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Handling General Shareholders' Meetings, Settlements and Disclosure in Light of COVID-19

Ministry of Justice, Financial Services Agency and TSE have all issued statements

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Summary

- Procedures such as holding general meetings of shareholders and the submission and disclosure of financial results (submission of securities reports and timely disclosure) may be hindered due to the COVID-19 pandemic.
- In consideration of recent developments, the Ministry of Justice ("Regarding the holding of the Ordinary General Meeting of Shareholders"), the Financial Services Agency ("Notice regarding the deadline for submission of annual securities and other reports in connection with the COVID-19 (Novel Coronavirus) infection"), and the Tokyo Stock Exchange (TSE) ("Handling of Timely Disclosure of the Effects of the Novel Coronavirus Outbreak on Business"), have announced their views and responses.
- The Ministry of Justice expressed its view that it would be sufficient to convene an ordinary general meeting of shareholders within a reasonable period of time after the situation has been resolved if it was not possible to convene an ordinary general meeting of shareholders at the time stipulated in the Articles of Incorporation due to the COVID-19 pandemic. However, if an ordinary general meeting of shareholders cannot be held within three months of the record date stipulated in the Articles of Incorporation, it is necessary to set a new record date.
- The FSA allows the submission deadline to be extended with the approval of the Director-General of the Local Finance Bureau if the submission of the Annual Securities Report, etc. cannot be made by the deadline due to unavoidable reasons, such as the inability to continue auditing of Chinese subsidiaries due to the effects of the COVID-19 pandemic.
- In the event that settlement procedures are delayed due to the effects of COVID-19, and it becomes difficult to promptly determine settlement of accounts, the Tokyo Stock Exchange expresses its view that disclosure may be allowed as soon as it is confirmed, irrespective of the stipulated timing of "within 45 days from the last day of the fiscal year."

Attention

This report is a summary translation. The official document is only in Japanese.

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Legal and Tax Research