

ACGA 7th Annual Conference

# Asian Business Dialogue on Corporate Governance 2007



**Strengthening Companies and Capital  
Markets through Corporate Governance**

Organiser :



Asian Corporate Governance Association

November 8, 2007 (Full-day Event)

Kazanami Ballroom, Conrad Tokyo  
1-9-1, Higashi-Shinbashi, Minato-ku,  
Tokyo, Japan

A high-level and hands-on discussion about topical  
issues of corporate governance in Japan and Asia.

Principal Sponsors :



Supporting Organisation :

*Japan Association of Corporate Directors*  
**日本取締役協会**

Supporting Sponsors :



# Keynote Speeches and Conference Overview

9.00 am – 9.05 am

## Welcoming Remarks

**Ambassador Linda Tsao Yang**

Chair, Asian Corporate Governance Association

9.05 am – 9.45 am

## Opening Keynote Speech

“The Value of Corporate Governance to Japanese Business”

**Mr. Yoshihiko Miyauchi**

Chairman and CEO, ORIX Corporation, Tokyo

*(Chairman, Japan Association of Corporate Directors)*

9.45 am – 11.00 am

## Plenary 1

The Contribution of Corporate Governance to Japan’s Economic Recovery — Challenges Ahead for Reform

11.00 am – 11.30 am

## Coffee Break

11.30 am – 12.45 pm

## Plenary 2

The Role of the Board in Managing Corporate Social and Environmental Imperatives

12.45 pm – 2.00 pm

## Luncheon: Hamarikyu Ballroom, Conrad Tokyo

2.00 pm – 3.15 pm

## Afternoon Workshops 1

1. The Globalisation of Enterprise and Regulatory Risk: Impact on the Governance of Japanese Companies
2. Strategies for Strengthening Dialogue between Companies and Investors in Asia

3.15 pm – 3.45 pm

## Coffee Break

3.45 pm – 5.00 pm

## Afternoon Workshops 2

1. Enhancing Board Leadership and Value: Reports from around Asia
2. Shareholder Voting: The Bigger Picture

5.00 pm – 5.40 pm

## Closing Keynote Speech

“The Critical Role of Investors in Strengthening Corporate Governance in Japan”

**Mr. Tomomi Yano**

Executive Managing Director, Pension Fund Association, Tokyo

5.40 pm – 5.45 pm

## Conference Closing Remarks

6.00 pm – 8.00 pm

## Cocktail Reception, Kazanami Ballroom lobby

All delegates are welcome to attend the cocktail reception

# Panel Discussions

Morning MC: **Mr. Douglas Henck**, ACGA Vice Chairman

9.45 am – 11.00 am

## PLENARY 1

### The Contribution of Corporate Governance to Japan's Economic Recovery – Challenges Ahead for Reform

Corporate governance reform has moved forward in Japan in recent years, leading to changes in laws and regulations, more rigorous enforcement and new board structures. To what extent have attitudes toward corporate governance changed and has reform contributed to the revitalization of the Japanese economy? What benefits can investors in Japanese shares expect to see from further adoption of best practices in corporate governance? And what challenges lie ahead for further reform?

#### Moderator

**Mr. Steven Watson**

Senior Vice President & Director, Capital Research Company, Hong Kong (ACGA Council Member)

#### Speakers

**Ms. Kathy Matsui**

Managing Director and Chief Japan Strategist, Goldman Sachs (Japan) Ltd, Tokyo

**Professor Hideki Kanda**

Faculty of Law, University of Tokyo  
(Vice Chairman, Japan Association of Corporate Directors)

11.30 am – 12.45 pm

## PLENARY 2

### The Role of the Board in Managing Corporate Social and Environmental Imperatives

Companies worldwide face growing pressure to address climate change, environmental pollution and the social impact of business activities. How can boards of directors most effectively guide their companies to produce a strategic and sustained response to these challenges? How can the tools of corporate governance – such as outside directors, board committees, internal controls and reporting – be utilised to improve a company's management of social and environmental imperatives?

