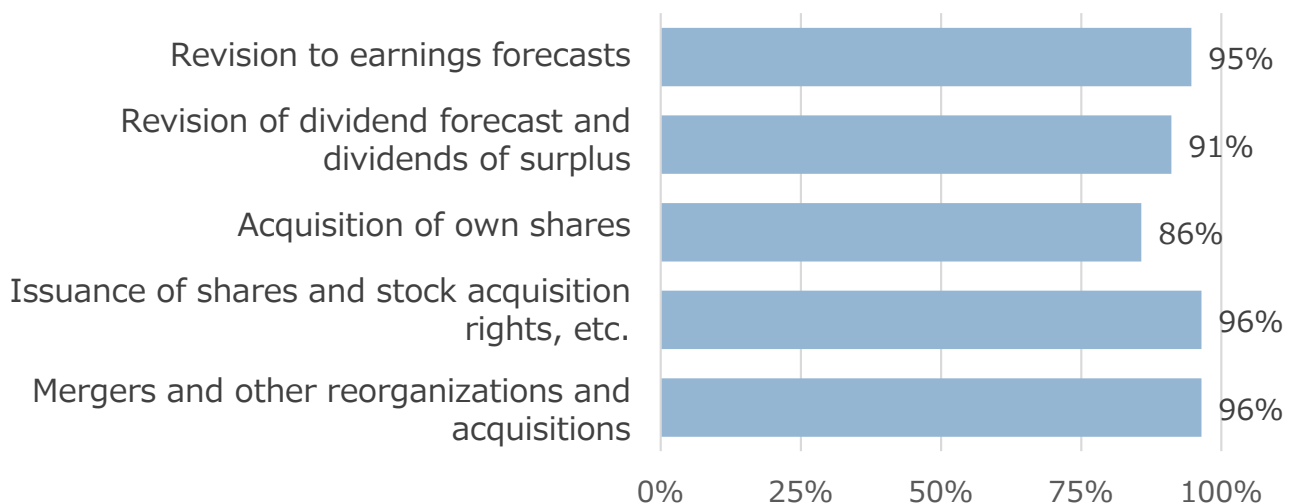


Timely disclosure documents: Items needed to be disclosed in English

- ◆ More than 80% of the respondents who selected "Essential" or "Necessary" answered that they were necessary for all options for timely disclosure documents.
- ◆ As a reason for selecting items, many respondents commented that all information is important and should be disclosed at the same time as Japanese.
- ◆ In addition, there were some comments that "information that is likely to impact the stock price" should be disclosed at the same time as the Japanese.

Q. If you selected "Essential" or "Necessary", please select from the following options which types of documents and items that you need to be disclosed in English.

Items (Institutional investors who responded "Essential" or "Necessary": 56)



Q. Please state the reasons for your selections above. If there are any necessary documents other than those mentioned above, please list them.

(Answered that all of disclosure items listed as options are needed)

- **Any information that is material, in the sense of impacting the share price or likely to impact the share price needs to be disclosed in English as well and simultaneously** to avoid preferential treatment of Japanese speaking investors and create information asymmetry. (Continental Europe, Asset management company, Investment decision)
- **These announcements all impact the stock price, and there should be no delays in Japanese.** (Japan, Hedge fund, Research)
- **These releases have a price impact and so in the interests of treating all shareholders equally, disclosure should be simultaneous** (UK, Asset management company, Research)

Answers (continued)

(Answered that all of disclosure items listed as options are needed) (Continued)

- **These are important documents that affect the share price of the companies involved so it seems logical that they should be available in a timely manner for all investors** (UK, Asset management company, Investment decision)
- **All of those are impactful on stocks** (Hong Kong, Hedge fund, Investment decision)
- All of the above listed documents should be provided in English at the same time as Japanese releases. Anything departing from this practice **hinders a level playing field between Japanese and global investors and creates barriers to access**. (UK, SWF, Other role)
- **We can only feel comfortable as investors in a company** if we are not treated as second class shareholders, and **do not have an information disadvantage by essential company disclosures that are either delayed or limited in scope**. (Continental Europe, Asset management company, Investment decision)
- **Have to be on the equal footing between Japanese speaking investors and non-speaking ones**. (Japan, Asset management company, Investment decision)
- **All of them are material, so need to be available to all investors simultaneously**. (Continental Europe, Asset management company, Investment decision)
- Above are **all essential information that should be available for listed companies, certainly in the "Prime" Market Segment but also in the Growth market segment**. (UK, Asset management company, Investment decision)
- If Japan wants to be part of a global market, the primary disclosure should be in English. In Europe, I haven't seen major companies publishing important disclosure in French or German first. By prioritizing Japanese disclosure, Japan is sending a signal to the world that local investors are more important than foreign investors. (Japan, Asset management company, Investment decision)
- Director appointments, Capital markets day materials, director share dealings, major holder disclosures. (UK, Asset management company, Investment decision)
- Important to have all information available. **The earnings forecast, changes in corporate structure (M&A), and financials are the most important**. (US, Pension fund, Investment decision)

(Answered that "revision to earnings forecasts", "revision of dividend forecast and dividends of surplus", "issuance of shares and stock acquisition rights, etc." and "mergers and other reorganizations and acquisitions" are needed)

- **Any piece of news that is material (in the sense that if disclosed, share price moves) should be released in Japanese and English at the same time**. (Continental Europe, Family office, Investment decision)

Answers (continued)

(Answered that “revision to earnings forecasts”, “issuance of shares and stock acquisition rights, etc.” and “mergers and other reorganizations and acquisitions” are needed)

- All investors should have equal information in a world language. (Continental Europe, Pension fund, Investment decision)
- If you disclose something in Japanese, why not in English? (Continental Europe, Asset management company, Investment decision)

(Answered that “revision to earnings forecasts”, and “mergers and other reorganizations and acquisitions” are needed)

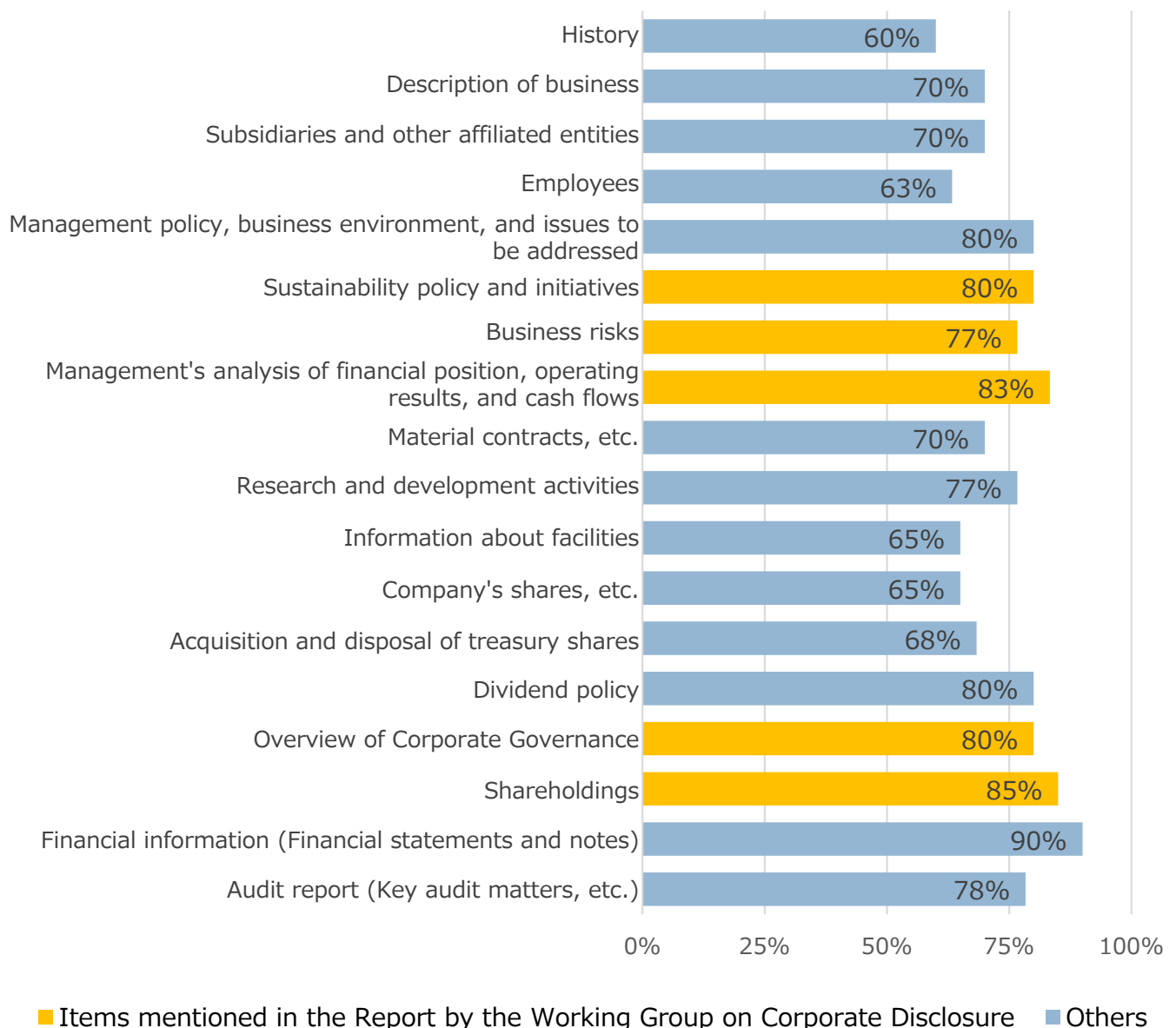
- **Earnings revisions or M&A are even more important than earnings releases.**
(US, Asset management company, Investment decision)

