



Corporate Governance and Firm Performance in Japan

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BDTI

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Summary

Corporate Governance is Generating Positive Outcomes, and Further Progress can be Expected

- Improvement trends are continuing, but are players getting “reform fatigue”?
- Investors are expressing their reactions/opinions through proxy voting
- However, “efficient engagement” (in written form) is necessary to communicate investors’ specific expectations and requests
- The “Wall of Allegiant Holdings” (cross-shareholdings, etc.) can be toppled
- Director training and modern HR practices are urgently needed
- Factors that appear to correlate with excess performance include:
 - $\geq 50\%$ independent directors; existence of a nominations committee; $>15\%$ of directors are female; the presence of large shareholder(s); “youth” of the company (age under 45 years); a low level of cross/allegiant shareholdings, etc.
 - This presentation presents preliminary analysis about the direction of causation.
→ Do good firms adopt “best practices”? Or do practices actually improve performance?
- Is Japan’s market a mountain of gold? No, it all depends on the stock

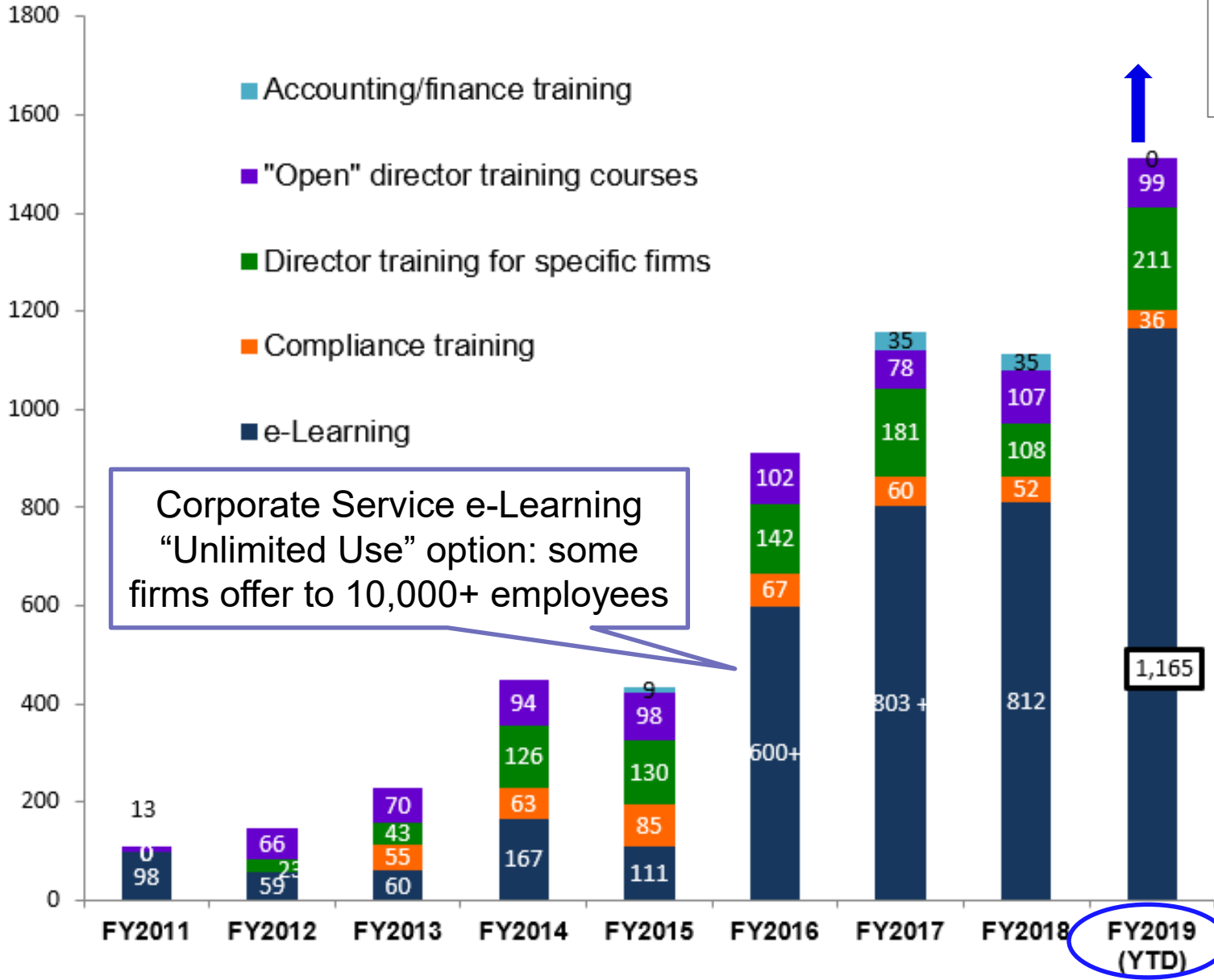
Introduction of BDTI

The Board Director Training Institute of Japan: a Non-Profit Japanese “Public Interest” Organization Certified by the Government

- Established in 2009 by experts and opinion leaders active in academic and business circles, in order to improve corporate governance
- Activities certified by the Japanese Government in 2011:
 - “Activities to increase knowledge of corporate governance and develop related human resources” → Training for directors, executive officers and managers
 - “Research about corporate governance, and activities to increase awareness of it in the general public” → Analysis, and disseminating information on corporate governance, practices, and related issues
- Representative Directors
 - Kenichi Osugi: Professor, Chuo University Law School, and Member, Corporate Governance System Committee, Ministry of Economy, Trade and Industry
 - Nicholas Benes: Proposed Japan’s Corporate Governance Code to the LDP in 2013. 11 years as an investment banker at J.P. Morgan, and 12 years as an M&A advisor. Former Member, Financial Service Agency’s Corporate Governance Liaison Committee. Experienced as an outside director at five Japanese corporations over 20 years

BDTI's Training Activities

Participants (Cumulative)
 Director Training: 1,776
 Seminar: 2,851
 Others: approx. 4,500
 (as of November 2019)



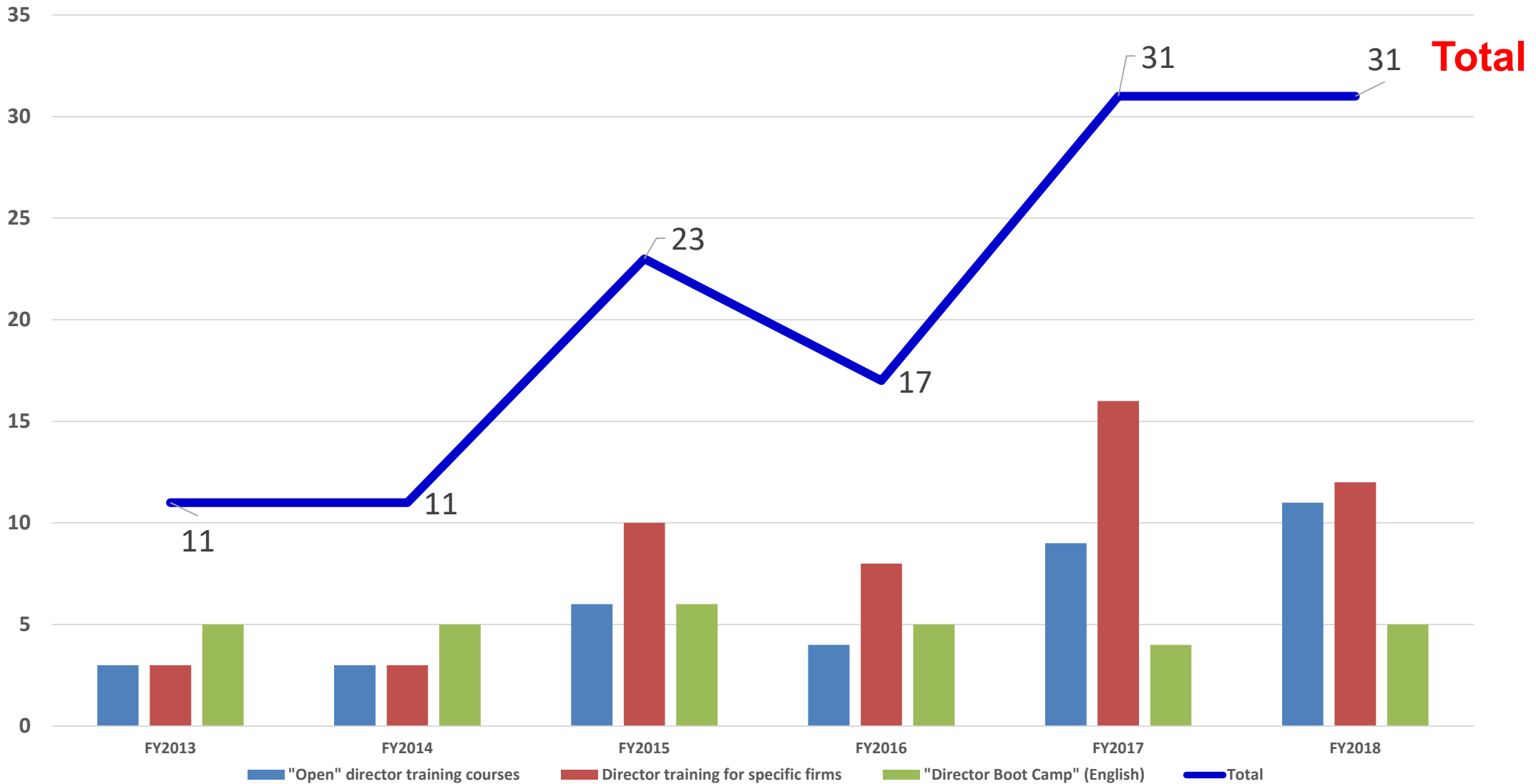
Other Services

『Director Bank』
 ⇒ Search for director candidates based on skills needed!

『Disclosure Information Search Engine』
 ⇒ Conveniently collect financial and non-financial information from multiple sources!

『English Disclosure Search Engine』

Number of Interactive Director Training Sessions

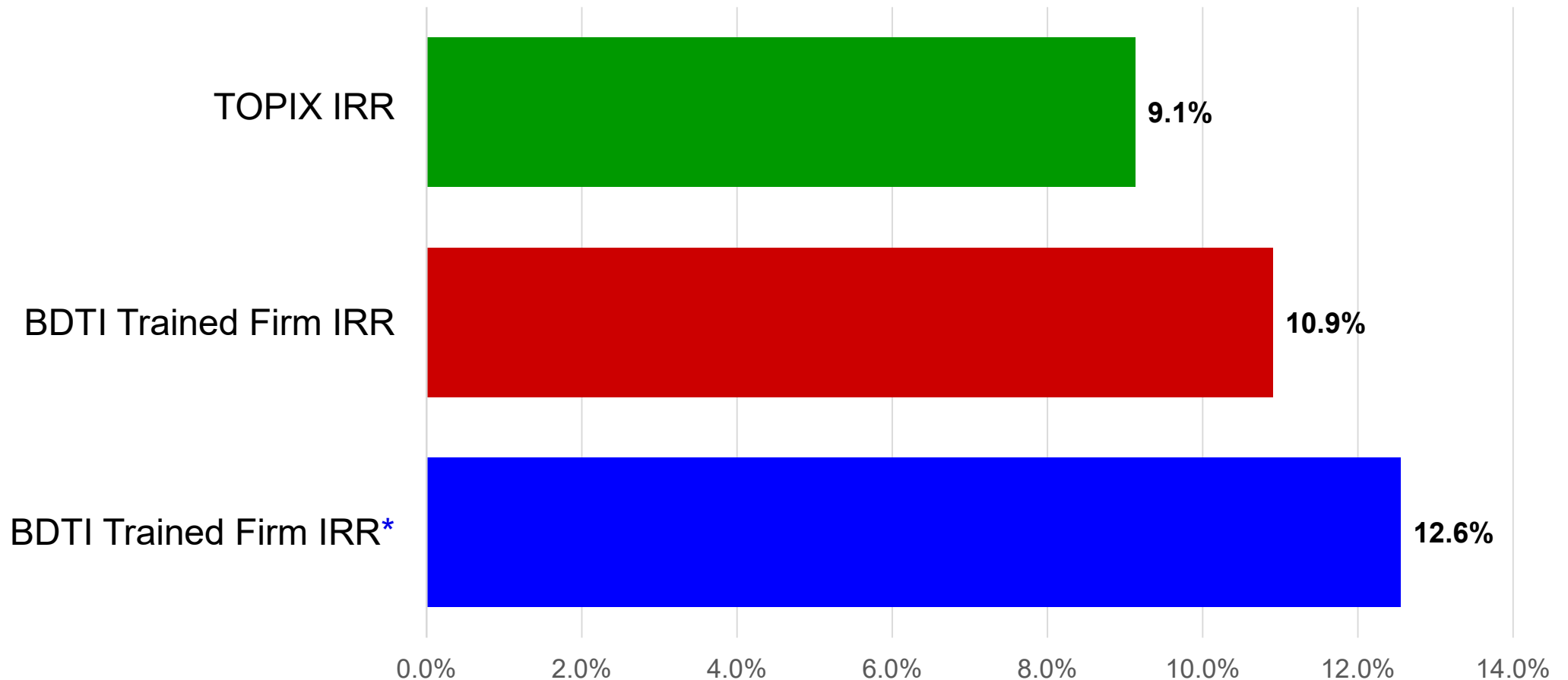


Excluding seminars.

* Multiple sessions by the same company count as one session.

High-Quality Companies are Serious about Training

Share Price Performance of Companies that Have Received Training from BDTI (IRR 2011-2018)



Dataset: Listed companies that received directorship training. Excluded: companies that only sent a few executives to our periodic training that is open to the public. * Excludes cases of IPO companies and companies owned substantially by the government.

