

Progresses of Corporate Governance Reform

October 18th, 2017
Financial Services Agency

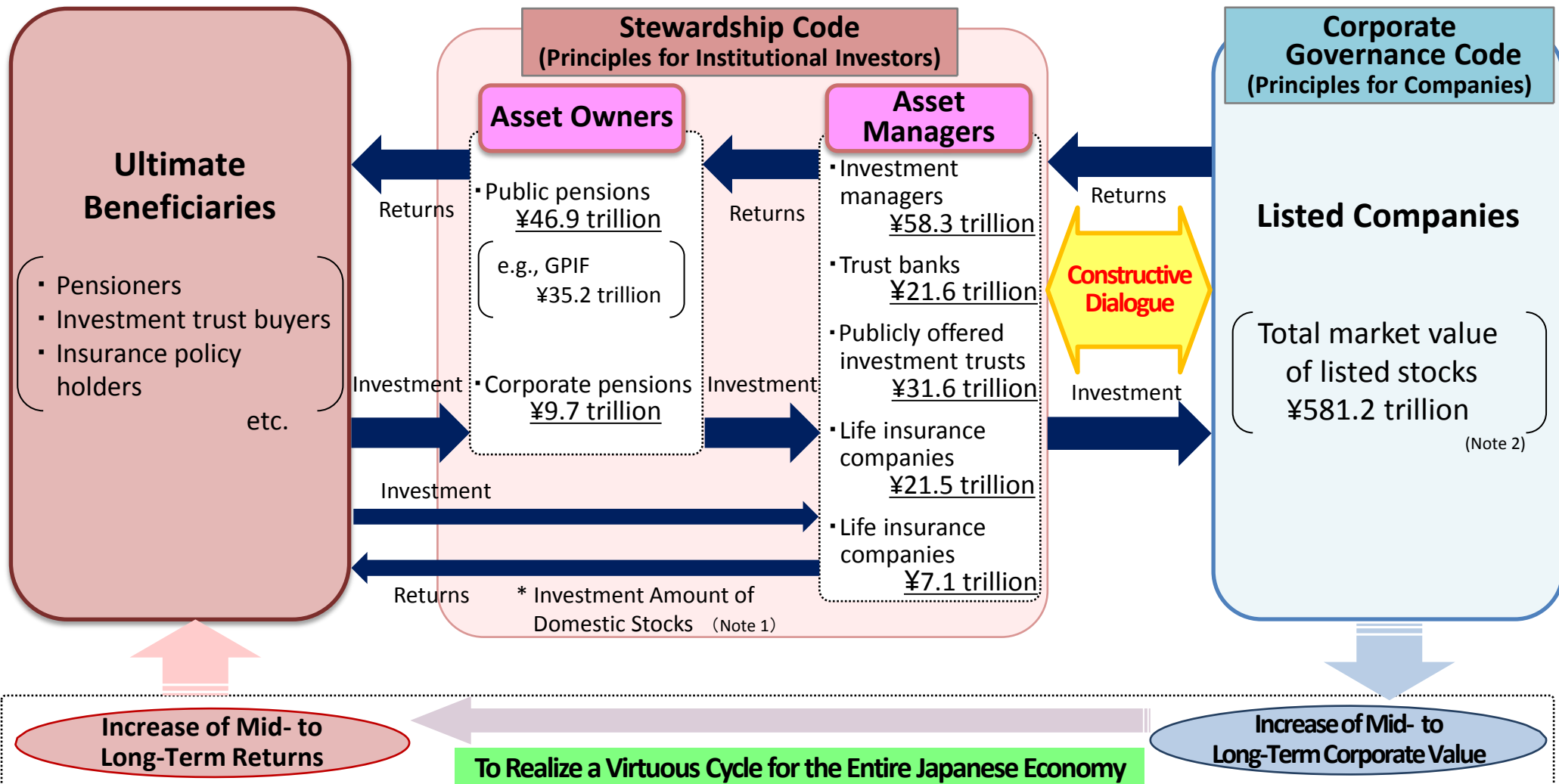
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1. Measures Taken for Corporate Governance Reform

Measures Taken for Corporate Governance Reform

- ❑ The Stewardship Code and Corporate Governance Code have been introduced as a part of the "Growth Strategy" of Prime Minister Abe since he took office.
- ❑ Corporate Governance Reform has been promoted to realize a **mid- to long-term increase in corporate value and investment returns which will lead to the stable asset growth of households.**



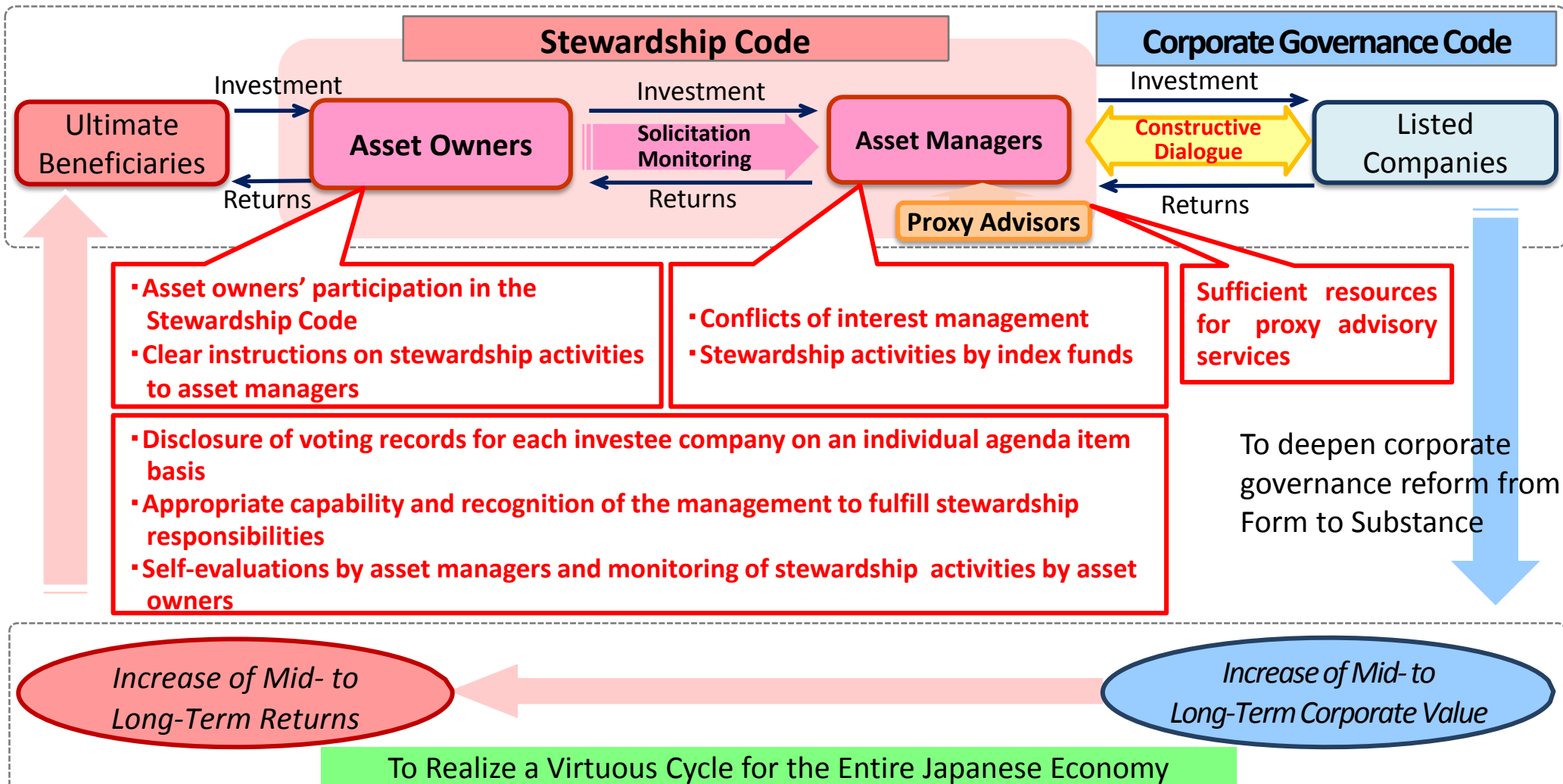
(Note 1) Investment amount is based on the statistics of each organization, which include estimated figures. Investment managers include the amount of funds of trust banks as investment managers.

(Note 2) Total amount of market value of stocks listed in domestic stock exchanges.

Major Issues of the Stewardship Code Revision

(Revised on May 29, 2017)

- ❑ In order to **deepen corporate governance reform from “Form” to “Substance”**, it is important that **institutional investors** have **constructive dialogue with investee companies**.
- ❑ Following upon the Opinion Statement, the Stewardship Code was revised, in May, this year, to **strengthen asset managers’ governance and management of their conflicts of interest** and **clarify the roles of asset owners including pension funds**.



