



April 23, 2019
30% Club Japan

Press Release

30% Club Japan to launch on May 1, 2019

- **The 30% Club, which has made a significant contribution to increasing female representation on company boards in 13 countries/regions, is launching the Japan Chapter.**
- **The launch will include the formation of an “Investor Group” that will provide guidance to investors on gender diversity, including standards and general principles for investors to consider when engaging investee companies on board diversity.**

Founded in the United Kingdom in 2010 with the aim of increasing female representation on company boards, and subsequently at senior management level, the 30% Club is officially launching its newest chapter, the 30% Club Japan. Members of the 30% Club consist of senior leaders⁽¹⁾ who view gender diversity as a critical business issue and commit to playing an active role in promoting diversity initiatives. The 30% Club has made a significant contribution to increasing female representation on company boards in 13 countries/regions.⁽²⁾ In UK, the percentage of female FTSE-100 directors increased from 12.6% in 2010 to 31% in 2019. The 30% Club Japan is launching with the support of 30 members and is forming an “Investor Group” which is one of the cornerstone initiatives of the 30% Club campaign.

The 30% Club Japan believes that diversity in senior leadership, especially in important decision-making bodies such as boards and Executive Committees⁽³⁾, is imperative to business because it improves corporate governance and risk management, as well as leading to the development of effective business strategies and to a strong brand, through the avoidance of groupthink⁽⁴⁾. Diversity at senior levels also promotes debate that reflects the interests of varied, and important stakeholders, and it fosters an inclusive organizational culture which allows for the best use of the widest available talent pool – it also promotes innovation which is potentially a source of core competitiveness for Japanese companies. These attributes are corroborated by the results of numerous research papers⁽⁵⁾, which clearly show a positive correlation between diversity at the top and indicators such as profit rate and mid- to long-term share performance. Given this, the 30% Club Japan sees diversity in senior leadership as a critical driver for improving the global competitiveness of Japanese companies, and as a key element in helping to build a sustainable Japanese society.

The 30% Club Japan aims to achieve 10% representation of women on the boards of TOPIX100 companies by 2020, and 30% representation by 2030. The Club will take the following three approaches to increase female representation in senior leadership positions.

1. Commitment and leadership from the top

Commitment of senior leadership with the influence and resource to bring about change, is essential for successful transformation. Membership of the 30% Club Japan is only open to CEOs, Chairs or

equivalents of companies and organizations. Members are required to set clear numerical targets and timelines for percentages of women in senior leadership positions, and to actively promote diversity initiatives within their respective companies.

2. A concerted approach

The 30% Club Japan is a platform for cooperation among institutional investors, the government, media organizations, professional firms (consulting firms, law firms, etc.), executive search firms, universities, and other stakeholders that play important roles in the promotion of diversity. The Club aims to accelerate corporate progress on diversity through a comprehensive, joined-up approach.

3. Proven-to-work initiatives

The 30% Club has many well-established initiatives that are proven to work in other countries. The 30% Club Japan will adopt and tailor these to account for Japan's specific context in order to bring positive, timely change. The Club's main areas of focus include the "Boardroom Initiative", which seeks to increase board diversity directly, and the "Pipeline Initiative", which is aimed at broadening the pipeline for the next generation of female leaders in order to support long-term, sustainable change. One of these initiatives is the "Investor Group" which has been very successful in other 30% Club chapters, and will also be launched in Japan in conjunction with the launch of the 30% Club Japan.

[Launch of Investor Group]

The "Investor Group" will coordinate the investment community's approach to diversity, with a particular focus on explaining the investment case for more diverse boards and senior management teams. Asset owners and asset managers are responsible for the stewardship of the investments they make on behalf of their clients. As indicated by its Statement of Intent (included below), the Investor Group's objectives are to provide direction on gender diversity to investors, companies and the wider marketplace, and to suggest ways in which investors can use their ownership rights and undertake stewardship that encourages progress on gender diversity.

Investor Group Chair: Douglas Hymas (The Bank of New York Mellon, Country Executive)

About the name:

30% is the figure widely agreed to mark the stage at which contributions of a minority group cease being representative of that particular group and start to be judged on their own merit – in other words, critical mass is achieved. Having 30% female representation on the board and in other decision-making bodies increases the chance of a company benefitting from the diversity within its business.

