



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

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August 2023

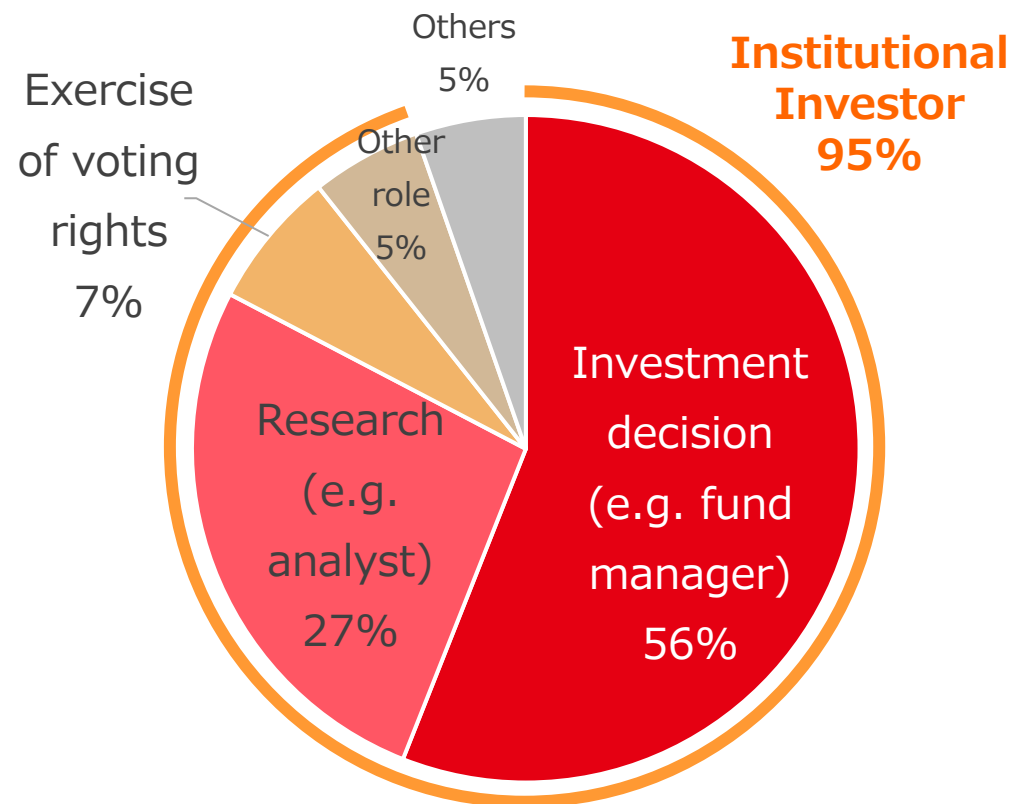
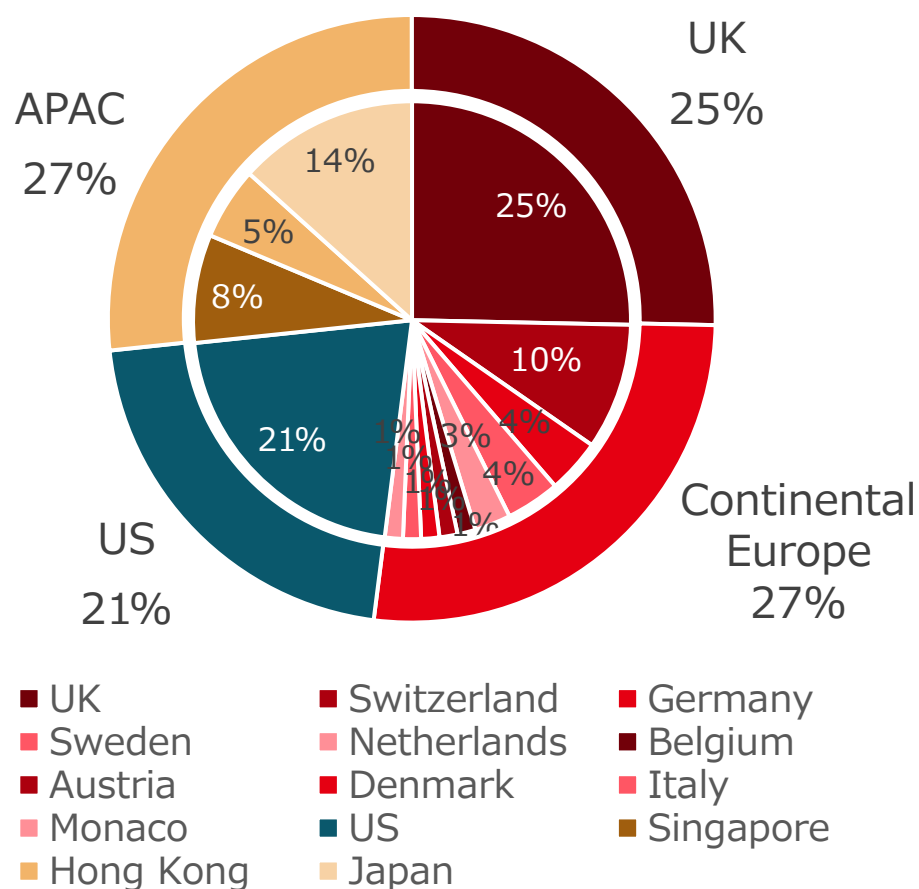
Listing Department

