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Skills Matrix Disclosure Status and Suggestions

It is important to consider the status of management strategies, and the difference in roles of each director

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Summary

- In June 2021, the Corporate Governance Code of the Tokyo Stock Exchange was revised, requiring the disclosure of the combined skills of directors in a variety of forms, including that of a skills matrix. This paper analyzes the status of disclosure of the skills matrices of 474 TOPIX500 companies that have issued their 2020 integrated reports, annual reports, sustainability reports, and CSR reports, and obtains suggestions for identifying skills considered necessary for directors.
- In many cases, important skills for corporate management and governance, such as corporate management, legal and compliance, finance, accounting and tax, and risk management, were cited as skills necessary for directors. In addition, given the recent importance of diversity, digitalization, and sustainability, it is believed that skills such as overseas experience, technology, and ESG sustainability also tend to be emphasized. It would be desirable to identify which skills are needed, taking into account each company's management strategy and external environment.
- If we look at which skills tend to be held by a large number of internal and external directors, we find that internal directors possessed skills such as sales, marketing, planning and development, and R&D. On the other hand, there was a tendency for outside directors to have skills in areas that cannot be covered by the company alone, such as ESG Sustainability.
- Considering these differences in roles, it would be desirable to consider what skills companies as a whole need to have.

Attention

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