2026 Japan AGM Season Review

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Contents

Introduction 3

Highlights 8

Voting in Japan 9
Proxy advisors 14
Shareholder activism 16
Corporate governance developments in 2026 23

Expert insights 28

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2026 AGM Season Reviews – other jurisdictions 37

About us 38



Introduction



Cas Sydorowitz

Global CEO
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Georgeson is pleased to bring you this fifth edition of the Japanese AGM Season Review, in which we analyse and interpret the trends seen at Nikkei 225 company AGMs held during 2026. This report is a joint publication with Japan Shareholder Services (JSS), whose contribution of data and market insights has been invaluable. It details the key AGM trends and governance changes observed across Japan during the 2026 AGM season.

As in previous years, we have confined our analysis to companies that were included in the Nikkei 225 at the time of their shareholder meeting. During the twice-yearly Nikkei 225 FY26 index rebalancing, a number of companies were added to or removed from the index. Of the additions, one had held its meeting before being included; of the removals, four held their meetings after being removed. Two companies were acquired in separate transactions and removed from listing. The end result was a 2026 reference group consisting of 223 companies, on which we base our report for this year.

Activism volume remains high

Once again, shareholder activism is the dominant theme in the Japanese market in 2026, albeit at a more subdued level than the immediately preceding year among Nikkei 225 issuers. Japan's listed companies faced a number of high-profile activist campaigns during the 2026 AGM season, reinforcing the country's status as the second most highly targeted market in the world after the US, and the most targeted in the APAC region.

In the main body of this report, we examine some of the key contributing factors to the continuing high prevalence of activist campaigns; however, in summary, they include:

1. Decline in cross-shareholdings

Corporations, under pressure from regulators and activists, have had to unwind their historical cross-shareholdings, leaving them less able to rely on strategic investors to shield them in important votes and often, instead, facing significant dissent from independent shareholders.

2. Accelerating regulatory changes

Japanese regulators have intensified their efforts to reshape corporate behaviour, with the intention of making Japanese companies more attractive to overseas investors and encourage investment capital inflows. They have strengthened rules around governance and capital allocation, aiming to make Japanese businesses more profitable, conscious of their cost of capital, responsive to investors and accountable for their failings. The Tokyo Stock Exchange has reinforced these expectations through greater transparency and public disclosure of company responses, creating additional pressure for management teams to demonstrate progress and accountability to avoid being 'named and shamed.'

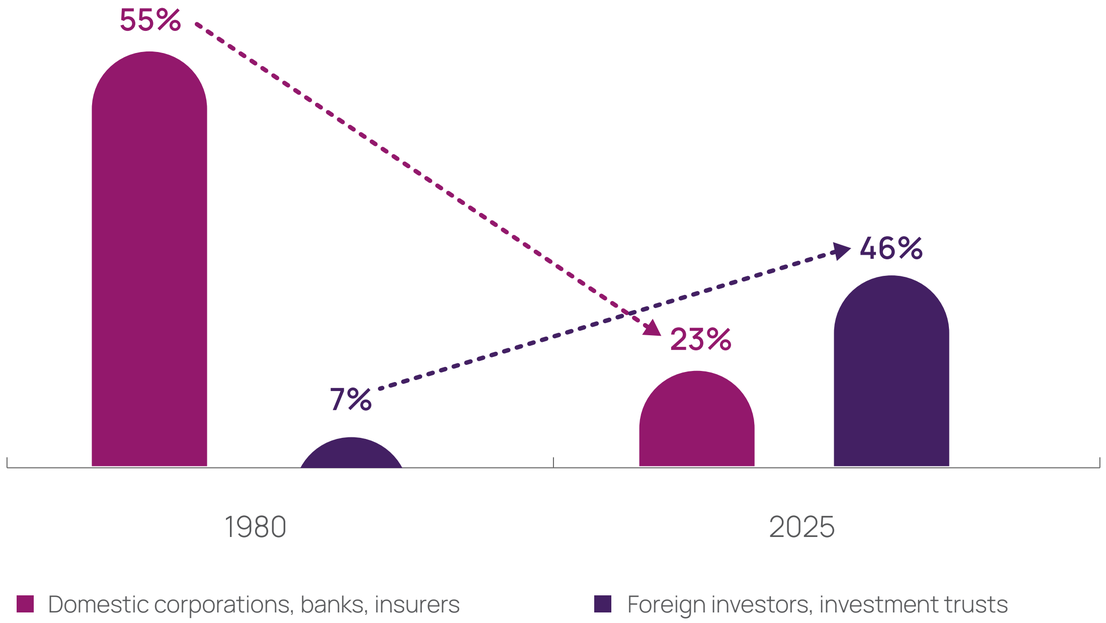
3. Emergence of attractive investment opportunities

