

Policy on the Expansion of English Disclosure in the Prime Market (Draft)

Tokyo Stock Exchange, Inc. Listing Department

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(General Remarks)

- I think **while the ultimate goal should be full-text, simultaneous English disclosure for all statutory disclosures, a reasonable first step would be to require simultaneous English disclosure by all Prime Market listed companies for a limited scope of documents.**
- Since we are talking about the Prime Market, **simultaneous disclosure of important information equally in English and Japanese** is important not only in the future but also now, and **it is important to communicate the desirability** of this.
- it is important to **disclose important information equally in English and Japanese simultaneously**. It is important that this is done now, not in the future, and it is important to **communicate the desirability of this disclosure**.
- It should be clearly stated that **decisions should be made with the spirit of fair and timely disclosure to investors in mind**.

(Scope of Disclosure)

- **The scope of disclosure regarding financial information should be left to the discretion of each company**, but it should be indicated that the **full text is desirable**.
- **While it is preferable not to limit the scope of financial information**, there may be unavoidable cases in which **only a summary of timely disclosure can be disclosed in English at the same time** due to unexpected events, etc.
- **Since much is left to the discretion of companies**, such as the scope of English translations and the timing of disclosure, **recommended guidelines should be developed, including facts about the needs of overseas investors**.

(Approach to English disclosure)

- **An acceptable approach to English disclosure would be a system in which Japanese is the official text and English is for reference**.
- In some cases, a **disclaimer from TSE may be included in the disclosed documents to alleviate some of the mental burden**.
- Regarding enforcement, **it would be better to have measures in place for cases in which the English translation is too late**.

(Future Expansion)

- **The status of disclosure should be monitored regularly at follow-up meetings, and consideration should continue to be given to expanding the number of documents covered and setting deadlines for response**, while taking into account the views of overseas investors.

- Stipulate in the Code of Corporate Conduct that Prime Market listed companies should endeavor to **simultaneously disclose information that is important for investors to make investment decisions in English and in Japanese.**
- In addition, taking into consideration the practical burden on listed companies, **we will prioritize making mandatory the English disclosure of financial statements and timely disclosure information** that has a particularly large impact on investment decisions and is required to be prompt.

[Specific mandates]

	Anticipated Documents	Timing of disclosure	Points to Note
Financial results	<ul style="list-style-type: none"> • Earnings reports (Annual/Quarterly) • Supplementary financial results briefing materials 	<ul style="list-style-type: none"> • Simultaneously with Japanese 	Simultaneous English disclosure of all documents in full is preferred, but it shall be sufficient to disclose in English a part or a summary of the content of the disclosure in Japanese.
Timely disclosure information	<ul style="list-style-type: none"> • All timely disclosure items 	<ul style="list-style-type: none"> • Simultaneously with Japanese 	

