



## Corporate Governance

### Tokyo Stock Exchange Introduces Disclosure System for Information about Advisors and Counselors

On August 2, 2017, the Tokyo Stock Exchange announced new amendments to the Guidelines for Corporate Governance Reports ("Amendments"). Under the Amendments, a listed company may elect to describe, in a Corporate Governance Report submitted on or after January 1, 2018, certain information about any advisor or counselor (an "Advisor") who has previously held the position of president, CEO, or a similar position at such listed company. The information to be submitted may include the names, titles, positions, job descriptions, working arrangements (i.e., full-time or part-time), and terms and conditions between the listed company and the Advisors.

A former CEO of a Japanese listed company may remain at the company as an Advisor, even after he or she resigns from his or her position as CEO, and can influence the management of the company by providing instructions or advice to the management.

Although this practice may not always be an advisable one, any information about an Advisor is not subject to any public disclosure because the position of Advisor is not established under the Companies Act. There is, however, increasing criticism regarding the lack of transparency over the exercise of influence on the management of listed companies by Advisors whose information is not subject to public disclosure. Hence, the Amendments introduce a disclosure system for information about such Advisors.

Under the Amendments, the disclosure of information about an Advisor by a listed company is voluntary and not a mandatory requirement. Accordingly, even if a company has an Advisor, a listed company may choose not to describe any information about that Advisor in a Corporate Governance Report. That being said, if a listed company does not disclose any information about an Advisor without a justifiable reason, it is possible that its shareholders may request that the company explain its reasons for nondisclosure at the shareholders meeting or another venue, and/or the investors may negatively evaluate the corporate governance of the company as a result. Therefore, it is expected that the introduction of a disclosure system under the Amendments will further enhance the transparency over the corporate governance of Japanese listed companies.

## Finance

### Enforcement Date of Amended Joint Real Estate Ventures Act Announced

On August 14, 2017, the Cabinet Order to Specify an Enforcement Date of the Amendment to the Act on Specified Joint Real Estate Ventures was promulgated. The amendment to the Act will come into force on December 1, 2017. For details, please see the [June 2017 issue](#) of this newsletter.

## Labor

### Japan's Ministry of Health, Labour and Welfare Discloses Implementation Status of Stress Check Test Program

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On July 26, 2017, Japan's Ministry of Health, Labour and Welfare ("MHLW") disclosed the status of the implementation of the stress check test program, which was introduced in December 2015 pursuant to an amendment to the Industrial Safety and Health Act. According to the information disclosed by the MHLW, approximately 83 percent of workplaces where employers were legally obliged to carry out stress check tests (workplaces continuously employing 50 or more employees) had conducted stress check tests. In announcing the status of the implementation, the MHLW is signaling its intention to fully implement the stress check test program. For details, please see the [December 2015/January 2016 issue](#) of this newsletter.

## General

### **IR Promotion Council Publishes Summary Opinion (Becoming a "Tourism Developed Country")**

In accordance with the Act concerning Promotion of Development of Integrated Resort Areas that we first described in our [December 2016/January 2017 issue](#), the Council for the Promotion of the Development of Integrated Resort Areas ("IR Promotion Council") was established to study and deliberate about the measures to be taken to promote the development of integrated resort areas. On July 31, 2017, the IR Promotion Council, after numerous discussions, resolved and published the Summary Opinion (Becoming a "Tourism Developed Country"). This opinion includes some key information that will function as the basis of the draft bill of the Implementation Act concerning Development of Integrated Resort Areas ("IR Implementation Act"), which will be prepared in the future. For instance, the maximum number of areas to be approved by the government will be limited to two or three in the early stages. The exact procedures for deciding the areas to be approved, the timing of approvals, and other such matters currently are still unclear. Going forward, however, the integrated resort promotion headquarters will prepare the preliminary draft bill of the IR Implementation Act and proceed through the public comment procedure, and the draft bill will be submitted at the extraordinary Diet session in the fall. Thus, any future developments with respect to the draft bill should be closely monitored.

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