#### Moderator

**Ms. Veronica John**

ACGA Council Member, London  
(Formerly portfolio director, CDC Group and the Asian Development Bank)

#### Speakers

**Ms. Melissa Brown**

Executive Director, Association for Sustainable and Responsible Investment in Asia (Asria), Hong Kong

**Mr. Christopher Ailman**

Chief Investment Officer, California State Teachers' Retirement System (CalSTRS), Sacramento

**Mr. Yoshinari Hara**

Chairman of the Board, Daiwa Securities Group Inc., Tokyo

Afternoon MC: **Mr. Peter Bowie**, Chief Executive (China), Deloitte, Shanghai

2.00 pm – 3.15 pm

## AFTERNOON WORKSHOPS 1

### (Track 1) The Globalisation of Enterprise and Regulatory Risk: Impact on the Governance of Japanese Companies

Japanese companies have an established presence in many markets around the world. What is different today is that their leadership in sectors such as autos and electronics has grown considerably, as have the range of operational, regulatory and other risks that they face. What governance and management changes are Japanese firms making – or need to make – to meet these new challenges? How are new corporate governance regulations in developed markets affecting Japanese firms? And why will Japan's new corporate law and "J-Sox" regulations impose new responsibilities on Japanese boards to manage risk?

#### Moderator

**Mr. Jeffrey Willemain**

Global Managing Partner, Regulatory & Risk, Deloitte Touche Tohmatsu, Detroit

#### Speakers

**Mr. Robert Cox**

Executive Vice President, Chubb Insurance, Warren, New Jersey

**Mr. Satoru Hiraga**

Representative Director, Marsh Broker Japan, Inc., Tokyo

\* Simultaneous interpretation will be provided for all sessions of the conference.

2.00 pm – 3.15 pm

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#### **AFTERNOON WORKSHOPS 1 (continued)**

##### **(Track 2) Strategies for Strengthening Dialogue between Companies and Investors**

Higher levels of cross-border investment, the growth of pension funds and a strategy by some Asian firms to “globalise” their shareholder base have contributed to emerging changes in corporate ownership structures in Asia. As a result, companies need to communicate more frequently with their shareholders, while shareholders are increasingly seeking to exercise their ownership (or “stewardship”) rights. How can institutional investors most effectively engage with companies and convey their views? What challenges do they face in being heard? What are some of the key do’s and don’ts in different Asian markets?

#### **Moderator**

**Mr. Christopher Wells**

Partner, White & Case, Tokyo

#### **Speakers**

**Mr. Michael Connors**

Advisor, Nissay Hermes Stewardship Fund, Tokyo/London

**Mr. Peter Taylor**

Head of Corporate Governance, Aberdeen Asset Management Asia, Singapore

3.45 pm – 5.00 pm

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#### **AFTERNOON WORKSHOPS 2**

##### **(Track 1) Enhancing Board Leadership and Value: Reports from around Asia**

Board reform remains a relatively new issue in Asia. Many companies are still grappling with how best to utilise their new independent directors, board committees and other governance structures, while many directors do not fully understand their duties and responsibilities. This session will focus on the strategic and governance benefits that a well-structured board can bring to a company, how individual directors can make a difference, and what lessons have been learned from implementing board best practices in Asia over the past 10 years.

#### **Moderator**

**Mr. Jason Yeung**

Board Secretary, Bank of China, Beijing

#### **Speakers**

**Mr. Nicholas Benes**

President, JTP Corporation, Tokyo  
(Outside director on the boards of two Japanese firms)

**Mr. Charnchai Charuvastr**

President, Thai Institute of Directors, Bangkok

**Ms. Josephine Price**

Deputy CEO, CLSA Capital Partners, Hong Kong

##### **(Track 2) Shareholder Voting: The Bigger Picture**

The voting of shares by institutional investors is on the rise in Japan and Asia, as in other parts of the world. This is due to various factors: regulatory and client pressure; the emergence of fund managers who have an active interest in corporate governance; and shareholder activist campaigns. How does shareholder voting contribute to long-term capital market development? Why should listed companies seek to follow world-class standards in the running of shareholder meetings? And what improvements are being made around Asia to make voting more efficient and informed?

