Summary of Public Comments on "Revisions to the Listing Rules Regarding Minority Shareholder Protection" and Responses from TSE

Tokyo Stock Exchange, Inc. (TSE) published an outline of "Revisions to the Listing Rules Regarding Minority Shareholder Protection" on March 27, 2026, and sought public comments on it until April 26, 2026. A total of 38 comments were received in response.

The following is a summary of the main comments received and TSE's responses.

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	1. Disclosure of Minority Shareholder Approval Rates, etc.	
1	・ We regard these revisions as highly significant in that they not only strengthen the protection of minority shareholders, but also support the management of listed subsidiaries and companies with quasi-controlling shareholders in making decisions independent of the intentions of parent companies and quasi-controlling shareholders, and encourage efforts to enhance the corporate value of their own companies. We hope that TSE will continue to engage in dialogue with a wide range of stakeholders and further improve and develop the listing rules going forward. ・ In addition, when the listed companies subject to the new requirement to disclose approval ratios are given a renewed explanation of the rationale and necessity of protecting minority shareholders' interests, they are likely to have a better understanding and acceptance of the requirement.	- Thank you for your support for the purpose of these revisions. As you suggested, we will work to ensure that listed companies fully understand the purpose of these revisions and promote management that is considerate of minority shareholders, including by actively communicating the intent of the revisions. - In addition, taking into account developments after these revisions and the views of market stakeholders, we will continue to consider and introduce any further measures that may be necessary to
2	・ Although more than ten years have passed since dialogue between companies	

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	and shareholders began to be promoted through the Corporate Governance Code and other frameworks, many companies remain reluctant to engage in dialogue, or are difficult to transform through dialogue alone against the backdrop of stable shareholder bases. In this regard, it is highly meaningful that, as in these revisions, TSE focuses on shareholder composition and encourages director appointments that take into account a "majority-of-the-minority" (MoM) perspective. ・ Among family-owned companies, some are strong, with joint ownership and leadership benefitting both positions, while others destroy value as weak leaders continue to run the business just by virtue of being owners. We hope to see measures in this area further strengthened going forward.	protect minority shareholders.
3	・ The exercise of voting rights at AGMs is an important means for general shareholders to express their intentions. The analysis and disclosure of the results are beneficial from the perspective of reflecting their intentions in management and in decision making by the board of directors. ・ We hope that the disclosure of minority shareholder approval rates and related information in these revisions will serve as an opportunity for listed companies to examine on an ongoing basis whether their capital structure contributes to the enhancement of corporate value.	
4	・ I understand the intent to make minority shareholders' voices more visible and to connect this to constructive dialogue between companies and shareholders. However, TSE should make clear its intent so that these revisions do not result in	- Thank you for your support for the purpose of these revisions. - As you pointed out, these revisions do

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	the minority shareholder approval ratio being treated as if it were a statutory criterion for approval/rejection of resolutions under the Companies Act, leading to an effective alteration of the requirements for resolutions.	not change the statutory requirements for resolutions for director appointment under the Companies Act. - At the same time, even where resolutions are formally decided by majority vote, if a significant number of minority shareholders express concerns through opposing votes, companies should deepen their dialogue with those shareholders and, based on the feedback obtained, consider whether additional measures are needed to ensure that minority shareholders' interests are appropriately protected. - These revisions are intended to encourage such efforts by requiring disclosure of minority shareholder approval rates and related information. We will make sure that this purpose is clearly communicated.
5	• We understand that when the board identifies the concerns of minority	- These revisions are not intended to

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	shareholders through dialogue and other means and considers necessary measures, this contributes to the enhancement of corporate value over the medium to long term. ・ At the same time, we are concerned that shareholders who focus solely on their own short-term gains may use the rules in ways that deviate from the original purpose, using them as tools to put one-sided pressure on companies.	require listed companies to respond exactly in line with the feedback received from minority shareholders. Rather, based on such feedback, including the reasons for opposing votes, they are expected to consider and implement whatever measures they themselves deem necessary from the perspective of securing the common interests of shareholders and enhancing corporate value over the medium to long term.
6	・ Even if the board of a listed company makes efforts to engage in dialogue with shareholders, the opportunities and content of such dialogue may be constrained by circumstances on the shareholder side, and shareholders who pursue only their short-term interests may make excessive demands. Feedback obtained in such cases does not necessarily contribute to the enhancement of corporate value over the medium to long term. Therefore, TSE should clarify that companies are not required to consider taking additional measures in response to every piece of feedback received from shareholders.	
7	・ TSE should clearly state that, when companies consider their response policies or additional measures, they should analyze and deliberate them from the perspective of the sustainable enhancement of medium- to long-term corporate value. This will encourage companies to consider measures that contribute to medium- to long-term corporate value, without being swayed by demands aimed only at short-term shareholder interests.	
8	・ Regarding company proposals that receive a considerable number of votes cast	- As you pointed out, the Corporate

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	against them at AGMs, as prescribed in the Corporate Governance Code, we request that listed companies, not only those with a quasi-controlling shareholder, be required to disclose to shareholders their analysis of the reasons and their responses.	Governance Code (hereinafter referred to as “the Code”) requires companies to analyze the reasons for company proposals that have received a considerable number of opposing votes, among other things, regardless of shareholder composition. - At the same time, domestic and overseas institutional investors have pointed out that, especially in listed subsidiaries and other companies where there is a structural conflict-of-interest risk between a quasi-controlling shareholder and minority shareholders, even when a considerable number of opposing votes is cast, this often does not lead to substantive dialogue. In light of this, we have decided to require listed subsidiaries and similar companies to disclose minority shareholder approval rates and related information under the
9	• Even under the Corporate Governance Code, companies that have had a considerable number of votes cast against a proposal are required, regardless of whether they have a controlling shareholder, to explain the reasons for opposition, the causes of the high level of opposing votes, and their responses based on that analysis. I am concerned that disclosure obligations under these two may overlap.	

