



Corporate Governance  
of The Year

# Corporate Governance of the Year

Flipbook

Japan Association of Corporate Directors

# Outline

- ▶ Name Corporate Governance of the Year
- ▶ Objective As part of the government's growth strategy to promote the earning power of Japanese companies, the Corporate Governance of the Year award has been implemented since FY2015 to encourage companies that have achieved sustainable growth in the mid-to-long term with corporate governance.
- ▶ Recipients As stated in the objectives of the Corporate Governance Code, the selection committee will evaluate listed companies that are implementing board reforms to achieve medium- to long-term sustainable growth, focusing on business performance, governance initiatives, growth potential, and social responsibility. The examination shall be conducted by companies listed on the Prime Market of the Tokyo Stock Exchange..
- ▶ Prize The Winner companies will be selected and one of them will be selected as the Grand Prize Company, to be announced publicly.
- ▶ Award Period Awards will be given once a year.
- ▶ Hosted by Japan Association of Corporate Directors

# Supporting Organization

- ◆ Financial Services Agency, Japan
- ◆ Tokyo Metropolitan Government, Japan
- ◆ Tokyo Stock Exchange, Inc. /Japan Exchange Group
- ◆ Ministry of Economy, Trade and Industry, Japan
- ◆ Ministry of Justice, Japan

In cooperation with

- ◆ Asian Corporate Governance Association (ACGA)
- ◆ Japan Institute of Certified Public Accountants (JICPA)
- ◆ Japan Investor Relations Association (JIRA)

With courtesy of data analysis

- ◆ Misaki Investment Co.

# Corporate Governance of The Year 2025

Grand Prize Company

ASICS Corporation

Winner Company

Disco Corporation

SWCC Co., Ltd.

# Corporate Governance of The Year 2024

Grand Prize Company

FUJITSU Limited.

Recruit Holdings Co., Ltd.



# Corporate Governance of The Year 2023

Grand Prize Company

Ebara Corporation

Winner Company

Ajinomoto CO., INC.

Seiko Epson Corporation



# Corporate Governance of The Year 2022

Grand Prize Company

Hitachi, Ltd.

Winner Company

Nomura Research Institute, Ltd.

Murata Manufacturing Co.

Special Achievement Award

Yoshihiko Miyuchi (Senior Chairman, ORIX Corporation)





# Corporate Governance of The Year 2021

Grand Prize Company

Tokyo Electron Limited

Winner Company

Sony Group Inc.

Pigeon Corporation





# Corporate Governance of The Year 2020

Grand Prize Company

Kirin Holdings Company, Limited

Winner Company

Advantest Corporation

Terumo Corporation



# Corporate Governance of The Year 2019

Grand Prize Company

Shionogi & Co.

Winner Company

NSK Corporation

Mitsui Chemicals, Inc.



# Corporate Governance of The Year 2018

Grand Prize Company

Yamaha Corporation

Winner Company

TDK Corporation

Meiji Holdings Corporation



# Corporate Governance of The Year 2017

Grand Prize Company

Kao Corporation

Winner Company

Santen Pharmaceutical Co.

Daiichi Sankyo Company, Limited





# Corporate Governance of The Year 2016

Grand Prize Company

HOYA Corporation

Winner Company

Astellas Pharma Inc.

Kao Corporation



# Corporate Governance of The Year 2015

Grand Prize Company  
Bridgestone Corporation

Winner Company  
Komatsu Ltd,  
HOYA Corporation  
Resona Holdings, Inc.  
Ryohin Keikaku Co.



# How To Evaluate(1)

The requirements that will be focused on in the selection process are as follows

- ◆ From the companies listed on the TSE Prime Market, to which all the principles of the Corporate Governance Code are applied, companies that have appointed three or more outside directors throughout the most recent three years will be considered.
- ◆ As indicators of earning power, non-financial companies need to have a three-year average ROE of at least 10% and ROA of at least 4%, and financial companies need to have a three-year average ROE of at least 10% and ROA of at least 2%.
- ◆ Companies with a market capitalization of 150 billion yen or more as an indicator of contribution to society.
- ◆ Other positive factors include governance structure indicators such as the absence of specific major shareholders, an open shareholder ratio (30% or less), the ratio of independent outside directors, organizational structure (companies with nomination committees, etc.), the establishment of a nomination and compensation committee (including voluntary ones), board diversity (number of female and foreign directors), independence of the chair and members of the nomination and compensation committee (including voluntary ones), and the independence of the board chair from executive management.
- ◆ For performance evaluation, we utilized Misaki Investment's management indicator analysis\* to assess the stability of market capitalization and operating profit.
- ◆ We also examined whether management operates from a shareholder perspective.

Finally, the selection committee will conduct an interview with top management to determine the Grand Prize Company.



# How To Evaluate(2)

## ▶ Analysis of Management Indicators by Misaki Investment Co.

Established in 2013, Misaki Capital is an asset management firm specializing in engagement investments guided by the principle of "Japan Constructivism®." and currently manages approx.100 billion yen from both domestic and international investors, including corporate pensions and university endowments. The firm invests in carefully selected 10-15 Japanese public companies that have good businesses and managements with long-term investment horizons.

As part of the process of selection, we employ a comprehensive corporate analysis framework, "Misaki's Axiom". This framework utilizes a formula that shows the ideal relationship between key management indicators, " $ROE \geq ROIC \geq ROA \geq WACC$ ,". It evaluates whether a company meets the following criteria from the left: "Financial risk-taking aligned with business risk," "Management without excess assets," and "Capital productivity that exceeds the expected return of investors."

# Supporting Organization Award - Governor of Tokyo Award

The Tokyo Metropolitan Government has been promoting ESG investment and other initiatives based on the "International Financial City Tokyo" Concept 2.0 (announced in November 2021).

The Governor of Tokyo Award is given to a company that is recognized for its excellent corporate governance and proactive ESG activities, such as environmental initiatives, promotion of women's activities, diversity initiatives, and reforms in work styles.

<https://www.startupandglobalfinancialcity.metro.tokyo.lg.jp/index.html>

## Award-winning companies

2025 Chugai Pharmaceutical Co., Ltd.

2024 PERSOL HOLDINGS CO., LTD.

2023 Sekisui House, Ltd

2022 Kubota Corporation

2021 Eisai Co.

2020 Lion Corporation

2019 Daikin Industries, Ltd.

2018 Daiwa House Industry Co.

2017 Nomura Research Institute, Ltd.

# Supporting Organization Award - Minister of Economy, Trade and Industry Award

To deepen corporate governance reform as a growth strategy, “from form to substance,” the Tokyo Stock Exchange, Inc.’s “Corporate Governance Code” and the Ministry of Economy, Trade and Industry’s “Practical Guidelines on Corporate Governance Systems.

To support corporate governance initiatives aimed at strengthening each company’s “earning power,” the “Corporate Governance Guidance for Strengthening Earning Power” was developed.

Based on these principles, the Minister of Economy, Trade and Industry Award will be granted to companies recognized as having advanced initiatives, particularly in the fundamental governance areas of president/CEO appointment and succession planning.

This award will recognize companies that select leadership aligned with strategies to strengthen corporate “earning power.”

By promoting these initiatives widely, the award aims to drive effective corporate governance reform.

## **Award-winning companies**

2025 Fujikura Ltd.

2024 Yokogawa Electric Corporation

2023 Mani INC.

2022 EBARA CORPORATION

2021 Daifuku Corporation

2020 TDK Corporation

2019 Shiseido Company, Limited

2018 Omron Corporation



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<https://www.jacd.jp/en>

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