



ACGA 16TH
ANNUAL CONFERENCE

Asian Business Dialogue on Corporate Governance 2016

"Corporate Governance in North Asia:
Contrasting Paths to Reform"

November 15-16, 2016

Conrad Hotel, Tokyo, 1-9-1 Higashi-Shinbashi,
Minato-ku, Tokyo 1057337 Japan

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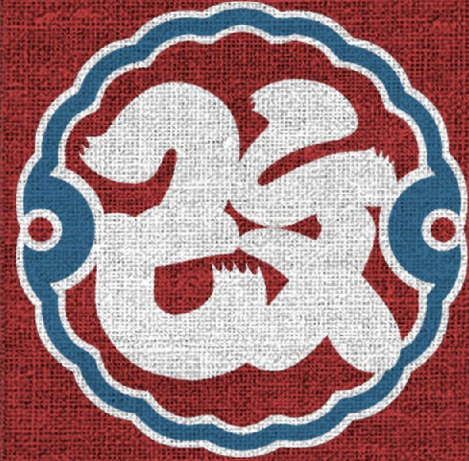
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ACGA 16th Annual Conference

Asian Business Dialogue on Corporate Governance 2016: “Corporate Governance in North Asia: Contrasting Paths to Reform”

Conrad Hotel, Tokyo

Day 1: Tuesday, November 15, 2016 Kazanami Ballroom, Conrad Hotel

8.15am – 9am: Conference Registration, Kazanami Ballroom Foyer

9am – 9.20am: Conference Opening

Morning MC:

Mr. Douglas Henck, Chairman, ACGA; Former Chairman and CEO, Aegon Asia

9.20am – 9.40am: Welcoming Remarks

Mr. Nobuyuki Idei, Founder & CEO, Quantum Leaps Corporation, Tokyo; Vice President, Japan Association of Corporate Directors

9.40am – 11am: Plenary Session—Asia Overview

ACGA’s overview of key developments in corporate governance around the region, with a focus on the different paths to reform in North Asia and the major changes in Japan since 2008. The session will also highlight the main findings from *CG Watch 2016*, our new regional survey published in collaboration with CLSA.

Speakers

- Mr. Jamie Allen, Secretary General, ACGA
- Mr. Shaun Cochran, Global Head of Thematic Research, CLSA, Seoul

11am – 11.30am: Coffee Break

11.30am – 12.30pm: Plenary Session—The ACGA Debate

“Can Comply-or-Explain work in North Asia?”

A lively debate as to whether the “comply-or-explain” concept can really work in North Asia. Traditionalists argue that only hard law (rules and regulations) motivates companies in this region to change their behaviour. Modernists believe that soft law (CG codes and guidelines) provides necessary flexibility in today’s multi-stakeholder commercial environment. Who is right?



Moderator

- Mr. Daniel Konigsburg, Managing Director, Corporate Governance & Public Policy, Deloitte Touche Tohmatsu, New York

Speakers

- Dr. Daniel Summerfield, Co-head of Responsible Investment, USS Investment Management, London
- Mr. James Hawrylak, Director, Institutional Relations, Sustainalytics, Tokyo

12.30pm – 12.35pm: CG Reports in Japan – An assessment of disclosure

Ms. Runa Urheim, Senior Analyst, Norges Bank Investment Management (NBIM), a Foundation Sponsor of ACGA, will briefly introduce a new assessment that NBIM is doing on the quality of disclosure in English-language CG Reports from Japanese listed companies. NBIM's intention is to honour companies that show an aspirational approach to the new corporate governance framework.

12.35pm – 1.45pm: Networking Luncheon, Hamarikyu Ballroom

2pm – 5.30pm: WORKSHOPS & PANEL DISCUSSIONS

Three streams will run concurrently before the coffee break and two streams afterwards.

Stream 1: Board Culture & Dynamics

2pm – 3.30pm: Corporate Reporting: Trying to reach a no-boilerplate nirvana

Formulaic, legalistic language that conveys little meaning is a challenge for every reader of corporate reports and announcements. Does reporting have to be like this? This workshop will focus on the three main forms of corporate reporting—financial, governance and sustainability—and explore how companies could make their reporting more meaningful to shareholders and stakeholders. With greater demand in Asia and other parts of the world for expansive CG and sustainability statements following the “comply or explain” model, this is a critical time for directors and managers to develop more effective forms of communication. It is also time to ask whether there is room for improvement in financial reporting. Evidence from around the region shows significant divergence from the spirit of some key accounting and financial reporting standards.