Tokyo Stock Exchange, Inc.

\* This document is a summary of the "Results of the Survey of Overseas Investors on English Disclosure by Japanese Companies" released on August 31, 2023. For details, please refer to "Results of the Survey of Overseas Investors on English Disclosure by Japanese Companies".

# Survey of Overseas Investors on English Disclosure by Japanese Companies

- A web-based survey on English-language disclosure was conducted among overseas institutional investors from June 26, 2023 to July 31, 2023.
- 75 responses were received, with about a quarter of respondents from the U.K., continental Europe, the U.S., and the Asia-Pacific region.

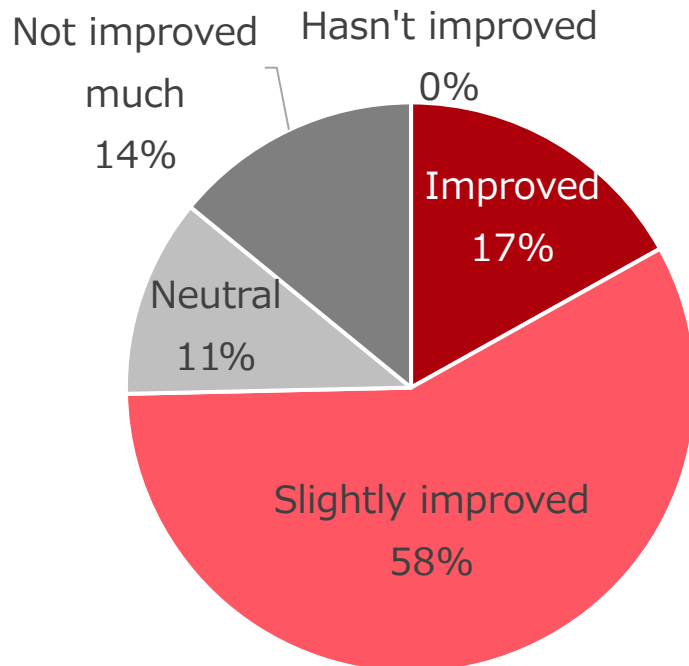


Note: Those categorized as "Japan" are employees of Japanese offices of overseas asset management companies.

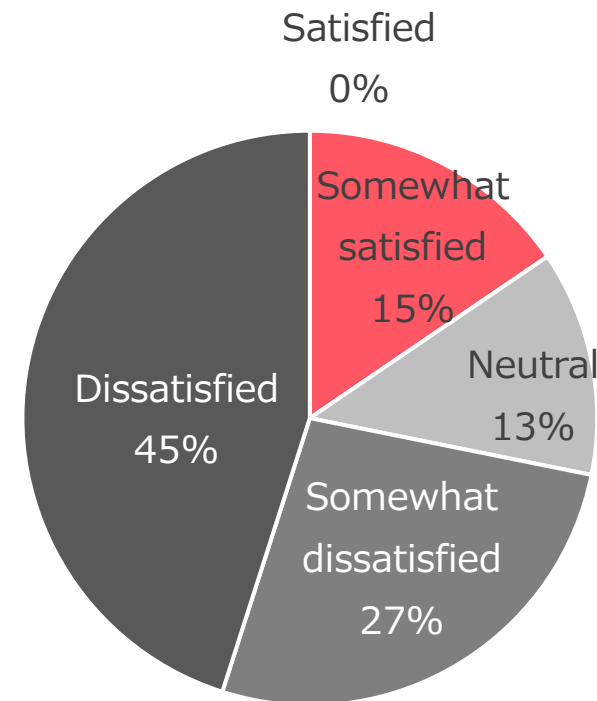
Notes: "Other role" includes those in charge of stewardship at asset management companies. "Others" includes brokerage companies, and independent research companies.