Annual Securities Reports: Items needed to be disclosed in English

- ◆ More than 60% of respondents who selected "Essential" or "Necessary" answered that all listed items of Annual Securities Reports are necessary.
- ◆ By item, more than 75% answered that "business risks", "management's analysis of financial position, operating results, and cash flows", "overview of Corporate Governance" and "Shareholding Status", which were mentioned in the Report by the Working Group on Corporate Disclosure of the Financial System Council released on June 13, 2022, were necessary.
- ◆ 80% of the respondents answered that they need "sustainability policy and initiatives", which was an item that had been newly added to Annual Securities Reports and was mentioned in the said report as expected to be disclosed in English.

Q. If you selected "Essential" or "Necessary", please select from the following options which types of items that you need to be disclosed in English.

Items (Institutional investors who responded "Essential" or "Necessary": 60)

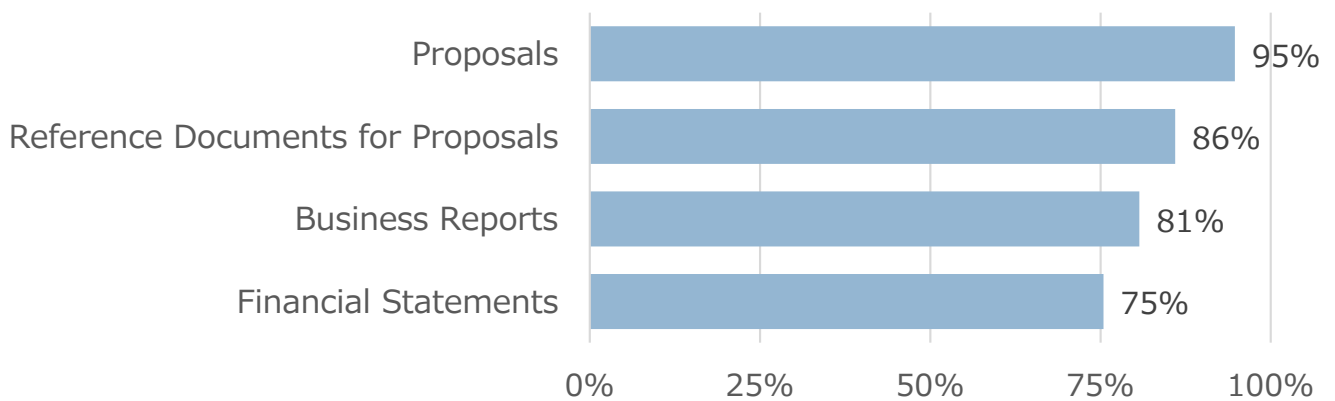


Notice of general shareholders meetings: Items needed to be disclosed in English

- ◆ 75% or more respondents who selected "Essential" or "Necessary" answered that all items listed as options for notice of general shareholders meetings were necessary.
- ◆ By item, proposals accounted for the most, at 95%, followed by reference documents for proposals, business reports, and financial statements.

Q. If you selected "Essential" or "Necessary", please select from the following options which types of items that you need to be disclosed in English.

Items (Institutional investors who responded "Essential" or "Necessary": 57)



II. Survey Results

4. Timing of When English Disclosure is Needed

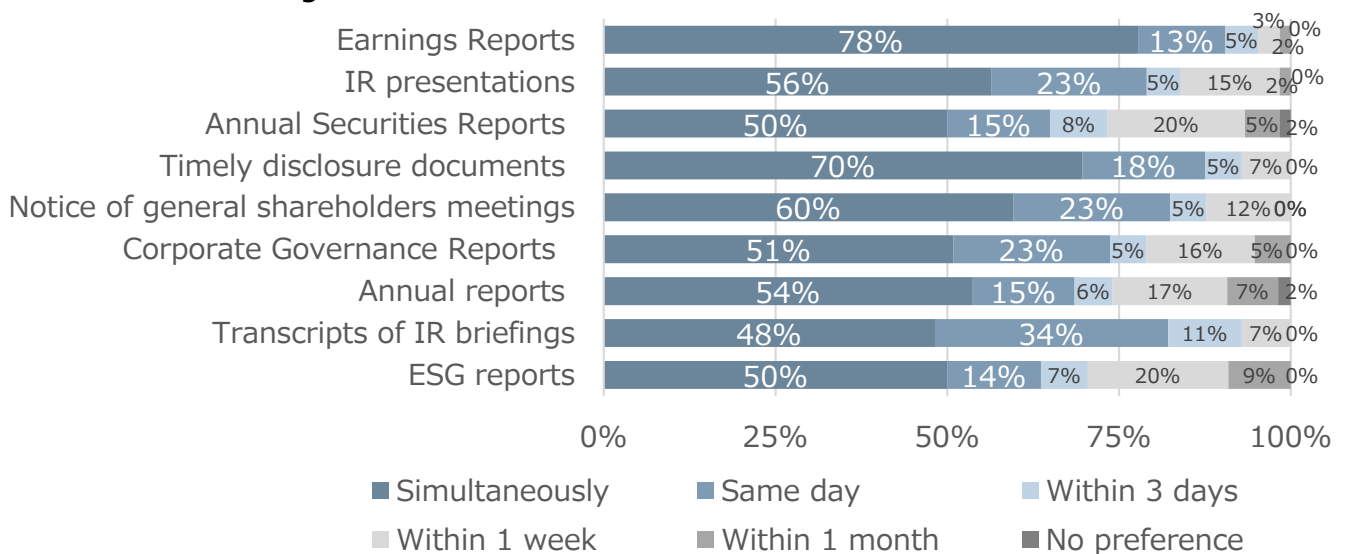
4. Timing of When English Disclosure is Needed

- ◆ The highest percentage of institutional investors (78%) answered that simultaneous disclosure was necessary for Earnings Reports, followed by 70% for timely disclosure documents, and 60% for notices of general shareholders meetings. When the time period is expanded to the same day, 90% of them answered that financial statements and 88% of respondents answered that timely disclosure materials need to be disclosed on the same day.
- ◆ The percentages of respondents who said that Annual Securities Reports, annual reports, and ESG reports need to be disclosed "simultaneously" or "on the same day" were relatively low compared to other documents, at 65%, 69%, and 64%, respectively.
- ◆ Transcripts of IR briefings were the lowest among those who answered that they needed simultaneous disclosure with Japanese, at 48%. However, 82% of respondents answered they need them within the same day.

Q. Please select one of the following items for each document to determine whether disclosure in English by listed Japanese companies is necessary when investing in those companies (a), and the timing at which they are needed relative to the Japanese release (b).

Note: "Non-response" is excluded from the calculation of percentages.

