

Status of Mandatory English Disclosure in the Prime Market

Tokyo Stock Exchange, Inc.

Listing Department

September 2, 2025

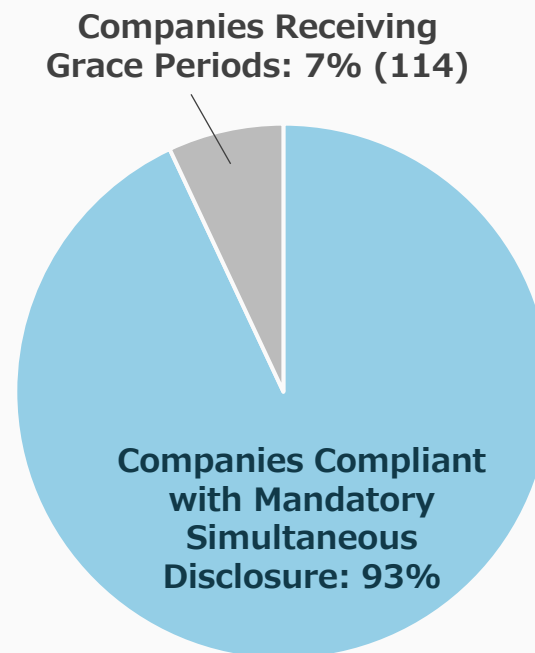


- ◆ **Starting in April 2025, Prime Market listed companies are required to simultaneously disclose financial information and timely disclosure information in English.**
 - **Over 90% of companies have complied**, and approximately 7% (114 companies) have received a grace period of up to one year.
- ◆ In addition, they are required to endeavor to simultaneously disclose other documents in English with the same content as the Japanese version.

Prime Market English Disclosure System

Scope	Details	Classification
Financial Information	<ul style="list-style-type: none"> Earnings reports Quarterly earnings reports Supplementary explanatory materials 	Matters to be Observed (Corporate Code of Conduct)
Timely Disclosure Information	<ul style="list-style-type: none"> All timely disclosure items 	
Other Documents	<ul style="list-style-type: none"> Notice of the annual shareholders meetings CG Reports Annual securities reports, etc. 	Matters Desired to be Observed (Corporate Code of Conduct)

Status of Grace Period Measures

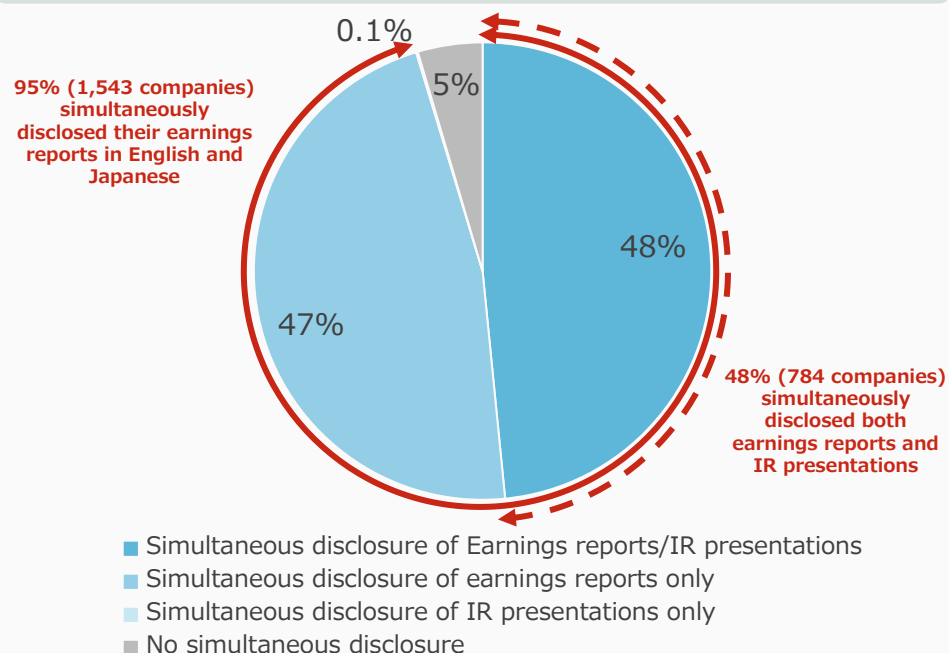


Source: List of Companies That Have Been Given a Grace Period for English Disclosure

