

**Creating Diversity on Decision-making Boards
Appointing Female Managers and Executives to Strengthen Corporate
Competitiveness (Summary)**

May 28, 2012

Management Action Declaration for the Appointment of Female Managers and Executives

In order to increase their international competitiveness, businesses will recruit personnel within Japan and overseas irrespective of gender, age, nationality, etc. As part of this move, we are making a declaration of the following five actions this time, toward the appointment of female managers and executives.

1. Businesses will strive to achieve their target of “a female manager rate of 30% or more by 2020 set forth by the Japanese government”. At the same time, businesses will also aim to appoint female executives.
2. With this target in mind, each company will adopt its own target figures according to its circumstances.
3. The current figures and target figures set by each company will be released in IR and CSR reports.
4. Keizai Doyukai (The Japan Association of Corporate Executives) will immediately examine the establishment of a next-generation managerial development program for cultivating female managers and executives.
5. Executives belonging to Keizai Doyukai will strengthen their awareness of “diversity on decision-making boards as a managerial strategy”.

Awareness of Issues with the Action Declaration

For Japanese businesses to speed up their global expansion, they need to take on the needs of more diverse markets and to change business models for their products and services in a speedier manner. Flexible and appropriate decision-making will then achieve the change. Also, the inward-looking and ambiguous management systems and business culture that typify Japanese companies are being criticized both inside and outside Japan amid increasing demands for transparency. To resolve these issues, diversity on decision-making boards is vital. Part of this challenge faced by Japanese businesses is the appointment of female managers and executives.

What Businesses Are Aiming for through Diversity on Decision-making Boards

To develop into more internationally competitive decision-making boards, businesses will recruit high quality personnel from within Japan and overseas irrespective of gender, age, and nationality. They will also increase the transparency of their operations and evaluations and review their business culture and labor practices. In doing so, they will rid themselves of the homogeneous inward-looking mentality which is typical of Japanese organizations.

Current State

The ratio of females on decision-making boards in Japanese businesses is far lower than in other countries. However, businesses that promote the appointment of female managers and executives show a relatively high performance with a lower probability of failure. The rate of female managers also varies greatly depending on the industry and the size of the business. The Japanese government is advocating an increase in the proportion of females in positions of leadership to 30% by 2020.”

Corporate Leaders Measures for Appointing Female Managers and Executives

What Top Managers should do

Managers will declare their intention to recruit females for managerial and executive positions. They will then set target figures and release data. Until things get fully under way, they will conduct positive action with goals and a timetable.

What Businesses should do

Businesses will increase opportunities to nurture leadership of women by helping them to continue working while raising their young children. Businesses will also fully implement a merit system so that women with recognized potential are given important jobs. Businesses will make their operations and evaluations transparent and enable work-life management. At the same time, they will assist male employees in obtaining child-care leave.

What Individuals should do

Women will independently work on building their own careers and men will play a larger role in housework and child-care.

What Government should do

Reforms of the taxation and social security systems will be made to remove bias against women’s career choices. School education will be turned into a way

forward to respecting their individuality and excluding gender role awareness.

What Society should do

The degree of progress in diversity, a leading indicator of innovation, will be added to the criteria for evaluating businesses.

What Keizai Doyukai should do

We will monitor the state of appointment of female managers and executives among our member businesses on a regular basis. At the same time, we will share all of our companies' knowhow.

We will immediately examine the establishment of a next-generation managerial development program for cultivating female executives and managers.

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