

Considerations on Basic Points Concerning the Corporate Governance Code

Corporate Governance Codes of other countries typically explain the following basic points concerning the Codes in their Preambles or the like.

Upon drafting the Code in Japan, what should we keep in mind with regard to these points?

- 1. Background**
- 2. Explanation of Corporate Governance**
- 3. Explanation of Stock Corporation System in the Country**
- 4. Explanation of ‘Principles-based’**
- 5. Explanation of ‘Comply or Explain’**
- 6. Shareholders should not automatically give a negative evaluation to ‘Explain’**
- 7. Applicable Scope of the Codes**
- 8. Review of the Codes in the Future**