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		listing rules. - Although there is some overlap between the Code and these revisions in terms of requiring analysis of the reasons for opposing votes, we do not consider that this will result in a duplicative burden on listed companies.
	<u>Scope</u>	
10	• In a situation where 40–50% of listed companies continue to trade at a PBR below 1, limiting the scope to listed companies with a major shareholder holding 40% or more is far too narrow. Taking into account the revised tender offer system, which lowered the threshold for mandatory tender offers to 30%, the threshold for a major shareholder under the new rules should also be set at 30% or more.	- These revisions are intended to encourage listed companies that have a shareholder effectively holding the equivalent of a majority of voting rights, and with the power to appoint directors, to manage their businesses in consideration of the interests of minority shareholders. - In line with this objective, we have limited the scope to companies that have a major shareholder holding 40% or more of the voting rights. This level can be regarded as effectively equivalent to a
11	• TSE should consider adopting a 30% threshold which is consistent with international practice, as it is the point at which effective control is commonly presumed in the United Kingdom, Singapore, Germany and France, among others.	
12	• If a shareholder holds 30% or more, then in practical terms proposals are almost never voted down at an AGM. From the perspective of ensuring greater certainty, thresholds of 30% or even one-third should be considered in the future.	
13	• Rather than limiting the scope to companies that have a shareholder holding 40% or more of the voting rights, it would be desirable also to cover companies that	

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	have a major shareholder holding more than 30%, or even more than 20%.	majority, considering the ratio of voting rights actually exercised at many listed companies. - We will continue to consider whether to expand the scope of companies covered, taking into account developments after the implementation of these revisions and the views of market stakeholders.
14	・ TSE should lower the quasi-controlling shareholder threshold from 40% to 20% of voting rights in order to more accurately reflect where effective control is actually exercised. A 40% threshold is far too high: if average turnout at an AGM is 80%-85% and 15%-25% of shareholders would always vote with management, 40% of the voting rights would always be effective full control of the company.	
15	・ TSE should lower the threshold from 40% to 20%, taking into account both the equity-method affiliation standard and the Study Group’s recognition that, in practice, effective control can be exercised even at levels of 20–30% of voting rights.	
16	・ In practice, any shareholder with over 20% ownership is typically able to exert significant influence over the affiliate’s business, capital allocation, and governance decisions. Given the large number of Japanese companies with a major shareholder owning between 20% and 50% of the voting rights, we believe this change should apply to companies with a major shareholder holding 20% or more of the voting rights.	
17	・ The scope of parties to be aggregated with a major shareholder should be extended to include close relatives within the third degree of kinship. ・ At the same time, if the scope is expanded, there should be an appropriate safe-harbor clause so that a listed company is not automatically regarded as in breach of the listing rules where it is unable to obtain accurate information.	- With respect to the scope of parties to be aggregated with a major shareholder, we have aligned it with the existing definition of a “controlling shareholder” under the listing rules, taking into

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<tr><td>18</td><td>・ The proposed rules include “close relatives within the second degree of kinship” in the definition of related parties, which we welcome. TSE should consider updating the definition of “close relatives” to include de facto spouses, cohabitants and civil partners. Singapore and Hong Kong, among others, have in recent years expanded the definition of “close relatives” to reflect changes in family structures.</td><td rowspan="4">consideration the administrative burden on listed companies in identifying such parties and the need for objectivity and predictability in determining which companies fall within the scope.
- That said, even where aggregated holdings calculated in this way do not reach 40%, there may be cases where a shareholder effectively holds 40% or more. In such situations, we consider that voluntary application of these measures may be appropriate. Therefore, we will encourage companies to consider how they should respond in light of their individual circumstances taking into account their relationships with shareholders and their dialogue with investors.
- We will continue to consider whether to expand the scope of companies covered, taking into account developments after</td></tr>
<tr><td>19</td><td>・ With respect to the scope of aggregation for major shareholders, other major shareholders should also be included if, in their statement of large-volume holdings, they indicate that their holdings are long-term and based on business relationships. In companies where such long-term business-relationship shareholders can collectively exercise controlling influence, effective power over director appointments is concentrated in that shareholder group, making board independence and proper consideration of minority shareholders’ interests critically important.</td></tr>
<tr><td>20</td><td>・ With respect to the aggregation scope for major shareholders, cross-shareholders, individuals holding more than 5%, and their close relatives (including asset management companies) should be included.</td></tr>
<tr><td>21</td><td>・ Foundations related to a major shareholder or their close relatives should be treated in the same way as asset management companies, even where the major shareholder and related parties do not hold a majority of the voting rights. TSE should prescribe that cases where a shareholder’s holdings reach 40% or more</td></tr>
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	after aggregating the foundation's holdings are also within the scope.	the implementation and the views of market stakeholders.
22	・ To ensure that companies with stable shareholders constituting a controlling share that support management proposals based on business relationships are fully covered, shares treated as non-tradable shares under the definition of tradable shares should also be included in the aggregation scope.	
23	・ Disclosure of the minority shareholder approval ratio for director appointment proposals should be required not only for listed subsidiaries, but also for family-owned and owner-managed companies.	- These revisions are not limited to listed subsidiaries. They also apply in cases where the combined holdings of major shareholders—including individuals, their close relatives, their asset management companies, and similar entities—amount to 40% or more of the voting rights.
24	・ Regardless of their percentage of voting rights, companies under family control, where members of the same family have served as representative director and president or similar positions across generations, should also be included in the scope. Looking only at voting-rights percentages does not fully reflect situations where control is strengthened by dispersed ownership or cross-shareholdings. The fact that top management roles are passed down within the same family over generations is an indicator that the effective power to appoint directors lies with that family, rather than with other minority shareholders.	- In these revisions, to ensure that the scope of application remains both objective and predictable, we have chosen to determine the companies covered by reference to the percentage of voting rights held by major shareholders. - We will continue to consider this matter,

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		taking into account developments after the implementation of these revisions and the views of market stakeholders.
25	• In calculating voting rights percentages, a straightforward shareholding count may not fully capture all instruments that confer effective voting power. Options, warrants, convertible instruments, and other derivatives can give a holder the practical ability to exercise significant voting rights without those rights appearing in a straightforward shareholding count, and the framework should be designed to capture such instruments appropriately. IFRS 10 Consolidated Financial Statements addresses this directly, stating that, when assessing control, an investor should consider "potential voting rights as well as potential voting rights held by other parties."	- These revisions require only an ex-post facto analysis of resolutions already adopted at AGMs. Therefore, we do not take into account potential shares that do not carry voting rights as of the record date—for example, subscription warrants that may convert into voting rights in the future under certain conditions—when determining whether a company falls within the scope. - We will continue to consider this matter, taking into account developments after the implementation of these revisions and the views of market stakeholders.
	<u>Resolutions Covered</u>	
26	• From the standpoint of protecting minority shareholders' interests, it would be preferable not to limit this requirement to company-proposed resolutions for director appointment, but to apply the same disclosure obligation to all	- Under these revisions, our initial focus is on company-proposed resolutions for director appointment, with the aim not