There are still many companies with wide gaps between net assets per share and actual share price, or retaining large cash holdings, or both, which create significant opportunities for activist investors. The low threshold and binding nature of shareholder resolutions in Japan gives a wider opportunity for activism compared with other jurisdictions. Activist investors have embraced the less restrictive environment and have pressured companies to improve, demanding accountability and profiting from the ensuing changes.

4. Share ownership changes

Taking a longer term perspective, there have been enormous changes in capital flows in the Japanese share market over the last 40 years or so. Foreign investors and investment trusts rose from a 7% share of the market to around 46% between 1980 and 2025, even as domestic corporations, megabank holdings and life insurers dropped from holding 55% to holding around 23% of all shares.

Share ownership, Japan, 1980-2025



Note: Derived from chart on page 17. Excludes retail shareholders for simplicity

Japan's listed companies faced a number of high-profile activist campaigns during the 2026 AGM season, reinforcing the country's status as the second most highly targeted market in the world after the US, and the most targeted in the APAC region.

Emerging company pushback in 2026

While concerns about the pace and volume of governance reforms have been expressed by corporates for several years, 2026 saw a more organised and visible response from some issuers, business lobby groups and policymakers.

As discussed on page 18, concerns about the cumulative impact of recent governance and shareholder rights reforms contributed to legislative proposals that would make aspects of Japan's governance framework more business-friendly, including changes to shareholder proposal requirements. Whether these initiatives represent an isolated adjustment or the beginning of a broader effort to rebalance Japan's governance reforms remains to be seen.

These measures, among numerous other regulatory reforms currently in train or proposed, are summarised in more detail in the Corporate Governance Developments section of this report, starting on page 23.

Activist campaigns during 2026

Among Nikkei 225 issuers, the number of companies targeted by activists was 16 (down from 25 in 2025), facing a total of 72 shareholder resolutions. This was substantially lower than the 110 proposals at 25 companies in 2025, but equal to 2024's total. A similar downward pattern occurred across the TSE and Prime Market companies as a whole year on year. Nevertheless, the absolute numbers of shareholder proposals and companies targeted in Japan remain high by international standards.

No shareholder resolutions submitted in 2026 among Nikkei 225 companies achieved more than 50% support. The shareholder proposal with the highest level of investor support received 43.1% of votes cast, up from 40.0% in 2025 and 35.2% in 2024. If this trend continues, it seems increasingly likely that a Nikkei 225 shareholder proposal will achieve 50% support and pass in the near future. The increasing investor support for some campaigns shows clearly that activist investors are becoming more comfortable with communicating their dissatisfaction with the status quo by supporting well-framed external proposals.

Starting on page 19 of this report, we break down some statistics of campaigns across the Nikkei 225 and provide three case studies that illustrate some of the key goals and themes pursued by activist investors, along with the results they achieved.

AGM concentration

The concentration of Japanese AGMs in June continued in 2026 but tells a mixed story. As the number of meetings held in June has slowly declined, by 2.8% between 2022 and 2026, the number held in the busiest single week of June has risen sharply, by 11.5%, over the same period:

- 179 Nikkei 225 AGMs (80.3%) took place during June 2026, down from 83.1% in 2022;
- 114 companies (51.1%) held meetings in the biggest week in June 2026, against 89 (39.6%) in 2022.