- 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.

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

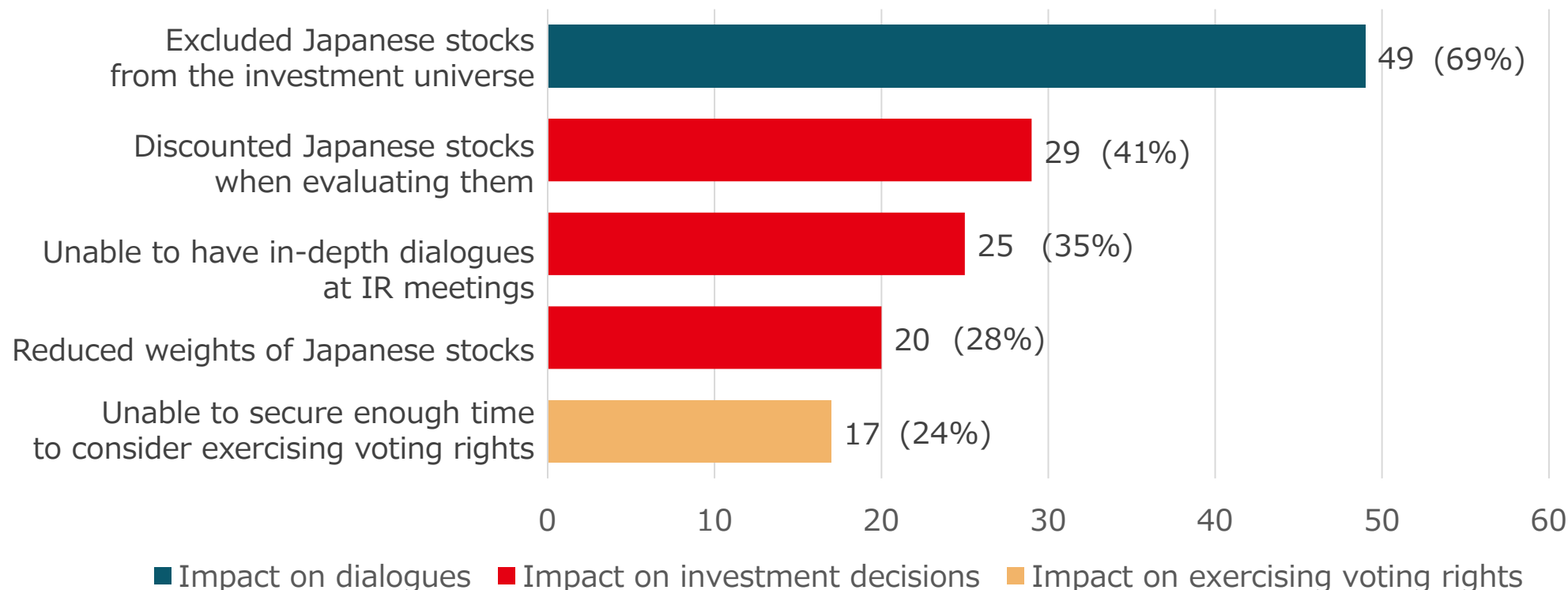


## Are you satisfied with the level of English disclosure by listed Japanese companies?



- 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.