Timing when institutional investors who answered "Essential" or "Necessary" for each document need English disclosure



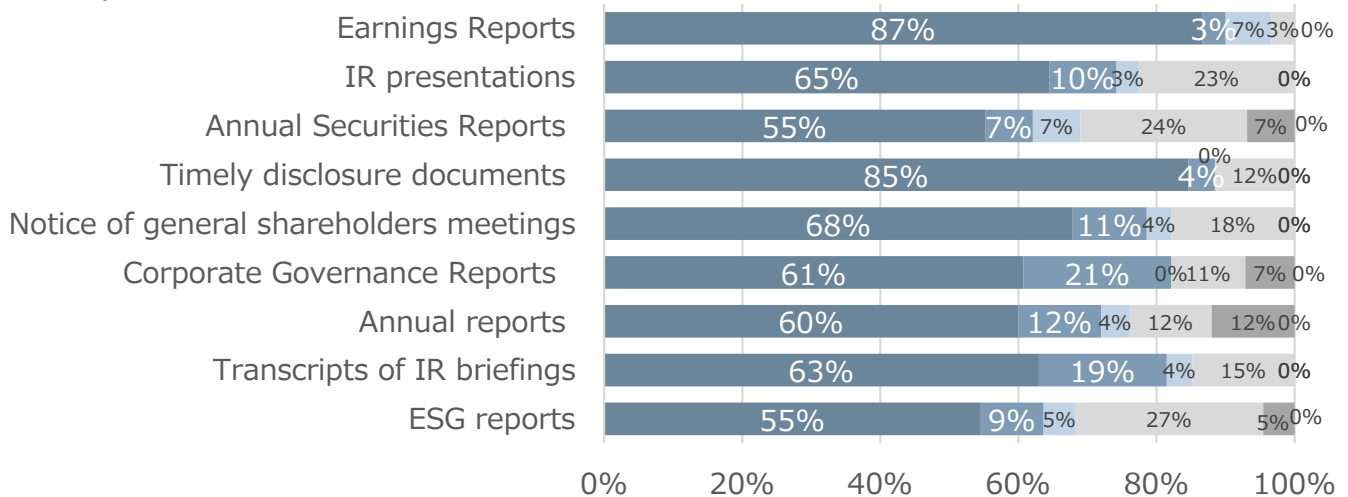
| | Simultaneously | Same day | Within 3 days | Within 1 week | Within 1 month | No preference | N/A | Answers of "Essential" or "Necessary" |
|---|----------------|----------|---------------|---------------|----------------|---------------|-----|---------------------------------------|
| Earnings Reports | 49件 | 8件 | 3件 | 2件 | 1件 | 0件 | 0件 | 63件 |
| IR presentations | 35件 | 14件 | 3件 | 9件 | 1件 | 0件 | 0件 | 62件 |
| Annual Securities Reports | 30件 | 9件 | 5件 | 12件 | 3件 | 1件 | 0件 | 60件 |
| Timely disclosure documents | 39件 | 10件 | 3件 | 4件 | 0件 | 0件 | 0件 | 56件 |
| Notice of general shareholders meetings | 34件 | 13件 | 3件 | 7件 | 0件 | 0件 | 0件 | 57件 |
| Corporate Governance Reports | 29件 | 13件 | 3件 | 9件 | 3件 | 0件 | 0件 | 57件 |
| Annual reports | 29件 | 8件 | 3件 | 9件 | 4件 | 1件 | 1件 | 55件 |
| Transcripts of IR briefings | 27件 | 19件 | 6件 | 4件 | 0件 | 0件 | 0件 | 56件 |
| ESG reports | 22件 | 6件 | 3件 | 9件 | 4件 | 0件 | 0件 | 44件 |

- ◆ When there is no staff on the investment team who can read Japanese disclosure materials, a higher percentage of respondents answered that simultaneous disclosure in Japanese is needed for all documents compared to when there is such staff, with 87% of respondents needing simultaneous disclosure for Earnings Reports, which is 17% higher than when there is such staff, and when there is such staff, with 85% of respondents needing simultaneous disclosure for timely disclosure documents, which is 28% higher than when there is such staff.
- ◆ In addition, investors who answered that the primary source of information in the investment process was English disclosure documents, did not have a significant difference between the tendency and trends of institutional investors.

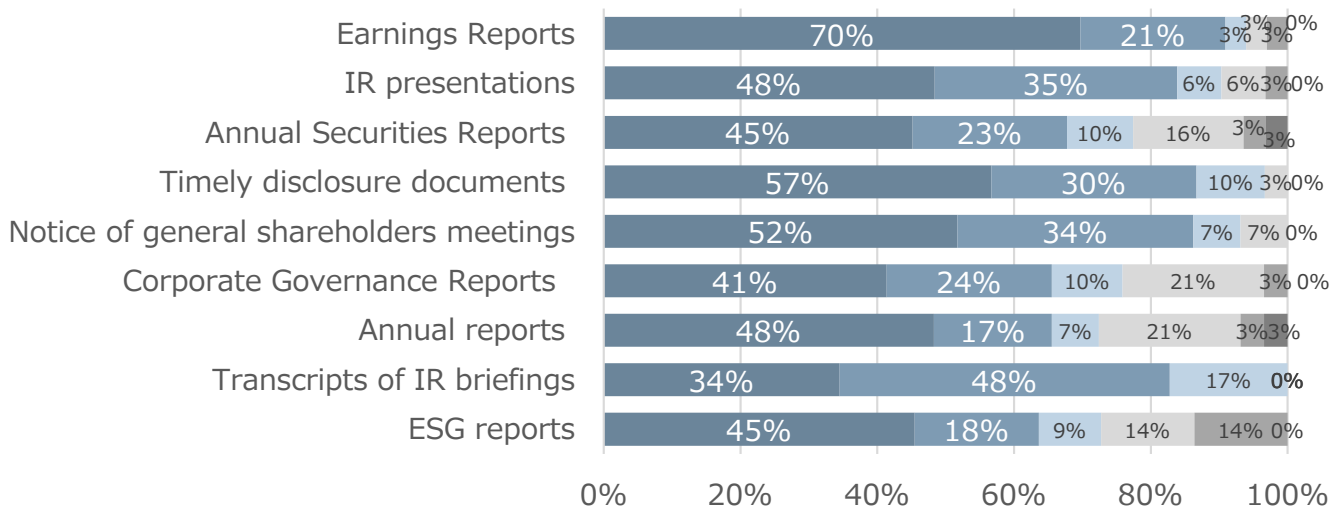
Institutional investors who answered "Essential" or "Necessary" for each document

Answers by presence of staff who can read Japanese disclosure documents at institutional investors (on the investment team)

Not present



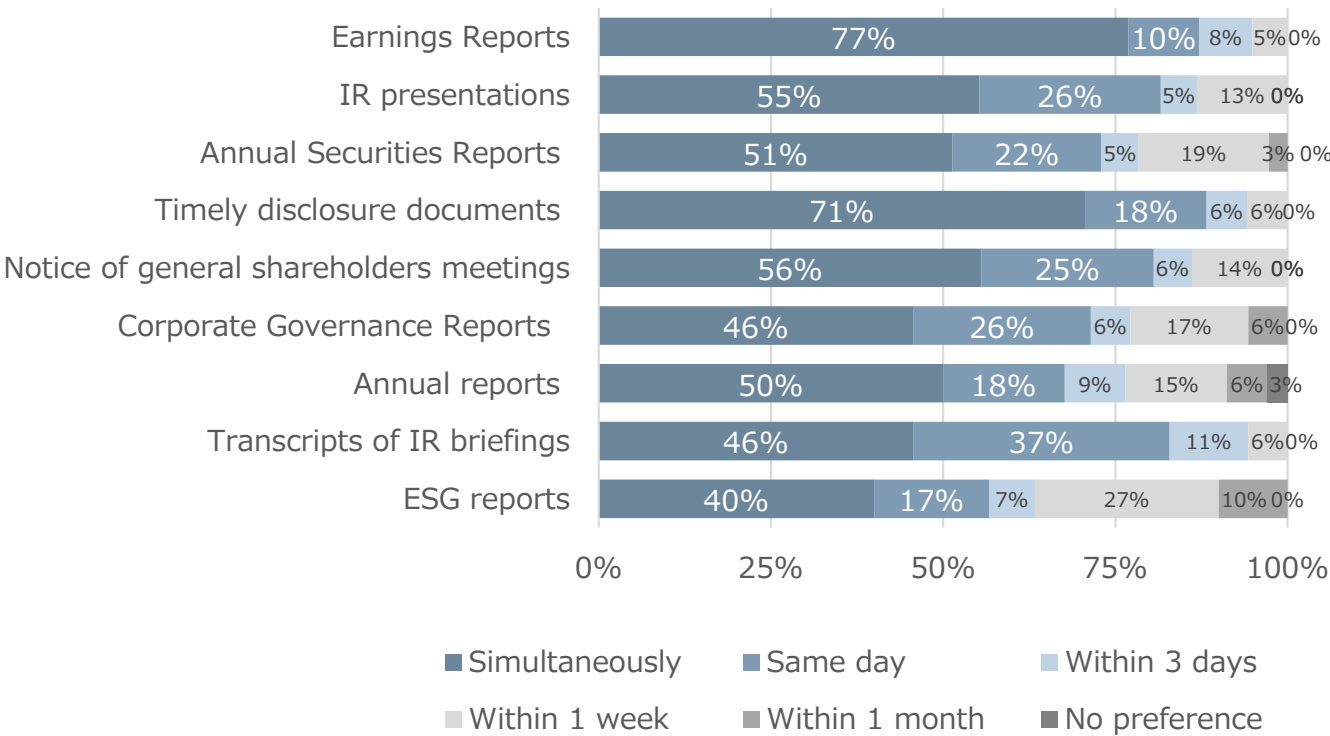
Present



■ Simultaneously ■ Same day ■ Within 3 days
■ Within 1 week ■ Within 1 month ■ No preference

Institutional investors who answered "Essential" or "Necessary" for each document