Initiatives of Institutional Investors in Response to the Revision of the Stewardship Code

Establishment of third party committees by asset managers

- **The establishment of third party committees** by major Japanese asset managers is spreading to supervise proxy voting.

Disclosure of voting records for each investee company on an individual agenda item basis

- Before the general shareholder meeting season this year, **some major asset managers had already started to disclose voting records for each investee company on an individual agenda item basis.**
- Following the general shareholder meetings, many **other asset managers have disclosed voting records for each investee company on an individual agenda item basis** (some asset managers have also explained **the reasons why they voted for or against** an agenda item).

Stewardship activities by asset owners

- The asset owner **GPIF** formulated the **Stewardship Principles** and **Proxy Voting Principles** for contracted asset managers in June of this year.
(Note) These principles require asset managers to establish frameworks for preventing conflicts of interest through means such as the establishment of a third party committee, and to vote in accordance with the Corporate Governance Code.
- In addition, **the GPIF requires contracted asset managers to disclose voting records for each investee company on an individual agenda item.**

Example of Disclosure of Voting Records for Each Investee Company on an Individual Agenda Item Basis

Many asset managers have started to disclose voting records for each investee company on an individual agenda item basis. Some of them have disclosed voting reasons in addition to “for” or “against.”

議決権行使結果の個別開示(2017年4月～2017年6月総会)
 ・「取引先フラッグ」は、外部情報ベンダーのデータを基に、借入れ金額が最も多い金融機関が当社で
 ・「当社ガイドラインに基づく行使内容」の「判断理由」には、抵触した主な判断基準を記載。なお、株主
 ・「他の行使内容」は当社ガイドライン以外の基準による行使判断も行った議案に※印を付与。

取引先フラッグ	コード	社名	総会種類	総会日程	提案者	議案番号	子議案番号	議案分類	賛否	社ガイドラインに基づく行使内容 判断理由	他の行使内容
<input type="radio"/>	Company A		定時	201706	会社	3		取締役選任	賛成		
<input type="radio"/>			定時	201706	会社	3		取締役選任	賛成		
<input type="radio"/>			定時	201706	会社	3		取締役選任	賛成		
(Omitted)											
<input type="radio"/>	Company B		定時	201706	会社	1		取締役選任	反対	社外取締役人数基準	Against: The number of independent directors does not meet with the voting policy.
<input type="radio"/>			定時	201706	会社	1		取締役選任	賛成		
<input type="radio"/>			定時	201706	会社	2		監査役選任	賛成		
<input type="radio"/>	Company C		定時	201706	会社	1		取締役選任	賛成		
<input type="radio"/>			定時	201706	会社	1		取締役選任	賛成		
<input type="radio"/>			定時	201706	会社	1		取締役選任	賛成		
<input type="radio"/>	Company D		定時	201706	会社	1		取締役選任	賛成		
<input type="radio"/>			定時	201706	会社	2		財団関連	反対	財団への自己株式拠出基準	Against: The agenda does not meet with the voting policy concerning transfer of treasury stock for foundations.
<input type="radio"/>			定時	201706	会社	3		財団関連	反対	財団への自己株式拠出基準	
<input type="radio"/>			定時	201706	会社	1		取締役選任	反対	業績基準・配当基準	
<input type="radio"/>			定時	201706	会社	1		取締役選任	反対	業績基準・配当基準	
<input type="radio"/>			定時	201706	会社	1		取締役選任	反対	業績基準・配当基準	Against: The performance or dividend level does not meet with the voting policy.
<input type="radio"/>		定時	201706	会社	1		取締役選任	反対	業績基準・配当基準		
<input type="radio"/>		定時	201706	会社	2		監査役選任	賛成			
<input type="radio"/>		定時	201706	会社	2		監査役選任	賛成			
<input type="radio"/>		定時	201706	会社	2		新株予約権発行	反対	対象者基準	Against: The recipients of the rights do not meet with the voting policy.	

(Source) Sumitomo Mitsui Trust Holdings website (partially edited by the FSA)

2. Pending Issues about Corporate Governance Reform

Pending Issues about Corporate Governance Reform

(1) Investments and internal reserves

- ❑ There has been an increase in **internal reserves in the form of cash and deposits**
- ❑ There are issues regarding the level of capital expenditure investments in **equipment, human resources and R&D**

(2) Management decisions in response to changes in the management environment

- ❑ **Decisive management decisions on matters such as business portfolio selection** are not being conducted in response to changes in the management environment
- ❑ It is necessary for management to improve **their awareness of the capital costs**

(3) CEO/Board of Directors

- ❑ Initiatives are not sufficient for the **development of CEO candidates and appointment of CEOs**
- ❑ It is necessary to encourage **independent directors** to effectively fulfill their responsibilities

(4) Cross-shareholdings

- ❑ Progress has not been made in the reduction of **cross-shareholdings**

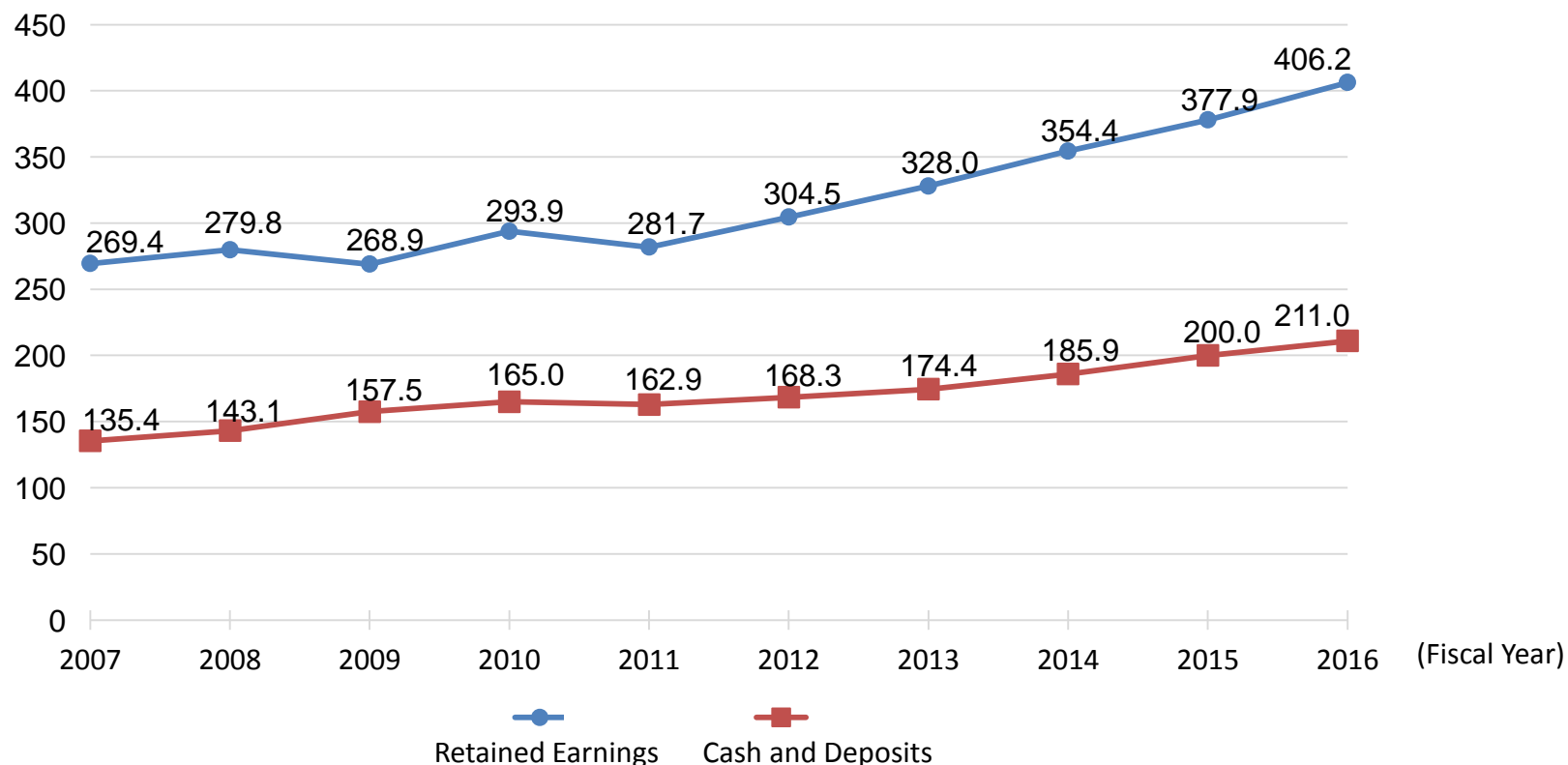
(5) Asset owners

- ❑ Few **corporate pensions** have accepted the Stewardship Code

Investment and Internal Reserve (1): Trend of Amount of Companies' Retained Earnings and Cash and Deposits

Amount of companies' retained earnings (**internal reserve**) and **cash and deposits** are on a **continuing upward trend**.

