



## **Overview of Appropriate Information Provision Before a General Shareholders' Meeting**

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One Asia Lawyers Group Tokyo Office  
Hironori Matsumiya, Lawyer (Japan)

On March 28, 2025, the Financial Services Agency (hereinafter referred to as “FSA”) issued a request regarding the appropriate information provision before a general shareholders’ meeting (hereinafter referred to as “this Request”)<sup>1</sup>.

This month’s newsletter focuses on this Request.

### **1. Background of this Request**

Annual Securities Reports contain a wealth of important information related to corporate governance, such as executive compensation and cross-shareholdings. This information is essential for investors to make appropriate decisions at general shareholders’ meetings. The FSA has expressed the view that, ideally, annual securities reports should be submitted at least three (3) weeks prior to the general meeting of shareholders. However, considering the practical challenges faced by companies, the FSA has indicated a policy of encouraging phased efforts.

Nevertheless, according to data from fiscal year 2024, over 90% of companies submitted their annual securities reports on the day or within a few days after the general shareholders’ meeting. Under the current situation, it is difficult for investors to exercise their voting rights based on sufficient information. Specific issues have been pointed out, such as the following:

- **Shareholders and investors are unable to obtain sufficient information before the general shareholders’ meeting**

When annual securities reports are disclosed just before the general shareholders’ meeting, shareholders and investors do not have sufficient time to thoroughly analyze the company’s financial status and business strategy, which could hinder appropriate exercise of voting rights at the meeting.

- **Gaps between international disclosure practices and the opinions of foreign investors**

In many foreign countries, annual reports are typically disclosed prior to general shareholders’ meetings. Japan’s current practice of disclosing annual securities reports after the meeting has been noted as an exception. Foreign institutional investors have requested disclosure at least one (1) month before the meeting, and some have pointed out that the current situation disturbs dialogue between companies and investors based on information.

- **Companies may not be fairly evaluated**

When disclosure is not made before the general shareholders’ meeting, even companies that actively disclose information may not be appropriately assessed in a

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<sup>1</sup> Financial Services Agency (FSA) website: "Appropriate information provision before a general shareholders' meeting" (March 28, 2025) [<https://www.fsa.go.jp/news/r6/sonota/20250328-2/20250328-2.html>]

timely manner, resulting in unfair evaluation.

In light of these circumstances, the FSA has decided to request that all listed companies to advance the timing of their annual securities report submissions, starting from this year.

## 2. Overview of the Request

The purpose of this Request is to enhance investor protection and improve transparency in corporate governance. It has been confirmed that, at present, the majority of companies submit their annual securities reports on or shortly after the date of the general shareholders' meeting. As a first step to improve this situation, the FSA is requesting all listed companies to submit their annual securities reports "*the day before or a few days prior to the general shareholders' meeting*"<sup>2</sup> starting this year.

Furthermore, the FSA has established the "Council for Preparing the Environment for Annual Securities Report Disclosure Prior to General Shareholders' Meetings" to discuss the necessary steps for early disclosure.

At this stage, this Request does not impose a legal obligation for early disclosure of annual securities reports; it remains a non-binding request. However, given its potential to significantly affect how general shareholders' meetings are managed and operated, each company is expected to fully understand the intent of this Request, pay close attention to future developments, and begin examining and preparing appropriate responses.

For inquiries regarding this article, please contact:

Hironori Matsumiya, Lawyer (Japan)

[hironori.matsumiya@oneasia.legal](mailto:hironori.matsumiya@oneasia.legal)



### **Hironori Matsumiya**

#### **Representative Partner, One Asia Lawyers Tokyo Office**

After having engaged in real estate and other financial matters on behalf of investment funds in Japan and overseas at an international law firm in Japan, Hironori practiced corporate law at a Japanese law firm, mainly in the field of dispute resolution and M&As. Presently, he advises clients on a broad range of corporate matters including domestic and Asian/cross-border M&As, financial matters relating to the acquisition and sale of large-scale real estate such as office building, warehouses, and hotels, and corporate dispute resolution. He has an extensive experience in the field of corporate legal matters and has served as legal counsel and external auditor of many companies where he was responsible for matters relating to corporate governance.

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<sup>2</sup> Financial Services Agency (FSA) website: "Council for Preparing the Environment for Annual Securities Report Disclosure Prior to General Shareholders' Meetings"  
<https://www.fsa.go.jp/singi/sokaimaekaiji/index.html>



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