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Issues in CG Code to be Revised Next Spring

Attention should also be given to question of market selection at the time of TSE reorganization.

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Summary

- In the Cabinet document, “Follow-up on the Growth Strategy,” approved on July 17, issues were raised regarding revisions to the Corporate Governance Code (CG Code) to be implemented in the spring of 2021. These include further promotion of management based on cost of capital, such as the implementation of a business portfolio strategy; strengthening of group governance, including the proper handling of listed subsidiaries; ensuring the reliability of audits, and improving the quality of outside directors.
- The CG Code required of listed companies differs for each market created by the Tokyo Stock Exchange reorganization scheduled for FY2022. In order for listed companies to choose which market they want to list on, it is important to keep track of discussions on how the CG code will be revised.

Attention

This report is a summary translation. The official document is only in Japanese.