

Related Data

October 20, 2014

Major Items to Be Disclosed in the Corporate Governance Report (1/2)

Corporate Governance Report		Items to be described/notes
I Fundamental Approach toward Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information	Fundamental Approach	Fundamental Approach toward Corporate Governance, Objectives
	Capital Structure	Foreign shareholding ratio, major shareholders, existence of controlling shareholder/parent company
	Corporate Attributes	Listed exchange and market division, fiscal year end, category of industry, number of employees, consolidated sales, number of consolidated subsidiaries
	Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder	Matters such as policies on internal frameworks and systems, the internal decision-making process, and the use of external agencies
	Other Special Circumstances which may have Material Impact on Corporate Governance	Approach to (or policy on) corporate governance in case the company has a parent company or listed subsidiaries
II Business Management Organization and other Corporate Governance Systems regarding Decision-making, Execution, and Oversight in Management	Matters concerning Governing Bodies and Operations of Organizations	Organizational form/directors (number and term of directors provided in the articles of incorporation/chairperson of board meetings/number of existing directors/appointment of outside directors (number appointed, number of outside directors appointed as independent officer, relation between outside director and company))/ <i>kansayaku</i> (existence of <i>kansayaku</i> board, number of <i>kansayaku</i> provided in the articles of incorporation, number of existing <i>kansayaku</i> , cooperation among <i>kansayaku</i> , external auditors and internal audit departments/appointment of outside <i>kansayaku</i> (number appointed, number of outside <i>kansayaku</i> appointed as independent officer, relation between <i>kansayaku</i> and company)/number of independent officers/implementation of initiatives to offer incentives/eligible persons for stock options/disclosure of director remuneration/presence or absence of policy for determining remuneration amounts and calculation method/support system for outside directors and outside <i>kansayaku</i>
	Overview of Current Corporate Governance System: Items related to Respective Decision-Making Functions with Respect to the Business Executions, Audits/Supervision, Nominations, and Remuneration	E.g. The current system of governance/policies to enhance business execution, oversight/efforts to reinforce functions of <i>kansayaku</i> .
	Reason for Adopting Current Corporate Governance System	E.g. The reason for adopting the current governance structure, including the board.

Major Items to Be Disclosed in the Corporate Governance Report (2/2)

Corporate Governance Report		Items to be described/notes
III Implementation of Measures for Shareholders and Other Interested Parties	Efforts for Active General Shareholders Meetings and Smooth Exercise of Voting Rights	Early dispatch of convening notice for general shareholders meeting, avoidance of peak day, exercise of voting rights by electronic means, use of Electronic Voting Platform, preparation of convening notices in English
	Investor Relations (IR) Activities	Preparation and publication of a disclosure policy, regular investor briefings for individual investors/analysts and institutional investors/foreign investors, posting of IR information on the company website/establishment of department responsible for IR
	Measures to Ensure Due Respect for Stakeholders	Internal rules on respect for the stakeholders, environmental preservation activities and CSR activities, development of policies in relation to the provision of information to stakeholders
IV Matters concerning Internal Control System	Basic Policy of Internal Control Systems and the Progress of System Development	E.g. approach (basic policy) of the company, progress in developing internal control system.
	Basic Policy of and Specific Implementations concerning Exclusion of Anti-social Forces	E.g. basic approach of the company, progress in developing rules and internal systems.
V Other	Matters Concerning Anti-Takeover Measures	E.g. objectives and overview of the measures.
	Other Matters related to Corporate Governance System	E.g. agenda for the enhancement of corporate governance, measures under consideration, future goals, etc.

Major Items to Be Disclosed in the Annual Securities Report (1/2)

Annual Securities Report		Items to be described/notes (FASF)
Overview of the Company	Key Financial Data	Key financial index and other information for the past 5 fiscal years
	History	Background of establishment, change of trade name, material matters pertaining to the corporate group (e.g. mergers, changes in business lines, establishment/acquisition of key subsidiaries and affiliates, listing, etc.)
	Description of Business	Main lines of business, positioning of the company or its subsidiaries and affiliates in each business and other related information
	Information on Subsidiaries and Affiliates	Names and principal business of subsidiaries and affiliates; ownership percentage of voting rights; relationship with the submitting company, etc.
	Employees	Number of employees, etc.
Business Overview	Summary of Business Result	Operating results and cash flows (year-on-year comparison)
	Production, Orders Received & Sales	Production, orders received and sales (year-on-year comparison)
	Challenges Facing	Operating and financial challenges and policy therefore, etc.; fundamental policy on the conduct of parties in control of financial and business policy decisions of the company
	Risk related to Business	Business and accounting matters which may have a significant impact on investors' decisions (e.g. dependence on certain business partners, products or technologies; regulations, trade practices, or management policies specific to the company; material matters concerning officers, large shareholders, subsidiaries and affiliates, etc.)
	Material Agreements	Overview of material agreements including merger, business transfer, share exchange/transfer, company split
	Research and Development	Information on R&D activities (e.g. research objectives, main themes, achievements, R&D structure, etc.) , R&D expenditures
	Analysis of Financial Position, Operating Results and Cash Flows	Management's discussion and analysis on financial condition, operating results and cash flows (e.g. analysis of factors which significantly affect business results, current status of and prospects for business strategy, information on capital resources and liquidity)
Property, Plants and Equipment	Summary of Capital Investment	Objectives, details and amounts of capital investment
	Major Property, Plants and Equipment	Overview of major property, plants and equipment (PPE); book value of PPE by type; number of employees, etc.
	Plans for Capital Investment and Disposal of Property, Plants and Equipment, etc.	Overview of plans for significant capital investment in new and existing PPE, and disposal, etc.