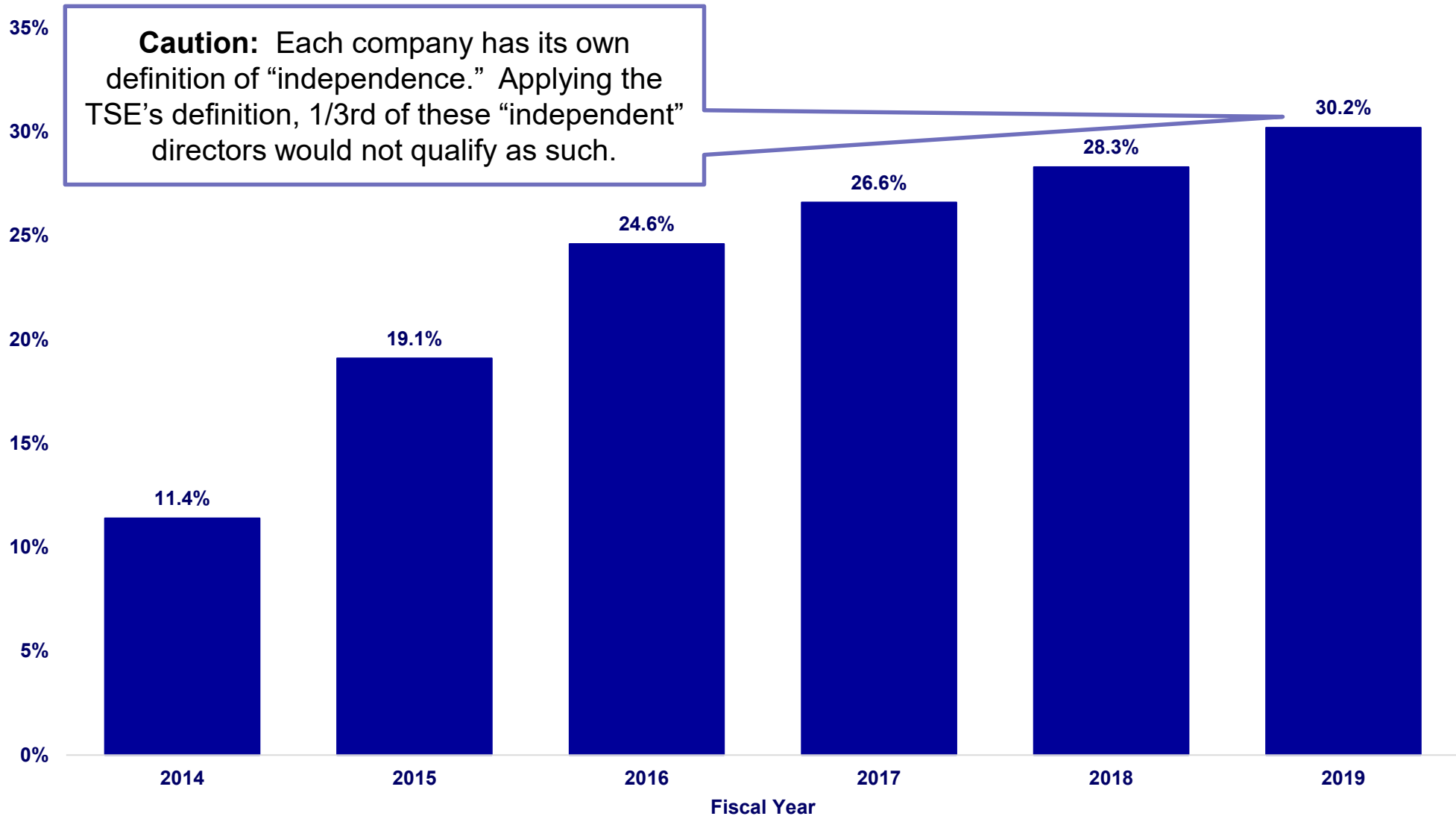
Example Seminar Themes (Partial list, from the 65 seminars held so far)

- 『企業が今後求められるESG関連情報開示への対応とは？～ESG開示情報の標準化その他の流れを考える～』
- 『経産省の新たな二つの指針に基づき グループ・ガバナンスと公正なM&Aの在り方について考える』
- 同時通訳付セミナー『ACGA代表ジェミー・アレン講演:新たなステージに入った 日本のガバナンス政策と求められる企業の対応』
- 『議決権行使動向～SS及びCGコード改訂後の特徴と ISSの議決権行使方針および今後の動向～』
- 『ROE経営の実践～資本コストとの関係、CFOの役割、投資家の期待～』
- 『CGSガイドライン改訂のポイントと今後の課題と対応 ～取締役経験者の視点から～』
- 『中期経営計画と取締役会の役割・評価 ～日本企業の中期経営計画はガラパゴス化している？～』
- 『AI、ビッグ・データ、投資手法の高度化の時代、ESGはどう変わる？』
- 『中期経営計画と取締役会の役割・評価 ～日本企業の中期経営計画はガラパゴス化している？～』
- 『会計フォローアップ講座 役員として読む財務諸表』
- 『企業不祥事から学ぶガバナンス強化策』
- 『第三者委員会の設置から企業の信頼回復まで』
- 『なぜ日本のファミリー企業はパフォーマンスが高いか？』
- 『日本のコーポレート・ガバナンスの現状分析とBDTIの開示資料検索エンジンのご紹介』
- 『クラスアクション元年－企業の備え』
- 『～エンゲージメントの前に経営者が知っておきたい～「投資される経営」とは？長期的な企業価値創造のための経営視点とスキルとは？』
- 『不可分となったサイバーセキュリティと経営』
- 『不正行為リスク:測定方法と低減策 ～「チーフ倫理オフィサー」の役割と日本における倫理基準ベンチマーク・プロジェクト』
- 『突然のTOB－その時どう動く？』
- 『昨今の会計不正から考える、役員と会計監査人のあるべきコミュニケーションとは？』
- 『「対話」の時代、株主総会とIRはどう変わるか？～国際的な視点から～』
- 『競争法のグローバル・トレンドと今後の独占禁止法の動向』(同時通訳付き)
- 『役員と経営者の業績連動型報酬の将来像～10年後を見据えて～』
- 『そもそも何のためのコーポレートガバナンス・コード？グローバル化の渦中で実効性のあるボードと経営とは？』
- 『コーポレートガバナンス・コード勉強会～ 一步先を行くCGコードの具体的活用方法とは？ ～』
- 英語セミナー『日独比較研究:ドイツの事例から学ぶ取締役会の役割と機能』
- 『我が社におけるコーポレートガバナンス・コード実施を前に検討すべき課題とは？～ どのような取締役会運営、情報開示、対話が求められるか？～』
- 『日本企業の取締役会メンバーに必須のM&A知識とは？ ～ 自社に価値をもたらす正しいM&A案件を正しく実行するために ～』
- 『グローバル化する企業リスクと新たな対応を迫られるリスク管理体制 ～ 事例から学ぶ日本企業が陥りやすいグローバル・リスクの落とし穴 ～』
- 『スチュワードシップ、エンゲージメント、アクティビズムの交差点～海外の展開と企業側が取るべき体制～』
- 『監査等委員会設置会社への移行は是か非か』
- 『竹内健教授が語る技術と経営～「人材を腐らせる日本企業」を直視し、失敗に学び、日本企業をイノベートする～』ほか



The Average Number of “Independent” Outside Directors has Steadily Risen, Three-fold (From FY2014 to FY2019)

TSE1: Average % of Directors that are Independent Directors



Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures.

However, Many Directors Do NOT Receive Governance and Finance-related Training

Survey on Director Training (after the Corporate Governance Code was adopted)

Participants	%
Inside Directors (Incl. Executive Officers)	53.9%
Outside Directors	28.9%
Training Less Than 3 Hours	50%
Training Contents:	
Internal Control	42.4%
Compliance	16.2%
Risk Management and Crisis Management	25.3%
Corporate Governance Code	13.1%
Finance and Accounting	21.2%
Corporate Value Evaluation	7.1%

Quote: “In the past, director training of publicly listed Japanese corporations did not focus on increasing skills needed for oversight... Companies need to focus on strengthening the monitoring capabilities of directors.”

“New directors with adequate knowledge and skills when appointed, are truly rare.”

Relationships Between Corporate Governance and Firm Performance

Factors that Appear to Correlate with Superior Performance

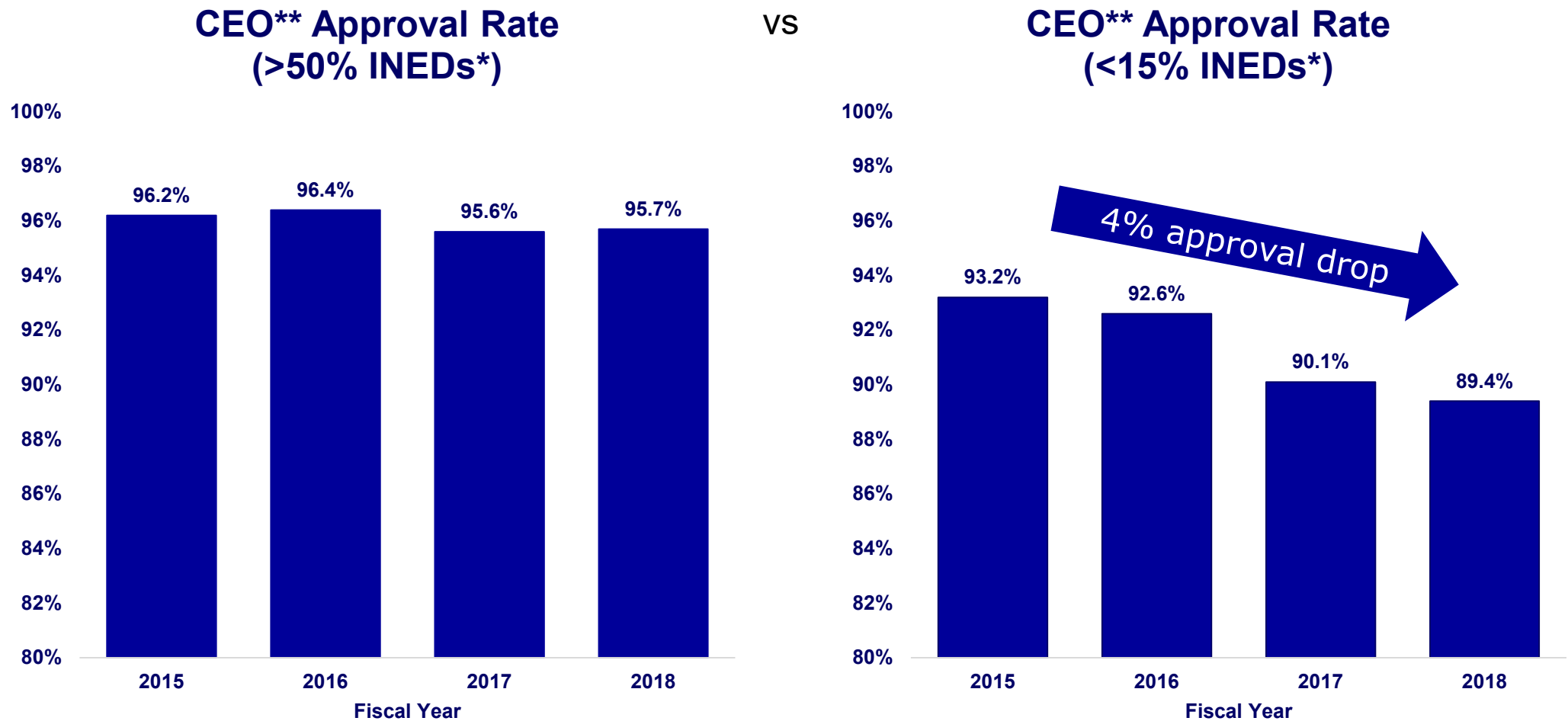
<i>2018-2019 Averages</i>	RoE	RoA	RoIC	PBR	No. of Companies
Company Age <45 Years	11.4% ***	5.7% ***	9.0% ***	2.79 ***(1)	473
Herfindahl Index >0.13	10.3% ns	5.2% ***(2)	8.1% ***	2.36 ns	327
Female Directors >15%	8.9% *	4.6% **	7.7% **	2.31 ***	121
Independent Directors ≥50%	8.8% ns	5.0% ***	7.2% ***	2.17 ns	91
Independent Directors >33%	8.7% *	4.7% ***	7.1% ***	1.77 ns	614
Nomination Committee	8.5% ***	4.2% *	6.7% *	1.45 ns	603
Allegiant Holdings >12% of Total Assets	6.8% ***(2)	3.7% ***(2)	5.3% ***(2)	1.09 ***(2)	144
Average for All Companies	8.6%	4.4%	6.9%	1.62	1838

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier performance have been excluded (~5% of firms).

Note: Significance marks denote that the dependent variable (RoE, RoA, RoIC, or PBR) correlates with left-hand side independent dummy variables between 2009-2019 showing a positive difference.

(1) While tested at P-value of <0.001, there is wide variance of PBR values (high standard deviation)
(2) In these cases, the slope is negative (e.g. high allegiant holdings correlates w/ worse performance)

Firms Lacking INEDs* Show Approval Declines



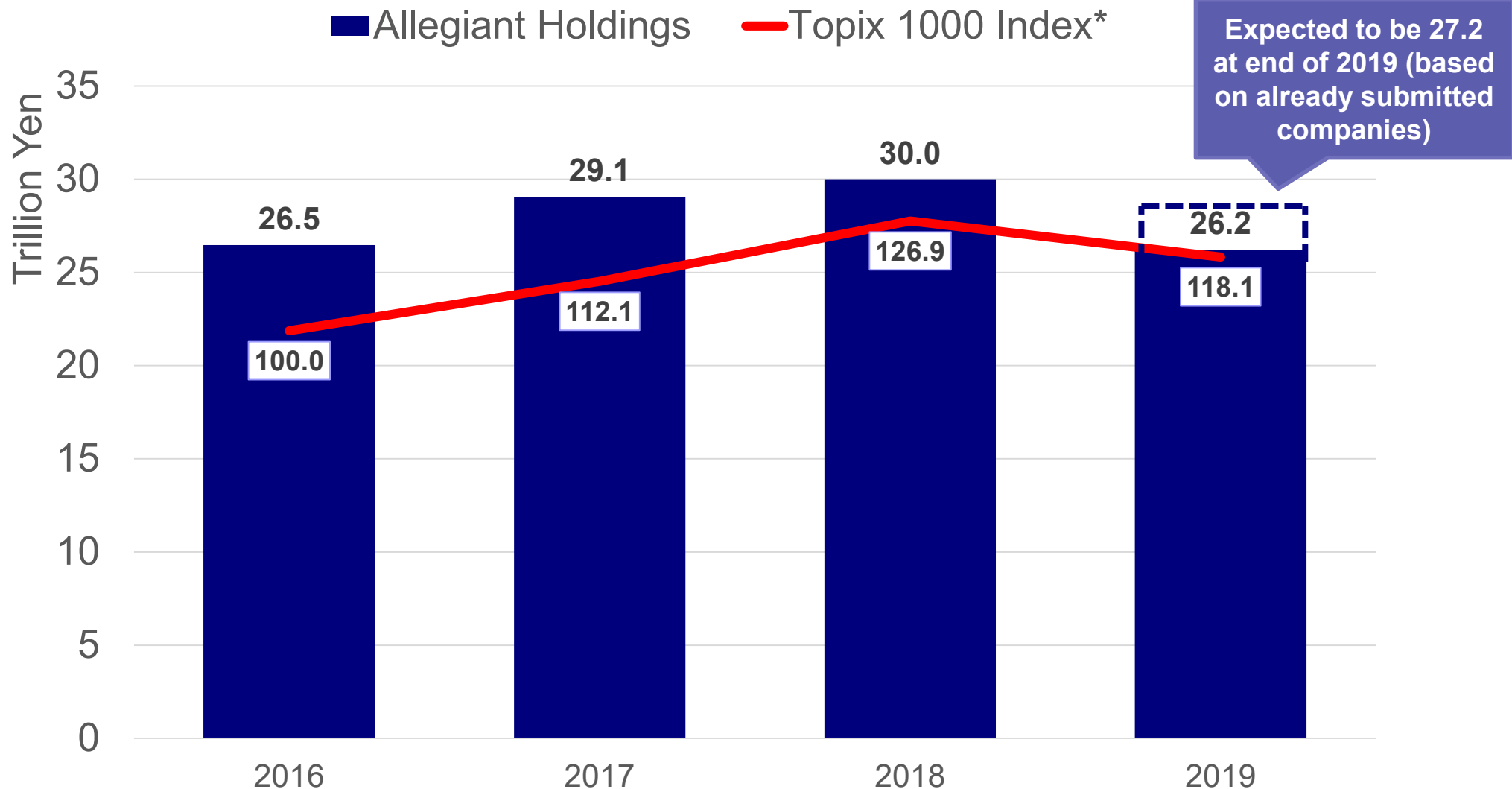
* INED – Independent Non-Executive Director

** The approval rate is the director candidate's listed first on the proxy (typically the most senior executive)

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures.

“Allegiant Shareholdings”: Only a Slight Decline, Recently

- Each 1% of allegiant holdings / assets is correlated with a 0.12% drop in ROIC
- Same firms in each year; if all firms’ data captured, 2018 would be about 40 Tln.



*TSE1 subset excluding financials, Japan Communications, and Toshiba (approximately 2000 companies). “Allegiant holdings” are “policy stockholdings” as disclosed in financial reports to the FSA. Source: BDTI Database, preliminary data. Purely financial data is from PacificData. *As of January of each year.