(Unit: trillion yen)

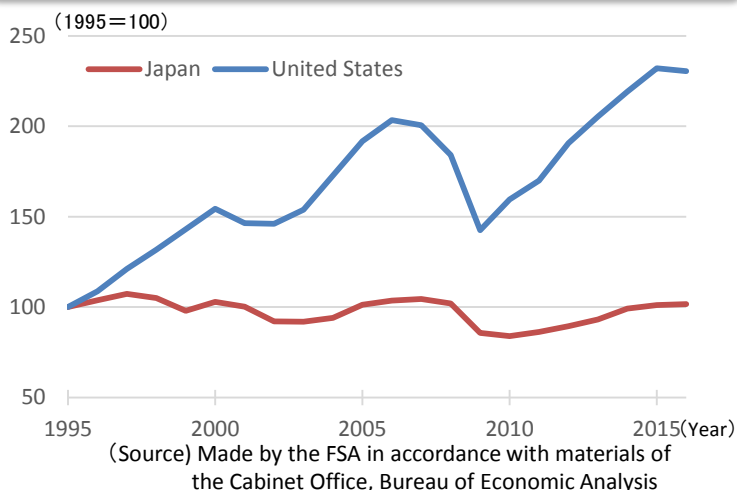


(Source) Made by the FSA in accordance with materials of the Financial Statements Statistics of Corporations by Industry (business types other than finance and insurance) by the Ministry of Finance

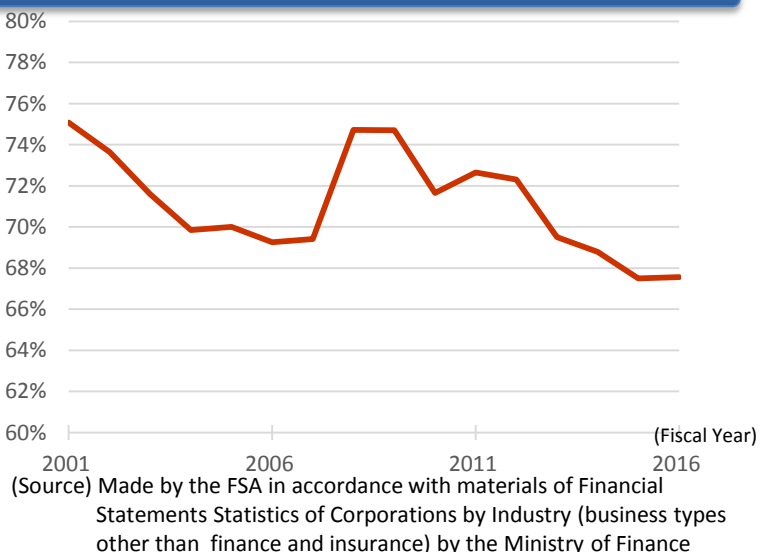
Investment and Internal Reserve (2): Investment for Equipment, Human Resources and R&D

❑ **Equipment investments** by Japanese companies are still at low levels. **Labor's share** is decreasing. Few Japanese companies have carried out large-scale **investment for R&D**.

Level of Equipment Investment



Level of Labor's Share



Top 30 Companies in R&D Investment

2011

Rank	Company	Country
1	Roche	Switzerland
2	Pfizer	USA
3	Microsoft	USA
4	Toyota Motor	Japan
5	Merck US	USA
6	Volkswagen	Germany
7	Samsung Electronics	South Korea
8	Novartis	Switzerland
9	General Motors	USA
10	Johnson & Johnson	USA
11	Nokia	Finland
12	Intel	USA
13	Daimler	Germany
14	Sanofi-Aventis	France
15	Panasonic	Japan
16	GlaxoSmithKline	UK
17	Honda Motor	Japan
18	Siemens	Germany
19	Sony	Japan
20	Cisco Systems	USA
21	Robert Bosch	Germany
22	IBM	USA
23	Ford Motor	USA
24	Eli Lilly	USA
25	Nissan Motor	Japan
26	Hitachi	Japan
27	Oracle	USA
28	Bayer	Germany
29	AstraZeneca	UK
30	EADS	The Netherlands

2016

Rank	Company	Country
1	Volkswagen	Germany
2	Samsung Electronics	South Korea
3	Intel	US
4	Alphabet	US
5	Microsoft	US
6	Novartis	Switzerland
7	Roche	Switzerland
8	Huawei Investment & Holding CO	China
9	Johnson & Johnson	US
10	Toyota Motor	Japan
11	Apple	US
12	Pfizer	US
13	General Motors	US
14	Daimler	Germany
15	Merck US	US
16	Ford Motor	US
17	Cisco Systems	US
18	Honda Motor	Japan
19	Oracle	US
20	Bristol-Myers Squibb	US
21	Sanofi	France
22	AstraZeneca	UK
23	Robert Bosch	Germany
24	BMW	Germany
25	Qualcomm	US
26	Siemens	Germany
27	IBM	US
28	Bayer	Germany
29	Facebook	US
30	GlaxoSmithKline	UK

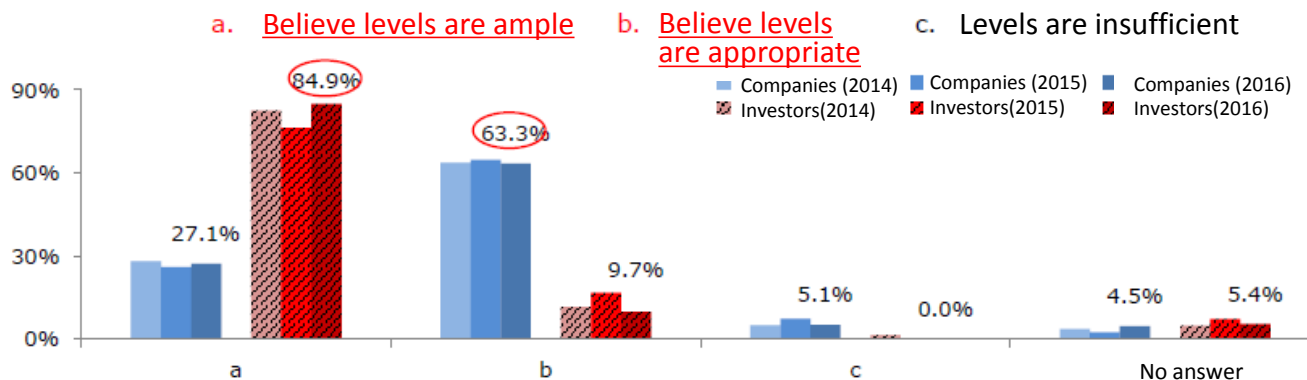


(Source) Made by the FSA in accordance with materials of "The 2011 EU Industrial R&D Investment Scoreboard R&D ranking of the top 1400 World companies", "The 2016 EU Industrial R&D Investment Scoreboard R&D ranking of the world top 2500 companies"

Investments and Internal Reserves (3): Recognition of Companies and Investors (1)

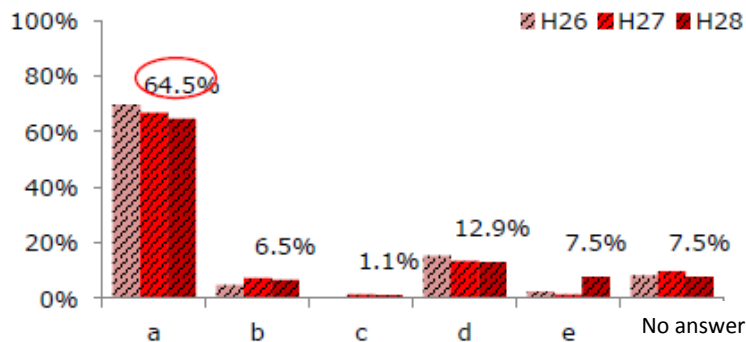
Many investors feel companies have **cash on hand that exceeds appropriate levels, and they expect it to be used for growth investments.**

[Perception of Levels of Cash on Hand (Companies and Investors)]



(Number of answers from companies: FY2016: 572, FY2015: 568, FY2014: 589)
 (Number of answers from investors: FY2016: 93, FY2015: 84, FY2014: 86)

[Appropriate Uses of the Cash on Hand of Companies (Investors)]



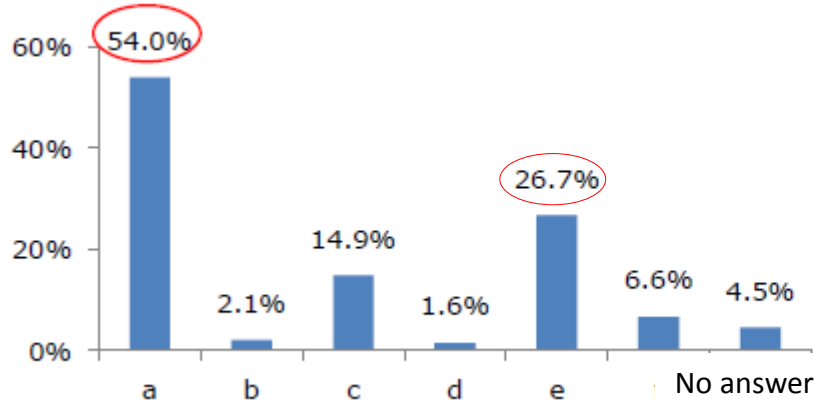
(Number of answers FY2016: 93, FY2015: 84, FY2014: 86)

(Source) FY2016 survey by the Life Insurance Association of Japan, "Initiatives aimed at improving share value" (partially amended by the FSA) *Conducted from October 4 to November 4, 2016. Responses from 572 listed companies and 93 institutional investors.