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	resolutions, including shareholder proposals that receive a certain level of approval from minority shareholders.	just of encouraging the management of listed subsidiaries to pay closer attention to minority shareholders, but also of enhancing the effectiveness of the outside directors who oversee them. - At the same time, as required under the Code, where a company-proposed resolution receives a significant number of opposing votes at an AGM, the company is, in principle, expected to engage in dialogue and take other steps to understand the reasons for minority shareholders' opposition. This applies not only to resolutions for director appointment. - As you pointed out, we also recognize that in recent years there has been an increase in shareholder proposals that gain the approval of other minority shareholders. - We will continue to consider expanding
27	• It would be preferable for the scope of covered resolutions not to be limited to company-proposed resolutions for director appointment, but to be extended to all resolutions, regardless of whether they are proposed by the company or by shareholders. For all resolutions affecting shareholder interests, it is necessary for companies to provide appropriate disclosure so that minority shareholders can properly assess whether their interests are being adequately protected.	
28	• The proposed rules should apply to all resolutions voted on at the AGM, rather than being limited to management resolutions relating to the election of directors. Expanding the scope would help address broader governance issues in Japan, such as takeover defense measures ("poison pills"), and any particular concerns raised in shareholder proposals that may receive strong support by minority shareholders.	
29	• In our view, limiting the scope to company-proposed resolutions for director appointment does not fully achieve the objective of properly understanding the views of minority shareholders. From the viewpoint of making minority shareholders' intentions visible, shareholder-proposed resolutions are just as significant as company-proposed resolutions. Therefore, we would suggest that the scope be extended to cover all resolutions that are adopted.	
30	• The scope should be broadened beyond resolutions for director appointment to	

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	cover all company-proposed resolutions submitted to the AGM. However, in light of the practical burden, it would also be acceptable for the scope to be expanded in stages, starting with the following priority items on an interim basis: Phase 1 (immediate expansion): ➢ Resolutions for appointment and dismissal of directors, auditors, and accounting advisors (current scope) ➢ Resolutions to approve directors/auditors' remuneration (aggregate, individual, and stock compensation) ➢ Resolutions on dividend from surplus Phase 2 (gradual expansion): ➢ Resolutions to amend the articles of incorporation that affect shareholder rights ➢ Resolutions to approve material transactions with related parties ➢ Resolutions to approve mergers, business transfers, organizational restructuring, and similar transactions ➢ Resolutions authorizing the acquisition of own shares, capital increases by third-party allotment, and similar transactions ・ In addition, the obligation should be extended to shareholder-proposed resolutions as well.	the scope of covered resolutions, taking into account developments after the implementation of these revisions and the views of market stakeholders.
31	・ It would be effective to extend the scope to shareholder proposals and to all resolutions other than those for director appointment. For example, where an	

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	outside director candidate is nominated through a shareholder proposal, the company should understand the level of approval that candidate received from minority shareholders and reflect those views in its management. Moreover, certain resolutions other than those for director appointment, such as the issuance of shares on favorable terms to a family foundation, may particularly warrant an MoM vote.	
32	• The current scope is limited to company-proposed resolutions for director appointment, but certain resolutions, such as amendments to the articles of incorporation that may affect shareholder rights and resolutions on the appropriation of surplus, also raise issues regarding the protection of minority shareholders' rights. For such resolutions as well, if a majority of minority shareholders vote against the proposal, the company should be expected to provide an appropriate explanation and otherwise fulfill its accountability obligations.	
33	• Regardless of whether they are proposed by the company or by shareholders, the scope should cover all resolutions for appointment and dismissal of directors. Disclosure of the approval ratio among minority shareholders for all resolutions, including shareholder proposals, would help enable an assessment of whether companies are acting with due consideration to the interests of minority shareholders.	
	<u>Definition of Minority Shareholders</u>	

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<tr><td>34</td><td>・ To ensure that the views of genuinely independent shareholders are properly reflected, TSE should clarify that the minority shareholder category excludes not only the quasi-controlling shareholder, their close relatives, and associated companies, but also any shareholder with a capital alliance, cross-shareholding relationship, or other structural affiliation with the listed company, as well as shareholders whose influence over director appointments may arise through informal means, including contracts or verbal agreements to nominate or assign directors.</td><td rowspan="3">- These revisions will define “minority shareholders” as the shareholders of a listed company and exclude a parent company, any other associated company holding 40% or more of the voting rights, and any major shareholder whose voting rights, when aggregated with those held by close relatives, their own asset management companies, and similar entities, amount to 40% or more. We do not intend to require the uniform exclusion of other types of shareholders.
- We will continue to consider the comments received, taking into account developments following these revisions as well as the views of market stakeholders.</td></tr>
<tr><td>35</td><td>・ Directors/auditors of a listed company (including shares held through their asset management companies or director/auditor stock ownership plans) and major shareholders have interests that differ from those of ordinary shareholders and should therefore be excluded from the definition of “minority shareholders.”</td></tr>
<tr><td>36</td><td>・ As the effectiveness of these rules will depend heavily on the definition of “minority shareholders” used in calculating the approval ratio, the rules should expressly provide that the following be excluded from the minority shareholder category: shares held through employee share ownership plans; shares held by directors/auditors of the listed company; shares held by companies in a cross-shareholding relationship with the listed company; and major business partners (meaning parties identified as major business partners in the listed company’s annual securities report that hold 3% or more of the company’s total voting rights).</td></tr>
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37	• There are concerns arising from a lack of market transparency in cases where multiple shareholders, each holding only a small percentage of the voting rights, act in concert to exercise their voting rights and thereby exert significant influence over a listed company through what is commonly referred to as "wolf-pack" tactics. TSE should consider excluding shareholders that jointly exercise voting rights in this manner from the definition of "minority shareholders."	
	Threshold of Minority Shareholder Approval That Triggers Disclosure of the Progress of the Company's Response	
38	• The threshold for minority shareholder opposition should be lowered from 50% to 20% so as to better reflect actual voting patterns in Japan and international best practices. In Japan, opposition in the 20–40% range often serves as an important early sign of governance concerns. In addition, although ownership structures in the United Kingdom are more dispersed, the UK Corporate Governance Code requires companies to respond where 20% or more of votes are cast against the election or re-election of a director. In comparison, the proposed 50% threshold appears significantly too high.	- The threshold of "more than 50% of minority shareholders" was set with the MoM requirement in mind. - At the same time, even where the approval ratio exceeds that threshold, companies are expected to consider voluntary action as appropriate, for example, where the approval ratio among major institutional investors (such as institutional investors that comply with the Stewardship Code) is 50% or less. - We will continue to consider this matter,
39	• The threshold for minority shareholder opposition should be lowered from 50% to 20%, as the proposed 50% threshold appears excessively high and lowering it would better reflect actual patterns of voting dissent in Japan and international best practices. In Japan, minority opposition in the 20–40% range often serves as an important governance signal, and requiring minority opposition to exceed 50%	

