

August 2025

Dear

Mr. Yoji Muto, Minister of Economy, Trade and Industry (METI),
Mr. Keisuke Suzuki, Minister of Justice,
Mr. Hideki Ito, Commissioner of Financial Services Agency,
Mr. Hiromi Yamaji, Director & Representative Executive Officer, Group CEO Japan
Exchange Group, Inc,

We would like to express our sincere respect for your continued efforts to enhance the reliability of Japan's capital markets and to develop its corporate disclosure framework.

As a collective group of 130 institutional long-term investors, representing more than JPY150tr in assets under management, engaging with Japanese companies on behalf of domestic and international institutional clients, we are writing today to share several suggestions that we believe require regulatory support and structural reform.

This year's AGM season—primarily for companies with March fiscal year ends—has now concluded. It was marked by an unprecedented level of activity in proxy voting, investor engagement, and corporate disclosure. While much attention was drawn to the record number of shareholder proposals, we were equally encouraged by the growing participation of individual shareholders, the deepening involvement of institutional investors in exercising voting rights, and the increasingly constructive posture of listed companies toward shareholder dialogue. Altogether, this season reflected tangible progress in the practice of shareholder democracy in Japan.

To further solidify this progress and ensure that AGMs function as a genuine forum for collective shareholder decision-making, we believe the following two structural issues are of paramount importance:

- Early disclosure of the *Yukashoken Hokokusho* (Annual Securities Report), ideally two to three weeks prior to the AGM;
- Greater dispersion of AGM dates to reduce the current concentration in late June.

In markets such as the United States, there is typically a longer interval between the publication of annual reports and the holding of shareholder meetings. For example, companies with a December 31 fiscal year end often release their annual reports by late March or early April, and hold their Annual General Meetings in late April or May—as exemplified by Berkshire Hathaway. This allows shareholders adequate time to review the full set of financial disclosures and submit proxy materials in an informed manner. By contrast, the current scheduling practices in Japan constrain investors' ability to conduct such deliberations. In our view, aligning Japan's practices more closely with global standards would significantly enhance the transparency and functionality of its capital markets.

Both of these goals require more than just voluntary corporate efforts—they necessitate institutional support and regulatory realignment. Under the current regime, companies are required to make disclosures pursuant to the Companies Act, the Financial Instruments and Exchange Act, and TSE listing rules—each with its own objective, timeline, and format. As a result, listed companies face a fragmented and duplicative set of disclosure obligations. This overlapping framework poses obstacles to the timely and meaningful disclosure of information, particularly the early publication of the annual securities report ahead of the AGM.

This year, the FSA's initiative helped increase the proportion of companies disclosing their reports before the AGM to 55%, which is a significant improvement. However, in most cases, the disclosure still occurred just a day or two before the meeting—too late to meaningfully inform voting decisions for many investors.

Moreover, the excessive concentration of AGMs around the same late-June timeframe limits investors' ability to carefully review proposals and hinders meaningful engagement between companies and shareholders. This structural issue could be addressed through a more flexible approach to setting the record date (typically March 31). Allowing companies to move the record date to April or May would create the necessary lead time to schedule AGMs in July or later—enabling more deliberate analysis by investors and a more aligned disclosure calendar.

In light of these challenges and opportunities, we respectfully request that the relevant authorities consider the following institutional measures:

DaltonInvestments

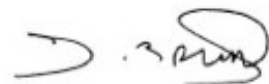
- Promote “integrated disclosure” by harmonizing and aligning disclosure requirements across legal and regulatory regimes;
- Revise disclosure deadlines and procedures to encourage the publication of annual securities reports before AGMs;
- Introduce regulatory incentives to encourage flexibility in setting record dates—such as practical support for companies that adopt non-standard record dates;
- Facilitate inter-agency collaboration that transcends jurisdictional silos to reduce the practical burden on companies and optimize the overall disclosure regime.

We firmly believe that these reforms would help strengthen corporate governance, improve the quality of investor dialogue, and enhance the long-term appeal and integrity of Japan’s capital markets.

We would welcome the opportunity to continue sharing investor perspectives and practical feedback as part of this process. We greatly appreciate your consideration and look forward to further constructive dialogue.

Sincerely yours,

James B. Rosenwald III
Co-Founder and CIO
Dalton Investments, Inc.



Co-signatories

Aargauische Pensionskasse (APK)
Accenture Executive Pensionskasse
ASSEPRO Vorsorgestiftung
ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen
AVENA - Fondation BCV 2e pilier
Banque Cantonale Vaudoise – BCV
Basellandschaftliche Kantonalbank (BLKB)
Bell Asset Management
Bernische Lehrerversicherungskasse
Bernische Pensionskasse BPK
BVG-Stiftung der SV Group
Caisse Cantonale d'Assurance Populaire - CCAP
Caisse de pension du Comité international de la Croix-Rouge
Caisse de pension Hewlett-Packard Plus
Caisse de pensions de l'Etat de Vaud (CPEV)
Caisse de pensions du personnel communal de Lausanne (CPCL)
Caisse de pensions du personnel d'Eben-Hézer (CPEH)
Caisse de pensions ECA-RP
Caisse de pensions Féd. int. des Stés. de la Croix-Rouge et du Croissant-Rouge
Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires
Caisse de Prévoyance de l'Etat de Genève CPEG
Caisse de Prévoyance des Interprètes de Conférence (CPIC)
Caisse de prévoyance du Canton du Valais (CPVAL)
Caisse de prévoyance du personnel de l'Etat de Fribourg (CPEF)
Caisse de prévoyance du personnel de la Ville de Fribourg
Caisse de retraite professionnelle de l'industrie vaudoise de la construction
Caisse intercommunale de pensions (CIP)
Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC)
CAP Prévoyance
CAPUVA Caisse de prévoyance des travailleurs et employeurs du commerce de détail
Cassa pensioni di Lugano
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle
Compacta Sammelstiftung BVG
CPCN - Caisse de pensions de la fonction publique du canton de Neuchâtel

DaltonInvestments

Dalton Investments Inc.

