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New Capitalism Changing Relationship between Corporations and Investors

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Summary

- The New Capitalism advocated by Prime Minister Kishida presents a menu of corporate governance reforms with an emphasis on the information disclosure system for listed companies, and repeated considerations have been made in hopes of speeding up realization.
- There are expectations that the enhancement of sustainability information disclosure and the review of quarterly disclosure will lead to improved convenience for investors and ease the disclosure burden on corporations.
- In recent years, however, corporate governance reforms have increased the number of opposition votes from asset managers at shareholder meetings, and hence it is doubtful that the intended objectives of the reforms have been achieved. It will be necessary to monitor whether the reform menu of the New Capitalism will be effective or not.
- Amongst asset managers, there are moves to build platforms that enable direct engagement with customers. It is difficult to say that there has been sufficient verification of the results of corporate governance reforms to date.
- Before proceeding to the next step, a persuasive cost-benefit analysis of the measures implemented is expected to be presented.

Attention

This report is a summary translation. The official document is only in Japanese, included in the DIR Research Quarterly Review (Vol.49).