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	before management is required to respond fails to recognise the practical reality of shareholder meetings in Japan.	taking into account developments after the implementation of these revisions and the views of market stakeholders.
40	• We also welcome TSE's recognition that voluntary disclosure may be appropriate even where the 50% threshold is not met — for example where the majority of institutional investors have cast opposing votes. We encourage TSE to issue further guidance on the circumstances in which voluntary disclosure would be considered best practice, to support consistent application of this discretion across companies.	
41	• In light of the MoM concept used in the context of minority shareholder protection, should the trigger not be based on “failure to obtain approval from more than 50% of minority shareholders” rather than “more than 50% of minority shareholders voting against”? If additional disclosure is to be required for resolutions for which more than 50% of minority shareholders voted against, shouldn’t abstentions at least be included with the opposing votes?	- Taking into account current practice for Extraordinary Reports, where approval rates are disclosed, we will revise the trigger for requiring disclosure of the actions the board will take to understand the reasons for minority shareholder opposition from “if there was a proposal more than 50% of its minority shareholders opposed” to “if there was a proposal that did not gain more than 50% approval from minority shareholders.” - In addition, the method for calculating the approval ratio in such cases
42	• In order to understand minority shareholders who are genuinely seeking to express their own views to the company, voting rights exercised through blank ballots or blank proxy forms should be excluded from the calculation of the approval ratio.	
43	• The approach should, to the extent practicable, be aligned with that used for Extraordinary Reports with respect to the by-resolution basis of disclosure, the denominator, the scope of shareholders excluded from the minority shareholder	

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	category, the treatment of votes for and against, abstentions, and unexercised voting rights, and the disclosure format.	(including the handling of the denominator, votes for and against, and abstentions) will, in principle, follow the approach used for Extraordinary Reports. For example, under current practice for Extraordinary Reports, if the votes exercised in advance and the votes of a proportion of the shareholders attending the meeting are confirmed as sufficient to satisfy the approval requirements for a resolution, not all of the voting rights of attending shareholders are necessarily counted in practice. Accordingly, where it is clear that the approval ratio among minority shareholders exceeds 50%, one possible method would be to calculate the ratio of: (i) the number of voting rights confirmed as having been cast in favor of each resolution by minority shareholders through advance voting and by those minority shareholders
44	・ Listed companies should clearly explain the methodology used to calculate minority shareholder approval and opposition rates, including the definition of minority shareholders, the denominator adopted, and the treatment of abstentions and non-votes. ・ To ensure transparency and comparability, the minority shareholder approval and opposition rates and related figures should be presented side-by-side, in the same tabular format as the overall voting results disclosed in the Extraordinary Report.	

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		attending the meeting whose votes were included in the count, to (ii) the total number of voting rights held by minority shareholders represented at the AGM, including advance votes cast by minority shareholders up to the day before the meeting and all minority shareholders attending on the day. - Please note that minority shareholder approval ratios and related information will be required to be disclosed in a timely manner, separate from the Extraordinary Report on the results of resolutions. Such disclosure is expected to use a format similar to that used for Extraordinary Reports. Companies will also be required to provide an outline of the shareholders excluded from the minority shareholder category. For more details, please refer to the sample disclosure forms for details.

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		(https://www.jpx.co.jp/english/equities/listed-co/disclosure-gate/form/index.html)
45	• Under current practice at AGMs, it has generally been accepted, for efficiency in determining whether a resolution has passed, that the counting and disclosure of voting results may exclude part of the voting rights exercised by minority shareholders. It should be welcomed that these revisions will prompt a review of such market practice. While we do not dispute the practical and economic rationale for efficient vote counting, it is entirely legitimate, from a minority shareholder protection perspective, to examine more closely how minority shareholders have expressed their views. In our view, doing so should not impose an undue burden on the practice for AGMs.	- Taking into account current practice for Extraordinary Reports, these revisions are not intended to require companies to count votes cast by all shareholders present at the AGM.
46	• TSE gives, as an example of where voluntary disclosure may be desirable even where the opposition ratio does not reach 50%, cases where a majority of major institutional investors have voted against the proposal. Placing particular weight on the views of major institutional investors, while understandable as practical guidance for issuers, may raise concerns in light of the principle of equal treatment of shareholders.	- As you pointed out, these revisions include, as an example of a case where voluntary action may be desirable, a situation in which the approval ratio among major institutional investors (e.g. those who comply with the Stewardship Code as investors that have declared that they are subject to fiduciary duty and engage in dialogue with investee companies from a medium- to long-term

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		perspective) is 50% or less. - This example reflects the generally high approval ratios among individual shareholders and the presence of stable shareholders. However, it is not limited to such cases. Companies are also expected to consider an appropriate response where a substantial number of opposing votes are cast by shareholders other than major institutional investors.
	Timing of Disclosures	
47	• It is not clear why disclosure after the AGM needs to be required "promptly." Would it be more appropriate to use "without delay," as is done for Extraordinary Reports? • At the same time, the rules should set a clear backstop to prevent delay, for example, requiring disclosure within one month after the AGM, while allowing interim disclosure where appropriate.	- In light of this comment, we will revise the timing requirement for disclosure of minority shareholder approval ratios and related figures for each proposal from "promptly after the general shareholders meeting" to "without delay after the general shareholders meeting," consistent with the treatment of Extraordinary Reports. - We do not intend to prescribe a uniform
48	• TSE should clarify that "promptly after the general shareholders meeting" is not intended to require same-day disclosure in every case, but allows disclosure within a reasonable period after the necessary confirmation and review of the voting figures.	

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		deadline, and disclosure is not required on the day of the AGM. Rather, companies may make disclosure within a reasonable period, taking into account the time needed to count the votes and, where a resolution fails to gain approval of more than 50% of minority shareholders, to consider an appropriate response.
49	・ While we recognise that the UK Corporate Governance Code also allows a six-month reporting period, we believe that, in light of Japanese market practice, the deadline for disclosing feedback received from minority shareholders and any additional measures taken should be shortened from six months to four months after the AGM. ・ In the case of Japanese companies, by six months after the AGM, boards have often already begun discussions on director nominations for the following year (for companies with March fiscal year-ends, this often starts around October to November). This creates a risk that shareholder engagement, as well as the consideration and disclosure of any responsive measures, will become largely retrospective, taking place only after key board decisions have already been made.	- In these revisions, companies are required not only to understand the reasons for minority shareholders' opposition through dialogue, but also to consider and implement additional measures at the board level in light of those reasons. Taking into account the time required for these steps, we have decided to require disclosure within six months after the AGM. - However, as you pointed out, with a view to ensuring that feedback received from