The “Allegiant Holders’ Hall of Shame” FYE2019

- 21 firms hold 36.6% of all TSE1 “policy stocks”, usually a high % of their assets
 - Below are 16 firms holding 15%. Add Toyota Motor (4.2% of TA), Mitsubishi Corp. (4.1), Nippon Steel (5.8), Mitsui Fudosan (8.2), and MHI (6.3) for another 21.6% = 36.6% held by only 21 firms

Code	Company	Allegiant holdings (Blns)	Allegiant holdings/assets	INED%	ROA	PBR	Cash plus securities/mkt cap
6201	Toyota Industries	610	12%	20%	3%	0.69	143%
6902	Denso Corporation	512	9%	38%	4%	0.93	59%
7911	Toppan Printing Co., Ltd.	509	23%	13%	2%	0.46	154%
1802	Obayashi Corporation	344	16%	30%	5%	1.04	75%
1803	Shimizu Corporation	343	18%	25%	5%	1.03	85%
7912	Dai Nippon Printing Co.,Ltd.	334	19%	33%	-2%	0.80	81%
1801	Taisei Corporation	303	16%	33%	6%	1.56	97%
1812	Kajima Corporation	264	13%	31%	5%	1.13	90%
4676	Fuji Media Holdings, Inc.	217	17%	11%	2%	0.48	136%
4528	Ono Pharmaceutical Co., Ltd.	167	27%	29%	8%	3.23	26%
5711	Mitsubishi Materials Corp.	165	9%	55%	0%	0.60	86%
1860	Toda Corporation	159	24%	30%	4%	0.78	143%
9401	TBS Holdings, Inc.	148	19%	12%	3%	0.61	157%
5901	Toyo Seikan Group Holdings	113	11%	31%	2%	0.70	88%
9301	Mitsubishi Logistics Corporation	112	23%	27%	2%	0.91	69%
7951	Yamaha Corporation	92	18%	75%	8%	2.60	23%
Total:		4,394	17.0%	30.7%	3.7%	1.10	94.5%

These 16 firms = 0.8% of the number of firms in TSE1*

Averages →

*Screen of TSE1 excluding financials, Japan Communications, and Toshiba. “INED”: Independent Non-Executive Director. Source: BDTI Database, preliminary data. Purely financial data is from PacificData. This is merely an example and does not constitute or purport to be investment advice of any kind.

Companies with Audit and Supervisory Committees Are Increasing Rapidly...

Board Structures	% of Independent Directors	2014	2015	2016	2017	2018	2019
Companies with Nomination Committee	≤15%	4	1	-	-	-	-
	15-50%	21	25	25	24	23	20
	≥50%	19	26	31	35	36	41
<i>Total</i>		44	52	56	59	59	61
Companies with Audit Committee	≤15%		16	26	22	18	16
	15-50%		124	346	425	465	437
	≥50%		3	27	35	42	46
<i>Total</i>			143	399	482	525	499
Companies with Audit & Supervisory Board Members	≤15%	1,388	792	329	209	144	81
	15-50%	538	1,036	1,270	1,326	1,340	1,171
	≥50%	19	29	39	41	58	44
<i>Total</i>		1,945	1,857	1,638	1,576	1,542	1,296

Note: Independent director numbers are reported under company criteria

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures.

...of which, Approximately 10% Have Independent Directors $\geq 50\%$

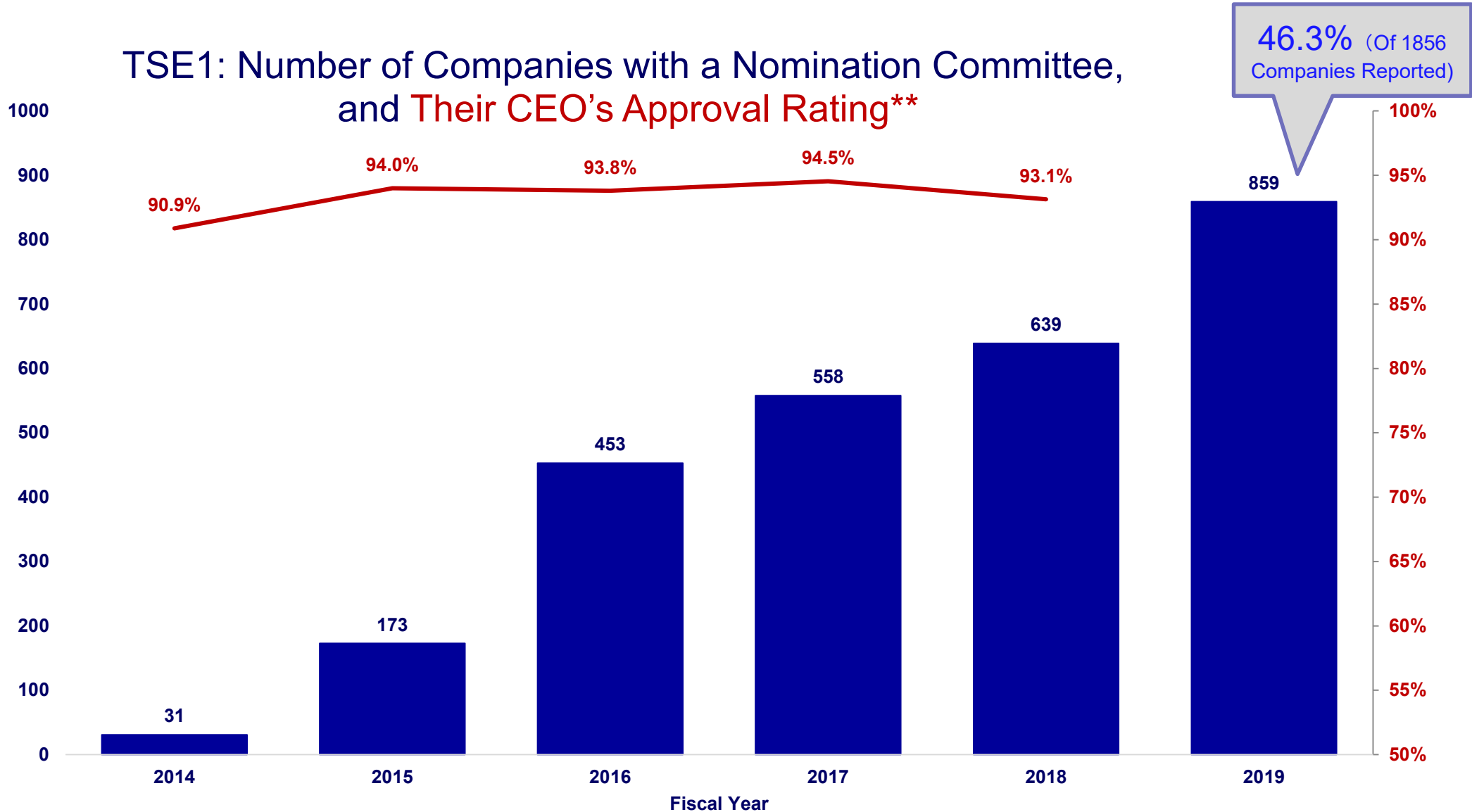
Board Structures	% of Independent Directors	2014	2015	2016	2017	2018	2019
Companies with Nomination Committee	$\leq 15\%$	9%	2%	0%	0%	0%	0%
	15-50%	48%	48%	45%	41%	39%	33%
	$\geq 50\%$	43%	50%	55%	59%	61%	67%
Companies with Audit Committee	$\leq 15\%$		11%	7%	5%	3%	3%
	15-50%		87%	87%	88%	89%	88%
	$\geq 50\%$		2%	7%	7%	8%	9%
Companies with Audit & Supervisory Members	$\leq 15\%$	71%	43%	20%	13%	9%	6%
	15-50%	28%	56%	78%	84%	87%	90%
	$\geq 50\%$	1%	2%	2%	3%	4%	3%

Note: Independent director numbers are reported under company criteria

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures.

Number of Companies with a Nomination Committee of Some Sort is Rising Dramatically

TSE1: Number of Companies with a Nomination Committee, and Their CEO's Approval Rating**



** The approval rate is the director candidate's listed first on the proxy (typically the most senior executive)
 Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures.

Relationships Between Corporate Governance and Company Performance

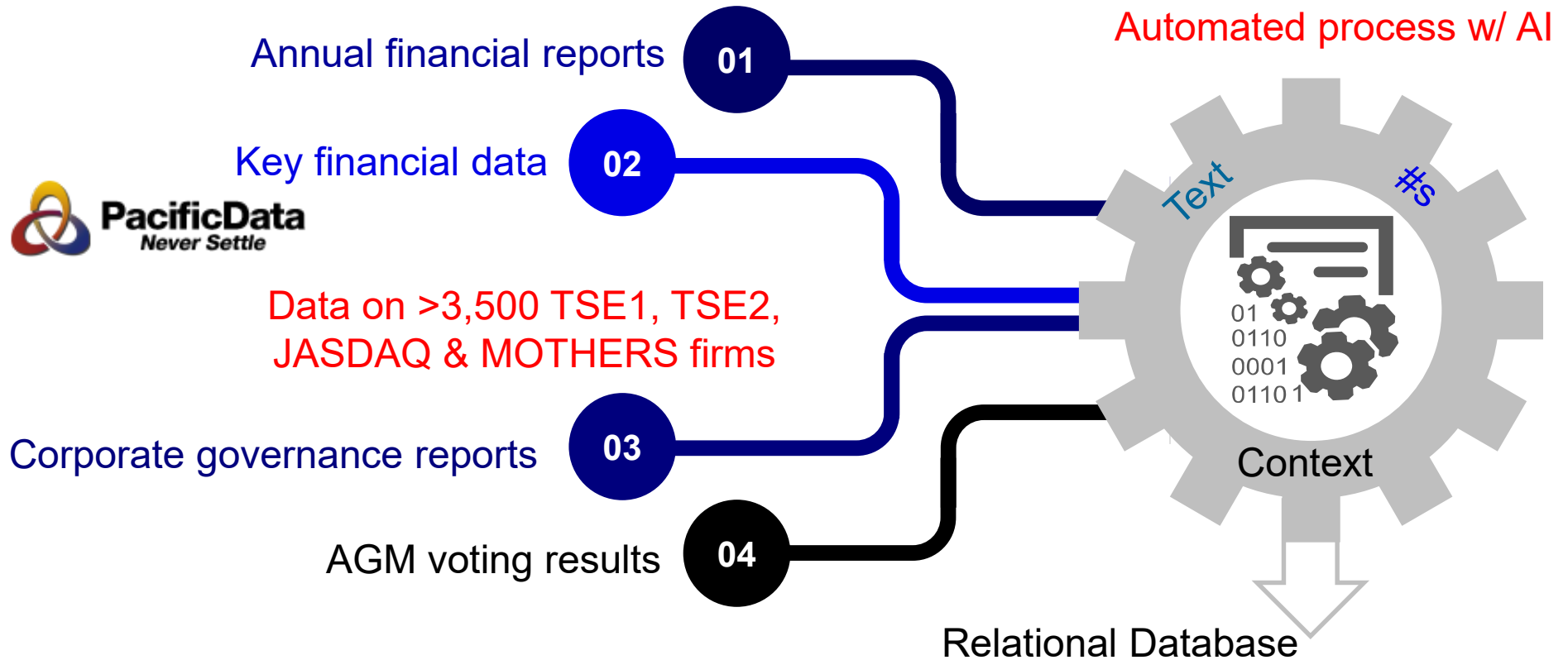
~ Chicken or Egg? ~

Do “Already Good” Companies” Want to be “Pioneers” of Good Governance? (to polish their image)

Or, Is the Use of Recent Governance “Best Practices” Actually Causing Improvements in Corporate Profitability and Corporate Value?

Comprehensive Company Database Created by BDTI

BDTI's (Beta) Corporate Governance Analysis Portal



Data on >3,500 TSE1, TSE2, JASDAQ & MOTHERS firms

Goal: Use statistical analysis and AI to show correlation between corporate governance practices and performance

EDINET	会社	AGM	議案番号	議案カテゴリー①	取締役名	賛成数	反対数	棄権	「賛成率」	可決?
E00008	ホクト株式会社	2018年6月22日	第1号議案	剰余金処分議案		253,395	468	-	98.38%	YES
E00008	ホクト株式会社	2018年6月22日	第2号議案	監査役選任議案	林 嘉人	253,233	693	-	98.32%	YES
E00008	ホクト株式会社	2018年6月22日	第2号議案	監査役選任議案	池澤 実	228,794	25,132	-	88.83%	YES
E00011	住友林業株式会社	2018年6月22日	第1号議案	剰余金処分議案		1,593,822	692	74	99.69%	YES
E00011	住友林業株式会社	2018年6月22日	第2号議案	取締役選任議案	矢野 龍	1,527,728	66,795	74	95.56%	YES
E00011	住友林業株式会社	2018年6月22日	第2号議案	取締役選任議案	市川 晃	1,562,774	31,750	74	97.75%	YES
E00011	住友林業株式会社	2018年6月22日	第3号議案	監査役選任議案	鎌 義正	1,288,479	306,044	74	80.59%	YES
E00011	住友林業株式会社	2018年6月22日	第3号議案	監査役選任議案	松尾 真	1,593,664	859	74	99.68%	YES
E00011	住友林業株式会社	2018年6月22日	第4号議案	取締役報酬議案		1,582,071	8,760	3,767	98.96%	YES
E00011	住友林業株式会社	2018年6月22日	第5号議案	取締役報酬議案		1,577,520	17,003	74	98.67%	YES
E00014	日本水産株式会社	2018年6月27日	第1号議案	取締役選任議案	細見典男	2,138,866	121,620	701	94.59%	YES
E00014	日本水産株式会社	2018年6月27日	第1号議案	取締役選任議案	的 基明世	2,194,260	66,226	701	97.04%	YES
E00014	日本水産株式会社	2018年6月27日	第2号議案	取締役報酬議案		2,251,595	16,545	371	99.25%	YES

What Direction Does Causation Run?

<i>2018-2019 Averages</i>	RoE	RoA	RoIC	PBR	No. of Companies
Company Age <45 Years	11.4% ***	5.7% ***	9.0% ***	2.79 ***(1)	473
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Note: Significance marks denote that the dependent variable (RoE, RoA, RoIC, or PBR) correlates with left-hand side independent dummy variables between 2009-2019 showing a positive difference.