Status of English Disclosure (Financial Information)

- ◆ **95% of companies simultaneously disclose their earnings reports in English.**
 - **In addition to earnings reports, 48% of companies simultaneously disclose IR presentations**
- ◆ **56% of companies disclose the full text of their earnings reports in English.**
 - Among companies that release partial translations or a summary, many disclose summary information and financial statements.

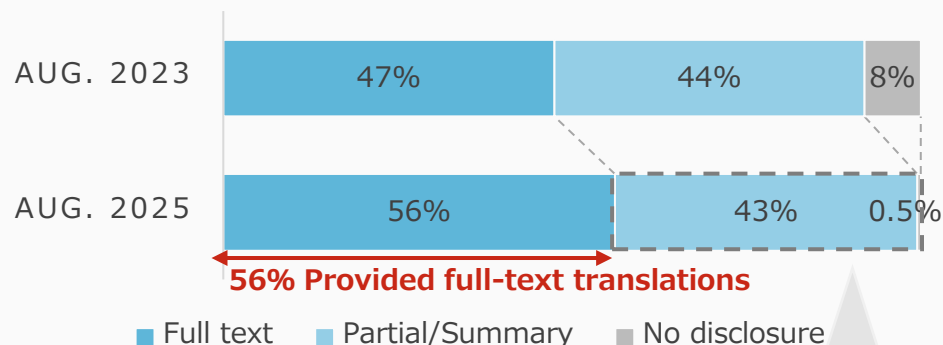
Financial Information Documents Subject to Simultaneous Disclosure



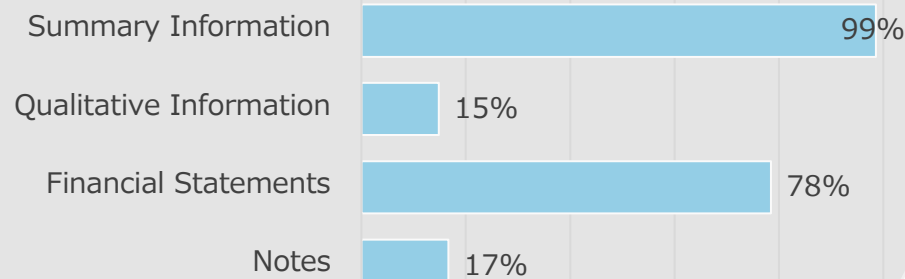
(Note) "No simultaneous disclosure" refers to companies that have submitted applications for a grace period.

Source: Results of the Availability of English Disclosure Information by Listed Companies Survey (as of Aug. 7, 2025)

Scope of English Translation of Earnings Reports



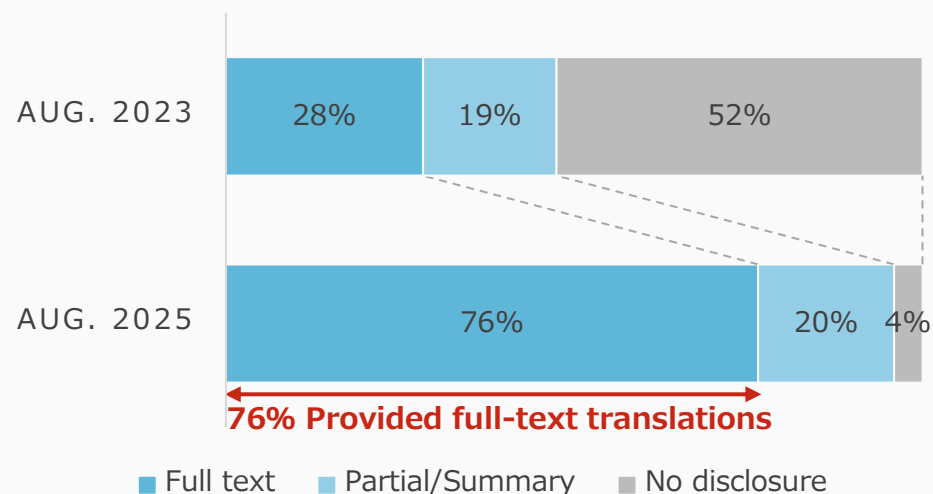
Scope of English Translation for Companies Publishing Partial Disclosures or Summaries