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50	• The deadline for disclosing feedback received from minority shareholders and any additional measures taken should be shortened from six months to four months after the AGM. This would allow sufficient time for meaningful dialogue with minority shareholders while helping to ensure that investor feedback can be reflected in the next director nomination cycle. • In addition, TSE guidance should make clear that companies are expected to begin shareholder dialogue promptly after the AGM. • In the case of Japanese companies, by six months after the AGM, boards have often already begun deliberations on director nominations for the following year (for companies with March fiscal year-ends, this often starts around October to November). This creates a risk that engagement, as well as the consideration and disclosure of responsive measures, will become largely retrospective, taking place only after key board decisions have already been made.	minority shareholders is appropriately reflected in future AGMs, we will encourage companies to engage in dialogue in a timely manner and clarify that additional measures may include reviewing the criteria and process for director appointment for regular AGMs in subsequent years.
51	• Where additional measures are being implemented, there may be cases in which their "implementation status" cannot be included in the disclosure made within six months of the AGM. Therefore, TSE should make clear that it is appropriate to make ongoing disclosures even after the six-month period has passed.	- As you point out, depending on the nature of the measures, there may be cases in which their overall scope or final outcome cannot be fully described within six months after the AGM. In such cases, companies are expected to provide ongoing disclosures after the six-month period as necessary.

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	Content of Disclosures	
52	• To encourage management that considers minority shareholders' interests and to help ensure that any necessary review of director appointment criteria and processes is not left unaddressed, the rules should clarify the specific items that companies are expected to disclose within six months after the AGM. • For example, it would be appropriate to identify specific items such as the director appointment criteria and appointment process, as well as the details and outcome of any review of these.	- We do not intend to prescribe a uniform set of disclosure items, as the additional measures to be taken by each company may vary depending on the reasons for minority shareholders' opposition. - However, in many cases, the reasons for opposition may relate not only to concerns about individual candidates, but also to the director appointment criteria or appointment process itself. Therefore, we will make clear that companies may review their director appointment criteria and appointment process for regular AGMs in subsequent years, including how the nomination committee is used, as an example of additional measures. - TSE will not review the appropriateness or sufficiency of each company's disclosure. However, we will follow up on
53	• We support the required disclosures within six months after the AGM, as the three required disclosure elements together form a meaningful accountability framework that places the onus on the board to demonstrate that minority shareholder opposition has been genuinely understood, engaged with, and acted upon. In addition, TSE should make clear in its guidance that generic or formulaic responses will not satisfy the requirement.	
54	• To discourage boilerplate disclosures, TSE should provide clear guidance requiring evidence of substantive dialogue.	
55	• TSE should provide concrete examples of what may constitute additional measures implemented by the board of directors, in order to discourage superficial responses and promote effective action. • Where a company's disclosure is considered inadequate, TSE should also urge the company to provide appropriate disclosure and issue a warning.	

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56	• TSE should clarify, through Q&As or similar guidance, the expected level of detail for disclosure on companies' plans for dialogue and additional measures in relation to resolutions for director appointment that were opposed by more than 50% of minority shareholders. In doing so, any sample disclosures should be presented as illustrative only, while leaving room for explanations and responses tailored to the circumstances of each company.	disclosure practices after these revisions and, if necessary, consider additional measures to promote effective disclosure and responses.
57	• If strong opposition from minority shareholders persists over multiple years, this may indicate that meaningful improvement measures have not been adequately implemented. In such cases, companies should be required to provide a fuller explanation of how they intend to respond and the progress of their improvement efforts. • In particular, if opposition from minority shareholders remains above 50%, the nomination committee should be expected to give a more detailed explanation of its judgments and actions.	
58	• In addition to the board's response, the rules should require appropriate disclosure of the actions and views of independent directors, who are expected to protect the interests of minority shareholders, as well as the role of the nomination committee.	
59	• Overseas institutional investors often do not disclose their voting guidelines, making it difficult to identify the reasons for their opposition. Is it correct to understand that this is not intended to require listed companies to proactively	- This is not intended to require companies to obtain comprehensive feedback from all shareholders who voted against a

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	approach beneficial shareholders to obtain feedback, and that companies need only disclose such reasons where they are obtained through IR meetings or similar dialogue, with no disclosure required if such feedback is not obtained?	proposal. However, in the case of major shareholders, companies are expected, where necessary, to seek to understand the reasons for opposition through dialogue within a reasonable scope, including by reaching out to such shareholders and engaging with them.
60	• TSE should clarify that disclosure of feedback received from minority shareholders and any additional measures taken by the board are to be made as follow-up disclosure if a company has found that there was a resolution that more than 50% of its minority shareholders opposed. • Regarding the items to be disclosed, TSE should also make clear that "a summary of feedback received from shareholders" means a summary of the reasons for opposition, views, and other feedback received from minority shareholders, and that it does not intend to require disclosure of feedback from a parent company or any other controlling shareholder.	- As you pointed out, where a proposal fails to gain approval from more than 50% of minority shareholders, companies are expected to disclose, as follow-up information, the feedback received from minority shareholders and any additional measures taken by the board, following the earlier disclosure of the company's plan for understanding the reasons for opposition. - We will also clarify that "a summary of feedback received from shareholders" is intended to refer to feedback received

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		from minority shareholders, and not from a parent company or any other controlling shareholder.
	2. Revision of Independence Criteria and Disclosure for Independent Directors/Auditors	
	(1) Expansion of Independence Criteria	
61	• Where a cross-shareholding relationship exists, the person should not be regarded as independent, as such a relationship suggests that the person is not substantively independent.	- Because the risk of a conflict of interest may vary depending on such factors as the background to the holding, its purpose, and the size of the holding, these revisions do not uniformly deny independence to executives of companies with which the listed company has a cross-shareholding relationship. Instead, by requiring disclosure of the relevant circumstances, we intend to encourage each company to make a substantive assessment, in light of its own specific situation, as to whether the person falls within the category of those who are unlikely to
62	• Independent directors are expected to play a critical oversight role on behalf of all shareholders, particularly minority shareholders, and to hold management accountable. Accordingly, where a cross-shareholding relationship exists, the approach should go beyond enhanced disclosure, and appointments from such companies should not be regarded as independent.	
63	• Because cross-shareholding relationships often involve interests that do not align with those of general shareholders, particularly minority shareholders, directors/auditors of companies with which the listed company has such a relationship should ideally be treated as non-independent rather than being subject only to disclosure.	
64	• Executives, or persons who have served as executives within the past five years, of a company that has a cross-shareholding relationship with the listed company	