Investments and Internal Reserves (4): Recognition of Companies and Investors (2)

There are a significant number of companies that **don't have a clear stance towards** levels of cash on hand, and many investors also feel that **explanations of the appropriateness of these levels are insufficient.**

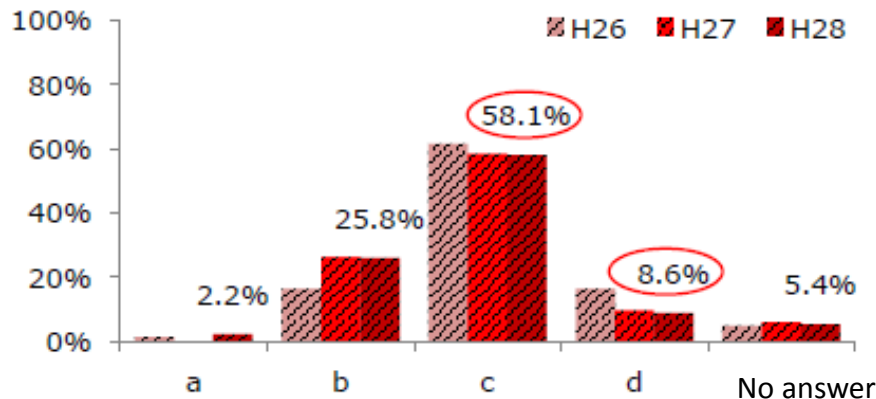
[Things Focused on When Determining the Appropriate Level of Cash on Hand (Companies)]



- a. Use a certain ratio of sales, profits, working capital, cash flows, etc. as a guideline
- b. Use competitors as a benchmark
- c. Maintain levels to acquire a target rating or creditworthiness
- d. Increase as much as possible
- e. There is not really a specific criteria
- f. Other

(Number of answers FY2016: 572) ※Multiple answers allowed

[Investors' Level of Satisfaction about Explanations on the Appropriateness of Levels of Cash on Hand from Companies (Investors)]



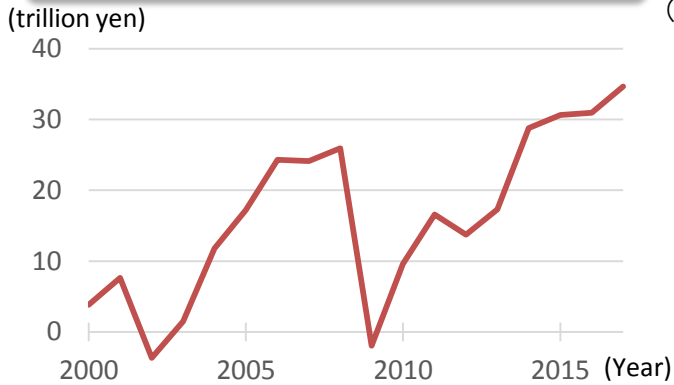
- a. It is sufficiently explained
- b. It has been explained to a degree
- c. It is not really explained
- d. There is nearly no explanation

(Number of answers FY2016: 93, FY2015: 84, FY2014: 86)

Management Decisions in Response to Changes in the Management Environment (1): Profitability of Japanese Companies

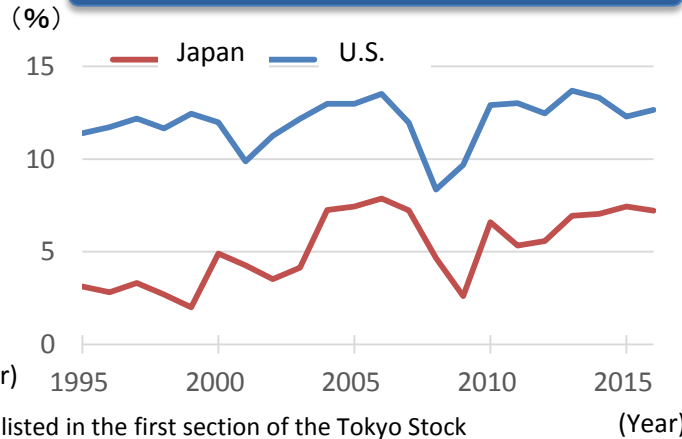
- Japanese companies have also achieved record highs in net profit. **Return on Sales (ROS)**, **Return on Assets (ROA)** and **Return on Equity (ROE)** have also increased.
- ROS, ROA, ROE are still at low levels** compared with those in the U.S.
- PBR** (Price to Book-Value Ratio) stays at around 1.0 time, and over one third of Japanese companies are less than 1.0 time.

Net Income (Note)

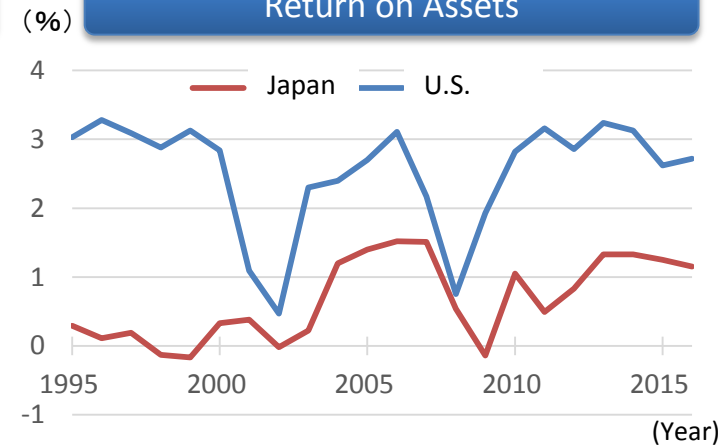


(Note) Total amount of the net income of companies listed in the first section of the Tokyo Stock Exchange which announce their final financial results by the end of June every year.