Status of English Disclosure (Timely Disclosure Information)

- ◆ **76% of companies disclosed the full text of their timely disclosure information, a significant improvement.**
- ◆ Although companies are allowed to prioritize Japanese disclosure in cases where urgent actions are required, such as disclosure related to facts that have occurred, **95% or more of disclosure materials are disclosed simultaneously.**

Scope of English Translation of Timely Disclosure Information

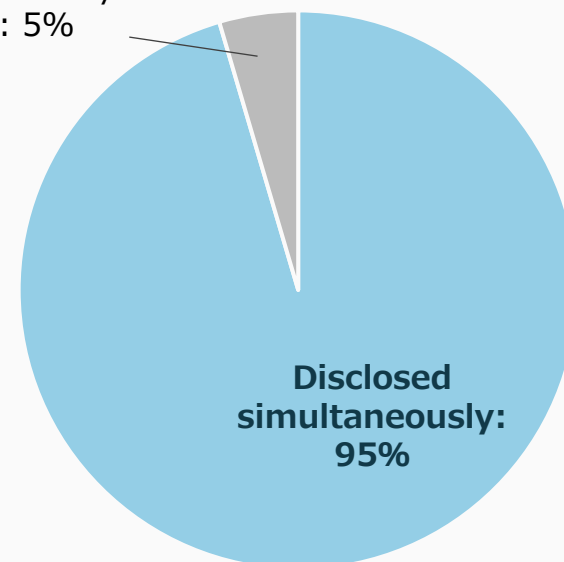


(Note) "No disclosure" refers to companies that have submitted applications for a grace period.

Source: Results of the Availability of English Disclosure Information by Listed Companies Survey (as of Aug. 7, 2025)

