



# Ongoing Sophistication of Japanese Corporate Governance Reform

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The Code is closely associated with Abenomics' growth strategy in terms of objectives of ;

- Corporate value growth and sustainability
- ROE and Capital Efficiency
- Global competitiveness



Leadership, fiduciary duty and accountability of the Board for

- clear strategic goal
- definitive decision making including investment and M&A
- effective resource allocation
- evaluation of corporate performance and profit
- diligent risk management
- separation between board and executive officers



## Historical and Structural Difficulties of the Reform

- Japanese corporate system of lifetime employment and seniority
- Vagueness of corporate decision-making process and responsibility
- Strength of executive committee resulting in a board decision to be cosmetic



- Appointment and Succession Plan of CEO
- Remuneration and Incentives for CEO



### Singapore Management University(SMU); Executive Skills For Board Members Program

**Module 1:** The Role of Directors: Duties, Responsibilities and Legal Obligations

**Module 2:** Assessing Strategic Performance: The Board Level View

**Module 3:** Finance for Directors

**Module 4:** Risk and Crisis Management

**Module 5:** Strategic Corporate Social Responsibility and Investor Relations

**Module 6:** Effective Succession Planning and Compensation Decisions



The Effectiveness should be evaluated in terms of ;

- Composition and diversity of the Board
- Board agenda and discussion environment and supports
- Quality and capability of directors
- Contribution of Independent Directors



## Challenges [4] : Activation of Annual General Shareholders Meeting

- Corporate ad competitive strategy
- Evaluation of budget, performance and capital efficiency
- Examination of director candidate's quality