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Opinion Statement for the 19th Follow-up Council

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- (1) Some investors focus on increasing mid- to long-term corporate value of investee companies, while others are uncompromisingly short-term oriented. In the meantime, Japanese companies' ability and awareness in terms of holding dialogues with investors significantly vary. When we consider collective engagement and escalation, I believe that we need to sufficiently take into account such uneven qualities seen among both investors and companies.
- (2) If the Japanese economy is to seek growth through facilitated economic metabolism, I suggest there can be differentiated treatments among the listed subsidiaries, as some deserve to be allowed a certain period of time as a means (tentative step) to seek for smooth enterprise integration in the Japanese culture, while others don't.
- (3) With respect to the improvement of stewardship as well as the corporate governance reform in Japan, we have no other way but to make gradual progress by identifying various issues and addressing each of them as our agenda. However, there are some investors who try to make profits, taking advantage of such time lag. It could be said the Japanese market is their "target". I'd like to request the secretariat to ensure sophisticated administration of the Council, including the way of setting agenda, making steady progress while "preserving what should be preserved".

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