#### **Moderator**

**Mr. Jamie Allen**

Secretary General, Asian Corporate Governance Association, Hong Kong

#### **Speakers**

**Mr. Amane Fujimoto**

Head, Corporate Value Consulting Project Team, Stock Transfer Agency Department, Sumitomo Trust & Banking Co. Ltd, Tokyo

**Mr. Scott Callon**

Partner/CEO, Ichigo Asset Management, Tokyo

# Acknowledgements

ACGA would like to express its heartfelt thanks to the following organisations and individuals for helping to make the “Asian Business Dialogue on Corporate Governance 2007” possible:

- All of our Principal and Supporting Sponsors (outlined below).
- Our Supporting Organisation, the Japan Association of Corporate Directors.
- Our two keynote speakers, Mr. Yoshihiko Miyauchi and Mr. Tomomi Yano, for their support and for giving generously of their time, and Mr. Yoshinari Hara, Chairman, Daiwa Securities.
- All of our moderators and speakers, many of whom have flown in from around the world to participate in this event.
- Mr. Makoto Yasuda, Chairman & Chief Executive, Yasuda EMP Ltd, for his wise counsel and unstinting assistance in the development of the conference.
- Mr. Jon Doherty of Chubb Korea and Mr. Kiyoshi Yamamoto and Ms. Sawako Hayashi of Chubb Japan for their help in programme development and conference organisation.
- im5, Kyoisha Japan and iml UK for generously donating and operating the “audience response system” being used today.

## Principal Sponsors:

### Aberdeen Asset Management Asia

Aberdeen Asia is a wholly-owned subsidiary of Aberdeen Asset Management PLC, an independent asset management group listed on the London Stock Exchange. Aberdeen Asia, headquartered in Singapore since 1992, manages assets for a range of clients, including institutions, governments and retail investors. It is one of the largest managers of regional equities globally and is a member of ACGA. ([www.aberdeenasset.com.sg](http://www.aberdeenasset.com.sg))

### Chubb Insurance

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CLSA, the Asian investment banking arm of Crédit Agricole, is a leading provider of equity brokerage, investment banking and asset management services in Asia. Its clients are global institutional investors, corporates, governments and high net worth individuals. CLSA has a presence in all major Asian markets, including Japan, as well as in London and New York. It is a Founding Corporate Sponsor of ACGA. ([www.clsa.com](http://www.clsa.com))

## Supporting Organisation:

### Japan Association of Corporate Directors (JACD)

JACD was founded in March 2002 by a group of leading CEOs in Japan. It began as a study group on corporate governance for Japanese companies and now provides director training, seminars, research reports as well as advice to companies on governance issues. ([www.jacd.jp](http://www.jacd.jp))

## Supporting Sponsors:

### Deloitte

Deloitte Touche Tohmatsu is an organisation of member firms around the world providing professional service and advice in four areas — audit, tax, consulting and financial advisory services. It operates in nearly 150 countries and serves more than half the world’s largest companies. It is a member of ACGA. ([www.deloitte.com](http://www.deloitte.com))

### Hermes Pensions Management

Hermes is one of the largest pension fund managers in London and invests funds on behalf of 240 clients including pension funds, insurance companies, government entities and others. It is the principal manager of the BT Pension Scheme and the Royal Mail Pension Plan, and also provides ownership advisory services to pension funds in the UK and Europe. It is a member of ACGA. ([www.hermes.co.uk](http://www.hermes.co.uk))

### SAP Asia

Founded in 1972 as Systems Applications and Products in Data Processing, SAP is one of the world’s largest business software companies and serves more than 38,000 customers worldwide. Headquartered in Singapore, SAP Asia also has offices in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Taiwan and Thailand. It is a member of ACGA. ([www.sap.com](http://www.sap.com))

# Asian Corporate Governance Association

The Asian Corporate Governance Association (ACGA) is an independent, non-profit membership association dedicated to promoting the implementation of effective corporate governance in Asia. Highlights of our work in recent years include:

- Tracking corporate-governance developments across 11 countries in Asia and carrying out independent research, including surveys of corporate governance quality at the country level and analyses of specific issues such as shareholder voting. Our most recent report is "CG Watch 2007".
- Creating a website ([www.acga-asia.org](http://www.acga-asia.org)) that provides comprehensive and concise coverage of corporate governance developments and regulations in Asia.
- Developing exclusive services for ACGA members, including regular "Member Briefings" in Hong Kong and Singapore; member-only website content; and a monthly "Member Alert" bulletin.
- Forming the "ACGA Investor Discussion Group", a confidential forum where leading institutional investors can share ideas and concerns.
- Engaging in a constructive dialogue with Asian regulators and companies.
- Speaking at between 20-30 conferences and seminars around the region each year.

ACGA was founded in 1999 by Lombard Investments, Inc., a private equity fund management company, in cooperation with a board of senior executives and professionals from around Asia. Lombard continues to be a major sponsor. Other Founding Corporate Sponsors include: Chubb Insurance, CLSA Asia-Pacific Markets and Sun Life Financial Asia.

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