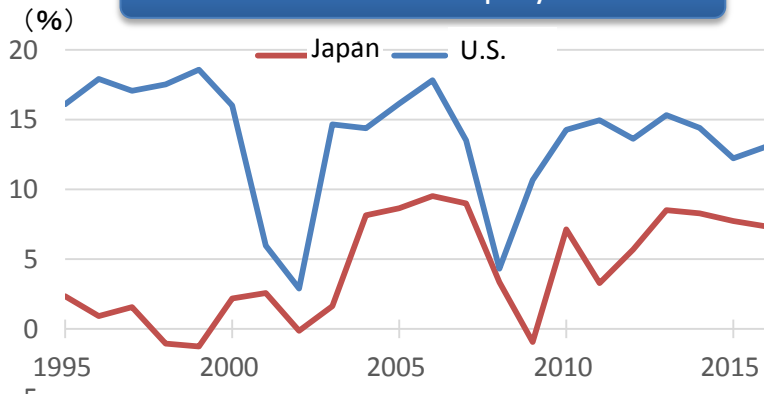
Return on Sales



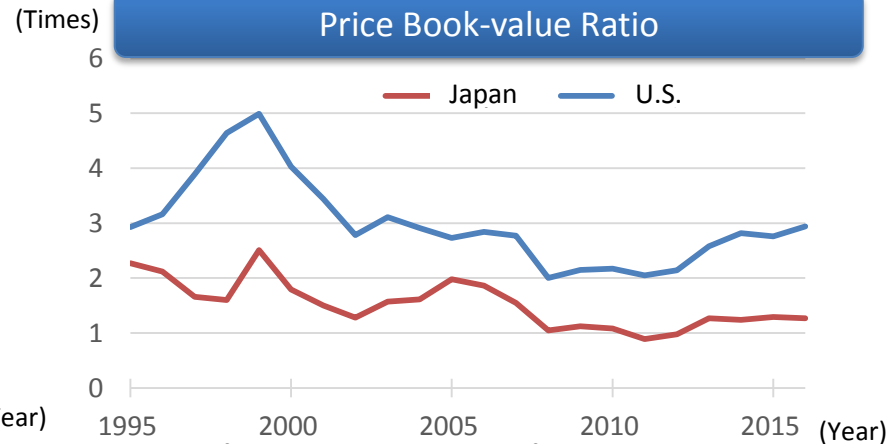
Return on Assets



Return on Equity



Price Book-value Ratio

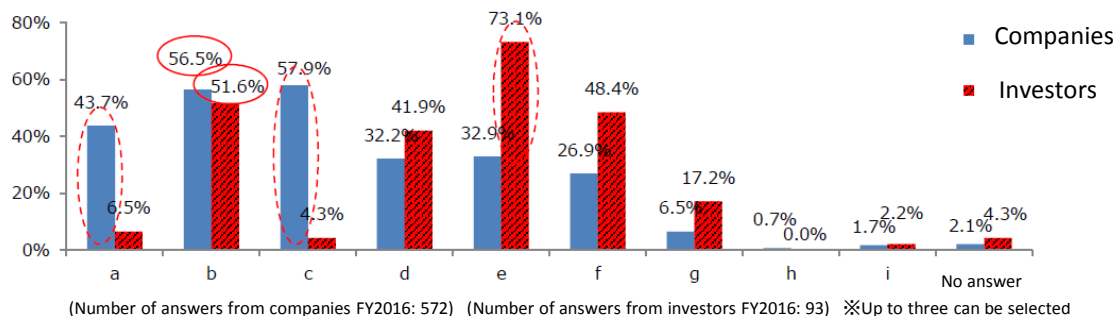


(Source) Made by the FSA based on Bloomberg and Nikkei QUICK. The target of Japan is TOPIX, and that of the U.S. is S&P500.

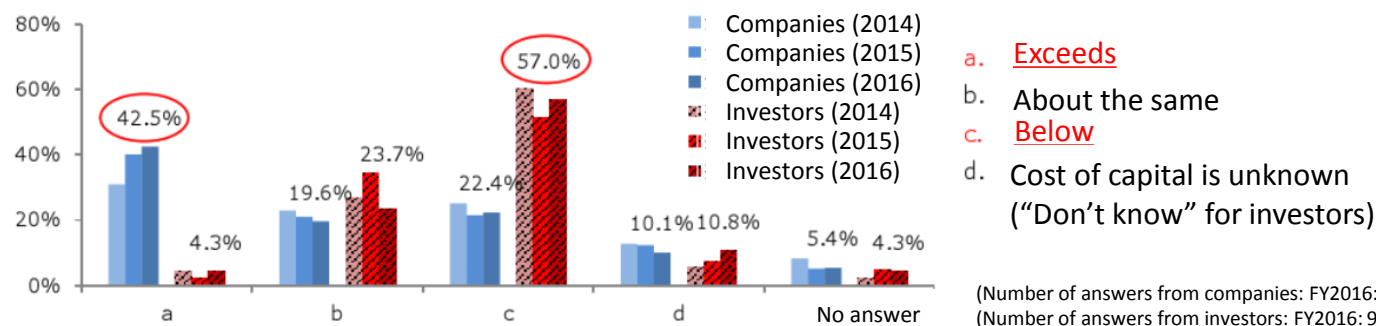
- ❑ While many investors have expectations regarding **business selection and concentration**, companies don't necessarily focus on this to a high degree.
- ❑ Many investors feel that companies **aren't achieving returns that exceed the cost of capital**. There are also cases of some companies that don't have an understanding of their cost of capital.

[Initiatives focused on improving capital efficiency (companies) and expected initiatives (investors)]

- a. Expansion of business scale and share
- b. Strengthening competitiveness of products and services
- c. Implementing cost reductions
- d. Investments focused on profitability
- e. Business selection and concentration (business portfolio review and replacement in line with the management's vision)
- f. Deploy profit and efficiency indicators as management indicators (instill on company-wide level)
- g. Expand leverage through borrowings and returns to shareholders
- h. Nothing in particular
- i. Other



[Stance towards ROE levels compared to cost of capital (companies and investors)]



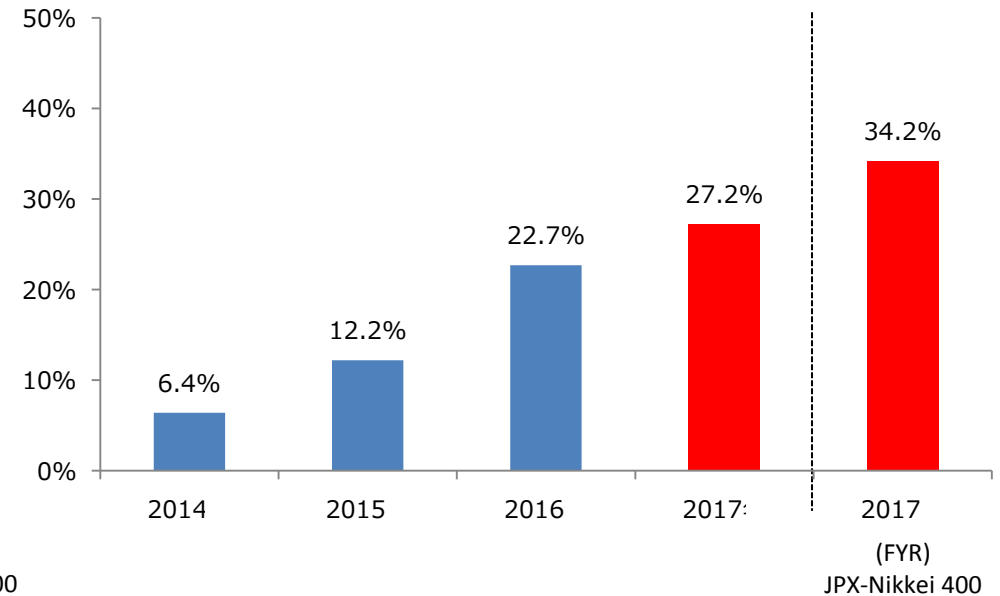
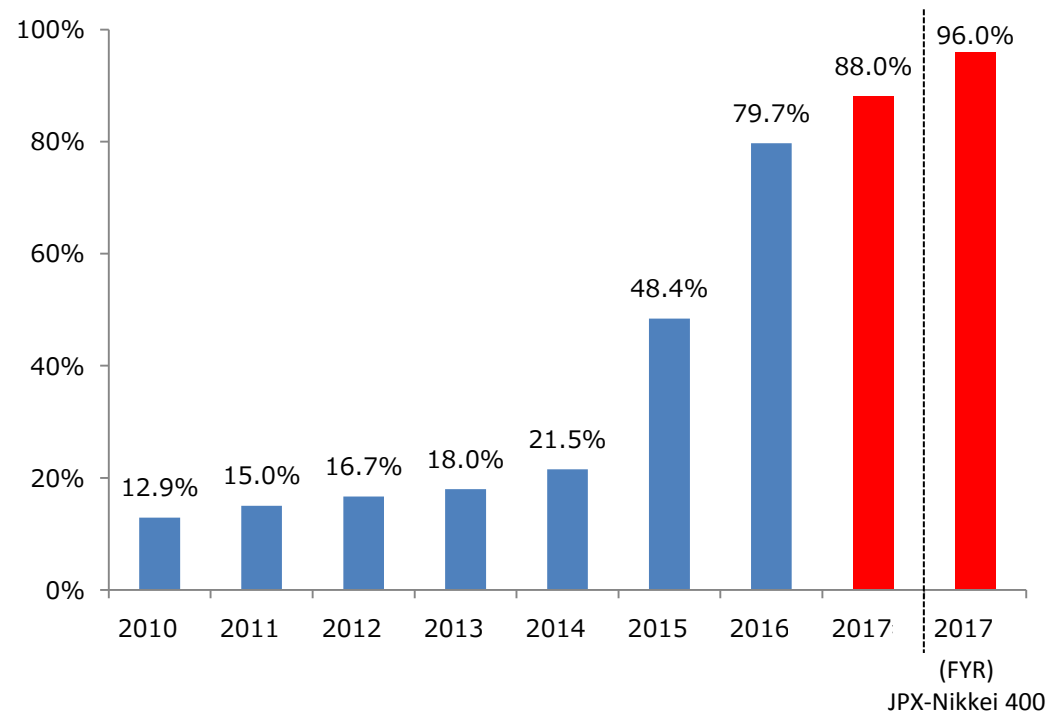
- a. Exceeds
- b. About the same
- c. Below
- d. Cost of capital is unknown ("Don't know" for investors)

CEO/Board of Directors (1): Appointment of Independent Directors

□ The ratio of companies that have appointed **independent directors** has **increased** after the corporate governance code was introduced.

