

## 7. Appointment of Women to Board Positions

### ■ Women Board Members at Listed Companies

If women are involved in corporate decision-making, then diverse values will be reflected in the management of the company. At organizations receptive to diverse values, innovation will be promoted and the company's competitiveness and evaluation by society will improve. The company's value will also rise. Therefore, since its inauguration, the second Abe Cabinet has undertaken a number of efforts, including the Prime Minister's request to the business community in April 2013 to begin by appointing at least one woman to a board position at all listed companies. In the Fourth Basic Plan for Gender Equality established in December 2015, the government set a new target to increase the proportion of women in board positions at listed companies to 5% as quickly as possible and to 10% by 2020, and the government is engaged in further efforts. As a result, the number of women board members at listed companies has steadily risen about 3.4 times in seven years between 2012 and 2019. In addition, in capital markets, there is a growing movement to recognize companies promoting women's active participation, including the appointment of women directors, in ESG investment ratings, etc.



The Prime Minister's request to the business community  
(Cited from the Prime Minister's Cabinet website.)

### ● Number of Women Board Members



Source: Toyo Keizai "YAKUIN SHIKIHO"

Note: Data: as of 31st July each year. Surveyed all listed companies including the JASDAQ listed companies.

"Board" means directors, auditors, representative executive officer and executive officers of the company with nomination committee, etc.

### ■ Effort

### ● Amendments to the Order Related to Annual Securities Report

Based on amendments to the Cabinet Office Order on Disclosure of Corporate Affairs (March 2015), companies are now obligated to disclose numbers of men and women board members and the proportion of women board members in their Annual Securities Reports.

## ● Revisions to the Corporate Governance Code

In revisions to the Corporate Governance Code (June 2018), “diversity, including gender and international experience” on the board of directors was clearly indicated as important. Further, the Guidelines for Investor and Company Engagement, a supplemental document to the Stewardship Code and the Corporate Governance Code, includes “Are there women appointed as directors?” as an agenda item for engagement that institutional investors and companies are expected to focus on. Promoting these corporate governance reforms is expected to encourage autonomous initiatives by companies.

## ● Establishment of Informational Website, and Leaflet on Situation of Women on Boards

The Cabinet Office established “The Informational Website on Women on Boards” (at the end of September 2016) that centralizes and disseminates information regarding the appointment of women to board positions at listed companies. This website lists the number and proportion of women boards members at approximately 3,700 listed companies by industry. In addition, it introduces the government’s initiatives as well as situation where companies which women are actively participating are highly evaluated in capital market.

Furthermore, Cabinet Office published leaflet and distributed to all listed companies in Japan. This leaflet identifies listed companies that have already achieved a 10% female ratio on their boards, and introduces the advantages that companies enjoy by promoting women advancement in the workplace.

These initiatives are expected to make the situation of the appointment of women to board positions in all of Japan visible and scale them up to the rest of the country.

## ● Training for Candidates of Women Board of Directors

The Cabinet Office conducts training in multiple regions for women who will be candidates for board positions based on the model program developed in FY2016. In FY 2017, training sessions were held in two regions; in FY 2018, three regions and one university; and in FY2019, two regions and one university.

In January 2017, 2018, and 2019, the Ministry of Economy, Trade and Industry (METI) held a cross-company training camp utilizing the expertise of Harvard Business School for female senior management candidates. This program aims to provide knowledge and training on thinking necessary for addressing global management issues for women. On the final day of the program, METI held the closing reception among political and business leaders to gain momentum for further empowerment of women at companies and to disseminate information for people in Japan and overseas. METI also supported the same program in January 2020. Through these initiatives, METI has sought to create an atmosphere for strong management of Japanese companies by adding diverse perspectives.



Training Program

## ● Database for Candidates of Women Board of Directors

The Cabinet Office has released a database of women with experience on government councils and committees, in order to provide reference information for companies when making board appointments. In addition, the database has been released that contains data on women who have completed the above training program sponsored by the Cabinet Office and the Ministry of Economy, Trade and Industry. (The database lists the members who have agreed to be included.)