Status of Simultaneous Disclosure

Not simultaneously disclosed: 5%

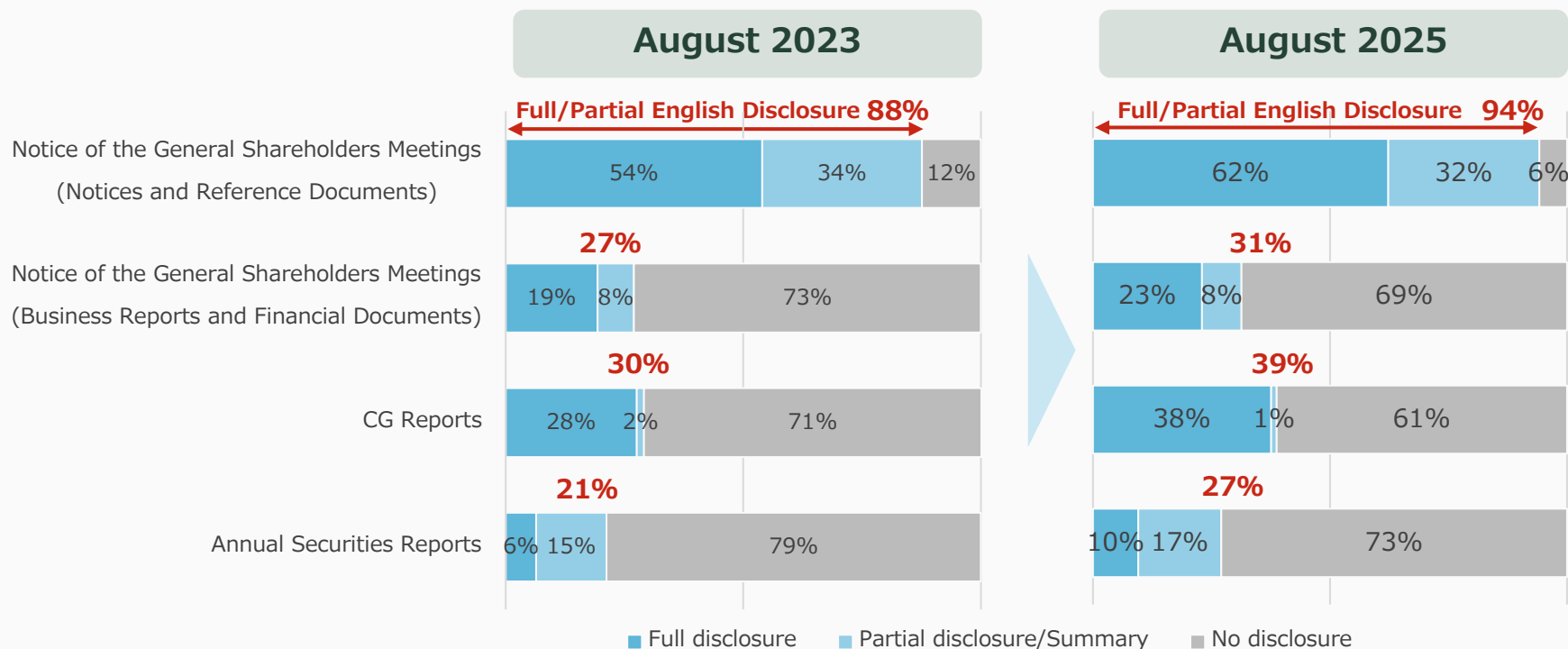


(Note) Based on the number of disclosures

(Note) Totals for disclosures (excluding financial information) from Apr. 1, 2025 to Jul. 31, 2025

Status of English Disclosure (Other Documents)

- ◆ Although some progress has been made with other documents, **the increase in disclosure rates is slow compared to financial information and timely disclosure information.**