Ratio of Companies (TSE 1st Section)
with Two or More Independent Directors

Ratio of Companies (TSE 1st Section)
with 1/3 or More Independent Directors



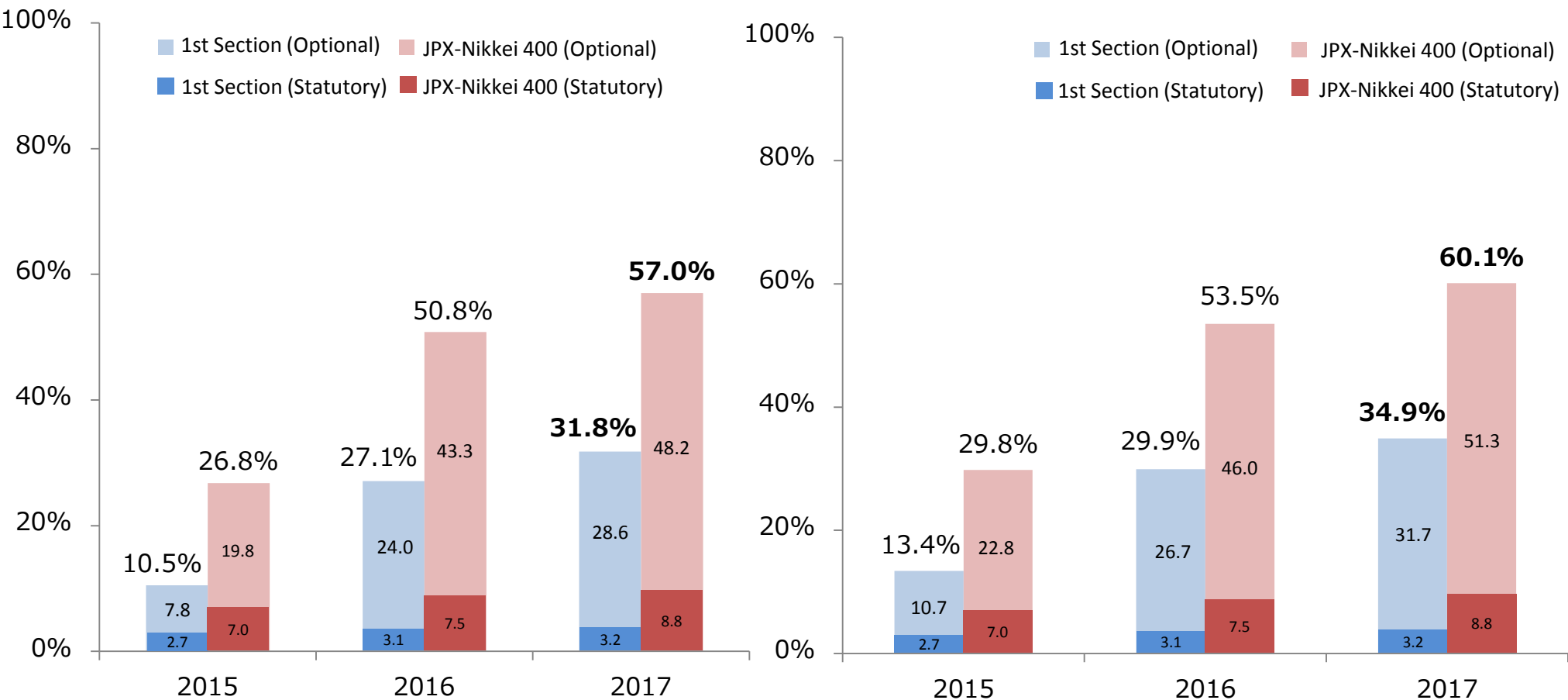
(Source) Tokyo Stock Exchange

CEO/Board of Directors (2): Establishment of Nomination Committees and Remuneration Committees

□ The ratio of companies that have established statutory or optional **nomination committees** and **remuneration committees** has **increased**

[Ratio of Companies with Nomination Committees]

[Ratio of Companies with Remuneration Committees]



(Source) Tokyo Stock Exchange

CEO/Board of Directors (3): Appointment/Dismissal Policy and Succession Plan

❑ The Survey finds that **the policies for appointment/dismissal** of senior management have not been widely implemented yet, and few companies monitor the **succession plans** of their CEOs.

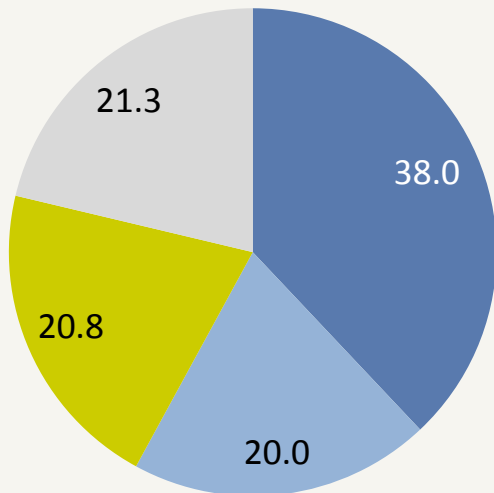
Q Does your company have a system or criteria to ensure objectivity, timeliness and transparency for electing CEOs?

Q Does your company have a system or criteria to ensure objectivity, timeliness and transparency for dismissing CEOs?

Q Does your company monitor the succession plan for CEOs?

Introduction of Appointment Policy

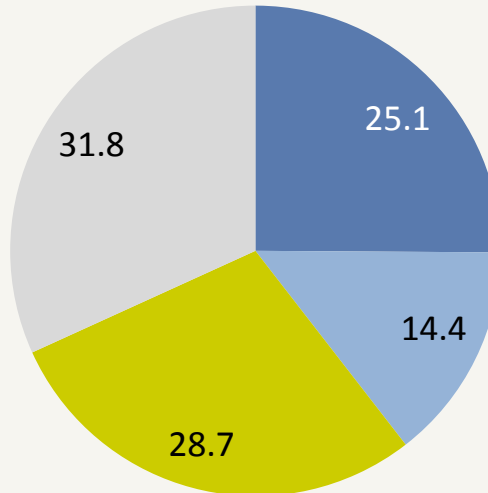
(%; N=390)



- Already introduced
- Preparing for introduction
- No plan yet
- N/A

Introduction of Dismissal Policy

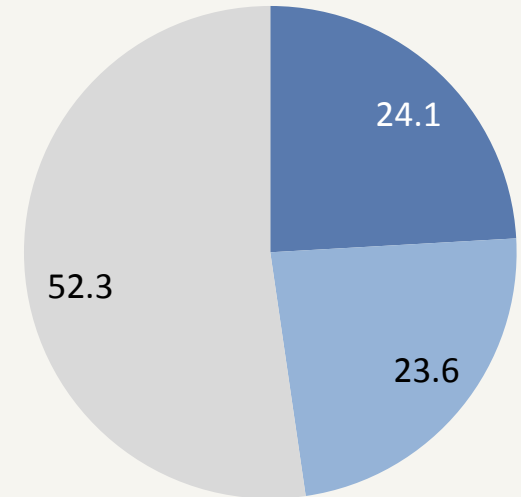
(%; N=390)



- Already introduced
- Preparing for introduction
- No plan yet
- N/A

Monitoring of Succession Plan

(%; N=390)



- Implement monitoring
- Preparing monitoring
- N/A

CEO/Board of Directors (4): Opinion Statement: Corporate Boards Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term (Feb 2016) (i)

Challenges facing Listed Companies

Changes in management environments and increasing complexity of management challenges.

(e.g., globalization, progress of technological innovation, population decline and the rapid aging of society, increased attention to social and environmental issues)

Roles and Responsibilities Expected for the Management and the Board

Management led by the CEO

Managerial decisions adequately respond to business challenges and are far-seeing.

Board

Establishing an environment that **supports appropriate risk-taking by the management.** Conducting **effective oversight.**

Expected Results

Achieving **sustainable corporate growth** and **increased corporate value over the mid- to long-term.**

CEO/Board of Directors (4): Opinion Statement: Corporate Boards Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term (Feb 2016) (ii)

Objective, Timely and Transparent Appointment/Dismissal of CEO

- In order to enable appropriate managerial decisions led by the CEO, appointment/dismissal of the CEO is **the most important strategic decision for companies**.

–Appointment:

Some argue that Japanese companies need to secure talented executives qualified for the position of CEO. Companies need to **invest sufficient time and resources in the development of candidate talent and the actual appointment of the CEO**. In addition, it is important to secure **objective, timely and transparent procedures for the appointment of the CEO**.

–Dismissal:

It is necessary to set a mechanism that makes it possible to **dismiss the CEO in a timely manner, in cases where problems are found with the CEO** after conducting appropriate evaluation of the company's performance.

Independent and Objective Board Composition

- Securing sufficient **independence and objectivity** in order to support appropriate managerial decisions.
- Securing adequate **qualifications and diversity required by the business environment and challenges**.
(Shareholders are shifting their focus from the number of independent directors to the qualifications of the board members.)

Board Operations Emphasizing Strategies

- Discussion of **putting more weight on strategic directions**.

Continuous Evaluation of the Board's Effectiveness

- **Making a proper self-evaluation of the effectiveness** of the board's composition and operations, in order to reflect such evaluation in the next steps of the board.
⇒ Realization of a PDCA (plan-do-check-act) cycle.