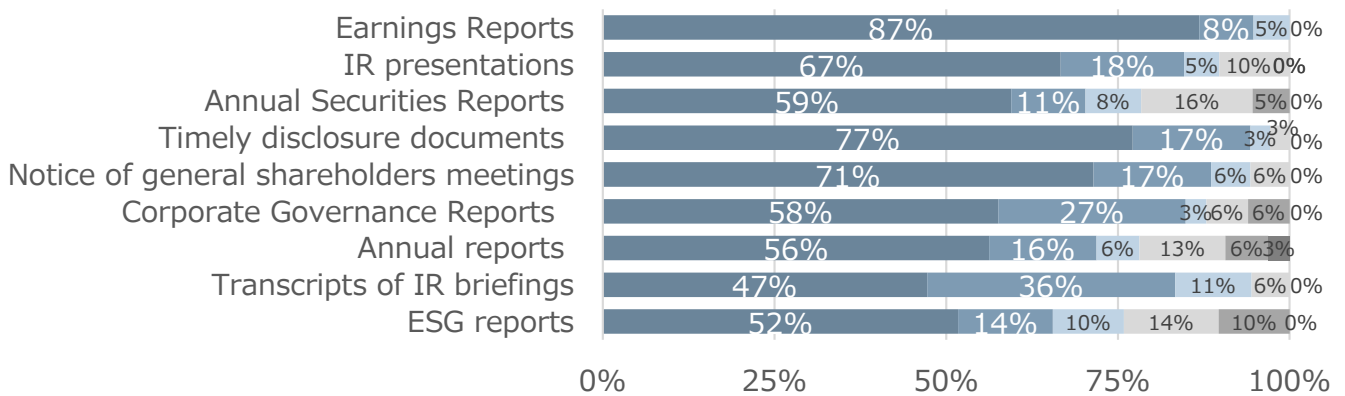
Primary source of information in the investment process
 Mainly English disclosure documents of listed companies



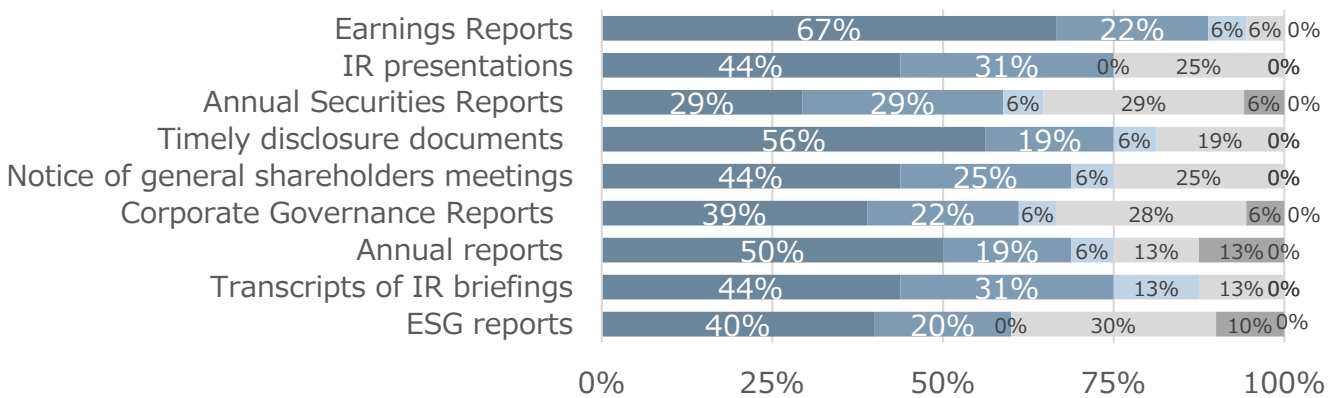
- ◆ Institutional investors in charge of investment were more likely than those in charge of research to require simultaneous English disclosure with the Japanese disclosure for all documents surveyed.
- ◆ The difference was more pronounced for securities reports and notices of general meetings of shareholders, where the percentage of those in charge of investment requiring simultaneous disclosure was 59% (30% higher) for Annual Securities Reports, and 71% (28% higher) for notices of general meetings of shareholders, compared to those in charge of research.

Institutional investors who answered "Essential" or "Necessary" for each document

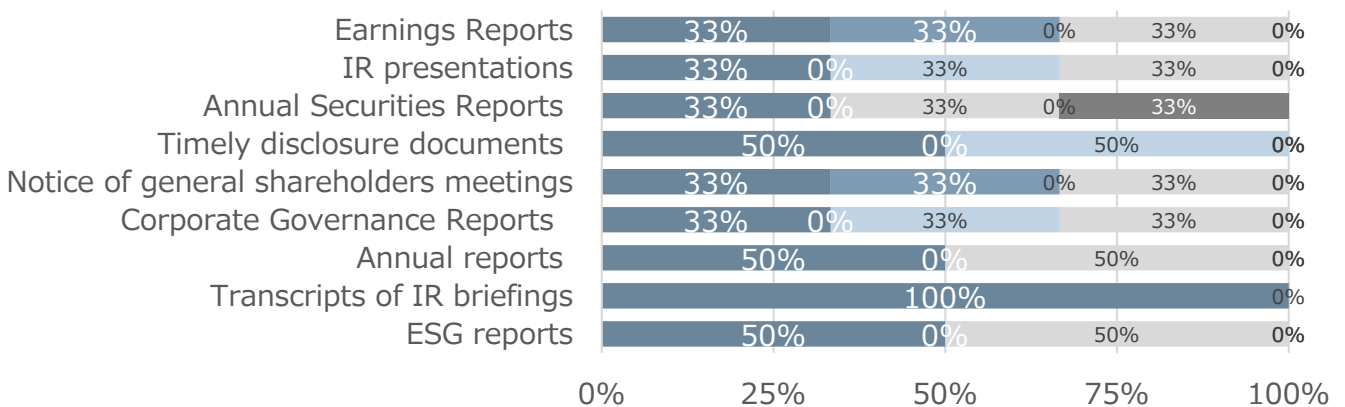
Investment decision roles at institutional investors (e.g. fund managers)



Research roles at institutional investors (e.g. analysts)



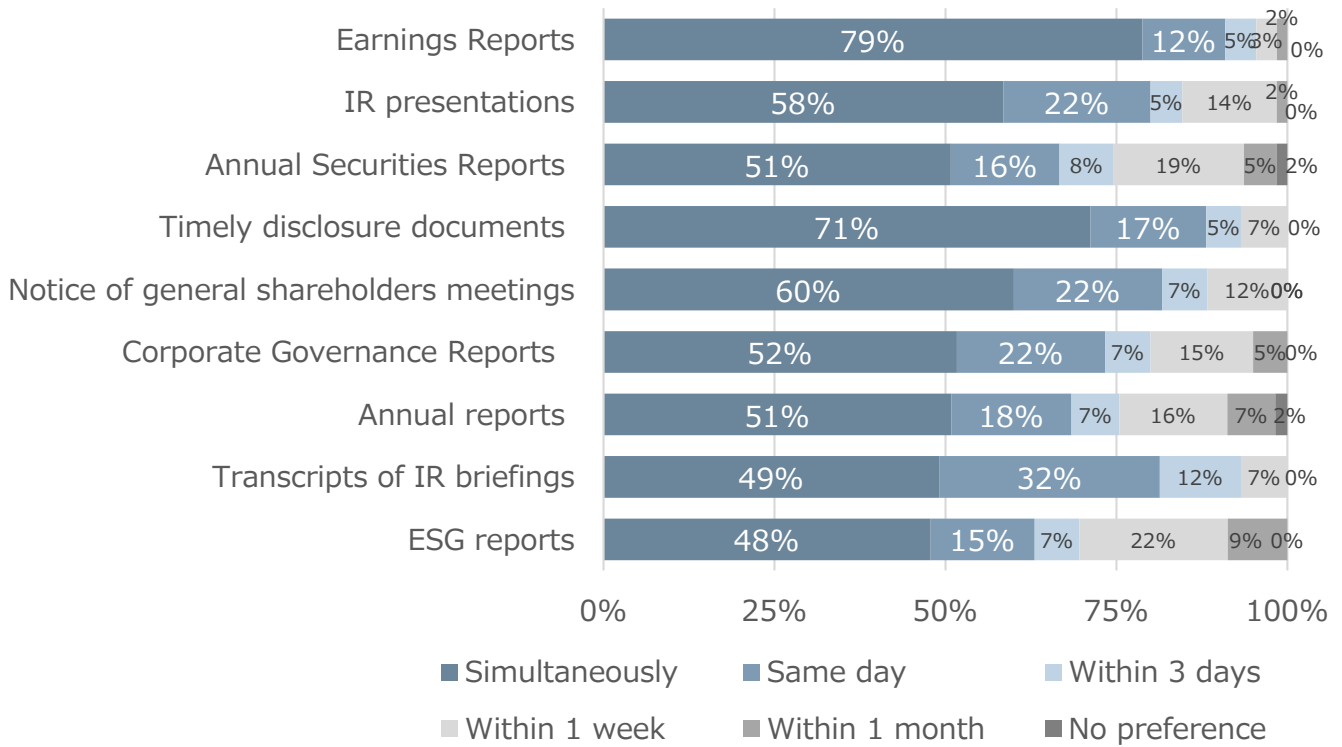
Exercise of voting rights roles at institutional investors



■ Simultaneously ■ Same day ■ Within 3 days
■ Within 1 week ■ Within 1 month ■ No preference

- ◆ The responses of all respondents, including non-institutional investors, did not differ significantly from those of institutional investors, but the percentages of respondents who answered that simultaneous disclosure was necessary were slightly higher than those of institutional investors, at 79% for Earnings Reports and 71% for timely disclosure documents.