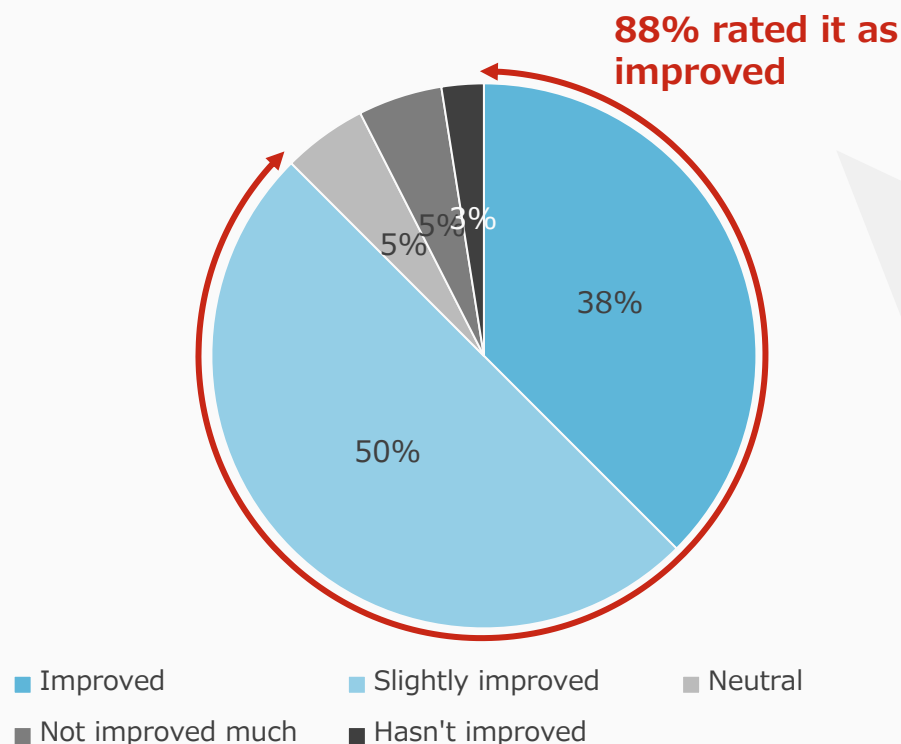


Source: Results of the Availability of English Disclosure Information by Listed Companies Survey (as of Aug. 7, 2025)

(Note) With regard to annual securities reports, in addition to those disclosed as Annual Securities Reports, this also includes other English documents that contain the same information.

- ◆ **About 90% of overseas investors positively evaluate** the improvements in English disclosures by Japanese listed companies.
 - Many say that the mandatory English disclosure requirement for the Prime Market has eliminated some of the disadvantages caused by information asymmetry.

Feedback on Improvements to English Disclosure from Listed Companies



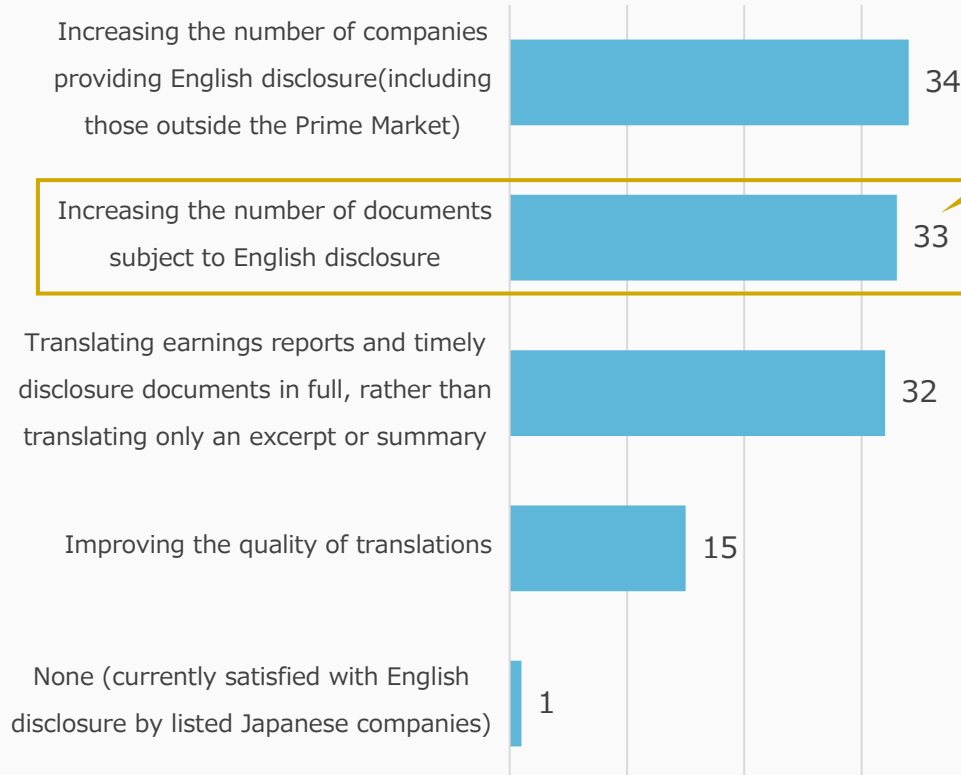
- **With the start of simultaneous English disclosure, investors** who do not have staff who can read Japanese, such as our company, **are now to some extent relieved of the disadvantageous position they faced due to information asymmetry.** On the other hand, some small- and mid-cap companies have yet to make progress in English disclosure.
- We **highly praised for the efforts of Prime Market listed companies to disclose information simultaneously in Japanese and English.** In particular, **disclosure from large companies is now on par with other markets.**
- **There has been an increase in the simultaneous disclosure of IR presentations in Japanese and English,** and it seems that a corresponding number of companies are now conducting IR activities in English, rather than simply disclosing information.