Cross-Shareholdings (1): Efforts to Reduce

After the corporate governance code was introduced, **4 major banking groups** disclosed their **reduction targets** and they are reducing their cross-shareholdings.

Reduction targets of 4 Major Banking Groups

<Released in Nov. 2015>

	Balance on 15/3 (Acquisition cost basis, trillion yen)	Immediate target of reduction (Reduction Rate)	Duration (Years)
MUFG	2.8	0.8 (30%)	5
MHFG	2.0	0.6 (30%)	3.5
SMFG	1.8	0.5 (30%)	5

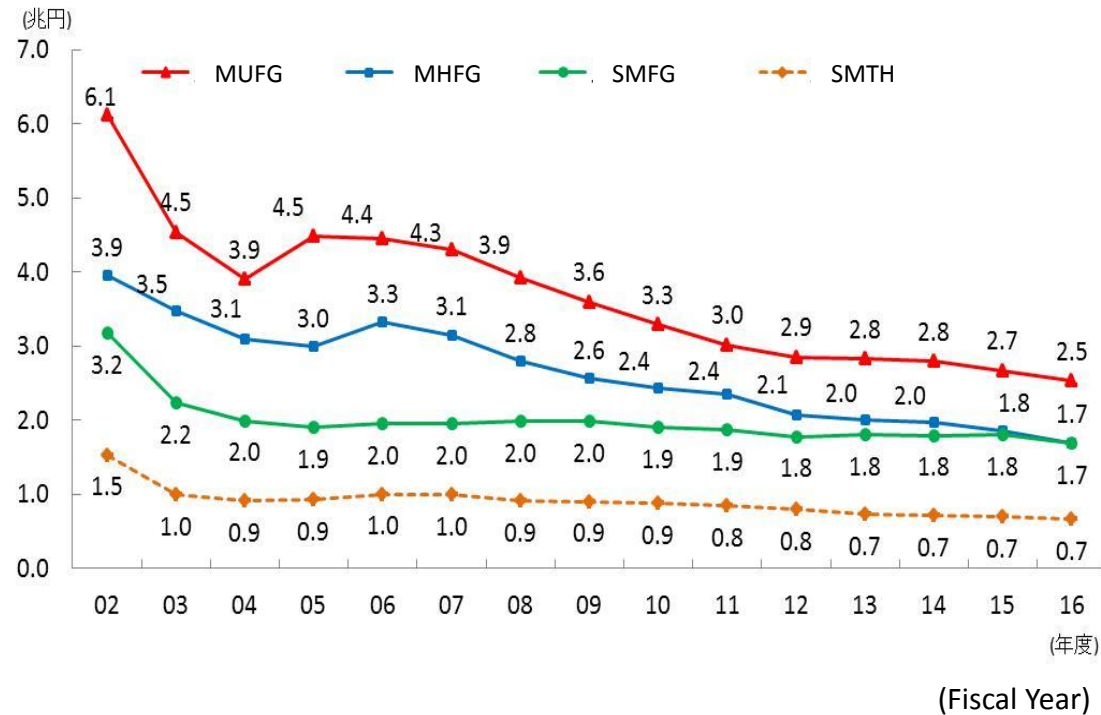
<Released in May 2016>

	Balance on 16/3 (Acquisition cost basis, trillion yen)	Immediate target of reduction (Reduction Rate)	Duration (Years)
SMTH	0.7	0.2 (30%)	5

(Source) Made by the FSA in accordance with each company's materials

Cross-shareholdings Status of 4 Major Banking Groups (acquisition cost basis)

(Unit: trillion yen)



(Note) Consolidated basis of bank holding companies.

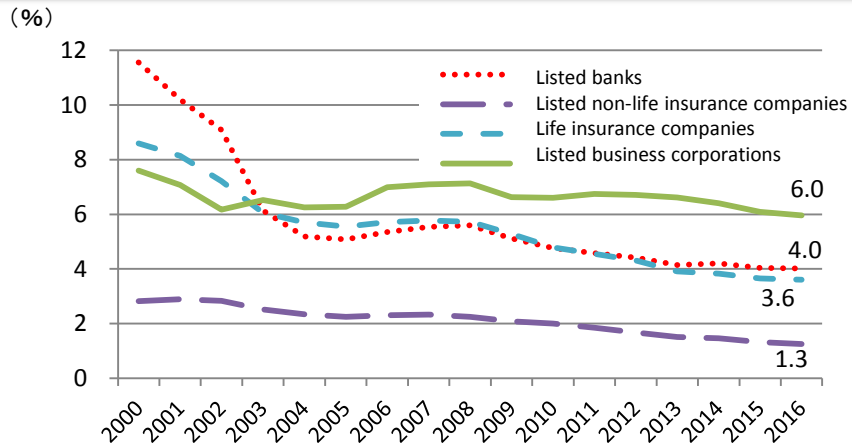
Subject shares: Those with market value for "the other holding purpose" category

(Source) Made by the FSA in accordance with each companies' materials

Cross-shareholdings (2): Current Status

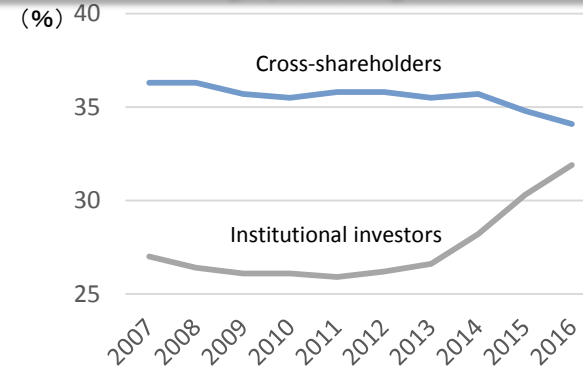
- While the percentage of voting rights accounted for by **cross-shareholdings** has begun to decrease, it has been pointed out that not much progress has been made in reducing holdings between business corporations, etc. and that levels **remain high**.
- It has also been pointed out that cross-shareholdings **may be a factor in causing a decline in capital efficiency**.

Breakdown of the percentage of shareholdings by holding body



(Source) Nomura Securities Co., Ltd.

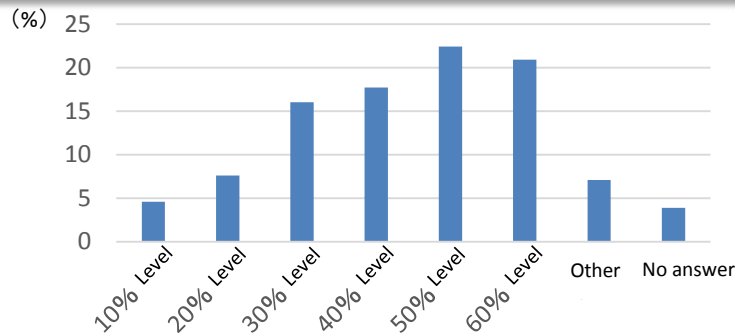
Shareholder structure of companies listed on the First Section of the Tokyo Stock Exchange (Percentage based on voting rights)



(Source) Ryoko Ueda, Senior Research Fellow, J-IRIS Research

(Note) Shareholders are classified into the following three categories above
 Cross-shareholders: Government and local public bodies, insurance companies, banks, business corporations
 Institutional investors: Japanese pension funds, Japanese investment trusts, foreign corporations
 Other shareholders: Securities firms, individuals, other entities, treasury shares

Ratio of shareholders expected to support the companies (2016)



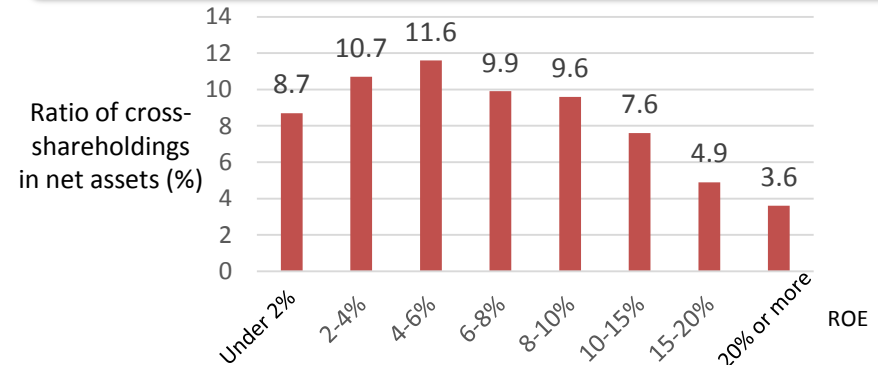
(Source) September 10, 2017 digital edition of the Nihon Keizai Shimbun

(Japan Institute of Business Law, White Paper on General Shareholder Meetings 2016)

(Note 1) Indicates ratio of voting rights held by shareholders that can be expected to support the company's proposals at the general shareholder meeting compared to the total number of voting rights

(Note 2) Scope consists of 1,755 listed companies for which a response was received from out of all listed companies.