Outline of the 30% Club Japan

- **Name:** 30% Club Japan
 - **URL:** <https://30percentclub.org/about/chapters/japan>
- **Please see the home page for details

• Founding Supporters^(*):

Advisory Board Members:

Heidrick and Struggles, Managing Partner, Japan, Aya Inuma
Shiseido Company, Limited, President & Group CEO, Masahiko Uotani
Deloitte Tohmatsu Group, Chair, Yoriko Goto
The Bank of New York Mellon, Country Executive, Douglas Hymas
Showa Women's University, Chancellor, Chairperson of the board, Mariko Bando

Japan Campaign Manager:

Deloitte Tohmatsu Consulting LLC, Senior Manager, Michiko Tadamatsu

• Members: 30 (As of 4/23)

TOPIX 100 (in no particular order): Ajinomoto Co., Inc., President & Chief Executive Officer, Takaaki Nishii / Astellas Pharma Inc., Representative Director, Chairman of the Board, Yoshihiko

Hatanaka / MS&AD Insurance Group Holdings, Inc., Representative Director, President & CEO, Yasuyoshi Karasawa / Shiseido Company, Limited, President & Group CEO, Masahiko Uotani / Sompo Holdings, Inc., Group CEO Representative Director, President and Executive Officer, Kengo Sakurada / Daiwa Securities Group Inc., Chairman of the Board Takashi Hibino / Daiwa Securities Group Inc., President & CEO, Seiji Nakata / Tokio Marine Holdings, Inc., President and Group CEO, Tsuyoshi Nagano / Hitachi, Ltd., Representative Executive Officer, President & CEO and Director, Toshiaki Higashihara / Resona Holdings, Inc., President, Kazuhiro Higashi

TOPIX Mid 400 (in no particular order): Dentsu Inc., Representative Director, Nobuyuki Tohya / Hitachi High-Technologies Corporation, President and Chief Executive Officer, Masahiro Miyazaki / MARUI GROUP CO.,LTD., CEO, Hiroshi Aoi

Other Members (in no particular order): Deloitte Tohmatsu Group, Chair, Yoriko Goto / Deloitte Tohmatsu Group, CEO, Takashi Nagata / MSCI G.K., Managing Director, Kazuya Nagasawa / Citigroup, Citi Country Officer & Japan CEO, Lee R. Waite / Standard Chartered Bank, Chief Executive Officer, Japan, Yasunori Takeuchi / State Street Global Advisors (Japan) Co., Ltd., President and Representative Director, Takashi Takamura / Deutsche Bank Group Japan, Chief Country Officer, Tamio Honma / The Bank of New York Mellon, Country Executive, Douglas Hymas / The Bank of New York Mellon Securities Company Japan Ltd., Representative Director, President, Izumi Chihara / Williams Lea Japan, Ltd., Representative Director, Japan / Managing Director, North Asia, Akihiko Kubo / Heidrick and Struggles, Managing Partner, Japan, Aya Inuma / IHG ANA Hotels Group Japan, CEO, Hans Heijligers / Showa Women's University, Chancellor, Chairperson of the board, Mariko Bando / Tsuda University, President, Yuko Takahashi / The University of Tokyo, President, Makoto Gonokami / Niigata University, University President, Sugata Takahashi / The British Chamber of Commerce in Japan, Executive Director, Lori Henderson, MBE

Government Advocates (in no particular order): Cabinet Office, Director General for Gender Equality Bureau, Toshie Ikenaga / Ministry of Economy, Trade and Industry, Deputy Director General for Economic and Social Policy, Yasuhito Nii

About membership:

Membership of the 30% Club Japan is open to CEOs, Chairs, and other equivalent executives of large public companies with at least 301 employees. Membership is also open to the leaders of important 30% Club Japan stakeholders such as financial institutions (particularly institutional investors), the government, professional services firms (consulting firms, law firms, etc.), PR companies, executive search firms, and universities, regardless of whether or not they are listed, and regardless of the aforementioned size criteria. Please refer to the website for details.