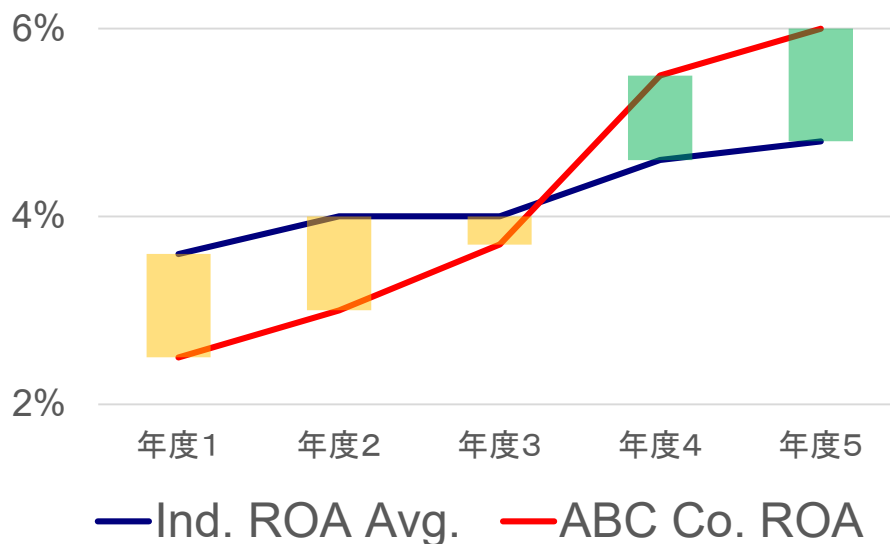
(1) While tested at P-value of <0.001, there is wide variance of PBR values (high standard deviation)

(2) In these cases, the slope is negative (e.g. high allegiant holdings correlates w/ worse performance)

Comparisons of Company Performance Relative to Respective Industry in the 3-Year Period Before Corporate Governance Improvements and the Following 2-Year Period

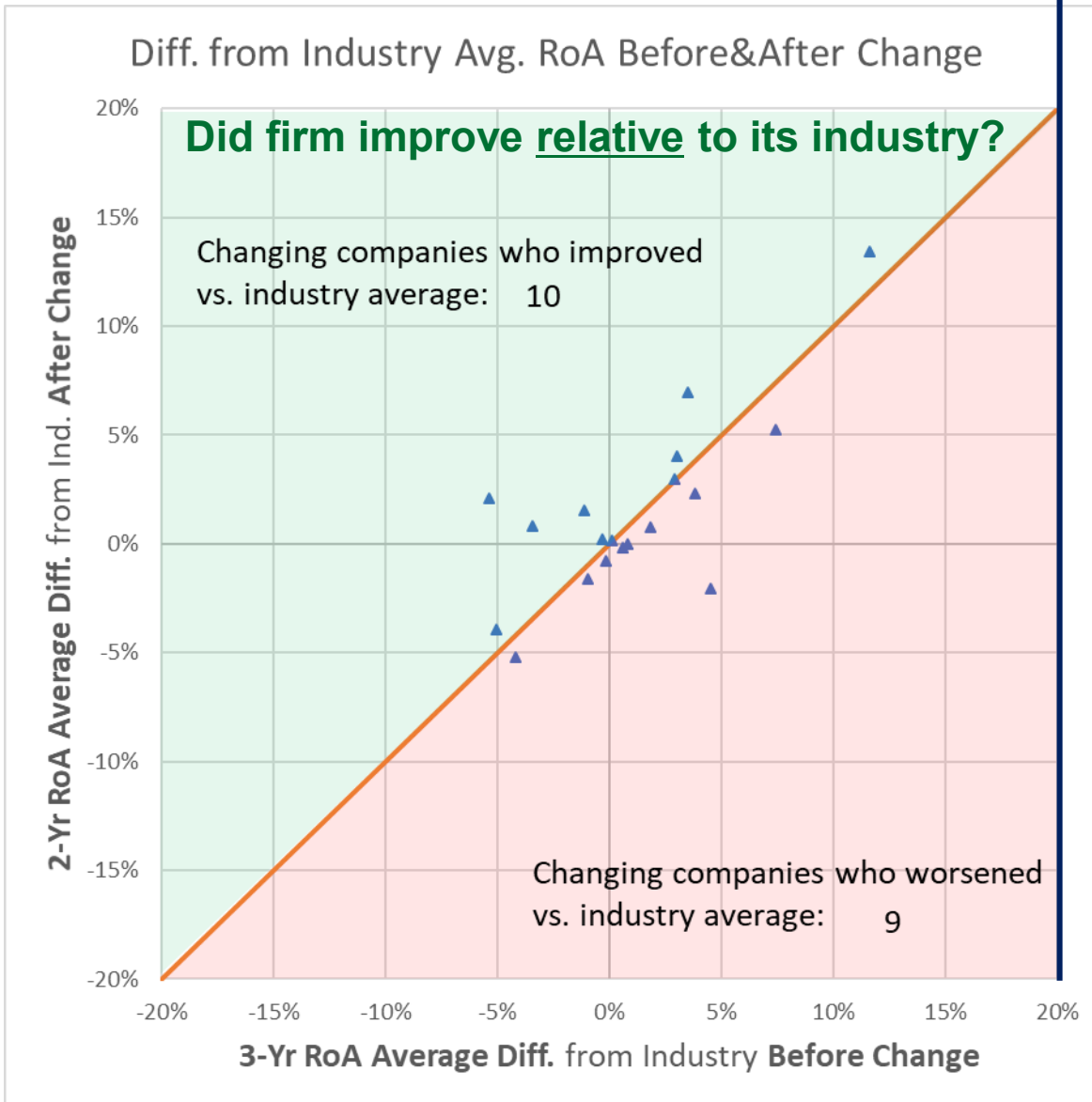
Company	2011	2012	2013	2014	2015	2016	2017	2018
ABC Auto Co			Change					
XYZ Pharmaceutical						Change		
DEF Chemical				Change				

Variance vs. Industry Average



- If company adopts an important new CG practice, identify the year this happened
 - For the three years prior to the change, determine difference between a **company's average ROA** and its **industry's average ROA**
 - Also, calculate the same ROA difference for the two-year period subsequent to the change
 - Examine if **company's average ROA** improved relative to industry's average ROA
- Comparison of same periods, in same industry
- Appropriate cross-industry comparisons

Analysis of Correlations: Outside Independent Directors $\geq 50\%$



What were the absolute starting/ending results?

AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
 All Companies, Avg of Each Company
 The Lower, the Better

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	9.1%	5.1%	10.3%	2.26	3.1%	0.064
2017-2018	10.4%	5.9%	10.5%	2.86	2.6%	0.059
<i>Diff.</i>	1.3%	0.9%	0.1%	0.60	-0.4%	(0.005)
N=	19					

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	9.6%	5.3%	8.6%	2.51	3.4%	0.083
2017-2018	10.8%	5.7%	8.8%	2.64	3.4%	0.076
<i>Diff.</i>	1.3%	0.4%	0.2%	0.13	-0.1%	(0.007)
N=	65					

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.6%	4.1%	6.8%	1.43	5.1%	0.075
2017-2018	9.3%	4.7%	7.2%	1.79	5.1%	0.074
<i>Diff.</i>	0.8%	0.6%	0.5%	0.36	0.1%	(0.001)
N=	1,845					

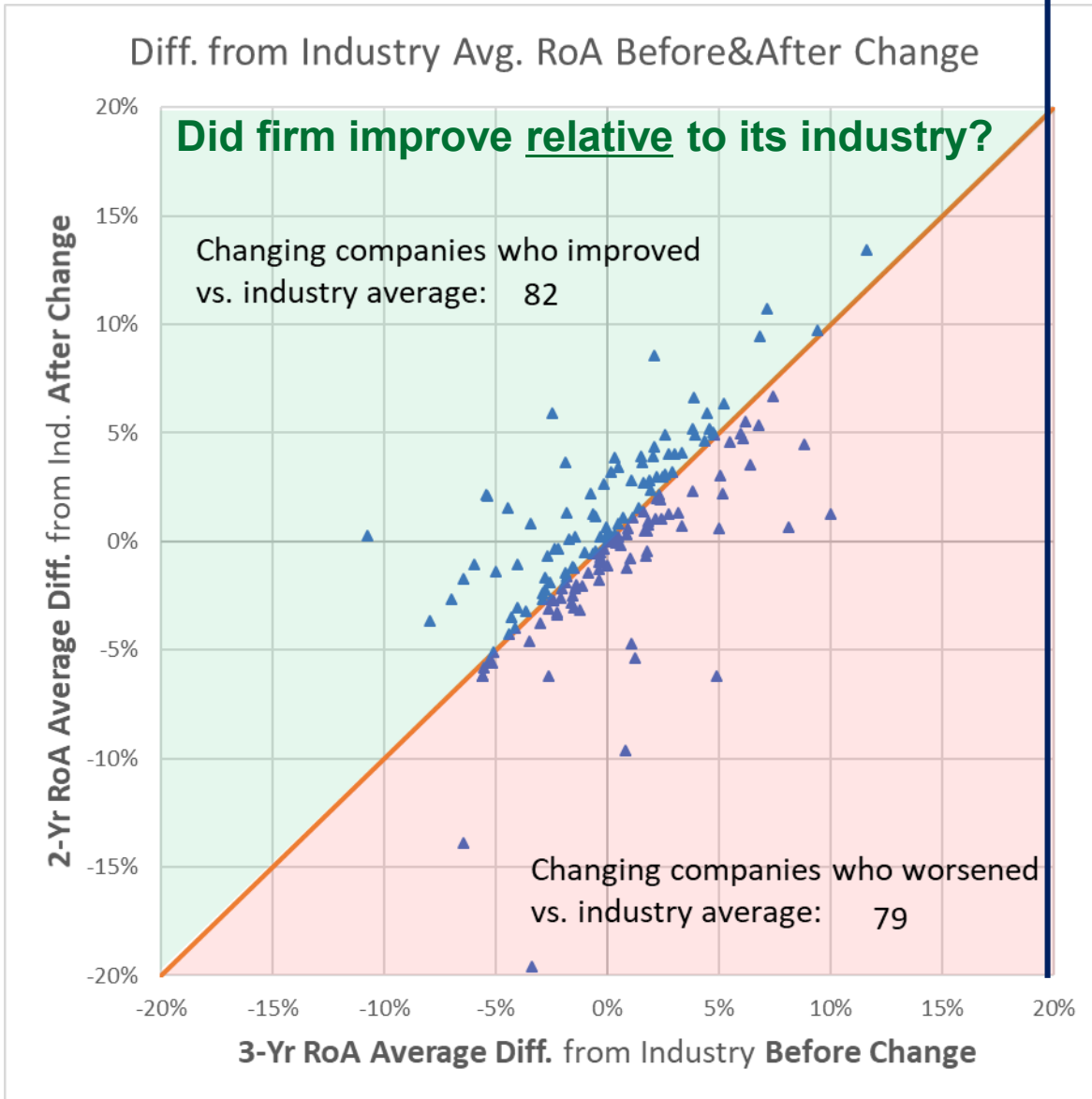
(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	0.9%	1.1%	2.2%	1.02	-1.7%	0.003
2017-2018	1.4%	1.0%	1.9%	0.90	-1.9%	(0.002)

All Firms Significance: ns *** *** ns

Significantly Large Difference

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Analysis of Correlations: Outside Independent Directors > 33%



What were the absolute starting/ending results?

AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better

All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	9.2%	4.8%	7.6%	1.66	4.1%	0.067
2017-2018	9.4%	5.1%	7.5%	1.95	4.4%	0.062
<i>Diff.</i>	0.2%	0.2%	-0.1%	0.29	0.3%	(0.004)

N= 161

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.6%	4.5%	7.0%	1.73	4.6%	0.070
2017-2018	9.7%	5.1%	7.5%	2.05	4.5%	0.066
<i>Diff.</i>	1.1%	0.6%	0.5%	0.32	-0.1%	(0.003)

N= 298

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.5%	4.1%	6.7%	1.41	5.2%	0.077
2017-2018	9.2%	4.7%	7.2%	1.77	5.2%	0.076
<i>Diff.</i>	0.7%	0.6%	0.5%	0.36	0.1%	(0.001)

N= 1,462

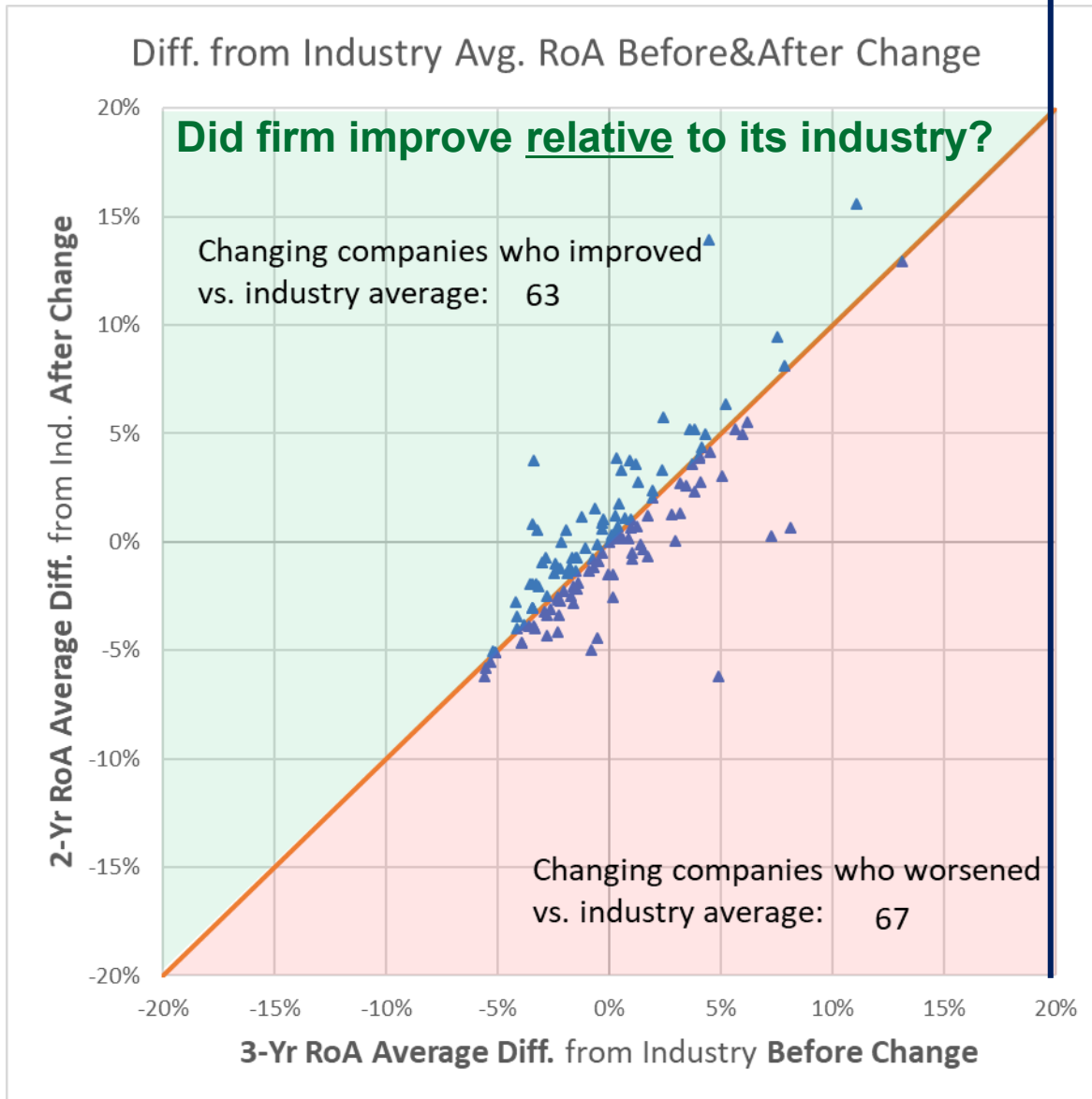
(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	0.3%	0.5%	0.5%	0.30	-0.7%	(0.009)
2017-2018	0.4%	0.4%	0.3%	0.25	-0.7%	(0.011)

All Firms Significance: * *** *** ns

Change seems to have helped but difference is small

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Analysis of Correlations: Shift to Audit Committee Style Company Structure



What were the absolute starting/ending results?

AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better

All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	9.4%	4.8%	7.6%	1.49	3.6%	0.073
2017-2018	9.5%	5.1%	7.5%	1.81	3.6%	0.070
<i>Diff.</i>	0.1%	0.3%	-0.1%	0.32	0.0%	(0.003)

N= 130

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.5%	4.4%	7.1%	1.59	4.2%	0.068
2017-2018	9.6%	5.1%	7.7%	1.93	4.5%	0.067
<i>Diff.</i>	1.1%	0.7%	0.6%	0.34	0.3%	(0.001)

N= 237

→ Companies that changed earlier had performance improve from poor to better

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.5%	4.1%	6.7%	1.43	5.3%	0.075
2017-2018	9.2%	4.7%	7.2%	1.80	5.3%	0.074
<i>Diff.</i>	0.7%	0.6%	0.5%	0.37	0.0%	(0.001)

N= 1,521

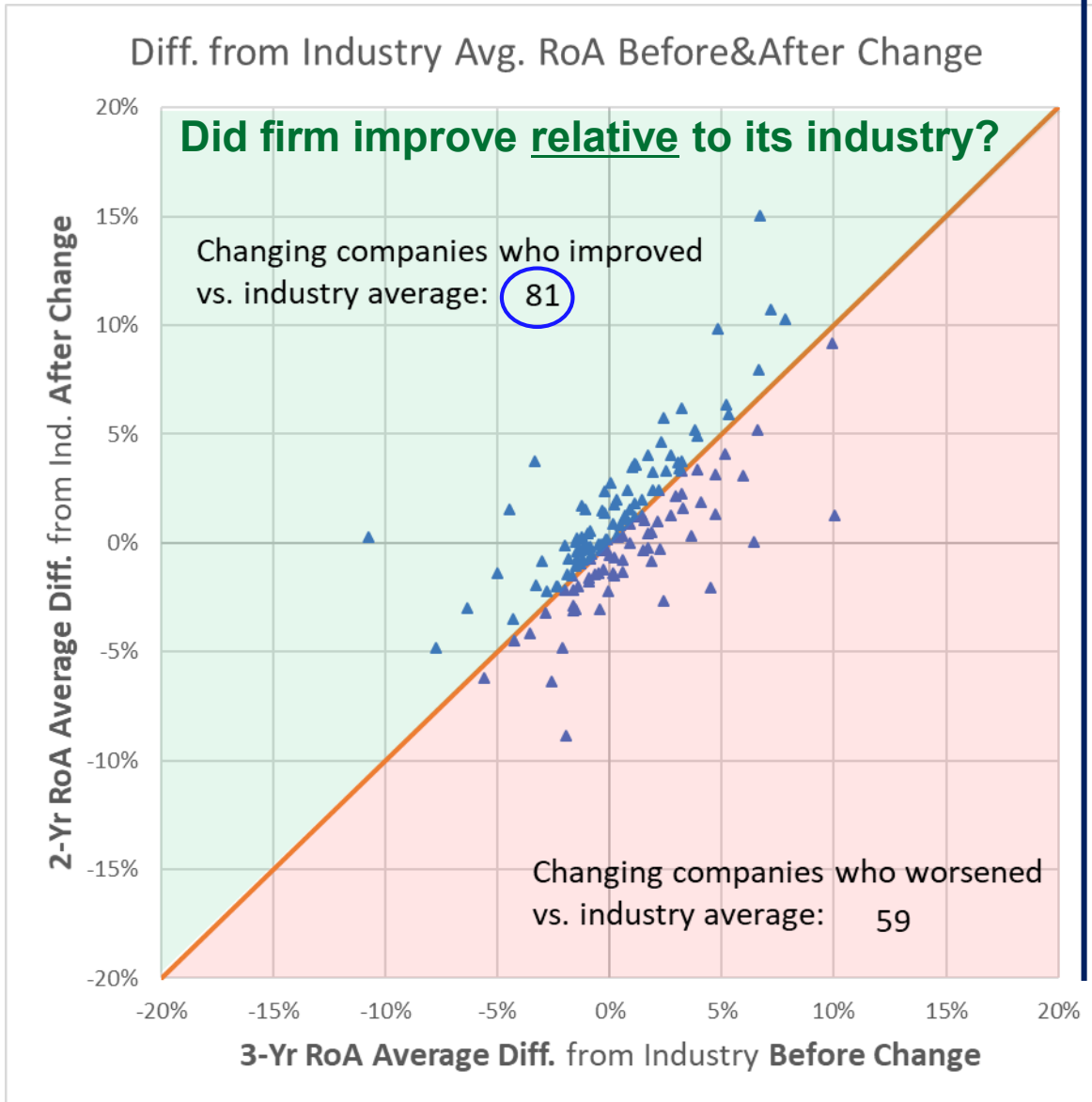
(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	0.3%	0.5%	0.5%	0.12	-1.3%	(0.006)
2017-2018	0.3%	0.4%	0.4%	0.09	-1.1%	(0.006)

All Firms Significance: ns ns * ns

Benefits seem to exist but still small impacts

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Analysis of Correlations: Addition of HR Advisory Committee/Nomination Committee



What were the absolute starting/ending results?

AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better

All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.4%	3.9%	6.9%	1.60	4.9%	0.043
2017-2018	10.2%	5.0%	7.6%	1.85	4.6%	0.038
<i>Diff.</i>	1.8%	1.0%	0.7%	0.24	-0.3%	(0.005)

N= 140

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.2%	3.9%	6.6%	1.53	5.0%	0.068
2017-2018	9.3%	4.4%	7.2%	1.62	5.2%	0.066
<i>Diff.</i>	1.1%	0.5%	0.6%	0.08	0.1%	(0.002)

N= 313

→ Companies that had implemented earlier (always) were poor performers

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.7%	4.3%	6.9%	1.45	5.0%	0.080
2017-2018	9.3%	4.8%	7.3%	1.88	5.1%	0.078
<i>Diff.</i>	0.6%	0.5%	0.4%	0.43	0.1%	(0.002)

N= 1,466

(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	-0.4%	-0.3%	-0.2%	0.10	0.0%	(0.020)
2017-2018	0.4%	-0.2%	0.0%	(0.19)	-0.1%	(0.021)

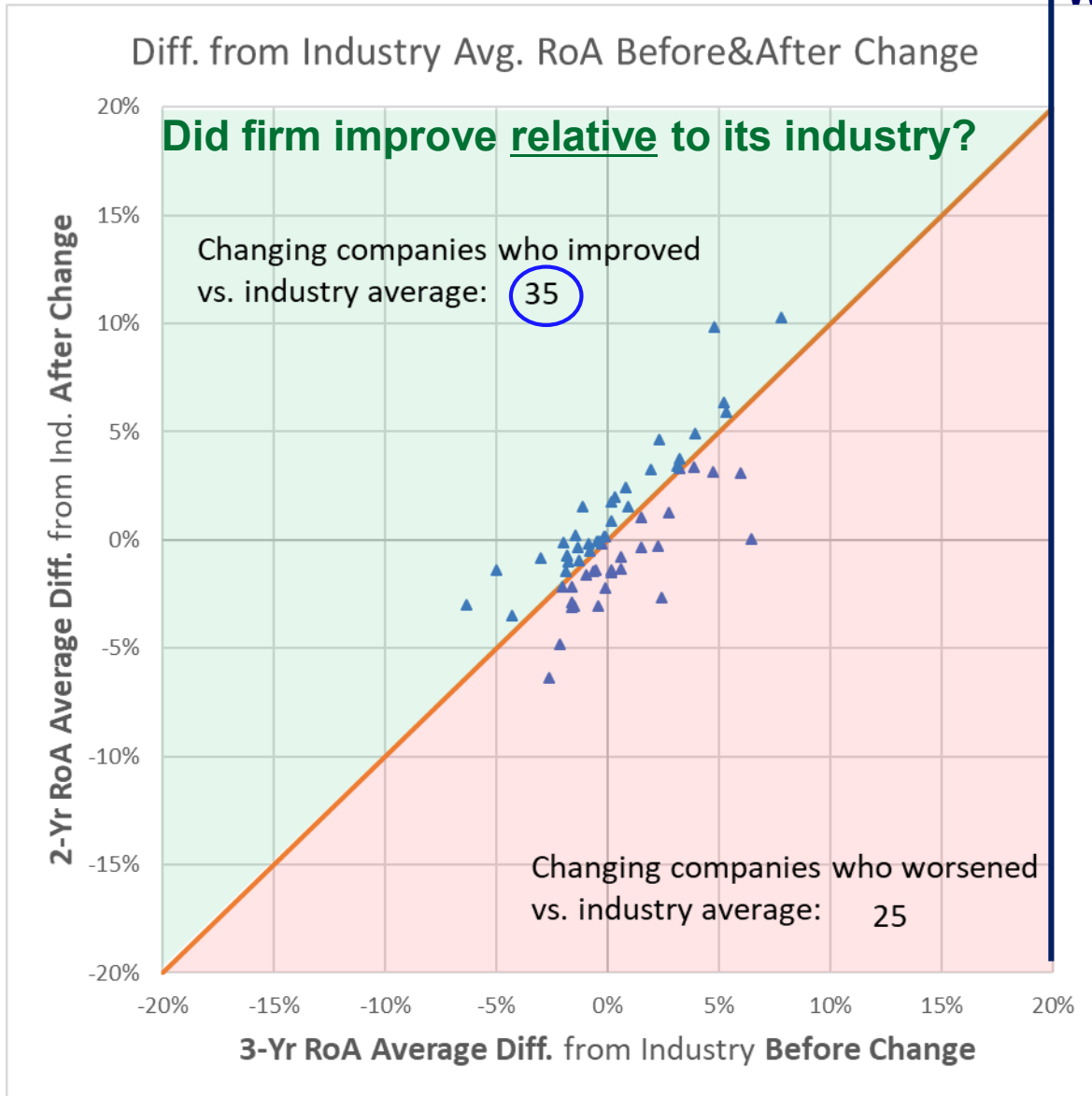
All Firms Significance: *** * * ns

Almost no difference

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Analysis of Correlations: Chairman of HR Advisory Committee/Nomination Committee is an Outside Director

What were the absolute starting/ending results?



AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better

All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.9%	4.3%	7.1%	1.61	4.3%	0.035
2017-2018	9.4%	4.7%	7.3%	1.82	4.0%	0.037
<i>Diff.</i>	0.5%	0.4%	0.2%	0.21	-0.2%	0.003

N= 60

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	7.6%	3.8%	6.4%	1.60	4.8%	0.068
2017-2018	9.0%	4.5%	7.2%	1.66	5.0%	0.067
<i>Diff.</i>	1.4%	0.7%	0.8%	0.06	0.2%	(0.001)

N= 137

→ Companies that had implemented earlier were poor performers

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.7%	4.2%	6.9%	1.46	5.0%	0.077
2017-2018	9.4%	4.8%	7.3%	1.85	5.1%	0.075
<i>Diff.</i>	0.7%	0.6%	0.4%	0.38	0.0%	(0.002)

N= 1,726

→ Caution: 256 with HR Advisory-Nomination Committees are included

(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	-0.7%	-0.3%	-0.3%	0.14	-0.4%	(0.020)
2017-2018	-0.3%	-0.3%	-0.1%	(0.14)	-0.3%	(0.018)

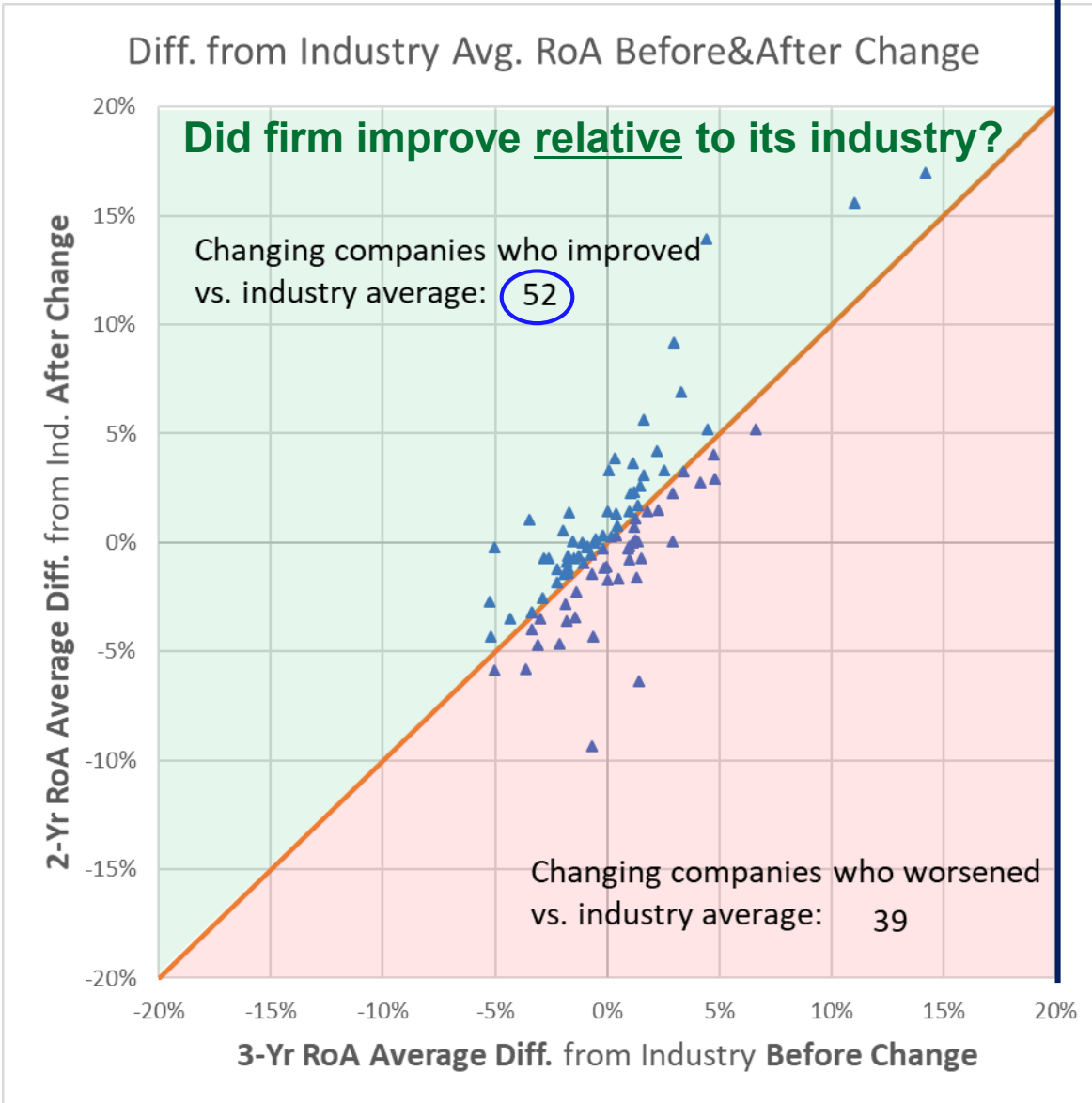
All Firms Significance: ns ns ns ns

Many poor performers still exist, but gaps maybe decreasing

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Analysis of Correlations: Implementation of Performance-Linked Compensation System

What were the absolute starting/ending results?



AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better

All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.6%	4.2%	6.9%	1.49	4.3%	0.055
2017-2018	9.3%	4.7%	7.4%	1.93	4.5%	0.044
<i>Diff.</i>	0.7%	0.5%	0.5%	0.44	0.1%	(0.011)
N=	91					

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.3%	4.1%	6.6%	1.49	4.8%	0.068
2017-2018	9.2%	4.7%	7.1%	1.71	4.9%	0.070
<i>Diff.</i>	0.9%	0.6%	0.5%	0.22	0.0%	0.001
N=	620					

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.7%	4.2%	7.0%	1.47	5.1%	0.081
2017-2018	9.4%	4.8%	7.4%	1.88	5.2%	0.078
<i>Diff.</i>	0.7%	0.6%	0.4%	0.41	0.1%	(0.002)
N=	1,211					

(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	-0.4%	-0.1%	-0.3%	0.01	-0.4%	(0.014)
2017-2018	-0.2%	-0.1%	-0.2%	(0.14)	-0.4%	(0.012)