One contributing factor to the heavy AGM concentration in Japan is the desirability of having the company's annual securities report published before the AGM. However, despite guidance from the FSA that this disclosure should occur at least three weeks prior to AGM to be practically factored in to institutional proxy voting decisions, recent analysis suggests that this is not occurring in most Japanese companies, with the majority releasing their FY26 securities reports just prior to the AGM, and some still waiting to do so until after the AGM has passed.

These data suggest that Japanese companies have some way to go in achieving the goal of reducing the heavy concentration in AGM timing while meeting investors' expectations for more timely disclosure of information that may be material to their voting decisions.

Contested resolutions

These resolutions (which we define as management-sponsored resolutions with 10% or more votes lodged against) continue to be a significant issue for Japanese companies.

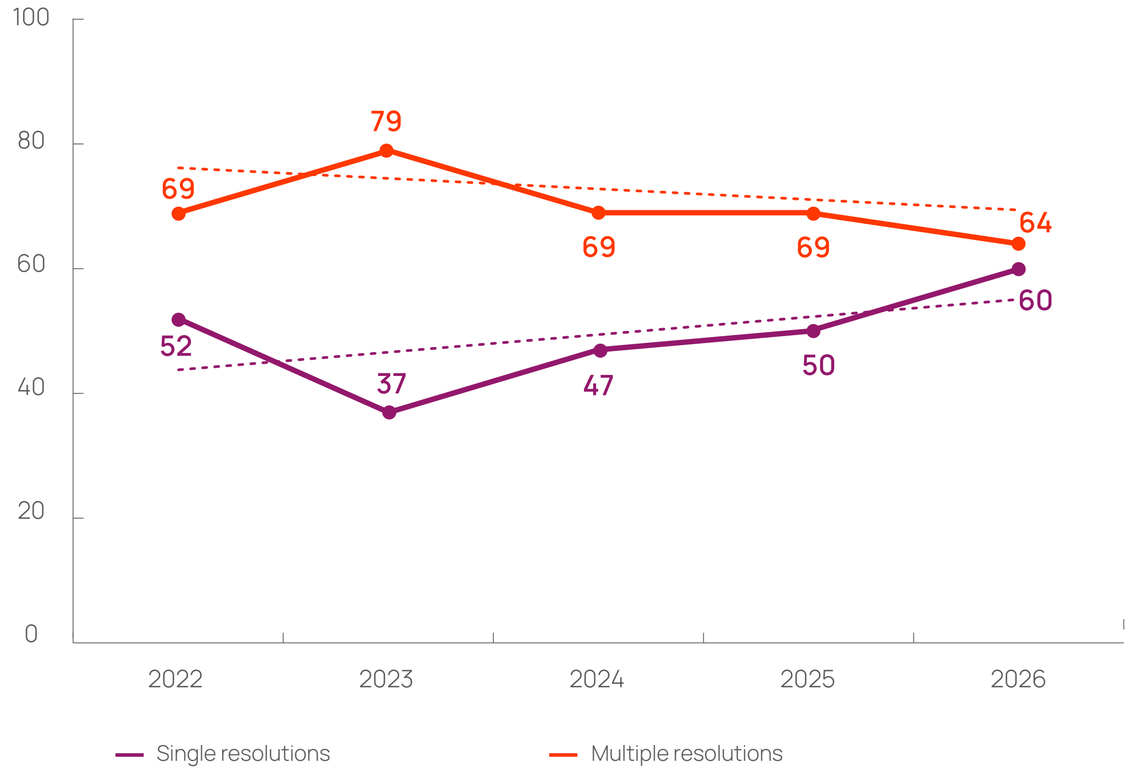
The proportion of companies experiencing contested resolutions has been above 50% of the Nikkei 225 for several years now, typically affecting around 120 companies each year.