Ratio of all respondents who answered “Essential” or “Necessary” for each document



II. Survey Results

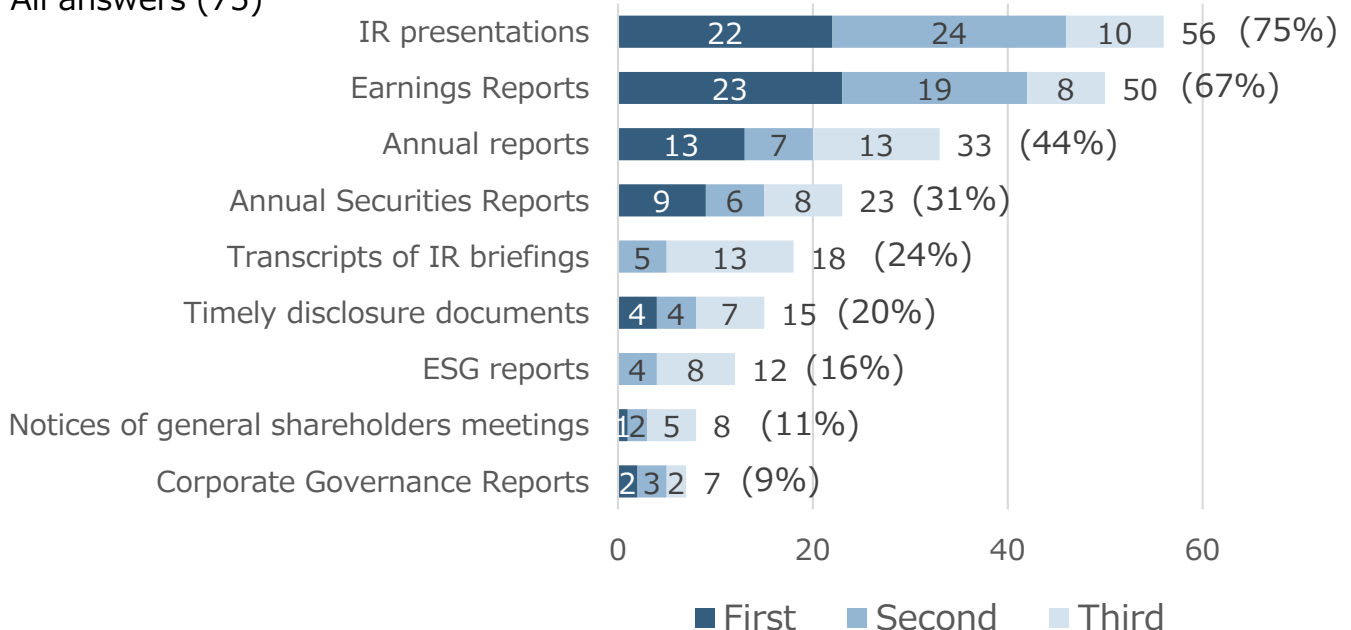
5. Documents that should be Given Priority for English Disclosure

5. Documents that should be given priority for English disclosure

- ◆ IR presentations and Earnings Reports were the top priority documents, selected by 75% and 67% of respondents, respectively.
- ◆ Among institutional investors in charge of investment decisions, the percentage was even higher with 93% of respondents selecting IR presentations and 76% selecting Earnings Reports as documents that should be given priority for English disclosure. Many respondents also chose IR presentations or Earnings Reports as their first priority, with 76% of the respondents choosing either IR presentations or Earnings Reports as their first priority.
- ◆ Among institutional investors in charge of research, in addition to IR presentations and Earnings Reports, several respondents also selected that annual reports and Annual Securities Reports were their first priority.
- ◆ Many of the respondents commented the importance of the information as the reason for selecting each document.
- ◆ Regarding IR presentations, some respondents said that they were important for understanding the company's strategy, while another said that English disclosure was important because of the difficulty of machine translation.
- ◆ Regarding Earnings Reports, annual reports and Annual Securities Reports, a respondent said that they were critical to understanding the business fundamentals and growth outlook of companies, and another said that up-to-date financial information is needed.
- ◆ Regarding the notice of the general shareholders meeting, there was an opinion that it is necessary for the exercise of voting rights based on sufficient information.

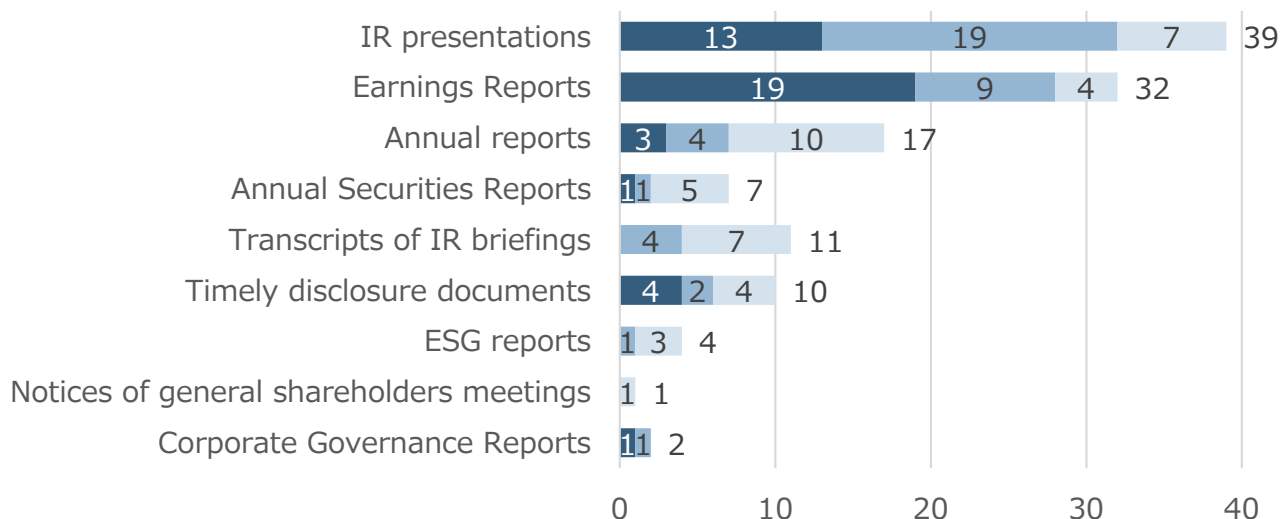
Q. What are the top three disclosure documents that listed Japanese companies should give priority to for disclose in English, as well as the reasons for them?

All answers (75)

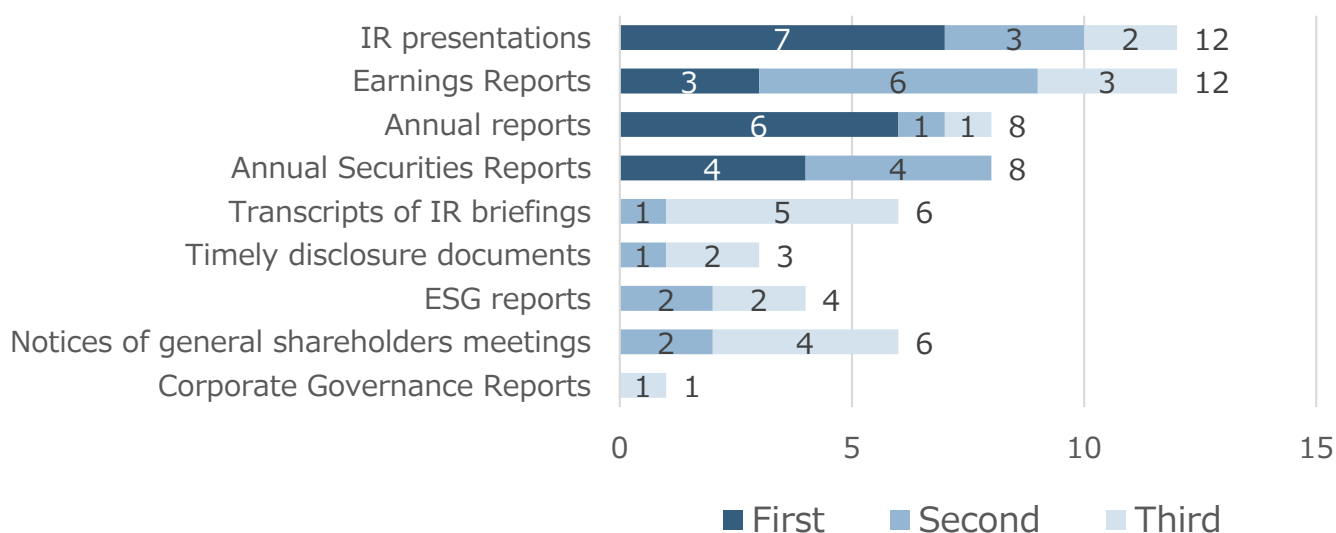


Note: One respondent answered "Not applicable". The percentage in parentheses is the percentage of all answers (75) that gave the applicable answer.