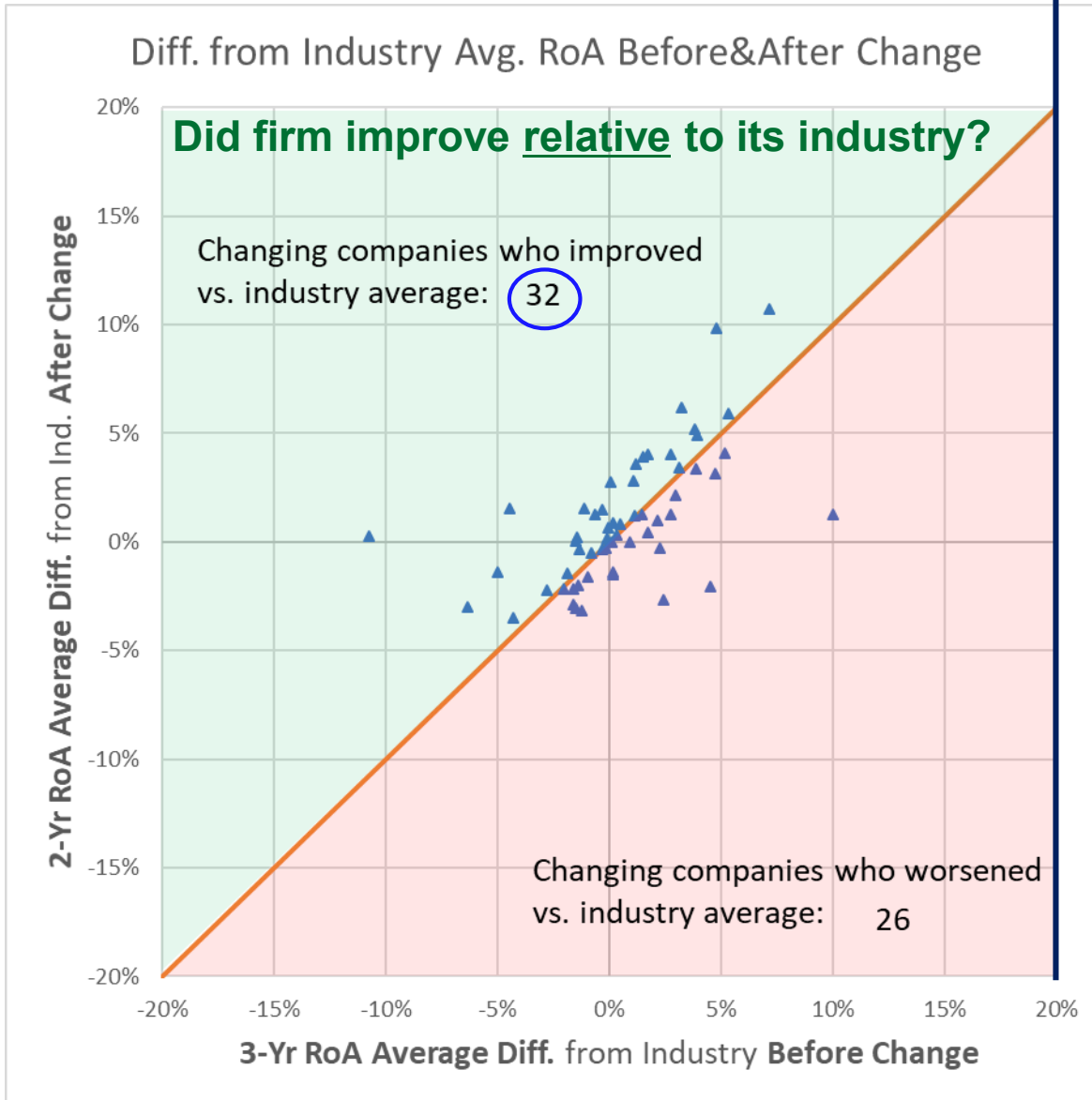
All Firms Significance: * ** ns ns

No difference

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Note: Significance based on 2009-2019 data

Analysis of Correlations: Addition of HR Advisory/Nomination Committee + Outside Independent Directors > 33%



What were the absolute starting/ending results?

AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better

All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	7.1%	3.9%	7.0%	1.65	4.9%	0.043
2017-2018	10.6%	5.4%	7.7%	1.95	4.6%	0.043
<i>Diff.</i>	3.4%	1.5%	0.8%	0.30	-0.3%	0.000
N=	58					

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	9.1%	4.4%	7.1%	1.78	4.1%	0.072
2017-2018	9.5%	4.7%	7.5%	1.94	3.9%	0.064
<i>Diff.</i>	0.4%	0.3%	0.4%	0.15	-0.2%	(0.008)
N=	118					

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.6%	4.2%	6.8%	1.45	5.0%	0.077
2017-2018	9.3%	4.7%	7.3%	1.82	5.1%	0.076
<i>Diff.</i>	0.7%	0.6%	0.4%	0.37	0.1%	(0.001)
N=	1,749					

(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	-0.2%	0.0%	0.2%	0.29	-0.7%	(0.014)
2017-2018	0.6%	0.2%	0.3%	0.12	-1.0%	(0.018)

All Firms Significance:

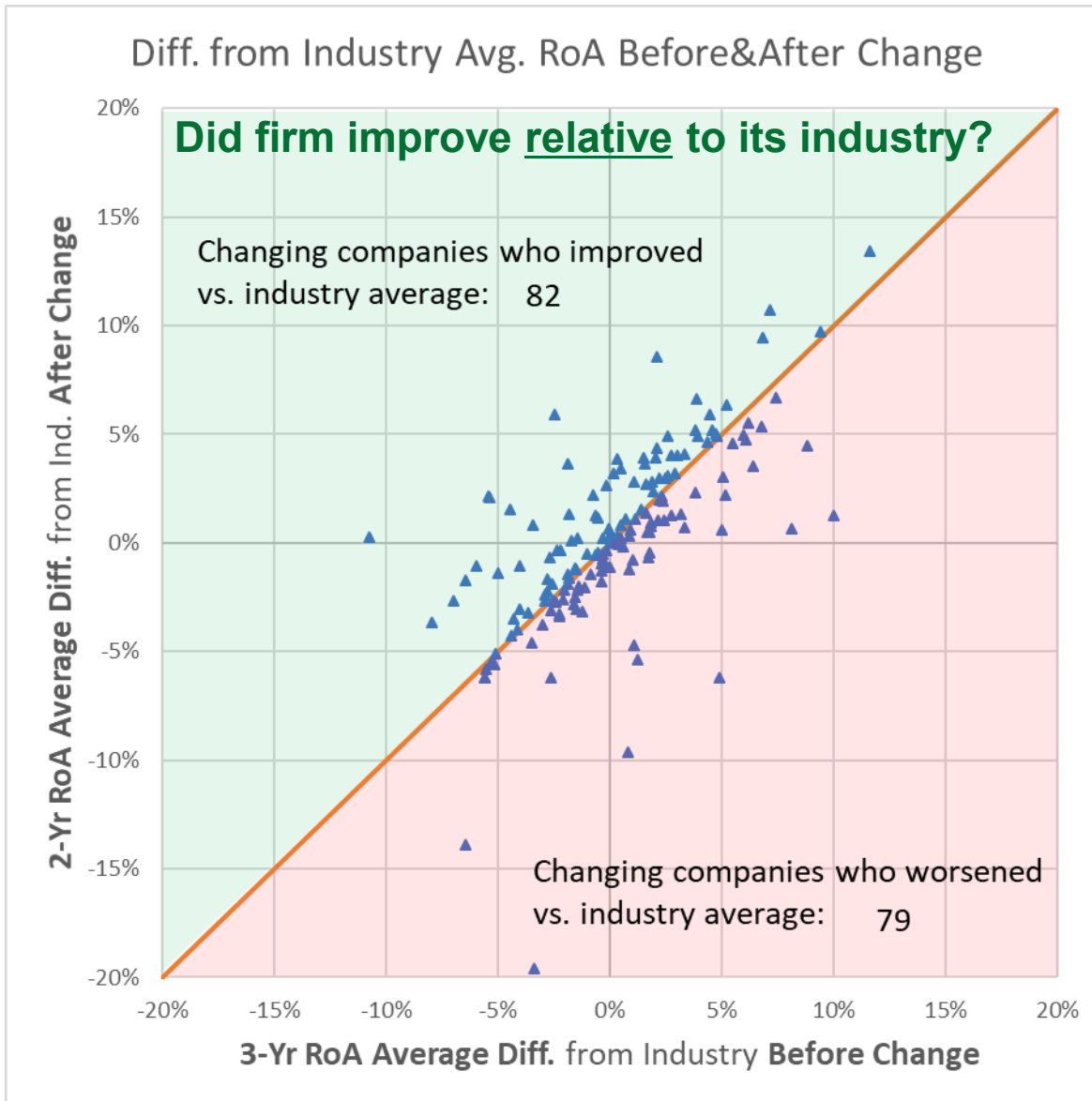
* * ** ns

Significant positive performance by companies that implemented changes

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Analysis of Correlations: Outside Independent Directors

> 33% (for comparison with prior page)



What were the absolute starting/ending results?

AH/TA = Allegiant Cross-shareholdings' market value relative to Total Assets
The Lower, the Better
All Companies, Avg of Each Company

A: Changed	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	9.2%	4.8%	7.6%	1.66	4.1%	0.067
2017-2018	9.4%	5.1%	7.5%	1.95	4.4%	0.062
<i>Diff.</i>	0.2%	0.2%	-0.1%	0.29	0.3%	(0.004)
N= 161						

B: Always	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.6%	4.5%	7.0%	1.73	4.6%	0.070
2017-2018	9.7%	5.1%	7.5%	2.05	4.5%	0.066
<i>Diff.</i>	1.1%	0.6%	0.5%	0.32	-0.1%	(0.003)
N= 298						

C: Never	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	8.5%	4.1%	6.7%	1.41	5.2%	0.077
2017-2018	9.2%	4.7%	7.2%	1.77	5.2%	0.076
<i>Diff.</i>	0.7%	0.6%	0.5%	0.36	0.1%	(0.001)
N= 1,462						

(A+B) vs. C	RoE	RoA	RoIC	PBR	AH/TA	Herfindahl
2014-2015	0.3%	0.5%	0.5%	0.30	-0.7%	(0.009)
2017-2018	0.4%	0.4%	0.3%	0.25	-0.7%	(0.011)

All Firms Significance: * *** *** ns

Change seems to have helped but difference is small

Source: BDTI Database, preliminary data. TSE1 non-financials with Toshiba excluded in these figures. All financials used in calculated figures thanks to Pacific Data. Companies with outlier RoE or RoA performance have been excluded (~5% of firms).

Reference: Excerpts from Research Reports by the Daiwa Institute of Research (1)

Correlations between Election of Independent Directors and ROE, ROA

~Companies that Proactively Appoint Independent Directors Have High ROE and ROA~

By Research Analyst Masaharu Ito

November 26, 2019 P.10

(8頁)

https://www.dir.co.jp/report/research/capital-mkt/esg/20191126_021151.pdf

Table 7. Cases B1、 B2 : Company's Number of Independent Directors and Their ROE, ROA vs. Industry Average

Group	Companies	ROE Difference with Industry Average (%)			ROA Difference with Industry Average (%)		
		FY2016	FY2017	FY2018	FY2016	FY2017	FY2018
Over 1 Independent Directors	2,135	0.9	1.3	1.0	0.5	0.5	0.4
1 Independent Director	947	-0.5	-1.7	-2.0	-0.3	-0.9	-0.7
Avg Difference's Two-Tailed Test : p-value		(0.000)*	(0.000)*	(0.000)*	(0.000)*	(0.000)*	(0.000)*
Independent Directors Increasing	2,247	0.4	0.5	0.4	0.2	0.1	0.1
Independent Directors Decreasing	961	-2.4	-2.7	-2.6	-1.1	-0.9	-1.0
Avg Difference's Two-Tailed Test : p-value		(0.000)*	(0.016)*	(0.001)*	(0.000)*	(0.002)*	(0.003)*

(Note 1) "Independent Directors Decreasing" is companies with number decreasing and no change.

(Note 2) Critical p-value of * is statistically significant at the 5% level.

(Source) Tokyo Stock Exchange "Corporate Governance Information Service," from Toyo Keizai Inc. and others prepared by Daiwa Institute of Research

Reference: Excerpts from Research Reports by Daiwa Institute of Research (2)

Correlations between Election of Independent Directors and ROE, ROA

~Companies That Proactively Appoint Independent Directors Have High ROE and ROA~

Table 9. Cases C1, C2 : Company's Percentage of Independent Directors and Their ROE and ROA vs. Industry Average

Group	Companies	ROE Difference with Industry Average (%)			ROA Difference with Industry Average (%t)		
		FY2016	FY2017	FY2018	FY2016	FY2017	FY2018
High proportion of ind. directors	1,438	0.7	-0.1	-0.2	0.3	0.0	-0.2
Low proportion of ind. directors	1,644	0.3	0.8	0.4	0.2	0.1	0.3
Avg Difference's Two Tailed Test : p-value		(0.515)	(0.135)	(0.370)	(0.623)	(0.712)	(0.138)
Proportion rising	2,423	0.3	0.5	0.3	0.2	0.1	0.1
Proportion falling	785	-2.8	-3.3	-2.9	-1.4	-1.0	-1.2
Avg Difference's Two Tailed Test : p-value		(0.000)*	(0.020)*	(0.002)*	(0.000)*	(0.004)*	(0.001)*

(Note 1) "Falling" is companies with independent directors decreasing or not changing.

(Note 2) Critical p-value of * is statistically significant at the 5% level.

(Source) Tokyo Stock Exchange "Corporate Governance Information Service", from Toyo Keizai Inc. and others prepared by Daiwa Institute of Research.

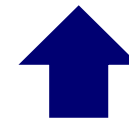
When the relationships between the election of independent directors to ROE and ROA are analyzed, the companies that already have multiple independent directors and those that are proactively adding independent directors tend to have high ROE and ROA. In addition, there are indications that proactively adding independent directors may be correlated to increases in ROE and ROA.

With this analysis, the [direct] correlation between election of independent directors and ROE and ROA is not proven. However, the election of independent directors may be considered to be a factor that leads to an increase in corporate value. It may be an indicator that a company is managed in a way that leads to increase in corporate value. In the future, we hope that the election of independent directors will contribute to appropriate corporate governance and lead to increases in corporate value and growth of the Japanese economy.

Our Analysis Suggests:

- Factors That May Have Positive Correlations with Outperformance * :
 - Independent directors $\geq 50\%$, or $> 33\%$ and increasing
 - Nomination Committee of some sort is in place
 - Nomination Committee Chairman is Outside Director
 - Existence of a Performance-Linked Compensation Plan
 - Existence of Large Shareholder(s)
 - Few Allegiant Shareholdings
 - Female Directors $> 15\%$ of board
 - Corporate Age < 45 Years
 - Combinations of the above

- ✓ Corporate governance is akin to exercise. It takes time to generate results. Dedication over time is key.
- ✓ Companies' responsiveness to market expectations and speed in evolving their practices are key
- ✓ Good companies strive for continuous improvement in governance...just as they do in other areas.



→ “Adaptive” companies that are serious about governance and are seeking to evolve so as to further improve management

* Note that statistical analysis has not been completed to determine results, such as p-value.

What Should Investors Ask For? *(in writing)*

- “Reduce cross/allegiant shareholdingsto near zero”
- “Appoint >50% INEDs to the board”
- “Independent nominations/compensation committee(s)”
- “Independent chairs for all committees”
- “Lead independent director”
- “Corporate pension fund must sign the Stewardship Code”
- “Train directors, pre-directors + disclose details each year”
- “Otherwise, in 18 months we will consider ‘against votes’ ”

BDTI Welcomes Proposals for Joint Research

- **BDTI plans to increase research activities using its database**
 - We are seeking new methodology ideas
 - Requests for “difficult-to-collect data” are welcome!
 - **Objective**: to present detailed reports in Japanese + English to the public
 - We hope investors will use the reports in engagement with companies, to demonstrate that Japanese companies * which adopt certain governance practices outperform their competitors. This will significantly strengthen investors’ arguments for those practices and prove the “win-win” benefits of engagement

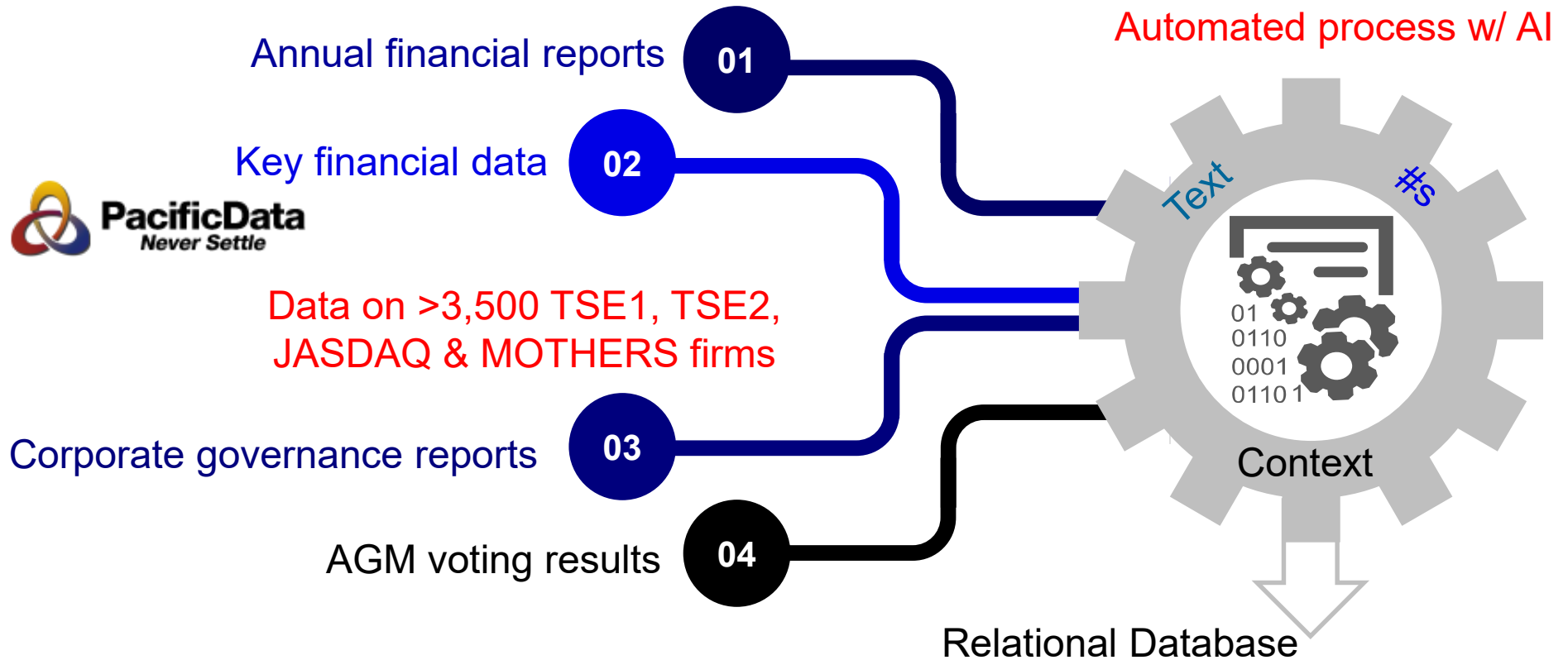
- **Donations are Welcome** 😊!!!
 - At this time, 98% of the donations to BDTI, a Japanese public-service corporation, come from overseas institutional investors...