Our breakdown of the headline contested votes figures reveals a noticeable divergence between companies seeing single contested votes, which have risen significantly from 37 in 2023 to 60 in 2026, against companies experiencing multiple contested votes, which have decreased in number from 79 in 2023 to 64 in 2026.

As in previous years, the category of board resolutions with the highest proportion of contested votes was director elections (246 resolutions), accounting for 89.1% of all contested board resolutions. The second highest category of contested votes was the election of statutory auditors (13 resolutions), accounting for 4.7% of the total.

These figures reflect continuing investor concern about cross-shareholdings and the influence of tighter proxy advisor voting policies on diversity, director independence and other governance issues. The highest vote against a resolution was 51.7% for a director election, with two more over 40%, and 46.0% against the appointment of an auditor, both up from 2025's highest against votes.

Single vs multiple contested votes – Companies with support <90%



Proxy advisor influence

Both global proxy advisors, ISS and Glass Lewis, continued to refine their voting policies for Japanese companies during 2026, with both advisors releasing updated director independence and board gender diversity guidance. In late 2025, Glass Lewis announced a complete overhaul of its approach to proxy advice from 2027, which we cover in more detail on page 15. Both companies continued to make recommendations against board resolutions during 2026, as follows:

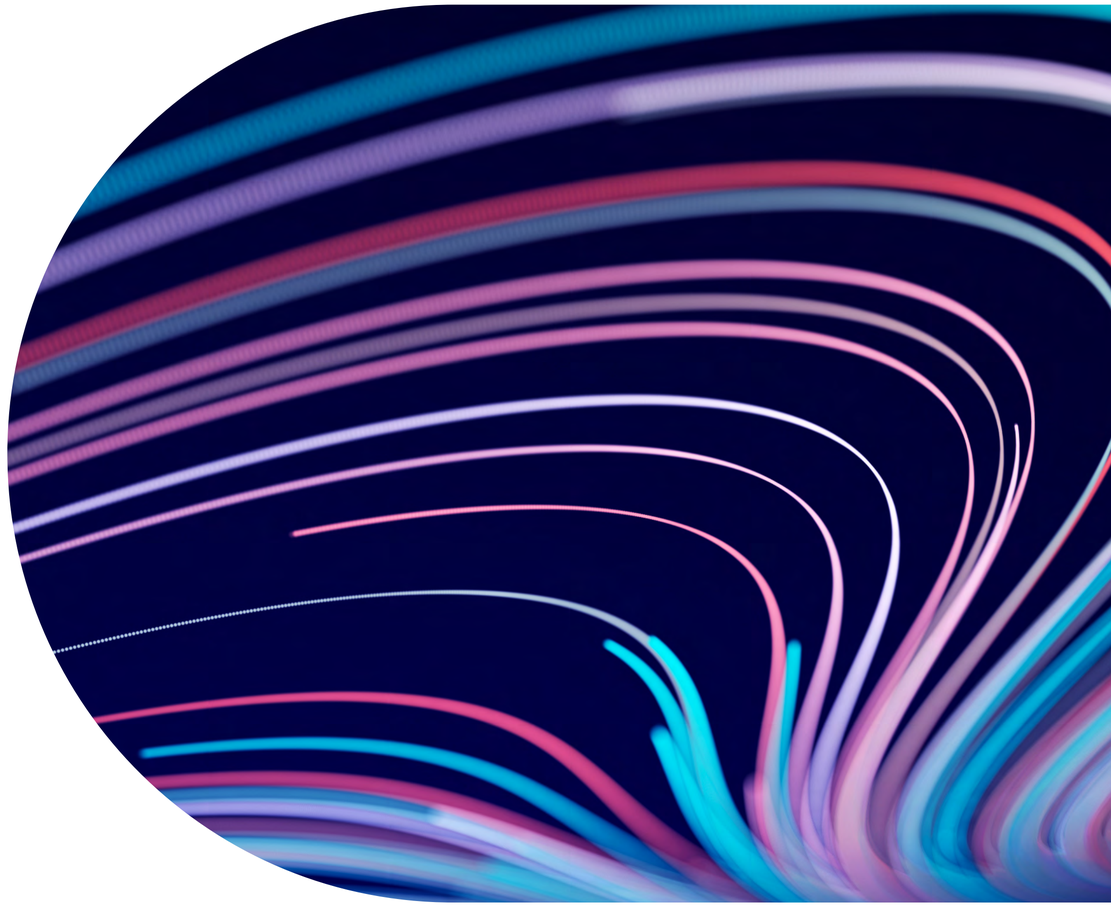
- ISS made recommendations Against 103 board resolutions at 65 companies, which was down from 129 resolutions at 74 companies in 2025.
- Glass Lewis made recommendations Against 117 Board resolutions at 94 companies, an increase from 105 resolutions at 85 companies in 2025.