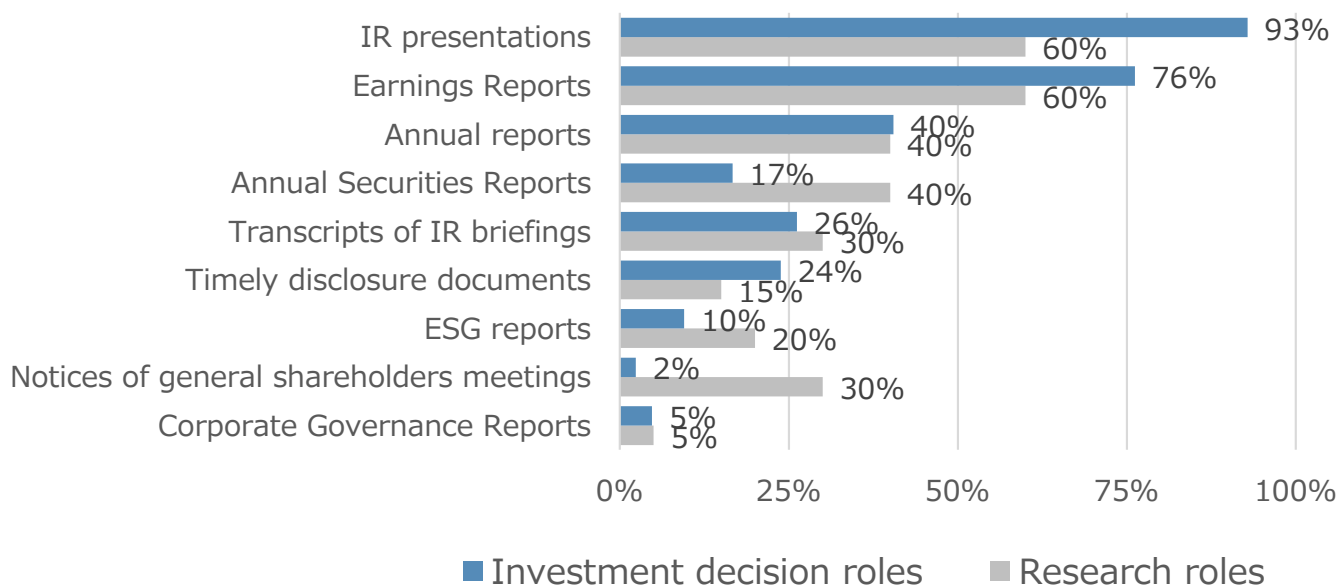
Investment decision roles at institutional investors (e.g. fund managers) (42)



Research roles at institutional investors (e.g. analysts) (20)



Ratio of respondents who answered that any of the top 3 disclosure documents should give priority to for disclose in English



Reasons for answers

- (First: IR presentations, Second: Earnings Reports, Third: Annual Securities Reports)
- It contains **the most important and timely** financials and information (Hong Kong, Hedge fund, Investment decision)
- (First: IR presentations, Second: Earnings Reports, Third: Timely disclosure documents)
- For research (Continental Europe, Asset management company, Investment decision)
- (First: IR presentations, Second: Earnings Reports, Third: Notices of general shareholders meetings)
- **Directly affect investment decision**. Timing is crucial for proxy voting. (Singapore, Asset management company, Investment decision)
- (First: IR presentations, Second: Annual reports, Third: Transcripts of IR briefings)
- **IR presentations are the most important to have translated because they are very difficult to understand when I translate them to English using a machine translator**. In addition, I believe **they are most critical to understanding what the company does, how it portrays itself, its strategy, etc.** It is also **very helpful to have annual reports in English to get a sense of how management talks about the business; i.e. how is it performing, competition, future strategy, etc.** (US, Hedge fund, Research)
- (First: IR presentations, Second: Transcripts of IR briefings, Third: Annual reports)
- These are **the most important for evaluating the quality of the business and management's strategic plans**. Most other choices contain information that is automatically provided to us by data vendors. (US, Asset management company, Investment decision)
- (First: IR presentations, Second: Transcripts of IR briefings, Third: Earnings Reports)
- IR presentation tends to be the good summary of earnings reports with more clarity. **Transcripts are indispensable for foreign investors to understand what was discussed at the results meeting**. (Without this, I would say there is no fair disclosure.) (Japan, Asset management company, Investment decision)
- (First: IR presentations, Second: ESG reports, Third: Annual reports)
- **Importance of ESG factors risen** these days. (Japan, Asset management company, Investment decision)
- (First: Earnings Reports, Second: IR presentations, Third: Annual reports)
- Should be obvious. (Continental Europe, Asset management company, Investment decision)
- (First: Earnings Reports, Second: IR presentations, Third: Transcripts of IR briefings)
- **Key market-moving information on future prospects** (Singapore, Asset management company, Investment decision)
 - Important to have critical news to investors at the same time (US, Pension fund, Investment decision)

Reasons for answers (continued)

(First: Earnings Reports, Second: IR presentations, Third: Transcripts of IR briefings)
(continued)

- Essential for the stock performance (Continental Europe, Asset management company, Investment decision)

(First: Earnings Reports, Second: Timely disclosure documents, Third: Annual reports)

- While we believe that all of the above listed documents should be made available in English, if prioritisation was essential, then this **should be given to any material containing market-moving information**. Corporate reports, trading documents, and anything with obvious price sensitivity should be prioritised. (UK, SWF, Other role)

(First: Earnings Reports, Second: Timely disclosure documents, Third: Transcripts of IR briefings)

- Likely to contain **most material info** (Continental Europe, Asset management company, Investment decision)

(First: Earnings Reports, Second: Annual Securities Reports, Third: IR presentations)

- The above three documents are critical to **understanding the business fundamentals and growth outlook of companies**. (Japan, Asset management company, Investment decision)

(First: Earnings Reports, Second: Annual reports, Third: IR presentations)

- The Earnings and Annual Report combined with IR presentations should contain **the most relevant information disclosed by a company for investors to evaluate it**; thus they should be available in English simultaneously in order not to disadvantage non-Japanese investors. (Continental Europe, Asset management company, Investment decision)
- The 3 above are all very important, **earning report and presentation should be disclosed immediately, Annual Reports can be a bit later (a few weeks later)**. (Continental Europe, Family office, Investment decision)

(First: Annual reports, Second: Earnings Reports, Third: IR presentations)

- Annual and quarterly reports are **main communication events to follow a company** (US, Asset management company, Research)

(First: Annual reports, Second: Earnings Reports, Third: Timely disclosure documents)

- **Need up to date financial info** in English simultaneously with Japanese (UK, Asset management company, Investment decision)

(First: Annual reports, Second: Earnings Reports, Third: Transcripts of IR briefings)

- These **impact assessments of value** (Singapore, Others)

(First: Annual reports, Second: Annual Securities Reports, Third: Corporate Governance Reports)

- For investors **to make better voting decisions** (Singapore, Asset management company, Research)

Reasons for answers (continued)

(First: Annual reports, Second: ESG reports, Third: Corporate Governance Reports)

- These are material information **for investors to form our decisions** (Singapore, Asset management company, Other role)

(First: Annual Securities Reports, Second: Earnings Reports, Third: IR presentations)

- **Important financial data is contained** in these reports (UK, Others)

(First: Annual Securities Reports, Second: Notices of general shareholders meetings, Third: Earnings Reports)

- These are **fundamental documents to understanding the company and exercising fiduciary duty.** (US, Asset management company, Research)

(First: Annual Securities Reports, Second: Corporate Governance Reports, Third: ESG reports)

- **ESG policies disclosure are the key criteria to be included into investable universe.** (Hong Kong, Pension fund, Exercise of voting rights)

(First: Annual Securities Reports, Second: ESG reports, Third: Notices of general shareholders meetings)