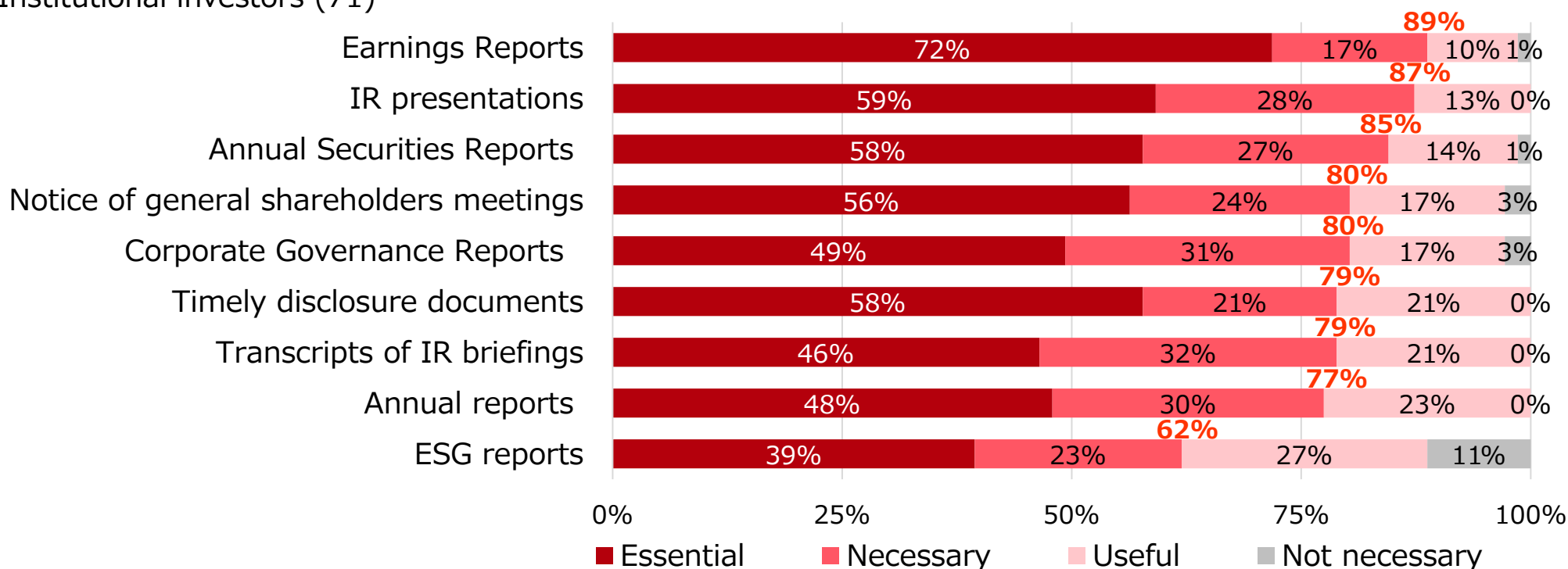
## Institutional investors (71)



# 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.

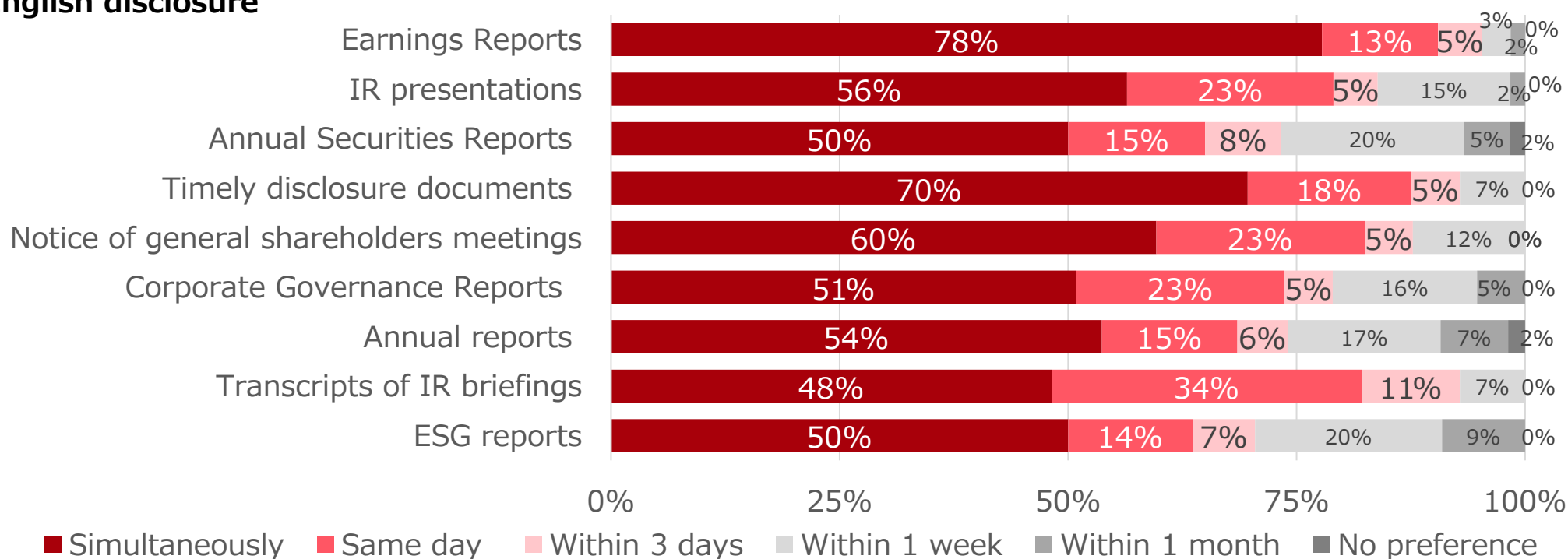
Institutional investors (71)