Ratio of cross-shareholdings in net assets and ROE (2016)



(Source) Made by the FSA based on the Analysis of Current Status of Corporate Governance [2017](Edition by Corporate Practice Partners, Inc.)

(Note) Scope consists of 3,587 companies that submitted a securities report

Cross-shareholding (3): Discussions in the Follow-up Council

Cross-shareholding (excerpt from the Follow-up Council Opinion Statement (released October 20, 2015))

While levels of cross-shareholdings are historically low compared to the peak (early 1990s), these levels are still considerable. While there are cases of financial institutions making progress with the disclosure of cross-shareholding policies, it may be necessary to carefully verify future progress, including the response of non financial corporations.

■ Response of non financial corporations

While many feel there has been a lack of progress in terms of policy disclosure and explanations on rationality, it was also pointed out that there are some companies that have begun reviews.

■ Response of financial institutions

The majority opinion was that financial institutions should reduce cross-shareholdings in order to reduce risks. While mega-banks announced the clarification of a policy to reduce cross-shareholdings in the corporate governance reports released by these banks (June to July 2015) and a near-term reduction target to reduce cross-shareholdings by about 30% in the next three to five years (November 2015), it has been pointed out that considerable efforts still need to be made in considering the issues of the counterparties of cross-shareholdings.

■ View of investors

Many have the view that explaining the rationality would be difficult except for unusual cases of strategic alliances, and that, accordingly, cross-shareholdings should be sold off.

■ View of the business community

While there was no negative feedback about the dissolution of cross-shareholdings, many had the view that it is necessary to think of who will serve as a medium to long-term shareholder after cross-shareholdings are sold off.

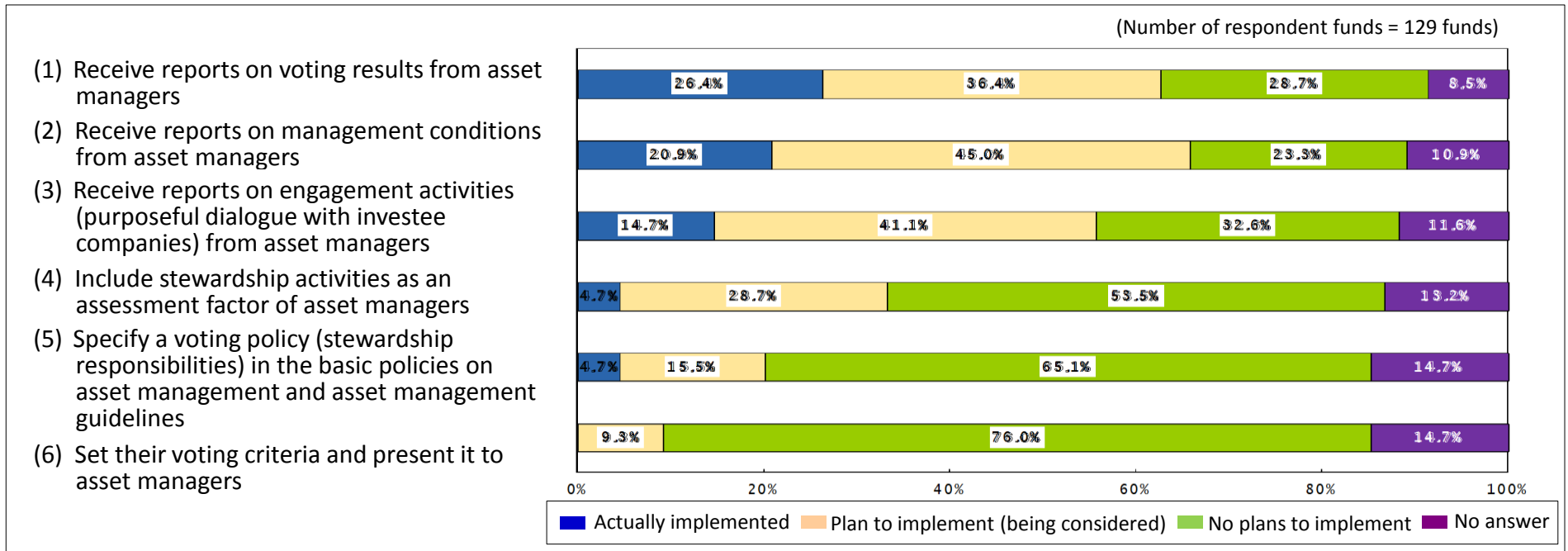
Asset Owners (1): Stewardship Activities by Corporate Pensions

- Although it is important to **monitor asset managers, asset owners, such as corporate pensions**, are not generally interested in stewardship activities, and few corporate pensions actually conduct such activities.

Stewardship activities by defined benefit funds

- 582 defined benefit funds responded to the survey on stewardship activities.
- 410 respondent funds answered “not interested in stewardship activities” and 129 answered “interested in stewardship activities”.

Actual actions (129 funds that answered “interested in stewardship activities”)



*43 funds answered “Actually implemented this” for either or all of the activities in (1) to (6) , and 68 funds answered “Plan to implement this (being considered)” for either of these activities.

Asset Owners (2): Status of Institutions That Have Accepted the Stewardship Code

❑ Participation of **corporate pension funds** is limited to **7** out of 214 institutions that have accepted the Stewardship Code.

Status of Institutions That Have Accepted the Stewardship Code (As of the end of December 2016)

Category	Number
Trust banks	7
Investment managers	152
Life insurance companies	18
Non-life insurance companies	4
Pension funds	26
Public pensions	14
Pension fund associations	1
Corporate pension funds	7
Foreign pensions	4
Others (service providers, etc.)	7
Total	214

(Reference) Amount of funds for domestic stock investment by Pension funds (Unit: trillion yen)

Total Funds in Public Pension	46.9
Government Pension Investment Fund (GPIF)	35.2
Pension Fund Association for Local Government Officials	5.7
National Federation of Mutual Aid Associations for Municipal Personnel	2.4
Japan Mutual Aid Association of Public School Teachers	0.9
Japan Police Personnel Mutual Aid Association	0.6
Tokyo Metropolitan Government Personnel Mutual Aid Association	0.1
Federation of National Public Service Personnel Mutual Aid Associations	1.2
Promotion and Mutual Aid Corporation for Private Schools of Japan	0.8
Pension Fund Association	1.7
Total Funds in Corporate Pension	8.0
Employee's Pension Fund (Total number: 110)	2.1
Defined-Benefit Corporate Pension (Fund-type: 705, Entrepreneur-type: 12,873)	5.9

They have accepted the Stewardship Code

Only 7 corporate pension funds have accepted the Stewardship Code

Corporate Pension Funds That Have Accepted the Stewardship Code

SECOM corporate pension fund
Mizuho corporate pension fund
SMBC corporate pension fund
SMTB corporate pension fund

MUFG corporate pension fund
MUTB corporate pension fund
Resona corporate pension fund

Growth Strategy 2017 (Cabinet Decision in June 9, 2017) (Excerpt)

Chapter 2 Concrete measures

II Assignment to build horizontal structures in Society 5.0

3. Corporate governance reform from “form” to “substance” and metabolism of industry

(2) Specific measures to be newly taken

i) Promotion of measures to improve corporate value over the medium to long term

① Improve corporate value through corporate governance reform

In order to further advance corporate governance reform by improving effectiveness of “constructive dialogue” between companies and institutional investors based on mid- and long-term perspective, we revised the Japan’s Stewardship Code this year. In the revised code, we clarify the roles of asset owners such as pension funds and require investment management companies to strengthen their governance and conflict of interest management.

In order to deepen corporate governance reform, which is one of the top agenda of Abenomics, and move its focus from “form” to “substance”, we will continue to encourage companies and institutional investors to leverage efforts including ones listed below, through considerations and discussions at the “Council of Experts concerning the Follow-Up of Japan’s Stewardship Code and Japan’s Corporate Governance Code”.

- Effective stewardship activities by institutional investors such as enhancing governance and conflict of interest management, enhancing disclosure of results of voting executions, self-assessment, monitoring of investment management companies, and high-value-added dialogue that gives companies “awareness”.
- Efforts by listed companies such as provision of information beneficial for constructive dialogue with investors such as management policies and strategies including their basic capital policies and business condition and as more effective dialogue.
- Appointment/dismissal of CEOs in an objective, timely and transparent manner, organization of boards of directors with necessary qualities and diversity, management of boards of directors with more focus on strategies, and proper evaluation for these efforts.
- Easy-to-understand disclosure of policies on shareholdings and reduction of shareholdings in cases companies keep them without reasonable motivations..

From the standpoint of increasing international understanding of the efforts for corporate governance in Japan, we will transmit information on these efforts overseas in a timely and effective manner.