



Tokyo Stock Exchange Announces Update on Request Concerning “Management That is Conscious of Cost of Capital and Stock Price”

On April 28, 2026, the Tokyo Stock Exchange (hereinafter referred to as “TSE”) announced an update to its request concerning “management that is conscious of the cost of capital and stock price.” In March 2023, the TSE requested that all listed companies on the Prime Market and Standard Market take measures to achieve management that is conscious of the cost of capital and stock prices.

Three years have passed since that request was issued. As awareness of cost of capital, return on capital, and market valuation has become widespread among the listed companies subject to the request (hereinafter referred to as “target companies”), the materials published this time summarize investor expectations and key points for initiatives—centered on the appropriate allocation of management resources—as an update to the previous request.

Furthermore, in December 2025, the Tokyo Stock Exchange published materials related to this request, including a “Case Studies of Companies’ Initiatives Toward Issue Resolution” and “Key Points Considering The Investor’s Point of View (Third Edition).” It is expected that each target company will continue to take measures to achieve management practices that take into account the cost of capital and stock prices, while also referring to these materials.

For details, please refer to the following URL.

·Update on Request Concerning “Management That is Conscious of Cost of Capital and Stock Price”
<https://www.jpx.co.jp/news/1020/20260428-01.html>

·Follow Up of Market Restructuring—Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Prime/Standard Market)
<https://www.jpx.co.jp/equities/follow-up/02.html>



Life Insurance Association of Japan Releases Report on Survey Results Regarding Enhancement of Corporate Value (FY2025 Edition) (1)

On April 17, 2026, the Life Insurance Association of Japan released a report outlining recommendations aimed at revitalizing the equity market and realizing a sustainable society. The Association conducted a survey of 1,200 listed companies and 179 institutional investors regarding initiatives to enhance corporate value, and this report compiles recommendations directed at companies, investors, and the government. Additionally, by comparing the survey results from companies and investors, the report identifies areas where their perceptions align and those where gaps exist. A comparison of the survey results (excerpt) is shown in the table below.

<Comparison of Survey Results from Companies and Investors (Excerpt)>

Survey Questions (Companies/Investors)	High Degree of Alignment	Significant Perception Gap (Companies > Investors)	Significant Perception Gap (Companies < Investors)
Challenges perceived in improving the effectiveness of the Board of Directors	-Ensuring diversity in areas such as gender and international background	-Enhancing discussions on key issues by reviewing and narrowing down the agenda items	-Expansion of the number of independent outside directors -Balance of the experience and expertise of the Board of Directors
KPIs for the Mid-Term Management Plan / to Prioritize as Management Goals	-ROE	-Revenue and revenue growth rate	-ROIC
		-Profit and profit growth rate	-FCF
		-Environmental (E) indicators	-Cost of Capital
		-Social (S) indicators	
Views on ROE levels relative to the cost of capital	—	-Higher	-Around the same -Lower
Understanding of the level of funds and cash on hand	—	-Optimal	-Excessive
Challenges perceived regarding company's structure or initiatives / company overall	—	-Lack of resources and personnel to devote to dialogue	-Top management, including the CEO, not engaging in dialogue
			-Insufficient sharing of dialogue content among management
			-Insufficient explanations and disclosures regarding improvement policies and plans based on dialogue
Initiatives to enhance the explanation of proposals / desired initiatives	-Enhancing explanation of agenda items in the Notice of Meeting	-Enhancement of explanations on the day of General Meeting	Explanation of proposals via website and other channels



Life Insurance Association of Japan Releases Report on Survey Results Regarding Enhancement of Corporate Value (FY2025 Edition) (2)

For example, regarding ROE, 83.2% of the companies that responded to the survey (hereinafter referred to as “responding companies”) cited it as an indicator in their medium-term management plans, while 89.9% of the investors who responded to the survey (hereinafter referred to as “responding investors”) cited it as an indicator that should be prioritized as a management goal; thus, there was a high degree of alignment in their perceptions.

However, regarding perceptions of the ROE level relative to the cost of capital, while 54.8% of responding companies perceived it as “exceeding” the cost of capital, 40.0% of responding investors perceived it as “on par,” and 50.0% perceived it as “below” the cost of capital, indicating a significant gap in perception between the two groups. Furthermore, regarding the level of cash on hand—a topic that emerged as a key point of discussion in the revisions to the Corporate Governance Code, for which a draft was published on April 10, 2026—68.9% of responding companies considered it “optimal,” whereas 79.5% of responding investors considered it “higher than optimal,” indicating a significant gap in perception here as well.

It is considered useful for companies to refer to this report and identify gaps in perception with investors in order to make their dialogue with investors more effective and constructive.

For details, please refer to the following URL.

(Press release)

Initiatives by Life Insurance Companies to “Revitalize the Equity Market” and “Achieve a Sustainable Society” Through Asset Management

https://www.seiho.or.jp/english/news/2026/20260417_3.html

(Report)

(Integrated)

Initiatives by Life Insurance Companies to “Revitalize the Equity Market” and “Achieve a Sustainable Society” Through Asset Management

https://www.seiho.or.jp/activity/sdgs/esg/pdf/20260417_3_2.pdf

(Parts)

Survey Results on Initiatives to Enhance Corporate Value (FY2025 Edition) – Comparison of Results from Companies and Investors (only in Japanese)

https://www.seiho.or.jp/activity/sdgs/esg/pdf/20260417_3_5.pdf