Media inquiries

Inquiries about 30% Club Japan:

Please address inquiries to Campaign Manager Michiko Tadamatsu
jpdt30percentclubr@tohmatu.co.jp

(*1) CEO, Chairperson, or other equivalent position

(*2) United Kingdom, United States, Australia, Canada, Ireland, Italy, Turkey, GCC (Gulf Cooperation Council), Hong Kong, Malaysia, Japan, Southern Africa, East Africa, Brazil

(*3) Executive decision-making bodies; generally decision-making bodies composed of CXOs

(*4) The phenomenon of insufficient discussion leading to mistaken decisions

(*5) Surveys referenced:

- Delivering Through Diversity (McKinsey, January 2018)
- The Tipping Point: Women on Boards and Financial Performance (MSCI, December 2016)
- The CS Gender 3000: The Reward for Change (Credit Suisse, September 2016)
- Is Gender Diversity Profitable? Evidence from a Global Survey (Petersen Institute, February 2016)
- Women On Boards: Global Trends in Gender Diversity on Corporate Boards (MSCI, November 2015)

- The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth(McKinsey, September 2015)
 - The Value of Diversity(Grant Thornton, September 2015)
 - The CS Gender 3000: Women in Senior Management(Credit Suisse, September 2014)
 - Gender Diversity and Corporate Performance(Credit Suisse, August 2012)
- (*6) Chair and Vice Chair will be selected from Advisory Board Members

<Attachment>



30% Club Japan Investor Group: *Statement of Intent* **May 2019**

As asset owners and asset managers we are fiduciaries responsible for the stewardship of our clients' investments. Increasingly, expectations for the responsible exercise of our ownership rights have continued to rise as exemplified in Japan's Stewardship Code. Part of this responsibility includes the assessment of the boards and senior management teams of investee companies.

Boards that genuinely embrace cognitive diversity, as manifested through appropriate gender representation and a broad spectrum of skills and experience, are more likely to achieve better outcomes for investors. There is increasing research to support gender-diverse representation at both the board and executive management levels. Additionally, gender diversity in the board is among the preconditions listed in Japan's Corporate Governance Code to ensure board effectiveness.

In connection with the establishment of the 30% Club Japan, the 30% Club Japan Investor Group is comprised of asset owners and asset managers with the aim of educating and influencing boards about effective pathways to increasing gender diversity and gender equality at all levels of the organization.

The purpose of the *Statement of Intent* is to demonstrate the strong commitment that members have in delivering outcomes on gender diversity that are sustainable over the longer-term.

Target

As members of the 30% Club Japan Investor Group, we are committed to achieving a minimum of 10% female representation on TOPIX 100 boards by the end of 2020 and 30% female representation on TOPIX 100 boards by 2030. The Investor Group may establish additional targets which are generally aligned with overall objectives of the 30% Club Japan. We aim to enhance transparency and communication with investors on the board's position on gender diversity and report on progress against established goals.

Disclosure expectations for investee companies

As part of our overall stewardship responsibilities on behalf of our members and clients, we will engage with investee companies on corporate governance issues, including the process the board uses to identify suitable candidates for the board and at senior management level.

To provide investors with a comprehensive understanding of an investee company's diversity policies, we are calling on companies to monitor and disclose the level of gender diversity not only on their boards but at all levels of management. We believe this increased transparency and accountability will help create a stronger pipeline of qualified female board candidates.

Engagement with investee companies

As long-term investors we are committed to gender diversity as a stewardship priority in our engagements with investee companies. We will constructively engage with boards of directors and senior management to promote change and monitor progress on this core stewardship issue. In addition to providing a foundation for engagement with investee companies, the Investor Group may engage in conversations between wider stakeholder groups.

Duties as Owner or Fiduciary

There are a range of tools available to each investor to advance progress towards the diversity-related targets. Some members may choose to vote against the (re)election of directors of the board and/or the appointment of statutory auditors. In particular some members may exercise their voting rights where there continue to be no evidence of board diversity, and engagement with the board has not led to any satisfactory outcome.

Reporting

We are committed to reporting on a regular basis. We will report on our engagement and voting activity as well as provide examples of companies that champion the adoption of best practices. Ultimately, we will report on our progress measured against our established targets.

Compliance with Laws etc.

The Investment Group is committed to adhering strictly to any confidentiality obligations as well as to the letter and spirit of relevant antitrust laws. Under no circumstances shall the Investor Group be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way, to impair the ability of members to exercise independent business judgment regarding matters affecting competition. While engaging in these activities, members of the Investor Group should avoid sharing any confidential information about investees with competitors, or share information about how voting rights are exercised to the extent that this is subject to a confidentiality obligation or matters involving any element of competition and shall be expected to take any action, in its sole discretion, in accordance with its own policies and procedures, including those relating to confidentiality obligations and antitrust laws.