* As opposed to companies in NY, London, or Hong Kong, etc.

Appendix

Comprehensive Company Database Created by BDTI

BDTI's (Beta) Corporate Governance Analysis Portal



Data on >3,500 TSE1, TSE2, JASDAQ & MOTHERS firms

Goal: Use statistical analysis and AI to show correlation between corporate governance practices and performance

EDINET	会社	AGM	議案番号	議案カテゴリー①	取締役名	賛成数	反対数	棄権	「賛成率」	可決?
E00008	ホクト株式会社	2018年6月22日	第1号議案	剰余金処分議案		253,395	468	-	98.38%	YES
E00008	ホクト株式会社	2018年6月22日	第2号議案	監査役選任議案	林 嘉人	253,233	693	-	98.32%	YES
E00008	ホクト株式会社	2018年6月22日	第2号議案	監査役選任議案	池澤 実	228,794	25,132	-	88.83%	YES
E00011	住友林業株式会社	2018年6月22日	第1号議案	剰余金処分議案		1,593,822	692	74	99.69%	YES
E00011	住友林業株式会社	2018年6月22日	第2号議案	取締役選任議案	矢野 龍	1,527,728	66,795	74	95.56%	YES
E00011	住友林業株式会社	2018年6月22日	第2号議案	取締役選任議案	市川 晃	1,562,774	31,750	74	97.75%	YES
E00011	住友林業株式会社	2018年6月22日	第3号議案	監査役選任議案	鎌 義正	1,288,479	306,044	74	80.59%	YES
E00011	住友林業株式会社	2018年6月22日	第3号議案	監査役選任議案	松尾 真	1,593,664	859	74	99.68%	YES
E00011	住友林業株式会社	2018年6月22日	第4号議案	取締役報酬議案		1,582,071	8,760	3,767	98.96%	YES
E00011	住友林業株式会社	2018年6月22日	第5号議案	取締役報酬議案		1,577,520	17,003	74	98.67%	YES
E00014	日本水産株式会社	2018年6月27日	第1号議案	取締役選任議案	細見典男	2,138,866	121,620	701	94.59%	YES
E00014	日本水産株式会社	2018年6月27日	第1号議案	取締役選任議案	的 基明世	2,194,260	66,226	701	97.04%	YES
E00014	日本水産株式会社	2018年6月27日	第2号議案	取締役報酬議案		2,251,595	16,545	371	99.25%	YES

Impact of Allegiant Shareholdings on CEO Approval

BDTI's (Beta) Corporate Governance Analysis Portal

SELECT COMPANY EXAMPLE FROM DROPDOWN

(Beta) Corporate Governance Analysis Portal

NOTE: Displayed financials courtesy of PacificData (except Policy Holdings)

Company Name (English)

TOPPAN PRINTING CO.,LTD.

2018 # of Outside Directors vs. Total Directors

Statutory Auditor

2018 Data	
# of Corporate Auditors	5
Comp. Committee Chair	No Chair
# of Comp. Committee Members	4
# of Outside Comp. Members	1
# of Outside Corporate Auditors	3
Nom. Committee Chair	No Chair
# of Nom. Committee Members	4
# of Outside Nom. Members	1

(Blank) = No Submission in CG Report

Price-to-Book Ratio (PBR) and Return on Equity (ROE%) by FY

Fiscal Year	Price-to-Book Ratio (PBR)	Return on Equity (ROE%)
2015	0.6	2.7%
2016	0.6	3.8%
2017	0.7	3.3%
2018	0.5	3.9%

Shareholder Engagement (Units Voted) and First-Listed Director Approval Rate

Fiscal Year	Engagement %	First-Listed Director Approval Rate
2015	79.9%	82.3%
2016	83.1%	86.9%
2017	81.6%	83.1%
2018	75.7%	83.5%

PRELIMINARY DATA

Corporate Governance Report: Listed Shareholders

Top 10 Shareholders	NumberOfShare sHeldShares	Ownersh ipInterest
日本マスタートラスト信託銀行株式会社(信託口)	47113K	6.7%
日本トラスティ・サービス信託銀行株式会社 (信託口)	35466K	5.1%
日本生命保険相互会社	30005K	4.3%
第一生命保険株式会社	18309K	2.6%
合計	210680K	30.1%

Cash and Cash Equivalents at End of Year and Total Net Assets by Fiscal Year (MM Yen)

Fiscal Year	Policy Holdings	Investments in Securities	Cash on Hand and in Banks	Net Assets
2013	146.7K	270.3K	230.3K	888.4K
2014	141.0K	270.3K	230.3K	913.1K
2015	291.4K	270.3K	230.3K	1082.8K
2016	270.3K	270.3K	230.3K	1066.9K
2017	377.7K	270.3K	230.3K	1172.0K
2018	498.9K	270.3K	230.3K	1303.7K

Impact of Allegiant Shareholdings on CEO Approval

BDTI's (Beta) Corporate Governance Analysis Portal

SELECT COMPANY EXAMPLE FROM DROPDOWN



BDTI 公益社団法人 会社役員育成機構
The Board Director Training Institute of Japan

(Beta) Corporate Governance Analysis Portal

NOTE: Displayed financials courtesy of PacificData (except Policy Holdings)

Company Name (English)

ADVANTEST CORPORATION
▼

2019 # of Outside Directors vs. Total Directors



Audit Committee

2019 Data

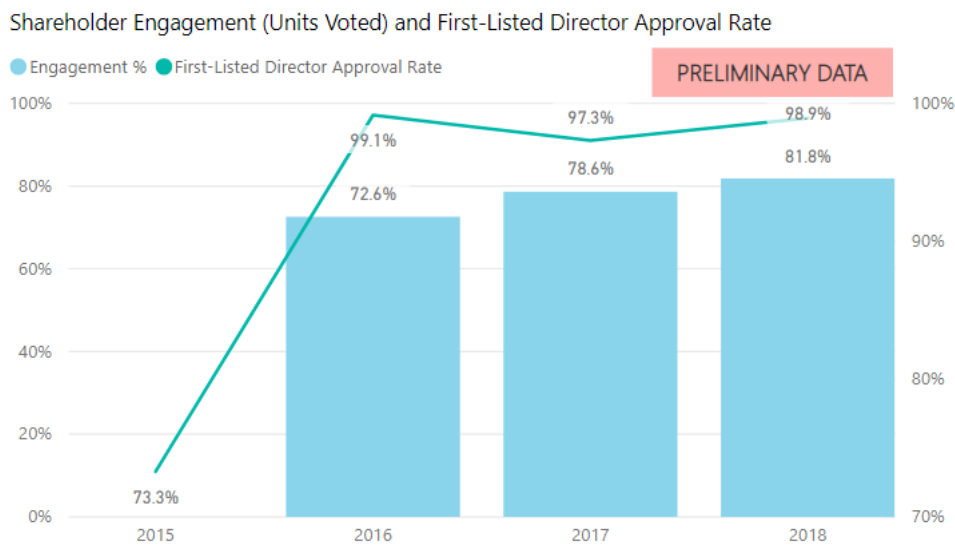
# of Corporate Auditors	3	# of Outside Corporate Auditors	2
Comp. Committee Chair		Nom. Committee Chair	
Outside Director		Outside Director	
# of Comp. Committee Members	3	# of Nom. Committee Members	3
# of Outside Comp. Members	2	# of Outside Nom. Members	2

(Blank) = No Submission in CG Report

Price-to-Book Ratio (PBR) and Return on Equity (ROE%) by FY



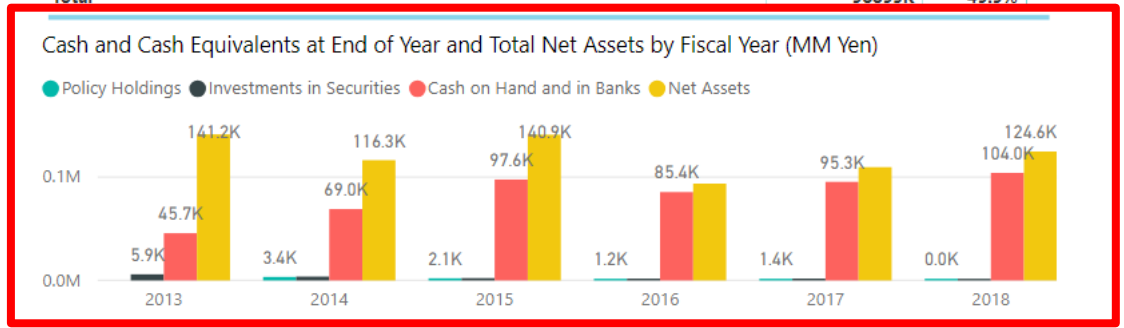
Fiscal Year	Price-to-Book Ratio (PBR)	Return on Equity (ROE%)
2014	1.7	-27.6%
2015	1.9	10.1%
2016	1.4	5.7%
2017	3.4	14.0%
2018	3.2	15.5%
2019	2.6	35.3%



Corporate Governance Report: Listed Shareholders

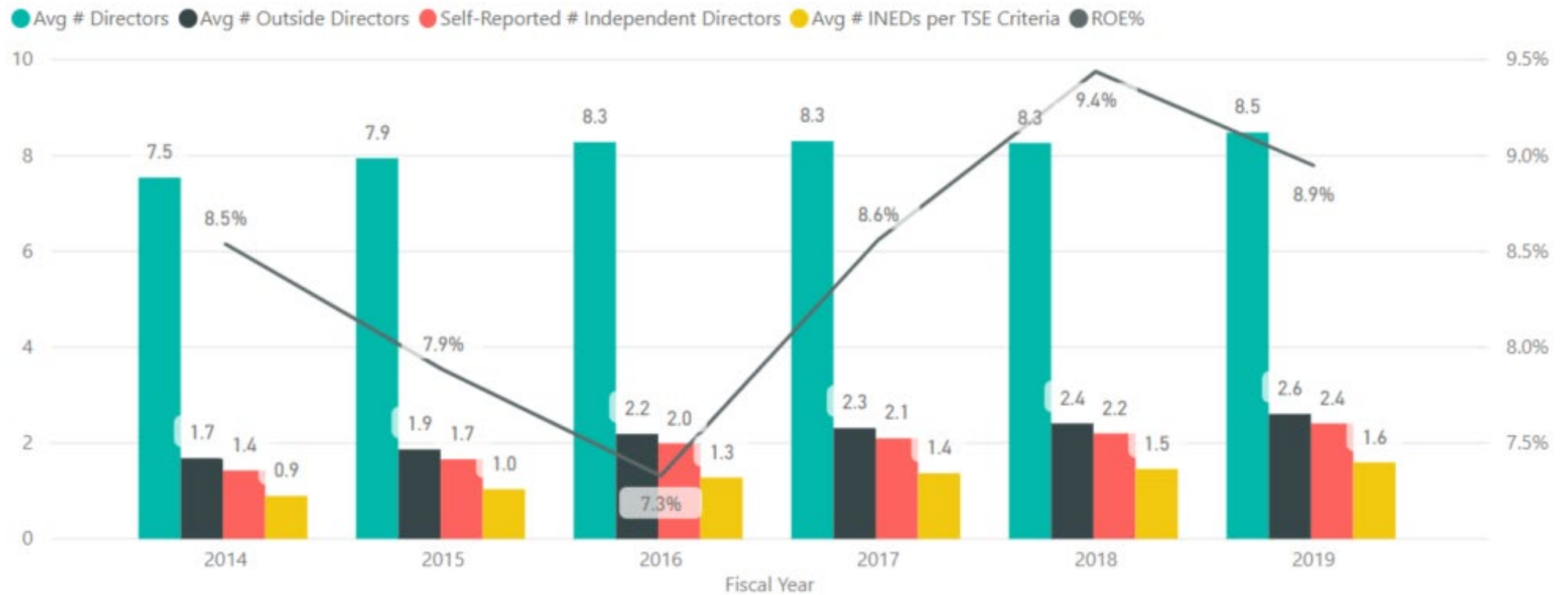
Top 10 Shareholders

Shareholder Name	NumberOfShares HeldShares	Ownership Interest
日本マスタートラスト信託銀行株式会社 (信託口)	48995K	24.7%
日本トラスティ・サービス信託銀行株式会社 (信託口)	21690K	10.9%
資産管理サービス信託銀行株式会社 (証券投資信託口)	5993K	3.0%
THE BANK OF NEW YORK MELLON 140051	4220K	2.1%
Total	98895K	49.9%