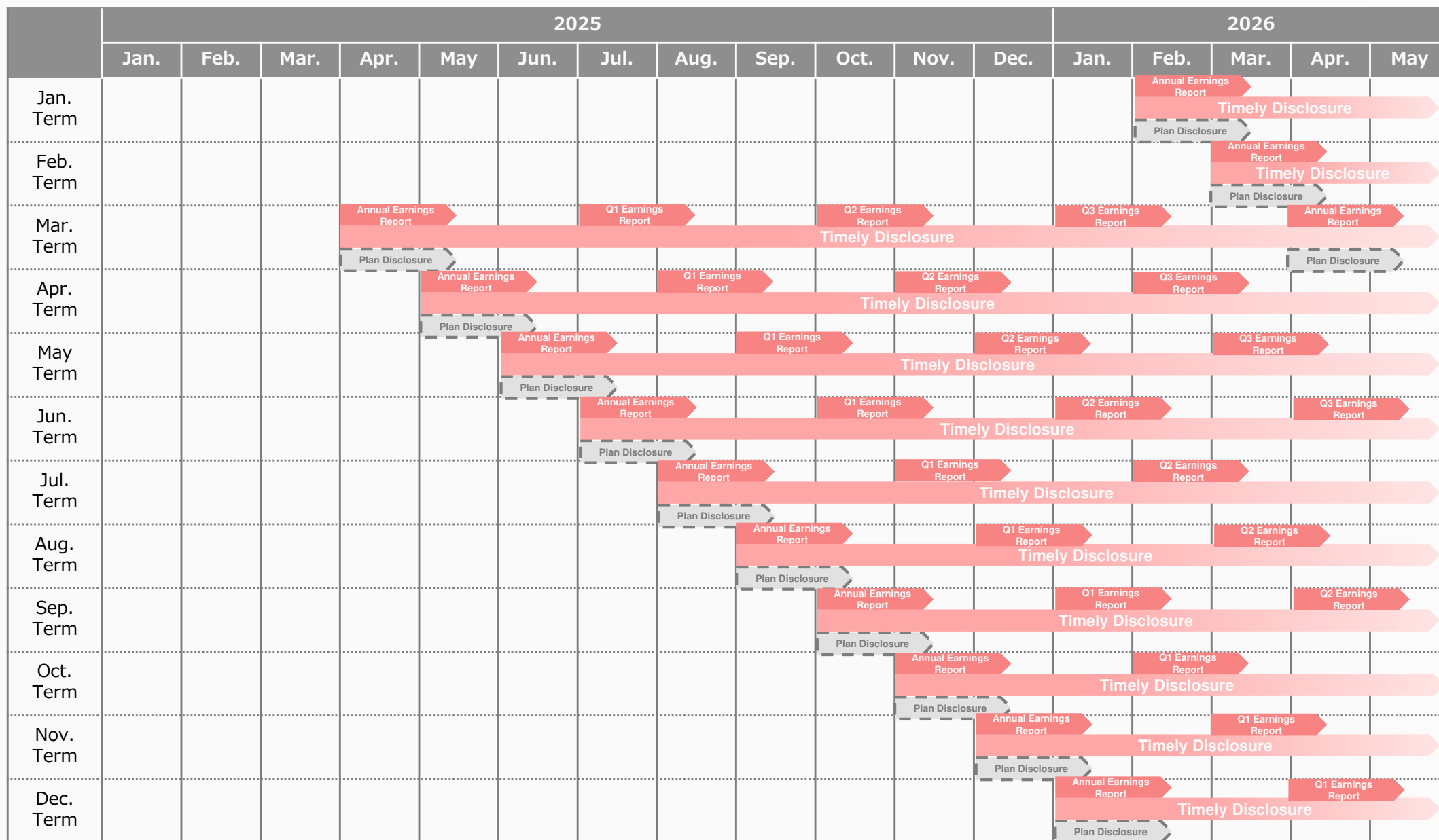
[Applicable period]

Applicable time	
Financial Results	<ul style="list-style-type: none"> • Effective for earnings reports for fiscal years ending on or after March 1, 2025.
Timely disclosure information	<ul style="list-style-type: none"> • Effective the day after the end date of the fiscal year ending on or after March 1, 2025
Disclosure of plans	Since it is anticipated that some companies will need time to develop the necessary systems, the application of the above may be postponed if the company discloses a plan that describes the specific implementation date and efforts to be made toward implementation.

Note: In addition, at the time of the rule change, the needs of overseas investors and the status of responses by Prime Market listed companies will be made known to the public.

- English disclosures to be used as **reference translations** for Japanese disclosures (accuracy of content is not subject to enforcement measures in the listing rules).
 - Note:** Listed companies will be informed of the above, and the exchange will also provide examples of disclaimers to be included in English disclosures.
 - Note:** In cases where English disclosure itself is not made (limited to cases where the plan is not disclosed), enforcement measures in the listing rule apply.
- The status of English disclosures will be **monitored regularly** after the rule change, and **further enhancements** such as expanding the number of documents covered (Annual Securities Reports, etc.) and setting deadlines for compliance will continue to be considered.
 - Note:** Initial monitoring is expected to begin in summer 2025, based on initial disclosures by companies with fiscal years ending in March.

Reference: Implementation Date for Revised Regulations



Note: Effective for annual earnings reports for fiscal years ending on or after March 1, 2025 (English disclosure is required for earnings reports for subsequent fiscal years and cumulative quarterly accounting periods)
 Note: Disclosure of the plan in case of difficulty in responding to the situation is to be made within 45 days from the end date of the fiscal year (disclosure for each fiscal year is required).