Moderator

Dr. Elizabeth Sun, Senior Director of Corporate Communications, TSMC, Hsin Chu, Taiwan

Speakers

- Mr. David Simmonds, Group General Counsel and Chief Administrative Officer, CLP Holdings, Hong Kong
- Ms. Yoshiko Shibasaki, Associate Partner, KPMG AZSA LLC, Tokyo



4pm – 5.30pm: CG Fundamentals: What should a good director do?

As corporate governance evolves around the region, there is increasing focus on the composition and competence of boards of directors. No longer is attention paid only to the number of independent directors on boards. Equally important are issues of director expertise, training and board evaluation, not to mention time commitment and dedication. This implies a focus on inside as well as outside directors. What are the attributes of a good director? What mix of hard and soft skills are required? How can boards best engage with shareholders and other stakeholders? Drawing in particular on experience in Japan, this workshop will provide an opportunity for delegates to discuss these questions in small groups and make suggestions for board development.

Facilitator: Mr. Nicholas Benes, Founder, Board Director Training Institute of Japan, Tokyo

Discussant: Mr. Hiroaki Toya, Managing Director, Japan Special Situations, LIM Advisors, Hong Kong/Tokyo

Stream 2: Capital Markets

2pm – 3.30pm: Same view, different lens? Bringing debt and equity interests in CG/ESG into focus

Bondholders have similar interests as shareholders in many aspects of corporate governance, such as accountable management teams, trustworthy and transparent disclosure, and healthy balance sheets. Yet bondholder analysis of companies is also distinct in key respects: a different view of risk and materiality, a focus on key factors impacting creditworthiness, coping with a variety of issuers (including at the subsidiary level), and a deep fear of governance “unknown unknowns” that could cripple a company. While the interests of bondholders and shareholders can diverge when things go spectacularly wrong, is there scope for greater collaboration and shared learning during peace time? What would be the benefits of such an exchange and what does good engagement look like from a bondholder perspective? If cooperation makes sense, why isn’t it happening already?

Moderator

Mr. Adam Kirkman, Head of ESG, AMP Capital, Sydney

Speakers

- Mr. Hiroki Sampei, Director of Research, Fidelity International, Japan
- Ms. Rakhi Kumar, Managing Director, Head of Corporate Governance, State Street Global Advisors, Boston
- Mr. Tadashi Kakuchi, Senior Portfolio Manager, PIMCO, Tokyo



4pm – 5.30pm: Progress in Corporate Governance in Japan—Perspectives from the Business Sector

The corporate governance regulatory environment has undergone a transformation in Japan over the past five years. Ideas that were previously on the fringe are now mainstream, such as a national corporate governance code, a stewardship code, the “comply or explain” concept, the adoption of independent outside directors, efficient capital management and a focus on return on equity (ROE), and much more. How do listed companies in Japan view these reforms? Will they lead to ‘sustainable value creation’ and a ‘revitalisation’ of the economy, as the government hopes? Are companies doing enough to reform their boards and train their directors?

Moderator

Dr. Ryohei Yanagi, Senior Vice President, CFO and Chief IR Officer, Eisai Co., Ltd, Tokyo

Speakers

- Mr. Kazuhiko Toyama, Representative Director and CEO, Industrial Growth Platform, Inc, Tokyo; Vice President, Japan Association of Corporate Directors
- Mr. Takumi Shibata, President and CEO, Nikko Asset Management, Tokyo

Stream 3: The Governance of Sustainability

2pm – 3.30pm: Exploring Japan: How to get from ‘doing stuff’ to strategic engagement

The range of environmental and social initiatives undertaken by companies in Japan is vast and includes everything from combatting human trafficking to carbon offsets, from supply chain management to energy efficiency. What are the overarching factors driving these initiatives? What role does corporate governance play, particularly at the board level, in the selection and management of ES risks and opportunities? How can investors utilise this process to facilitate more effective strategic engagement with companies around sustainability?