Major Items to Be Disclosed in the Annual Securities Report (2/2)

Annual Securities Report		Items to be described/notes (FASF)
Information on the Company	Information on the Company's Stock, etc.	Total number of shares, etc.; status of share subscription rights, etc.; information on rights plans; changes in the number of shares issued and capital, etc.; breakdown of shareholders; information on large shareholders; information on voting rights; overview of stock option plan; overview of employee stock-ownership plan, etc.
	Information on Acquisition, etc. of Treasury Stock	Acquisition reason of treasury stocks; status of acquisition of treasury stocks by class
	Dividend Policy	Basic dividend policy; basic policy for the number of times dividends are distributed; decision-making body; basic approach to determining dividends distribution; use of internal reserve
	Change in Stock Prices	Highest and lowest share price in each fiscal year; highest and lowest share price in each month
	Officer	Brief background of the officers, term of office, number of shares held; whether or not outside directors/ <i>kansayaku</i> are included
	Corporate Governance, etc.	Overview of corporate governance system and reasons for adopting the system; status of internal control/risk management systems; organizations for internal audit/ <i>kansayaku</i> 's audit; personnel; procedures; outside directors/ <i>kansayaku</i> (number, relationship with the company, functions/roles in corporate governance, independence standards, nomination policy); certified accountants (names of individuals/auditing firms, service years, composition of assistants); measures for protecting shareholders in the event of any transactions involving conflict of interests between the company and shareholders, directors' remunerations (total amount, aggregated amount by type, number of eligible directors, calculation policy and method of determining the policy); status of shareholdings by purpose; audit remunerations, etc.
Financial Information	Consolidated Financial Statements/ Financial Statements	(Consolidated) balance sheet; profit and loss statement, statement of changes in equity, cash flow statement, annexed detailed statement, etc.
Stock-related Administration for the Company		Fiscal year; ordinary general meeting of shareholders; record date; record date for dividends of surplus; number of shares in one trading unit; shareholder privileges, etc.
Reference Information on the Company	Information on Parent Company	Name of the parent company, etc.
	Other Reference Information	Names of reports including Securities Registration Statement filed by the company (if any), filing dates, etc.

Fundamental Approach toward Corporate Governance (Keyword)

The Corporate Governance Report requires companies to include their ‘Fundamental Approach toward corporate governance’ (although the Corporate Governance Code is not yet taken into account), and the following keywords are currently used by the companies.

Keyword	Corporate Value	Shareholders' value	Monitoring & oversight	Execution	Decision making	Internal control
Percentage of companies using keyword	53.3%	6.6%	36.6%	36.5%	38.1%	18.1%

Keyword	Stakeholders	Social Responsibility	Compliance	Transparency	Efficiency	Soundness
Percentage of companies using keyword	60.0%	26.6%	39.8%	69.1%	20.0%	23.7%

Note: Prepared based on “TSE-Listed Companies White Paper on Corporate Governance 2013”
Covered all of 2,275 companies listed on TSE First and Second Sections, and Mothers as of Sept. 10, 2012

Policy for Determining Directors' Remunerations, etc. (Disclosure status)

As an item to be described in the Securities Report, it is stipulated that in case a company has established “a policy for determining the amounts or calculation method of remunerations, etc.” concerning remunerations for its directors and officers, the company is required to describe “the content of such a policy and method of determination.” In case where a company has not established such a policy, the company is required to specify such a fact. (Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc., Instructions for Form 3, (37) and Instructions for Form 2, (57)(d)).

⇒ Companies which established policies to determine directors' remunerations, etc. and disclose information thereon account for 85.8% (see Note)

Note: The survey covers [3,384] companies which filed the Annual Securities Report during the period from July 2012 to June 2013, and from which valid data was available. The figure represents the percentage of companies other than those which merely described “there is no policy to determine remunerations, etc.” among the total universe.

Source: Corporate Practice Partners, Toshikazu Nakanishi & Takaya Seki “Analysis of the Current Situation of Corporate Governance among Listed Companies (2014 version)” *Bessatsu Shoji Homu*, vol. 388