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	(or its group) should not merely be subject to attribute disclosure, but should be treated as non-independent. Cross-shareholdings create reciprocal financial and relational incentives and therefore raise concerns that such persons may not be able to properly fulfill their role of representing the interests of general shareholders. In addition, particularly in the case of financial institutions, cross-shareholdings are often held through subsidiaries such as banks and trust banks. The assessment should therefore be made on a group-wide basis, rather than on a standalone basis.	have conflicts of interest with general shareholders. - We will continue to examine the treatment of independence, taking into account developments after the implementation of these revisions and the views of market stakeholders.
65	・ Directors who are, or have within the past five years been, executives of a company that has a cross-shareholding relationship with the listed company (or its group) should be treated as non-independent, rather than merely being subject to enhanced disclosure.	
66	・ A cross-shareholding relationship creates structural ties, mutual obligations and aligned interests between companies that can be comparable to those arising from a major shareholder relationship. TSE should extend the non-independent classification to current and recent executives at companies with cross-shareholding relationships with the listed company, consistent with the treatment of major shareholder executives.	
67	・ Where a major shareholder is part of a corporate group (for example, a financial group with banking and other financial subsidiaries), it would be appropriate, as a general rule, to treat candidates for outside director/auditor positions as failing	- Under these revisions, we do not intend to automatically treat executives of group companies of a major shareholder

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	to satisfy the independence requirements if they currently work for, or have previously worked for, a group company of that major shareholder.	as non-independent. - At the same time, where such a person is an executive of an important subsidiary of the relevant major shareholder, companies are expected to assess on a case-by-case basis whether the person is unlikely to have conflicts of interest with general shareholders. - We will continue to consider the comments received, taking into account developments following these revisions as well as the views of market stakeholders.
68	• Director/auditor candidates nominated under an agreement granting the right to nominate director/auditor candidates are premised on a special relationship with a particular shareholder and therefore can hardly be regarded as “unlikely to have conflicts of interest with general shareholders.” Accordingly, in expanding the independence criteria, directors/auditors subject to such agreements should be covered by those criteria and, at a minimum, be subject to enhanced disclosure of their attributes.	- Under these revisions, even where a shareholder does not qualify as a major shareholder, we indicate that shareholders who have an agreement (including an oral agreement) concerning the nomination of candidates for director/auditor positions at the listed company, as well as shareholders that in

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		practice continue to send directors/auditors to the board, and their executives, may have conflicts of interest with general shareholders and those directors/auditors therefore may not satisfy the requirements for independence. If a company nevertheless designates such a person as an independent director/auditor, it will be expected to provide a full explanation of that person's relationship with the company and the reasons why the company considers the person to be independent.
69	・ In assessing independence, consideration should be given not only to capital relationships but also to non-capital affiliations. In particular, directors' affiliations with major business lobbying and trade organisations, especially where those organisations are closely linked to the listed company or its parent group, should be taken into account, as executives who hold senior or influential roles in such organisations may face implicit loyalty conflicts and may encounter genuine conflicts when representing general shareholder interests.	- While the current independence criteria do not include a requirement of the kind you suggest, we will continue to consider the views you have provided, taking into account the situation following these revisions and the views of market stakeholders.

<table>
<tr><th>No.</th><th>Summary of Comments</th><th>TSE's Response</th></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>70</td><td>・ With respect to major shareholders, we would ask TSE to exclude those that do not have a business relationship with the listed company from the non-independent category. The purpose of the independence criteria should be to ensure independence from management, but the proposed criteria for major shareholders could be read as requiring independence from shareholders, even when their interests are aligned with shareholders as a whole.</td><td>- Even where a major shareholder holds shares purely for investment purposes, its interests may, depending on factors such as the investment period, diverge from those of other general shareholders. For this reason, executives of major shareholders are treated uniformly as non-independent, regardless of whether the major shareholder has a business relationship with the listed company.</td></tr>
<tr><td>71</td><td>・ Although “recently” is generally understood to mean within one year, many institutional investors apply a cooling-off period of around three to five years where a person from a major shareholder is appointed as an outside director. In light of this, “recently” should be defined as within three years.</td><td rowspan="2">- These revisions treat a person who has “recently” served as an executive of a major shareholder (generally meaning within one year) in the same way as a current executive and therefore do not regard that person as independent.
- We will continue to consider the cooling-off period you suggested, taking into account the situation following these</td></tr>
<tr><td>72</td><td>・ There is a view that, for persons from major shareholders, treating only those who served “recently” (within one year) as non-independent is too narrow, while extending the look-back period to the past ten years is too broad. Some institutional investors’ voting guidelines also provide for cooling-off periods of three or five years. Therefore, we would ask TSE to continue to discuss this issue,</td></tr>
</table>

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	together with the period for which disclosure should be required.	revisions and the views of market stakeholders. - The definition of "recently" is not intended to make one year an absolute criterion. At the same time, we do not intend to treat cases differently depending on whether the work performed by the executive of the major shareholder was related to the listed company.
73	• "Recently" should be defined as three years, and "past" as five years. On that basis, a person who has served within the past five years as an executive of a major shareholder, a major business partner (including a main bank), or a company with which the listed company has a cross-shareholding relationship should not be regarded as independent. We believe this would help reduce the appointment of outside directors because of informal relationships with current management.	
74	• Defining "recently" as one year is materially insufficient, given the possibility that meaningful informal relationships may continue, access to non-public information may remain, residual institutional loyalty may persist, and the person may have been involved in decisions that are still unfolding. TSE should therefore consider a significantly longer cooling-off period.	
75	• Although "recently" is generally understood to mean within one year, we would ask for flexible application on a case-by-case basis. For example, even where a person has served as an executive of a major shareholder, if that person's responsibilities had little or no connection with the listed company, it should be possible to determine that the person satisfies the requirements for an independent director/auditor even within one year of leaving that position.	
76	• With respect to "close relatives," the wording should be revised to add "excluding non-material persons," in order to maintain consistency with the current	- As suggested, we will clarify that "close relatives" does not include close relatives

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	independence criteria.	of non-material persons among those who are, or have recently been, executives of a major shareholder or of a company in which the listed company is a major shareholder. - Whether a person is "material" will be determined by the listed company in line with Article 74, Paragraph 4, Item (7) (e) of the Regulations for Enforcement Rules the Companies Act and related provisions. This is expected to include, for example, directors/auditors or persons at the general manager *(buchō)* level of a major shareholder or of a company in which the listed company is a major shareholder.
	(2) Expansion of Disclosure of Attribute Information	
77	• With respect to the expansion of disclosure of attribute information, it should be made explicit that this covers "cross-shareholdings (including deemed holdings of equity securities)." In general, cross-shareholdings are often understood to refer to "specified investment shares" in the annual securities report, and therefore,	- As suggested, we will clarify that cross-shareholdings include not only specified shareholders holding shares for purposes other than pure investment, but also