Note: 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.

- 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.

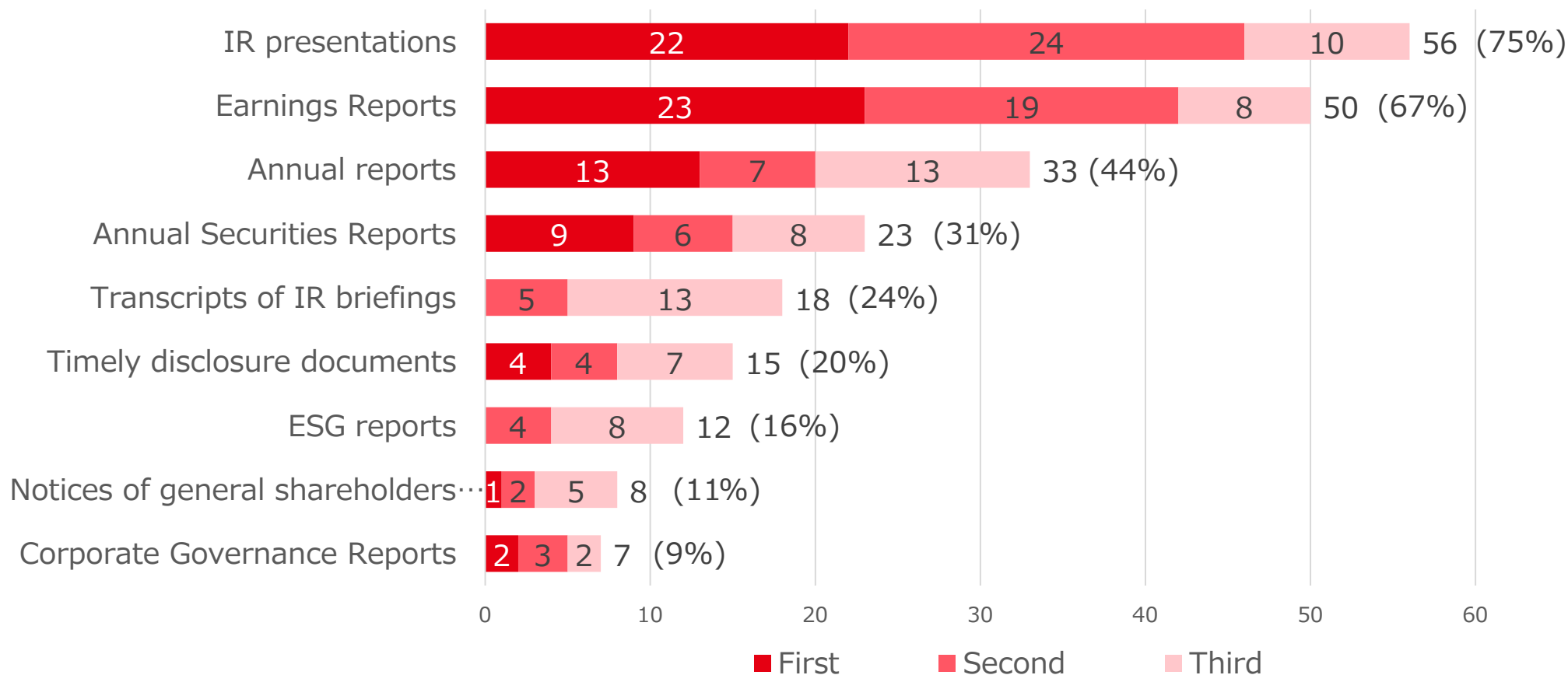
## Timing when institutional investors who answered "Essential" or "Necessary" for each document need English disclosure



# 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.
- 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.

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.