

30 January, 2015

The Council of Experts Concerning the Corporate Governance Code  
c/o Corporate Accounting and Disclosure Division  
Financial Services Agency

Dear Council of Experts,

**Japan's Corporate Governance Code: consultation response**

The International Bankers Association of Japan (IBA Japan) welcomes the draft of Japan's Corporate Governance Code ('Code'), which sets out guiding principles for Japanese corporate issuers. The Code, together with the recently adopted Stewardship Code, provides a framework which should provide both the domestic and international investment community with important information and evidence of corporate behaviours that will help them in their investment decision making.

Japan is competing in a global market place and investors are looking for a range of information, competences and actions from companies that are in line with what they are provided with in other major markets. The adoption of the OECD Principles of Corporate Governance, is something therefore we welcome with its 'Principles-Based' approach and a commitment to 'Comply-or-Explain' various decisions and actions.

The Code however will only be effective in promoting the long-term sustainable growth for issuers and the Japanese economy as a whole, if individual issuers fully embrace the spirit of the Code. The Code of course is not legally binding so it is only through market discipline that it will have an impact. To that end it is also critical that other stakeholders, including exchanges and institutional investors, monitor issuers' compliance with the Code and take such actions as are necessary to encourage issuers to comply, on an ongoing basis, with the objectives of the Code.

IBA Japan would be happy to provide any further information or thoughts if required.

Yours sincerely,



Paul Hunter  
Secretary General