- (4) Annual Securities Reports and (8) ESG reports: to facilitate investors assessment of the company risk opportunity profile. (5) **Notices of general shareholders meetings: essential for informed voting decisions by investors** (Continental Europe, Asset management company, Research)

(First: Timely disclosure documents, Second: IR presentations, Third: Earnings Reports)

- **Timely disclosure as they can be the most time-sensitive.** IR presentations and earnings reports are also very important. (UK, Asset management company, Investment decision)

(First: Timely disclosure documents, Second: IR presentations, Third: Transcripts of IR briefings)

- Documents in English and Japanese should be made available simultaneously on the company's website along the release on JPX site. Furthermore, **presentation materials provided in Prime Analyst Meetings should be released on the company's website either in Japanese or English so that their is a broader knowledge distribution among investors and shareholders in order to limit insider trading.** (Continental Europe, Asset management company, Investment decision)

(First: Notices of general shareholders meetings, Second: Corporate Governance Reports, Third: Annual Securities Reports)

- **These are key documents that we use** in engagements with companies in Japan and **when voting** at upcoming AGMs and EGMs, and so they provide **decision-useful** disclosures. (UK, Asset management company, Exercise of voting rights)

Reasons for answers (continued)

(First: Corporate Governance Reports, Second: Annual Securities Reports, Third: Timely disclosure documents)

- Now **more and more companies will report their plan to improve their valuation above PBR 1x** in corporate governance reports, **it is important to translate them into English**. (Japan, Asset management company, Exercise of voting rights)

II. Survey Results

6. Companies with Excellent English Disclosure/
Companies where More Complete Disclosure in
English is Needed

4. Companies with Excellent English Disclosure/ Companies where More Complete Disclosure is Needed

(1) Companies with Excellent English Disclosure

- ◆ Responses were received for 82 companies (*) as companies with excellent English disclosure.
- ◆ For those companies that were named by responders for having excellent English disclosure, there were comments that praised the comprehensiveness and timeliness of their disclosure in comparison with Japanese materials, as well as the quality of their disclosure.
- ◆ Some also praised the disclosure of ESG-related initiatives.

* Large Cap (TOPIX 100): 34 companies, Mid Cap (TOPIX Mid400): 31 companies, Small Cap (Other category): 17 companies

(1) Please provide names of companies with excellent English disclosure as well as the reasons.

(Within each category, in order of company code).

Prime Market

TOPIX Core30

- Seven & i Holdings Co.,Ltd. (3382)
- Shin-Etsu Chemical Co.,Ltd. (4063)
- Takeda Pharmaceutical Company Limited (4502)
- Astellas Pharma Inc. (4503)
- Recruit Holdings Co.,Ltd. (6098)
- DAIKIN INDUSTRIES,LTD. (6367)
- Hitachi,Ltd. (6501)
- NIDEC CORPORATION (6594)
- SONY GROUP CORPORATION (6758)
- TOYOTA MOTOR CORPORATION (7203)
- HONDA MOTOR CO.,LTD. (7267)
- HOYA CORPORATION (7741)
- ITOCHU Corporation (8001)
- MITSUI & CO.,LTD. (8031)
- Tokyo Electron Limited (8035)
- Mitsubishi Corporation (8058)
- Mitsubishi UFJ Financial Group,Inc. (8306)
- Sumitomo Mitsui Financial Group,Inc. (8316)
- Tokio Marine Holdings,Inc. (8766)
- NIPPON TELEGRAPH AND TELEPHONE CORPORATION (9432)
- KDDI CORPORATION (9433)

Prime Market

TOPIX Large70

- Asahi Group Holdings,Ltd. (2502)
- TERUMO CORPORATION (4543)
- BRIDGESTONE CORPORATION (5108)
- KOMATSU LTD. (6301)
- TOSHIBA CORPORATION (6502)
- OMRON Corporation (6645)
- SYSMEX CORPORATION (6869)
- OLYMPUS CORPORATION (7733)
- Marubeni Corporation (8002)
- ORIX CORPORATION (8591)
- MS&AD Insurance Group Holdings,Inc. (8725)
- Mitsubishi Estate Company,Limited (8802)
- FAST RETAILING CO.,LTD. (9983)

Companies with excellent English disclosure (continued)

Prime Market

TOPIX Mid400

- SHO-BOND Holdings Co.,Ltd. (1414)
- Nihon M&A Center Holdings Inc. (2127)
- Kakaku.com,Inc. (2371)
- MonotaRO Co.,Ltd. (3064)
- ZOZO,Inc. (3092)
- GMO Payment Gateway,Inc. (3769)
- Internet Initiative Japan Inc. (3774)
- Money Forward,Inc. (3994)
- Resonac Holdings Corporation (4004)
- Nissan Chemical Corporation (4021)
- TOKYO OHKA KOGYO CO.,LTD. (4186)
- Sekisui Chemical Co.,Ltd. (4204)
- Nomura Research Institute,Ltd. (4307)
- NOF CORPORATION (4403)
- PARK24 Co.,Ltd. (4666)
- POLA ORBIS HOLDINGS INC. (4927)
- INFRONEER Holdings Inc. (5076)
- Toyo Tire Corporation (5105)
- AGC Inc. (5201)
- YAMATO KOGYO CO.,LTD. (5444)
- Sanwa Holdings Corporation (5929)
- DISCO CORPORATION (6146)
- Kurita Water Industries Ltd. (6370)
- FUJI ELECTRIC CO.,LTD. (6504)
- BayCurrent Consulting,Inc. (6532)
- ROHM COMPANY LIMITED (6963)
- Pan Pacific International Holdings Corporation (7532)
- NIKON CORPORATION (7731)
- Menicon Co.,Ltd. (7780)
- NIFCO INC. (7988)
- Canon Marketing Japan Inc. (8060)

Prime Market

TOPIX Small

- UT Group Co.,Ltd. (2146)
- Open Up Group Inc. (2154)
- Ichigo Inc. (2337)
- Infomart Corporation (2492)
- CRE,Inc. (3458)
- AVANT GROUP CORPORATION (3836)
- WingArc1st Inc. (4432)
- FUJIMI INCORPORATED (5384)
- Atrae,Inc. (6194)
- Solasto Corporation (6197)

Standard Market

- Arealink Co.,Ltd. (8914)

Growth Market

- GATEchnologies Co.,Ltd. (3491)
- JADE GROUP,Inc. (3558)
- GMO Financial Gate,Inc. (4051)
- Visional,Inc. (4194)
- Chatwork Co.,Ltd. (4448)
- HENNGE K.K. (4475)

Companies with excellent English disclosure (continued)

Reasons for answers to (1)

Comments on companies with the highest numbers of nominations:

Recruit Holdings Co.,Ltd. (6098) (6 responses)

- High availability of English documents, often simultaneously.
- Very timely and easy to understand what happened in the quarter without Model.
- Simultaneous release in English and Japanese. Very comprehensive and detailed materials. Similar level of depth disclosed between English and Japanese materials.
- English version of annual securities report is very good with rich ESG information.
- Very comprehensive across financial and non-financial information.

SONY GROUP CORPORATION (6758) (6 responses)

- Clearly targeting overseas investors with the amount, quality, and timing of disclosure.
- Simultaneous disclosure as well as completely same information as Japanese version.
- THIS IS THE LEAST WE CAN EXPECT FROM SUCH A GLOBAL CONGLOMERATE.
- Good English reports.
- Good English disclosure.

Hitachi,Ltd. (6501) (4 responses)

- Simultaneous publication of securities reports and earnings reports in English & Japanese.
- Very good material and very good IR.
- Timely English disclosure of relevant information.

SYSMEX CORPORATION (6869) (4 responses)

- Disclosure and IR presentation in English.

TOYOTA MOTOR CORPORATION (7203) (3 responses)

- Detailed, informative, simultaneous translated meetings.
- Very good material and very good IR.

Reasons for answers to (1) (continued)

Other selected comments:

Sumitomo Mitsui Financial Group,Inc. (8316)

- Provides English version of sustainability report, ESG initiatives updates, annual report, etc. - particularly helpful for ESG professionals to assess its ESG efforts.

Shin-Etsu Chemical Co.,Ltd. (4063), Marubeni Corporation (8002), AGC Inc. (5201), and FUJI ELECTRIC CO.,LTD. (6504)

- Many detailed investor presentations & transcripts in English, including thematic ones such as DX, ESG, and deep-dives on initiatives.

Internet Initiative Japan Inc. (3774)

- IIJ provides excellent English language materials, and their IR contacts also speak excellent English.

Ichigo Inc. (2337)

- It might be a bit smaller than a typical Large cap, but the English presentations are fantastic. It is incredibly detailed with industry-specific information to understand the business, key questions, and to value. Ichigo also has a great English IR site with significant English materials.