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

Areas for Improvement According to Overseas Investors

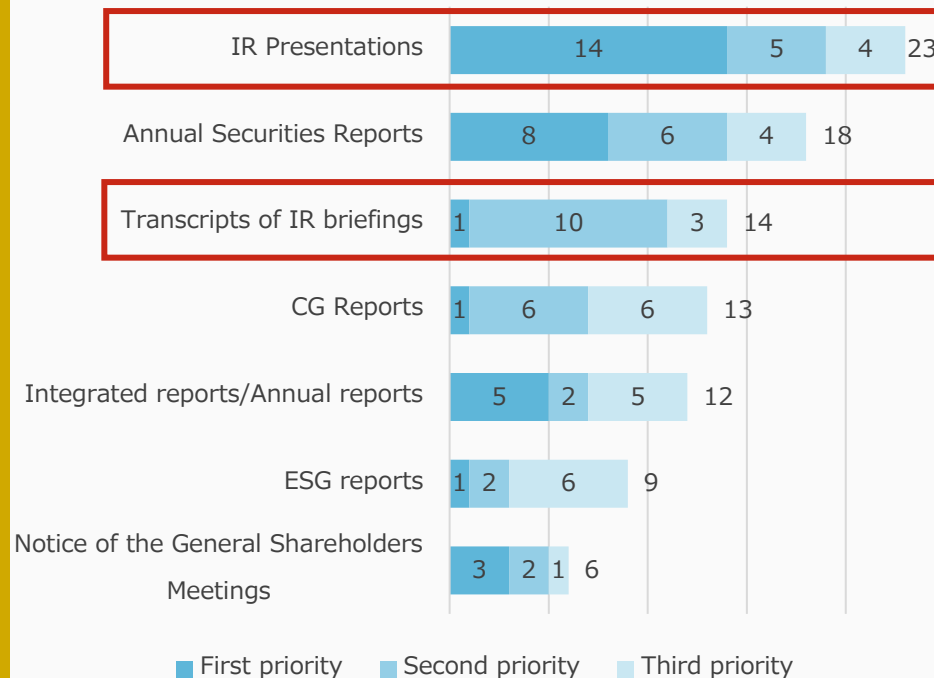
- ◆ Regarding financial information and timely disclosure information, overseas investors expect **English disclosure to be expanded to IR presentations and transcripts in addition to earnings reports**, as well as **full English disclosure, rather than just partial disclosure or a summary**.
- ◆ In addition, there were calls for the **expansion of English disclosure to companies other than those listed on the Prime Market**, which is not covered by the new requirements, and for the **scope of documents subject to simultaneous disclosure to be further expanded**.

Areas for Improvement



English Disclosure Document Priority List

High demand for English translations of IR materials to supplement earnings reports



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

Expansion of Companies Required to Disclose

- Investors' needs for disclosure are not limited to the Prime Market. **The current mandatory disclosure requirements should be applied to the Standard Market and other markets as well.**

Expansion of Required Disclosure Documents

- All documents should be translated simultaneously.** AI translation has become more advanced, so it would be sufficient to specify that AI translation will be used and add a disclaimer that the Japanese version takes precedence.
- Since **machine translation technology is advancing, it should be used as reference information and the scope of mandatory translation should be expanded.**
- English disclosure of **financial results briefing materials** should be accelerated. Additionally, we expect **all transcripts, including Q&A, to be disclosed in English.**
- As with U.S. companies, it would be beneficial to obtain transcripts of financial results briefings for the entire company from information vendors.** There are cases where it is not possible to attend financial results briefings due to scheduling conflicts with other companies, and there is a strong need to know the content of the briefings afterwards.
- Ultimately, all disclosure documents should be expanded, **but securities reports are particularly important. Securities reports contain useful information that cannot be found in other documents,** such as notes to financial statements, details of cross-shareholdings holdings, and loan repayment schedules.
- Among securities reports, notes, capital investment status, and management's outlook for the future are particularly important.

