ICGN
International Corporate Governance Network

ICGN Annual Virtual Japan Forum 2024 – CEO Remarks, Jen Sisson

Opening Remarks

Welcome everyone to ICGN's 4th Annual Virtual Japan Forum, kindly hosted by the Tokyo Stock Exchange. Over 500 people have registered, and we are very grateful for all our wonderful endorsers, partners and sponsors.

ICGN is a membership body, led by investors from all over the world, with about $77trillion of AUM. Our members are asset owners, like pension schemes and sovereign wealth funds, asset managers and also various service providers and corporates who are involved in the governance and stewardship ecosystem.

Our purpose is to promote the highest standards of corporate governance and investor stewardship worldwide. Our members want to see the importance of Governance be a stronger part of the discourse. We are believers that Governance is absolutely key – it's fundamental to investment practices and to corporate success.

So we focus our work in four key core corporate governance areas:

1) Strong and effective boards and board practices
2) Reliable financial and sustainability reporting and assurance
3) Best practices in investor stewardship
4) And last but definitely not least – protecting shareholder rights.

ICGN is very proud of our long standing, strong working relationships in Japan, where we are very honored to have excellent ongoing dialogue with many key stakeholders, including government bodies, regulators and standard setters.

In Japan, ICGN has supported governance and stewardship reforms for over two decades, responding to regulatory consultations, convening international meetings in Tokyo, and also serving on the Council of Experts convened by the FSA and TSE.

Our agenda today is focused on the some of the key issues that need to be considered as we all seek to encourage the continued development of a high-quality stewardship and corporate governance landscape.

Our first panel, 'Effective engagement – how investors and companies can communicate clearly' will focus on what is needed to make engagement work effectively, as we seek to encourage constructive dialogue between companies and their shareholders in their mutual pursuit of long-term corporate value creation.

Our second panel, "A culture of independence, how can outside directors and nominating committees make independent input work?" will examine how to build on the success of enhancing the number of independent Board members on Japanese corporate Boards. It is good to see that 95% of Prime Market companies now have one third or more independent directors on the Board. Independent directors provide independent judgement, outside experience and objectivity to board decision-making and thus provide a valuable, impartial perspective to corporate decision-making, and are well placed to represent the interests of minority shareholders. The panel will consider what Boards need to do to demonstrate practical usage of independent directors.

We are also very pleased to welcome keynote speakers from Katsumi Ao, Director, Senior Executive Officer, Tokyo Stock Exchange and Motoyuki Yufu, Director General of Policy and Markets Bureau, Japan Financial Services Agency.

Japan has seen strong steps forwards in Corporate Governance and Stewardship, but we all know that this is a long journey and that there are many more steps forward to be taken. ICGN is proud to be able to support the development of best practices in Japan and I look forward to the opportunity to meet many of you in person on future trips to Japan as part of our member engagement activities.

Closing Remarks

Thank you to the panel for such a lively and interesting discussion.

I hope you have all enjoyed the event today, I think we have heard many very interesting, valuable and insightful points that we can take away with us and consider how to act on as we all seek to work towards our shared goals of effective stewardship, corporate governance and long-term sustainable value creation.

For those of you who are not yet ICGN members, please feel free to reach out to the team here to discuss any questions you may have about joining us. We would be very happy to talk to you.

And finally, I am very proud to say that next year is ICGN's 30th anniversary, and that we will be celebrating that with a series of conferences in some of our most important markets – kicking off in March in Tokyo!

The conference, on the 4th and 5th of March is very kindly hosted by the Tokyo Stock Exchange and will feature speakers and investor attendees from all over the world, so please mark your diaries for those dates and I hope to see lots of you there.

Many thanks again for attending today, that concludes our session.