Chatwork Co.,Ltd. (4448)

- Chatwork's presentation is "best-in-class". The CEO and mgmt team care deeply about the presentation, which is critical. It includes in-depth information on the business, competition, strategy, pricing, software industry-specific KPI's, cohort data, and mgmt bios. The presentation helps me better understand the business and how the mgmt think, which allows for far more efficient and helpful IR meetings. Chatwork also has an English IR site, and releases their full results and Q&A in English.

GAtechnologies Co.,Ltd. (3491), and GMO Financial Gate,Inc. (4051)

- Excellent and timely English language disclosures, both companies produce timely, detailed and easy to understand presentation materials in English which helps us massively in our investment decision making process.

(2) Companies where More Complete Disclosure in English is Needed

- ◆ Responses were received for 30 companies (*) as companies where more complete disclosure is needed in English (or disclosure in English is inadequate).
- ◆ Of these, 9 responses were received for one company (large-cap stock), and responses were concentrated on a specific company.
- ◆ A number of respondents commented the narrow scope of English disclosure and the delayed timing of disclosure as reasons for giving companies where more complete disclosure is needed.

* Large Cap (TOPIX 100): 9 companies, Mid Cap (TOPIX Mid400): 13 companies, Small Cap (Other category): 8 companies

(2) Please provide names of companies where a more complete disclosure in English is needed (or disclosure in English is inadequate) and the reasons. Please provide, if any, document names for which specific improvements to disclosures is necessary.

Note: Individual company names are omitted from this report.

Comments on large-cap companies:

- A lot of the large cap stock do not provide the English script for the quarterly conference calls.
- No English information available.
- Disclosure is very poor in general.
- Needs improvement both English and Japanese disclosure, but almost no IR information other than annual report.
- While disclosure has improved, the company still lacks qualitative information on the key drivers of earnings.
- IR briefings not in English.
- Poor disclosure in English. No conference calls. Lack of IR activities / IR contact.
- Poor disclosure.
- Need more English disclosure.

Reasons for answers to (2) (continued)

Comments on medium-cap and small-cap companies:

- We do not cover large cap stocks as we are a small-cap focused investment firm.
- Very limited English language disclosure and English language presentation contains very little information and data.
- English materials released long after results and Japanese materials are released, putting non-Japanese speakers at a disadvantage. Information provided also not very in-depth.
- No Annual Securities Report, timely disclosure, CG report, etc.
- Transcripts are not available, and not all Japanese filings have English-equivalent documents.
- English earnings transcripts only released behind paywall. This means that not all investors have equal access to information.
- Very little information.
- Not all doxs in English.
- Very limited English disclosure.
- Qualitative information is generally limited.
- Investor presentation is not available in English.
- Most small caps I look at report only in Japanese, nothing in English.
- Japanese kessan is produced about two weeks before the English language version.
- The English version is published with a couple of days delay.

II. Survey Results

7. Comments regarding IR Activities

7. Comments regarding IR Activities

- ◆ While some commented that IR activities have generally improved, others were critical of the company, stating that they often do not understand questions from investors and that some companies do not spend sufficient time with major shareholders.
- ◆ There were also comments calling for the assignment of personnel fluent in English to IR staff and for the acquisition of English conversation skills by management.

Q. Please provide, if any, comments regarding IR activities of listed Japanese companies.

- **IR activity is improving compared to 10 years ago, but IR often don't understand the questions from EU investors, which are more long-term, focused on Return on Invested Capital, etc.** (Continental Europe, Others)
- **In general, IR communication is improving.** However, there is still much room to improve. **The majority of companies still focus too much on the P/L and forget that critical issues lie in the balance sheet as well as the sustainability of cash flow generation.** It's also great to see many companies address ROE but **there are still too few companies that disclose WACC. For cash-rich companies, there needs to be a stronger emphasis on improving transparency with respect to capital allocation.** Finally, on sustainability, **IR teams need to brush up on their knowledge of material ESG issues to the business fundamentals.** They cannot defer to a sustainability team to answer investor queries on these topics. For governance, **if management has received poor support at AGMs, IR teams should be ready to provide answers on how the companies intend to address shareholder concerns.** (Japan, Asset management company, Investment decision)
- Listed Japanese companies **should disclose WACC number and the ROIC spread.** (UK, Asset management company, Research)
- **Companies' IR functions should be empowered to actively facilitate direct communications between top shareholders, to include at least top ten shareholders and/or those with a 1% stake in the company, and the core management of the company, including in particular the CEO/management.** (UK, Hedge fund, Investment decision)
- **Some companies do not spend enough time with shareholders, even holding large enough stake.** (Japan, Asset management company, Investment decision)
- To be honest , we **experience a greater availability from IR's in the small mid-cap space. Sometimes those meetings are spontaneous,** and sometimes they are "favored" by brokers that have a rating on those companies that they cover. The improvement is real. (Continental Europe, Asset management company, Investment decision)

Answers (continued)

- IR should be viewed as a strategic role in the company and **not delegated/rotated to inexperienced people**. Some companies understand this, but many do not. (US, Asset management company, Research)
- Prime listed co **has to make efforts to have English fluent person in IR**. In addition, **CEO and C level management should have English speaking skill** in order for investors to consider investment. (Hong Kong, Hedge fund, Investment decision)
- Both availability and timeliness of access to IR departments, and Japanese companies in turn, could be enhanced for global investors. We observe that IR departments of listed Japanese companies often do not public contact details, which makes it very challenging for investors to arrange an investor meeting, and when contacted do not always provide a timely response. Furthermore, **English language skills of IR departments could be improved** to facilitate communication with the non-Japanese investor base. (UK, SWF, Other role)
- **Appreciate Japanese companies are coming to US again to visit investors**. looking forward to coming to Japan as well! Also appreciate that most of our companies have been very open to zoom calls after every quarter, even if a little bit of a delay due to timezones. (US, Pension fund, Investment decision)
- **IR activities need to be more frequent and more easily arranged for foreign investors**. (US, Asset management company, Investment decision)
- **I would like to see more Japanese companies doing NDRs in the US**. (US, Asset management company, Research)
- Try to have meetings/calls in English. **Still too many large cap companies that require interpreter which makes meetings less efficient**. (Continental Europe, Family office, Investment decision)
- It is a lot of IR people with high qualification. The translation is not the problem in general. Prefer quality over language. (Continental Europe, Asset management company, Investment decision)
- Stop working with translators, it discourages interaction and therefore makes meetings less useful. (Continental Europe, Asset management company, Investment decision)
- Conference calls should be conducted in English (or transcribed to English). All stock sensitive information should be disclosed to both buy side and sell side and in English. (Continental Europe, Asset management company, Research)

Answers (continued)

- **It is notable that Japanese forward guidance is not as responsive to short-term external change vs guidance from management teams in other countries.** The detail of disclosures disclosing specific sales and profit figures in mid-term plans (particularly longer 5 year plans) often distracts from the key top-level message for investors. This is particularly true when specific sales and profit figures in mid-term plans (particularly longer 5 year plans) - in most other geographies a long-term growth target % is generally given together with a margin target. **Often Japanese IR are not forthcoming about new product initiatives or other plans which subsequently come as a surprise to me,** but must have been known to the management team when they were talking to me. (UK, Asset management company, Investment decision)
- IR departments are not doing their jobs if they do not disclose company data simultaneously in English. (UK, Asset management company, Investment decision)
- It would be extremely helpful to have AT LEAST Japanese earnings transcript, which users can push through translation apps. Compared to the US, there is a lack of earnings transcript produced by Japanese companies that is readily available. (Japan, Hedge fund, Research)

Q. Please provide, if any, comments on disclosure and provision of English information (not limited to those by listed Japanese companies, including, for example, provision of English translations of information available in Japanese prepared by a third party) in relation to investment in the TSE market.

- **We value highly IR briefing transcripts**, often produced by third parties and then distributed by the Japanese company on its IR website. (US, Asset management company, Research)
- **It is quite often hard to find who is the Board Chair**. It would be nice if that kind of information is included in proxy material. (Japan, Asset management company, Exercise of voting rights)
- I think the same level of information needs to be made available in English that is available in Japanese, otherwise foreign investors will not want to invest in Japan. (US, Asset management company, Investment decision)
- TSE should prioritize English to Japanese. That would help demonstrate how serious TSE is to make Japan a global market. (Japan, Asset management company, Investment decision)
- Given the recent progress in machine translation, providing English language material should not be terribly difficult these days. (UK, Asset management company, Investment decision)
- We almost always hire translators when meeting IR/management teams - unless we know that the company representative is comfortable talking in English. Otherwise, we rely on English company disclosures or Japanese disclosures and a machine translator. (UK, Asset management company, Investment decision)
- Perhaps the TSE should consider an open AI platform on its website to help small to mid-size companies with the translation of their materials. (Japan, Asset management company, Investment decision)