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	deemed holdings of equity securities may be taken to fall outside the scope.	deemed holdings of equity securities.
78	• Although deemed holdings of equity securities do not involve formal legal ownership, they may still allow a company to influence the investee company. This may be the case, for example, where the company has the authority to direct the exercise of voting rights, or where shares are held through a corporate pension and the voting rights are exercised in line with the wishes of the sponsoring company. They should therefore be treated as holdings through which a company may exert influence, including through the exercise of voting rights. Accordingly, TSE should make clear that cross-shareholdings include deemed holdings of equity securities.	
79	• Where an executive at a non-major business partner is appointed as an outside director/auditor, disclosure should not be limited to details of sales figures. It should also cover matters such as whether the company has previously appointed outside directors or other officers from the same company, and whether any reciprocal appointment relationship exists.	- Under these revisions, even where a shareholder does not qualify as a major shareholder, we indicate that a shareholder that, in practice, continues to send directors to the board, as well as that shareholder's executives, may have conflicts of interest with general shareholders and that those directors/auditors therefore may not satisfy the requirements for independence. If a company

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		nevertheless designates such a person as an independent director/auditor, it will be expected to provide a full explanation of that person's relationship with the company and the reasons why the company considers the person to be independent. - Please also note that the current rules require disclosure of attribute information with respect to reciprocal appointment relationships.
80	・ With respect to disclosure on the scale of business relationships, it is important that the disclosure enables readers to assess not only the significance of the transaction from the listed company's perspective, but also its importance and relative scale from the perspective of the company to which the outside director/auditor candidate belongs.	- Under the independence criteria, a person is also treated as non-independent where the listed company is a major business partner of the entity to which they belong. Therefore, companies are required, within a reasonable scope, to confirm whether transactions with the listed company account for a substantial portion of that business partner's sales or similar

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		revenue. - In light of this, even where a business parter does not qualify as a major business partner, companies will be required to provide information, within a reasonable scope, that enables investors to assess whether the relationship is also not material from the business partner’s perspective (that is, whether transactions with the listed company do not account for a substantial portion of the business partner’s sales or similar revenue indicators).
81	• With respect to the assessment and disclosure of business relationships involving non-major business partners and similar parties, I ask for clarification on the following points: ➢ De minimis criteria or materiality criteria; ➢ The period to be covered by the required confirmation; ➢ The scope of the corporate group; ➢ The extent to which companies may rely on declarations or confirmations	- With respect to disclosure regarding whether an executive or other person related to a non-major business partner of the listed company can be considered independent, we do not necessarily require the disclosure of specific amounts. It is sufficient if the disclosure

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	from the candidate and the candidate's affiliated company; ➢ Allowing a simplified confirmation process in the case of reappointment; ➢ The in-practice baseline for what level of confirmation is sufficient to meet TSE criteria; ➢ The provision of Q&As or similar guidance setting out the minimum checks required; and ➢ That TSE will, while recognizing that the final decision on the exercise of voting rights rests with each institutional investor, treat the formation of a shared understanding on key issues relating to independence assessments and related disclosures as a medium- to long-term priority, through continued dialogue among the Financial Services Agency, institutional investors, proxy advisory firms, and those in charge at issuers.	enables investors to understand that the relevant amount or ratio is below a certain level consistent with independence, for example, that sales are below a specified amount or account for less than a specified percentage of total sales. Accordingly, we do not intend to establish de minimis criteria or similar thresholds below which disclosure would not be required. - As for the confirmation method, it is acceptable for companies, within a reasonable scope, to make inquiries of the candidate and the company to which the candidate belongs, and to rely on declarations or similar statements from them. - In addition, it is sufficient to disclose the relationship with the non-major business partner itself; disclosure of relationships with that business partner's group
82	• TSE should provide guidance that quantified disclosures regarding transaction relationships with non-major business partners and similar parties should include the cumulative value of multi-year contracts, not just annual contract or transaction values. In these situations, a director's involvement in negotiating or approving a long-term arrangement creates a conflict of interest that may not be apparent from the annual figure alone, and investors need the full economic picture to make a properly informed assessment of independence.	

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		companies is not uniformly required. - Nor do we intend to prescribe a uniform period for confirmation. However, given that the purpose is to disclose the current relationship with the business partner, it will normally be sufficient to confirm the transaction relationship for the most recent fiscal year.
	3. Other Comments on Minority Shareholder Protection	
83	• We understand that, formally, companies that do not have a major shareholder holding 40% or more of the voting rights fall outside the scope of these revisions. Even in such cases, is it correct to understand that companies with a shareholder that holds a certain level of voting rights and has influence distinct from that of general shareholders through personnel, business, financial or other ties are expected to continue reviewing the appropriateness of their capital structure? We assume this would be consistent with the objective of making the Corporate Governance Code more practically effective.	- These revisions require the disclosure of minority shareholder approval ratios by companies with a major shareholder holding 40% or more of the voting rights. However, from the perspective of enhancing corporate value, companies are expected, regardless of whether they fall within that scope, to consider and disclose whether their current capital structure remains appropriate. - In 2023, TSE asked listed companies in parent-subsidiary and other associated

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		company or affiliate relationships to consider and disclose their approach to group management and minority shareholder protection. - We will continue to follow up on companies' disclosure practices and consider any further measures as necessary.
84	・ As part of the initial listing process, a parent company or other controlling shareholder (hereinafter referred to as the "parent" in this comment) should be required to commit to reducing its ownership stake. A decision to list a subsidiary or similar affiliate (hereinafter referred to as the "subsidiary" in this comment) suggests that the parent has concluded that the company's equity value cannot be maximized within the group. Ideally, the company should not be listed until that stake has been reduced to below 20%. Even if that is difficult, the parent should at least be required, at the time of listing, to disclose a commitment to reduce its stake to below 33.4% within five years and, over time, to below 20%. ・ In addition, for subsidiaries that are already listed, the following rules should apply until the parent's ownership stake falls below 20%: (1) Disclosure of the rationale for maintaining the listing of the subsidiary:	- Historically, listed subsidiaries have contributed to the development of Japanese industry by providing growth capital to in-house ventures within large corporations. In light of this, TSE is not considering imposing a blanket prohibition on the listing of subsidiaries. - At the same time, TSE has asked listed companies in parent-subsidiary relationships, as well as listed companies that are in other associated company or affiliate relationships, to re-examine,

