

# Characteristics and Emphases of Japanese Corporate Governance Code



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## Major Activities of Institute of Corporate Governance, Japan

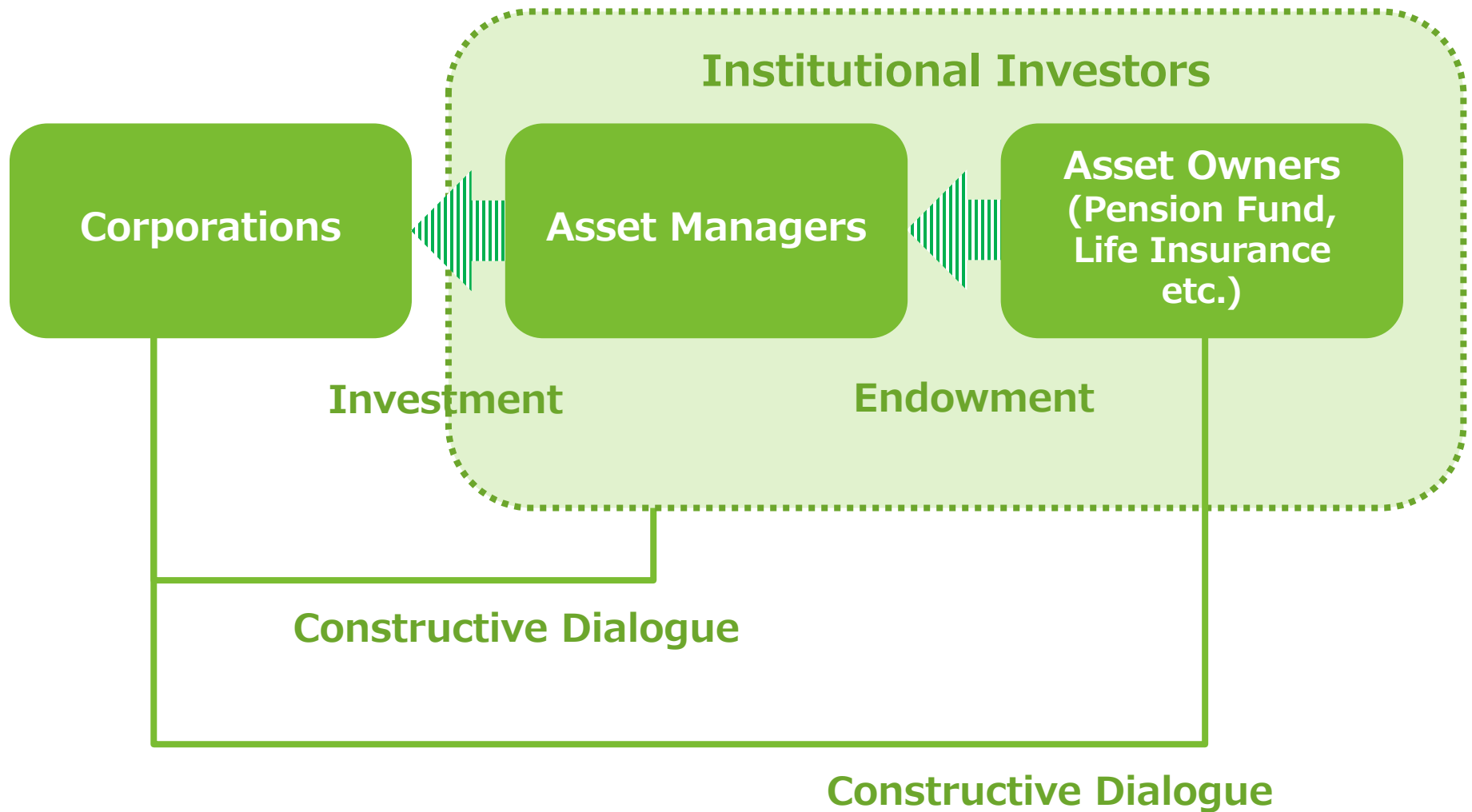
- Dissemination of information and opinion about Japanese corporate governance reform
- Introduction of candidates for independent director and “Kansayaku”
- Training and education for directorship and “Kansayaku”

Details at:

<http://www.icgj.org/en/>



1. The Right and Equal Treatment of Shareholders
2. Cooperation with Stakeholders other than Shareholders
3. Ensuring Appropriate Disclosure and Transparency of Information
4. Responsibilities of the Board
5. Constructive Dialogue with Shareholders



## ■ Drastic Change of the Distribution of Shareholders

	'80s	2016
Corporate	32%	22%
Individuals	22%	17%
Banks	16%	4%
Life Insurance	14%	6%
Trust Banks	9%	20%
Foreign	7%	31%
Total	100%	100%



## ■ Effective Use of Independent Directors (as of June 2017 )

TSE	# of Cos	More than two Independent Director	
		# of Cos	%
1 <sup>st</sup> Section	2021	1778	88.0%
2 <sup>nd</sup> Section	523	331	63.3%
Mothers	241	87	36.1%
JASDAQ	752	202	26.9%
Total	3537	2398	67.8%

as of 2014

← 21.5%

← 13.2%



## Remarkable Development after the Introduction of CG Code [2]

1. Enhanced ROE (above 8 % ) and ROA ( 3%)
2. Increased Total Payout Ratio to 40%
  - Dividend : 30%
  - Share Buybacks : 10%
3. Institutional investors' punctual voting at the general shareholders meeting