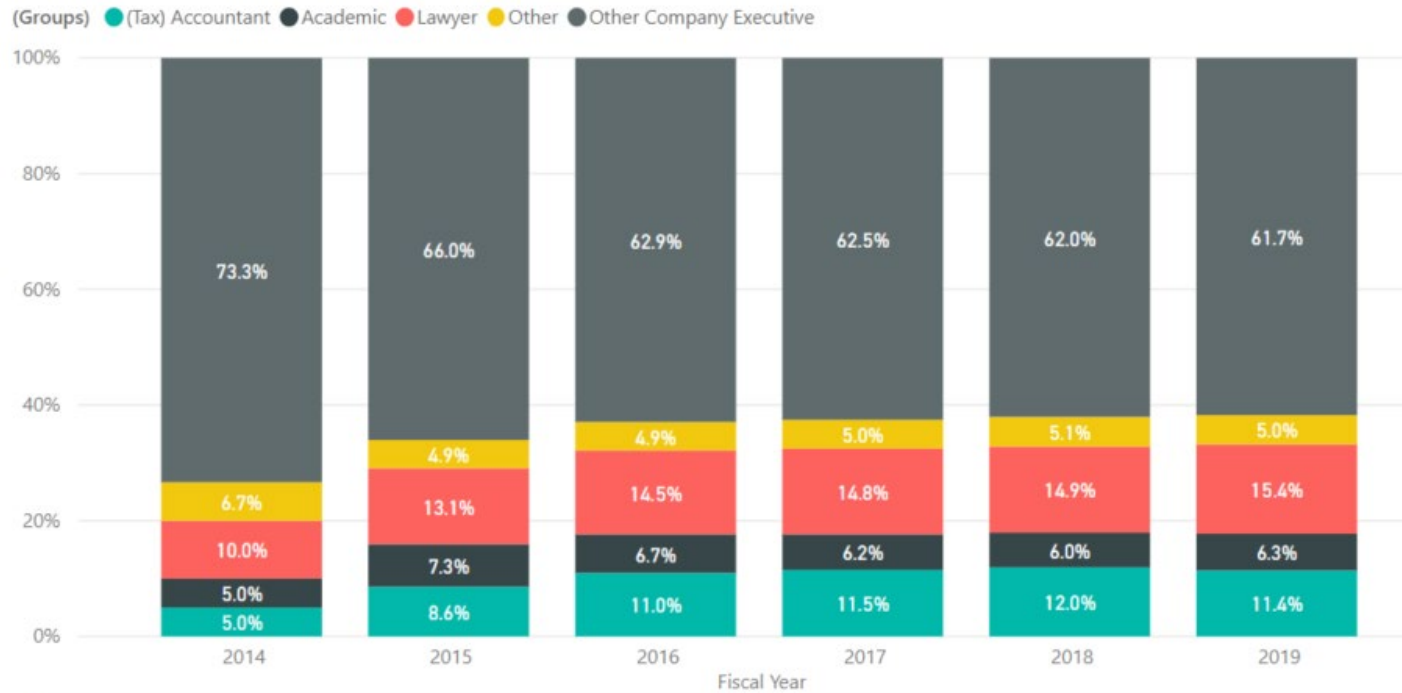
BDTI's (Beta) Corporate Governance Analysis Portal

Average Outside & Independent Directors by Fiscal Year

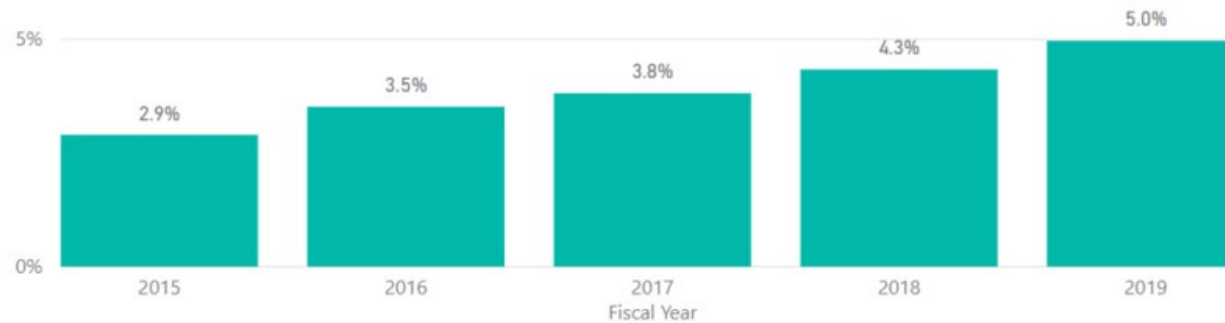


BDTI's (Beta) Corporate Governance Analysis Portal

Outside Director Background

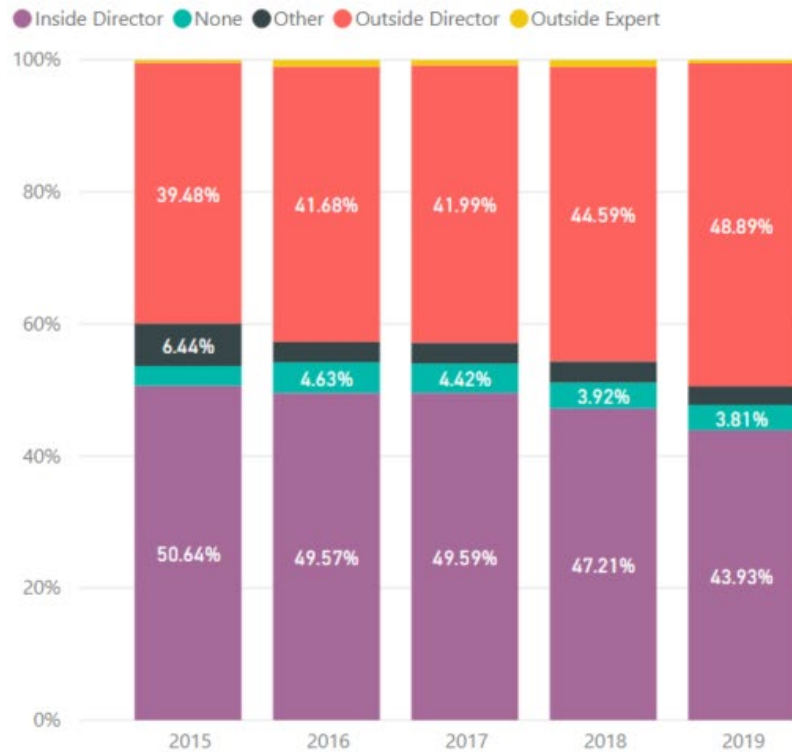


Female Director Percent (Both Inside & Outside Directors)

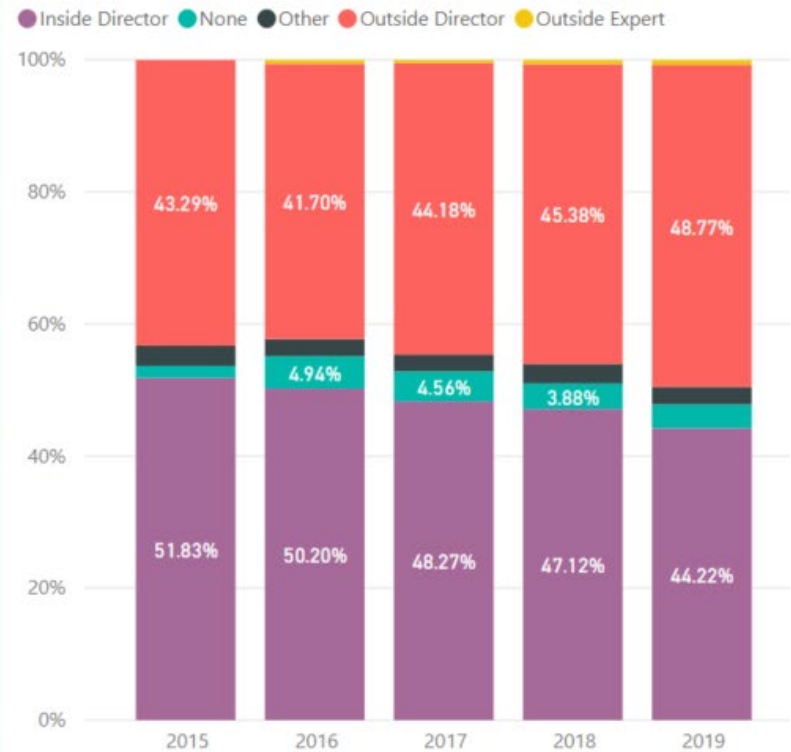


BDTI's (Beta) Corporate Governance Analysis Portal

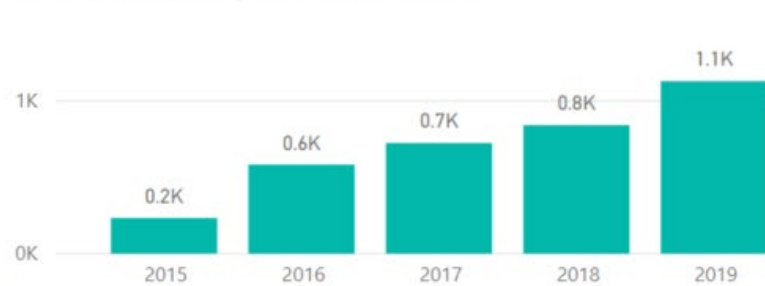
Background of Compensation Committee Chair



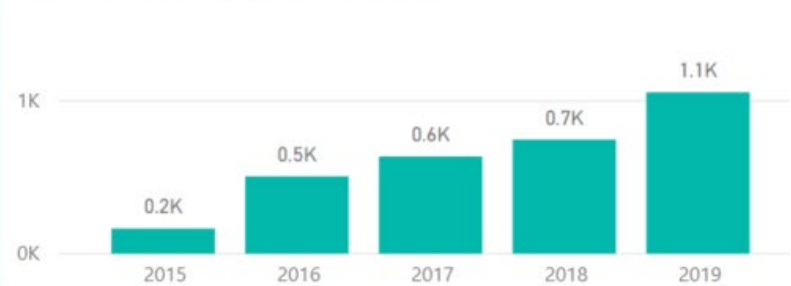
Background of Nominations Committee Chair



of Firms with Compensation Committee



of Firms with Nominations Committee



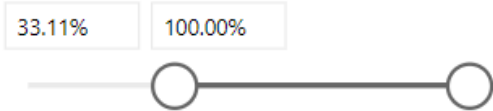
BDTI's (Beta) Corporate Governance Analysis Portal

Test Screening:

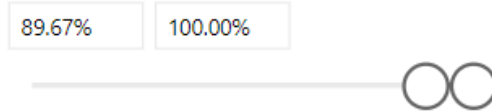
This page allows you to screen for companies with a certain combination of criteria using the sliders / filters below. Feel free to use them in any combination.

Future iterations of this page may include time series / comparison filters as well (e.g. by how much have they improved in a metric since X date)

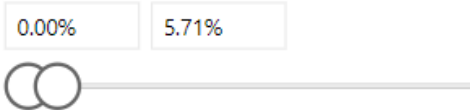
Reported Percentage of Independent Directors



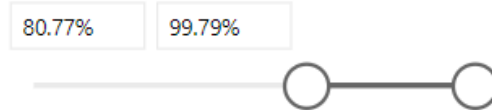
First Officer Approval Rate



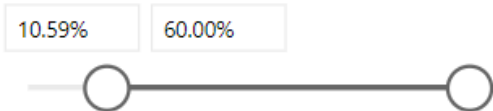
Percentage of Policy Stocks / Total Assets



Shareholder Engagement Percent



Percentage of Female Directors



Nom. Committee Chair is... (Blank for no Com.)

% of Shares Held by Foreign Investors

- <10%
- >=10% and <20%
- >=20% and <30%
- >=30%

Com. Committee Chair is... (Blank for no Com.)

Note: Some filters are based off of preliminary data (collected by AI)

Screening Results (FY2018)

SecurityCode	Name	Return on Equity (ROE)	Return on Total Assets (ROA)
4849	en-japan inc.	24.50	17.35
6089	WILL GROUP, INC.	19.70	5.40
5857	Asahi Holdings, Inc.	17.30	8.54
6857	ADVANTEST CORPORATION	15.50	7.45
2398	TSUKUI CORPORATION	13.90	4.47
6183	BELLSYSTEM24 Holdings, Inc.	13.40	3.98
7220	MUSASHI SEIMITSU INDUSTRY CO., LTD.	13.40	4.16
2229	CALBEE, Inc.	13.00	9.26
2670	ABC-MART, INC.	12.90	11.14
6800	YOKOWO CO., LTD.	10.60	6.62
4540	TSUMURA & CO.	8.30	5.62
7480	SUZUDEN CORPORATION	8.00	4.52
7245	Daido Metal Co., Ltd.	6.90	2.07
8331	Chiba Bank, Ltd., The	5.80	0.38
4568	DAIICHI SANKYO COMPANY, LIMITED	5.20	3.16
7416	Haruyama Holdings Inc.	3.60	2.16
7294	YOROZU CORPORATION	3.40	1.58
9064	Yamato Holdings Co., Ltd.	3.30	1.63

Annual Financial Reports for English Users (convenient for Japanese users also!)

BDTI's " QuickFind" Tool (Beta)

Immediately get just the info you want, and translate it.

Open Duplicate Browser Tab

Select Company Name:

pana
6752 E01772 パナソニック Panasonic Corporation
1924 E00624 パナホーム PanaHome Corporation
4283 E05197 パナソニックインフォメーションシステムズ Panasonic Information Systems Co.,Ltd.
6860 E01964 パナソニックデバイス S U N X Panasonic Industrial Devices SUNX Co., Ltd.

Select Section:

About the Business: Business Risks
Overview: Financials
About the Business: Management Policy
About the Business: Business Risks
About the Business: Capital Investment
Stocks: Shareholders by Category
Stocks: Major Shareholders
Stocks: Issued Shares (and Voting Rights)

Submit

Annual Financial Reports for English Users (convenient for Japanese users also!)

BDTI's "QuickFind" Tool (Beta)

Immediately get just the info you want, and translate it.

Open Duplicate Browser Tab

Select Company Name:

6752 E01772 パナソニック Panasonic Corporation

Select Section:

About the Business: Business Risks

1 second after clicking

Submit

...

Select Language

6752 E01772 パナソニック Panasonic Corporation

(2018-03-31)

About the Business: Business Risks

2 【事業等のリスク】

当社グループでは、年1回、事業活動に影響を与える可能性のあるリスクを洗い出し、それらについてグローバル共通の基準（経営への影響度と発生可能性等）で評価を行い、対策すべきリスクの優先順位を決定するというリスクアセスメントを行っています。これらに基づき重要と判断したリスクは、当社グループの各レベル（全社、カンパニー、事業部等）において、当該リスクの内容に応じた対策を立案・実行し、対策の進捗状況をモニタリングし、継続的に改善する活動を展開しています。

Annual Financial Reports for English Users (convenient for Japanese users also!)

BDTI's "QuickFind" Tool (Beta)

Immediately get just the info you want, and translate it.

Open Duplicate Browser Tab

Select Company Name:

6752 E01772 パナソニック Panasonic Corporation

Select Section:

About the Business: Business Risks

Submit

1 second after clicking

English | ▼ ...

6752 E01772 Panasonic Panasonic Corporation

(2018-03-31)

About the Business: Business Risks

2 [Risk Factors]

The Group, once a year, washed out the risks that may affect the business activities, they will perform the evaluation in the global common standards (impact and the possible occurrence of the management, etc.), risk of should be measures it is a risk assessment that determines the priority. Risk it is determined that the important Based on these, each level of the Group (company-wide, company, business unit, and the like) in, to plan and implement measures in accordance with the contents of the risk, to monitor the progress of the measures, continued we are developing activities to improve on.

Nicholas E. Benes (Representative Director)

Mr. Benes received his B.A. in political science from Stanford University, and a JD-MBA degree from UCLA. He then worked at JP Morgan for 11 years and went on to lead a path-breaking M&A advisory boutique in Japan, JTP Corporation. He is an inactive member of the bar in California and New York. In the past, he served as a twice-elected Governor of the ACCJ, long-time Chair of its FDI Committee and Growth Strategy Task Force; and as a member of the Experts Committee of the Japan Investment Council, an advisory committee to the Japanese Cabinet on FDI policy. He has also served as an independent outside director at Alps Mapping, the listed company Cecile Ltd., and Livedoor Holdings (post-scandal); and currently is an independent director at IMAGICA GROUP (TSE6879) and ADVANTEST CORPORATION (TSE6857). Mr. Benes has taught corporate governance and business ethics as an Adjunct Professor at Hitotsubashi University and the International University of Japan. In 2010, he was a member of the Financial Services Agency's Corporate Governance Liaison Committee, which had been formed to provide private sector input to the Ministry of Justice and the Legal Affairs Advisory Council regarding amendment of Japan's Company Law. In 2013, he proposed that the creation of a corporate governance code be included in the LDP's growth strategy, to be implemented under the auspices of the FSA. He then advised members of the diet and the FSA regarding the content of Japan's first corporate governance code. In 2016, he proposed changes to the Company Pension Law regulations and guidance, which resulted in a joint study group being formed by the Ministry of Healthy, Labor and Welfare, the Pension Fund Association, experts and institutional investors, and the FSA. The study group issued its report encouraging corporate pension funds to sign the Stewardship Code in March of 2017. He is a member of the Japan Association of Corporate Executives.

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BDTI

**The Board Director
Training Institute of Japan**

公益社団法人会社役員育成機構