Emmi-Vorsorgestiftung

Erste Asset Management

Etablissement cantonal d'assurance des bâtiments (ECAB)

Etablissement cantonal d'assurance et de prévention (ECAP - Neuchâtel)

Etablissement d'assurance contre l'incendie et les éléments naturels du canton de Vaud

Ethos Foundation

Evangelisch-reformierte Landeskirche des Kantons Zürich

Fondation de la métallurgie vaudoise du bâtiment (FMVB)

Fondation de prévoyance Artes & Comoedia

Fondation de prévoyance des Paroisses et Institutions Catholiques (FPPIC)

Fondation de prévoyance du Groupe BNP PARIBAS en Suisse

Fondation de Prévoyance Edmond de Rothschild

Fondation de prévoyance professionnelle en faveur de AROMED

Fondation de prévoyance Romande Energie

Fondation de prévoyance skycare

Fondation Interprofessionnelle Sanitaire de Prévoyance (FISP)

Fondation Leenaards

Fondation Patrimonia

Fondazione di previdenza LPP per il personale della PKB PRIVATE BANK SA

Fondazione Ticinese per il secondo pilastro

Fondo di Previdenza per il Personale dell'Ente Ospedaliero Cantonale

Fonds de Prévoyance de CA Indosuez (Suisse) SA

Fonds interprofessionnel de prévoyance (FIP)

Gebäudeversicherung Basel-Stadt

Gebäudeversicherung Luzern

Gebäudeversicherung St. Gallen

Gemeinschaftsstiftung der Zellweger Luwa AG

GEMINI Sammelstiftung

Gestion des Biens Universitaires Vaudois (GBUV)

HELVETAS Swiss Intercooperation

Istituto di previdenza del Cantone Ticino

Kirchliche Pensionskasse Urschweiz-Glarus-Tessin

Liechtensteinische AHV-IV-FAK

Luzerner Pensionskasse
M&G Investments
Matthews International Capital Management (Matthews Asia)
Nest Sammelstiftung
Novo Nordisk Foundation
NSV Nidwaldner Sachversicherung
ÖKK Berufliche Vorsorge
Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern
Pensionskasse AR
Pensionskasse Bank CIC (Schweiz)
Pensionskasse Basel-Stadt
Pensionskasse Bühler AG Uzwil
Pensionskasse Caritas
Pensionskasse der Basler Kantonalbank
Pensionskasse der Diözese St.Gallen
Pensionskasse der Generali Versicherungen
Pensionskasse der Schweizer Paraplegiker-Gruppe Nottwil
Pensionskasse der Schweizerischen Nationalbank
Pensionskasse der Stadt Biel
Pensionskasse der Stadt Frauenfeld
Pensionskasse der Stadt Weinfelden
Pensionskasse der Stadt Winterthur
Pensionskasse der Stadt Zug
Pensionskasse der Technischen Verbände SIA STV FSAI USIC
Pensionskasse des Kantons Nidwalden
Pensionskasse Graubünden
Pensionskasse Hirslanden
Pensionskasse Pro Infirmis
Pensionskasse Schaffhausen
Pensionskasse Somedia
Pensionskasse SRG SSR
Pensionskasse Stadt Luzern
Pensionskasse Stadt St. Gallen
Pensionskasse Unia
Personalvorsorgekasse der Stadt Bern

Personalvorsorgekasse Obwalden
Personalvorsorgestiftung der Accenture Schweiz
Personalvorsorgestiftung der Graubündner Kantonalbank
Personalvorsorgestiftung der Ringier Gruppe
Personalvorsorgestiftung der Würth-Gruppe Schweiz
previva, fonds de prévoyance des professionnels du travail social
Prévoyance Santé Valais (PRESV)
Profelia Fondation de prévoyance
Prosperita Stiftung für die berufliche Vorsorge
Raiffeisen Pensionskasse Genossenschaft
Rentes genevoises - Assurance pour la vieillesse
River Global Investors
RP - Fonds institutionnel
Sanso Longchamp AM
Secunda Sammelstiftung
Spida Personalvorsorgestiftung
St. Galler Pensionskasse
Stiftung Abendrot
Stiftung Auffangeinrichtung BVG
Stiftung Personalvorsorge Liechtenstein
SVA Zürich
Symova Sammelstiftung BVG
Terre des hommes Schweiz
TriVista Capital
Unfallversicherungskasse des Basler Staatspersonals
Université de Genève (UNIGE)
Valitas Sammelstiftung BVG (Independa)
van Biema Value Partners
Verein Barmherzige Brüder von Maria-Hilf (Schweiz)
Vorsorge SERTO
Vorsorgestiftung der Bourquin SA