Expansion of the Scope of Translation

- Although mandatory disclosure requirements allow for summaries, **there are concerns that vital information may be omitted.** In fact, we have conducted fact-checking after receiving feedback from portfolio managers that tables written only in Japanese appeared to be very important.

Other Feedback

- When Japanese documents are translated into English, **they often become verbose and unclear.** It is necessary to organize the main points into bullet points and place the conclusion at the beginning of the document, with the overall story in mind.
- We highly praised for the efforts of Prime Market listed companies to disclose information simultaneously in Japanese and English.. **In particular, disclosure by large companies is now on par with other markets.** As the next step, **we hope that more companies will hold IR meetings in English.**

Future Initiatives

- ◆ Prime Market listed companies are making steady progress on the English disclosure of financial information and timely disclosure information in accordance with the new mandatory requirements.
- ◆ TSE will:
 - Actively communicate to overseas investors the progress of listed companies' initiatives.
 - Provide examples of companies whose efforts are particularly appreciated by overseas investors, including interviews about the content and innovations of these efforts, to serve as a reference for companies in considering further measures to meet the expectations of overseas investors.

*Furthermore, the expansion of mandatory disclosure to companies outside the Prime Market and the expansion of the scope of documents subject to mandatory disclosure will be continuously reviewed in light of future developments.

Ref: TSE's English Disclosure Initiatives

- ◆ JPX English Disclosure GATE, an English disclosure portal site aggregating information related to English Disclosure has been launched.
- ◆ In addition, we hold seminars covering topics such as overseas investors' perspectives, the importance of IR for overseas investors, and approaches for implementing simultaneous disclosure in Japanese in English.

For Overseas Investors

- ◆ **Company Announcements Service**
 - For real-time access to English disclosure materials released by listed companies via TDnet
- ◆ **Listed Company Search**
 - For listed companies' basic data and disclosed materials, etc.
- ◆ **Corporate Governance Information Search**
 - Service which provides corporate governance information with a search function
- ◆ **Availability of English Disclosure Information by Listed Companies**
 - For information on which listed companies are conducting English disclosure
- ◆ **TSE IR MOVIE SQUARE**
 - For investor-oriented videos such as company introductions and messages from corporate representatives, etc.
- ◆ **JPxData Portal (Beta Version)**
 - Search engine for various data services and disclosure materials released by listed companies

For Listed Companies

- ◆ **English Disclosure Via TDnet**
 - A guide to English disclosure via TDnet
- ◆ **English Sample Disclosure Forms**
 - For sample disclosure forms in English for timely disclosure materials, examples of disclaimers for English materials, etc.
- ◆ **List of Terms in Japanese and English**
 - For links to a list of terms in Japanese and English and related websites
- ◆ **Practical Handbook for English Disclosure**
 - A handbook that summarizes advice and points to note about disclosing information in English
- ◆ **Interviews with listed Companies Regarding English Disclosure**
 - Interviews with listed companies about their efforts regarding English disclosure
- ◆ **Companies Supporting Overseas IR/Translation**
 - Information on companies supporting overseas IR and translation

For Overseas Investors and Listed Companies

- ◆ **Investor Transcript Service**
 - Service which provides transcripts of corporate events such as financial results briefings
- ◆ **Survey Report**
 - Service which provides "Summary Report of the English Disclosure Implementation Status Survey" and "Report of the Survey of Overseas Investors on English Disclosure by Japanese Companies"
- ◆ **Guidebook for the Timely Disclosure of Corporate Information**
 - English version of the Guidebook for the Timely Disclosure of Corporate Information