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	If the subsidiary contributes to the parent's value, it would be rational to make it a wholly-owned subsidiary and capture that benefit in full. If it does not, it would be rational to sell the stake entirely. If the parent nevertheless chooses to maintain it as a listed subsidiary it should be required to provide a specific explanation of why that structure is optimal for enhancing shareholder value for both parent and subsidiary, and why the parent is the best owner. (2) Cooperation by the parent in enhancing the value of the subsidiary: The parent should be required to commit to enhancing shareholder value at the subsidiary. TSE should update its request for "management that is conscious of cost of capital and stock price" to explicitly state that, particularly where the PBR of a subsidiary is below 1.0, the parent is expected to promptly discuss measures to address this with the subsidiary and disclose these. (3) A majority of the board should consist of truly independent outside directors: Listed subsidiaries tend to be managed in line with the wishes of the parent as the major shareholder. At a minimum, until the parent's stake falls below 20%, a majority of the directors should be truly independent directors. (4) Mandatory MoM condition for acquisitions by the parent:	through the lens of investors, and disclose whether maintaining such capital structures is truly optimal from the perspective of enhancing corporate value. Going forward, we will continue to follow up on the status of disclosures by each company and consider any measures that may be necessary. - In addition, we will continue to consider measures that may be needed from the standpoint of protecting minority shareholders, taking into account developments after the implementation and the views of market stakeholders.

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	There are still cases in which a parent acquires a subsidiary at an unduly low price. Acquisitions by a major shareholder are highly likely to succeed, and general shareholders may feel pressured to tender even where they do not regard the price as fair. An MoM condition should therefore be made mandatory. (5) Disclosure of reasons for tendering or not tendering where a competing proposal is made in an acquisition by the parent: If, after the parent announces its acquisition of the subsidiary, a third party makes a competing proposal, the parent should also consider whether to tender to that competing proposal or to raise its own acquisition price or other terms to match or exceed it. If it is unable to do so, it should be required to disclose the reasons.	
85	• These revisions introduced a new category of "listed companies with a major shareholder holding 40% or more of the voting rights." However, there has not been a comprehensive review of the other listing rules applicable to listed companies with a controlling shareholder. Please clarify the review status of these rules, including whether they will be applied to the new category.	- Thank you for your valuable comment. - We will continue to consider and implement measures that may be necessary from the standpoint of protecting minority shareholders, taking into account developments following these revisions and the views of market participants.
86	• Listed companies with a quasi-controlling shareholder should be subject to a best-effort requirement to provide IR opportunities for minority shareholders at least once a year. In addition, it should be recommended that minority shareholders have the opportunity of dialogue in which independent directors are	

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	participating.	
87	・ TSE should consider encouraging outside directors to engage in dialogue with investors at least once a year, or encouraging companies to establish mechanisms for conveying information from IR activities directly to outside directors.	
88	・ The effectiveness of minority shareholder protection is not ensured merely by the existence of opportunities for dialogue. It is secured only when such dialogue is properly documented and when whether the company acted on this, as well as the details of those actions, are made visible in a manner that can be externally verified. From this perspective, it is essential to design a framework that closes the gap between disclosure and actual practice, including by clearly indicating the point of contact for shareholder communications (such as whether written submissions are accepted) and the policy for managing records of these.	
89	・ There are many cases that suggest the interests of minority shareholders are not being adequately protected, such as companies that limit earnings briefings to institutional investors and exclude individual investors.	
90	・ In discussions on revisions to the Companies Act, TSE should state that it opposes excessive restrictions on shareholder proposal rights. It should also urge the relevant ministries and agencies to maintain and expand shareholder proposal rights as a means of ensuring that minority shareholders have an effective way to express their views.	
91	・ I request that the principles of the Corporate Governance Code and related rules	

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	clearly define and require “meaningful dialogue” at AGMs, including, for example, the right to ask follow-up questions. I also request rules requiring more detailed disclosure of the minutes of AGMs, as well as live online streaming of such meetings and access to archived recordings.	
92	• In revising these rules and designing related frameworks, expert panels and similar bodies should include individual investors who have actually been disadvantaged as minority shareholders in companies with controlling shareholders, as well as representatives of investor groups, including NPOs that work to protect the interests of individual investors.	
	4. Revision Regarding the Early Business Recovery Act	
93	• Given the potential impact of debt reductions or dilution on minority shareholders, the revised rules should prioritise stronger transparency. In particular, the TSE should require companies to disclose not only the details of resolutions adopted at creditors’ meetings, but also their potential impact on equity value, shareholdings, and future cash flows.	- With respect to timely disclosure under the Early Business Recovery Act, companies will be required, as in the case of the business revitalization ADR, to disclose certain information in line with the timely disclosure requirements applicable where financial support such as exemption of obligations is provided. This includes the background leading to the commencement of the procedures, an outline of the adjustment of

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		obligations, an outline of the early business recovery plan, future prospects, and other relevant information. - Where shares are allotted to a third party as part of such financial support, separate timely disclosure requirements already require disclosure of matters such as the extent of dilution and ownership percentages after the allotment.
94	• Because a prolonged improvement period increases uncertainty for minority shareholders, we recommend that any extension of the improvement period beyond one year be subject to strict conditions, including mandatory interim progress reports, enhanced disclosure on the recovery plan, and regular updates during the extended period.	- If a company does not meet the continued listing criteria, it is required to disclose the progress of its plan to regain compliance within three months after the end of each business year until compliance is achieved. Accordingly, the framework ensures ongoing disclosure even where the improvement period extends for a certain period of time.

Submitted by: 1,7,8,13,26,63,72 = Japan Stewardship Forum; 2,10,21,31 = Kaname Capital; 3,52,83 = overseas investors; 5,6,37 = NIPPON STEEL CORPORATION; 11,18,25,34,40,53,66,74,82 = Norges Bank Investment Management; 12,46,57,67,73,79,80,87 = Amova Asset Management Co., Ltd.; 14,39,50,54,65 = Oasis Management Company Ltd.; 15,38,44,49,64,69,93,94 = ACGA; 16,28,62 = Morant Wright Management Limited;

17,41,45,47,51,55,58,60,68,76 = Jojokaishahosei No Arikatawo Kangaerukai; 19,22 = FIL Investments (Japan) Limited; 20,61= Simplex Asset Management Co., Ltd.; 27,78 = Institutional Investors Collective Engagement Forum; 29,42 = Nanahoshi Management Ltd. ; 33,71,77 = Sumitomo Mitsui Trust Asset Management Co., Ltd.; 70 = Effissimo Capital Management; 75 = SANYO SHOKAI LTD.; 84 = Strategic Capital, Inc.; all other comments are from individuals.