Moderator:

- Ms. Lauren Compere, Managing Director and Director of Shareowner Engagement, Boston Common Asset Management, Boston

Speakers:

- Ms. Asako Nagai, Director, BSR Japan, Tokyo
- Mr. Yozo Nakao, Associate General Manager, Global Communication Department, Ajinomoto, Tokyo



COCKTAIL & DINNER

6pm – 7pm: Cocktail Reception, Kazanami Ballroom Foyer, Conrad

7pm – 9pm: Gala Dinner, Kazanami Ballroom, Conrad

Evening MC:

Mr. Yuelin Yang, Deputy Group Managing Director, IMC Industrial Group, Singapore;
Council Member, ACGA

Gala Dinner Keynote Speaker:

Mr. Ken Shibusawa, Founding Partner and Chairman
Commons Asset Management, Inc., Tokyo

Speech title: “A Long-Term Vision—Japan Beyond 2020”



Day 2: Wednesday, November 16, 2016

8am – 9am: START THE DAY

A discussion of the main ideas emerging from each of the three workshop streams on Day 1. Rapporteurs will present the most interesting points, followed by Q&A.

Rapporteurs:

Melissa Brown, Sharmila Gopinath, Christopher Leahy, Nana Li, Benjamin McCarron

9am – 9.15am: Day 2 Welcome

Morning MC:

Mr. Steven T. Watson, Partner, Capital International Inc; Council Member, ACGA

9.15am – 10.30am: WORKSHOPS

Two concurrent workshops before the coffee break:

1. The Brave New World of Investor - Company Dialogue in Japan

Thanks to the emergence of the Stewardship Code in Japan in early 2014, the level of interaction between listed companies and institutional investors has markedly increased. What is the content and purpose of this dialogue in Japan? Has the quality of communication and disclosure improved in line with the increase in meetings? What steps are needed to ensure productive outcomes for both sides? How do companies view collective engagement by investors—and is individual engagement better?

Moderator

Mr. Jamie Allen, Secretary General, ACGA

Speakers

- Mr. Kenji Iwamoto, Director of Engagement, Governance for Owners Japan, Tokyo
- Mr. Akira Fuse, Investment Specialist, Capital International, Tokyo
- Mr. Shinichiro Hyogo, Chief Analyst, Asset Management Division, MUFJ Trust and Banking Corporation, Tokyo

2. New Experiments in Corporate Governance in North Asia

This session will examine the different ways in which corporate governance has evolved in China, Korea and Taiwan over recent years, focussing on the most significant challenges and explaining why reform has been picking up speed. It will examine the role played by different stakeholders in the ecosystem, such as domestic and foreign pension and investment funds, listed companies, expert institutes, regulators and politicians. Can we be optimistic that reform will continue? Do listed companies see the value of good governance? How can shareholders and owner-managers be better aligned?



Co-Moderators

- Dr. Hans-Christoph Hirt, Co-Head, Hermes EOS, London
- Ms. Yoo-Kyung Park, Director, Global Responsible Investment and Governance Team, APG Asset Management Asia, Hong Kong

Speakers

- Mr. Philip W. Ong, Chairman, Chunghwa Post, Taiwan
- Dr. Woochan Kim, Associate Professor of Finance, Korea University Business School, Seoul
- Mr. Jasper Xu, Partner, PricewaterhouseCoopers Business Consulting, Shanghai

10.30am – 11am: Coffee break

11am – 12.15pm: PLENARY

The Chairmen's Dialogue: Entrepreneurship and Management in Japan

This panel will explore the entrepreneurial environment in Japan and ask: Is Japan still an innovative economy? What more needs to be done to encourage entrepreneurial risk-taking? And how does this link to the issue of corporate governance, in particular the challenges of creating boards with outside directors? For example, some believe that management culture in Japan has become more conservative as the economy has stagnated over the past two decades and that this helps to explain why many companies are resistant to governance reform and do not see value in having outsiders on their boards. On the other hand, a number of innovative firms are creating new board structures and communicating more openly with their shareholders and stakeholders.

Moderator

Mr. Douglas Henck, Chairman, ACGA; Former Chairman and CEO, Aegon Asia

Speakers

- Mr. Kunitake Ando, Honorary Chairman, AEGON Sony Life Insurance, Tokyo
- Mr. Takeshi Niinami, President & CEO, Suntory Holdings, Tokyo

12.15pm – 1pm: Q&A with the Government Pension Investment Fund, Japan

Moderator: Mr. Jamie Allen, Secretary General, ACGA

Speaker: Mr. Hiromichi Mizuno, CIO, Government Pension Investment Fund, Japan

1pm: Day 2 Summary & Conference End

1.15pm: Lunch, Hamarikyu Ballroom, Conrad

Conference ends for public participants.