In the following sections, we provide further details on each of these topics, supported with trend information spanning prior years back to 2022 where available. This provides useful comparative data on key market trends over time in an accessible visual format.

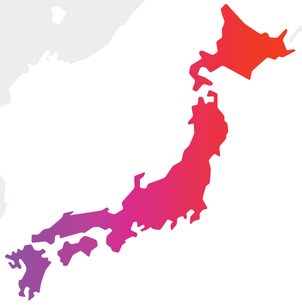
We are also extremely pleased to include expert insights from three highly authoritative voices in the Japanese and global corporate governance ecosystem, providing invaluable commentary from a global governance best practice, institutional investor and regulatory perspective. Georgeson and JSS are deeply indebted to Ms Jen Sisson, Mr Wataru Terada and Mr Haruyuki Yamashita for their thoughtful and insightful comments.

Georgeson and JSS would welcome your feedback on this report, and we look forward to working with you to ensure continued constructive engagement between listed companies and their investors going forward.

Cas Sydorowitz
Global CEO
Georgeson



Highlights



124 companies had one or more resolutions contested (voted against by 10% or more) during the 2026 AGM season.

In total, **296** resolutions of all types were contested out of **2,800** submitted (**12.4%**).

276 board-sponsored resolutions were contested (**10.1%**), slightly fewer than the **287** (**10.1%**) in 2025.

246 director elections were contested (**10.8%**), an almost identical result to 2025.

Of the **276** board-sponsored resolutions that were contested, **138** (**50.0%**) had received at least one negative proxy advisor recommendation, down from 50.9% in 2025. This is significantly higher than the **7.3%** of negative proxy advisor recommendations seen across all Board-sponsored resolutions.

Proxy advisors continue to have a significant influence on voting totals, most clearly seen in the correlation between negative advisor recommendations and lower votes in support of key resolutions, at almost identical rates to last year.

Of **73** shareholder proposal submissions (**72** of which were voted on), none passed, **1** received over 40% support, **3** received from 30%-39.99%, **6** received from 20%-29.99%, **10** received 10%-19.99% and **52** received 0-9.99%.

Compensation continues to be an issue investors scrutinise, with the number of compensation resolutions that were contested decreasing in 2026 to **11** (**8.7%**) from **16** (**12.4%**) in 2025.

Across the Nikkei 225, one board-sponsored resolution failed in 2026, with **22** resolutions receiving less than 70% support (down from **26** in 2025) and **4** less than 60%.

The number of shareholder proposals receiving over 10% voting support was significantly down in number at just **20** (**27.8%**), a significant decrease over the **35** in 2025.

Proxy advisor ISS recommended against **103** board resolutions, down **20.2%** from the **129** in 2025. Glass Lewis's **117** recommendations against board resolutions, by comparison, were up by **11.4%** from **105** in 2025. The significant numbers of 'against' recommendations in 2026 reflect continuing tight application by both advisors of their AGM voting policies to Japanese companies.

Of the **20** shareholder proposals achieving a vote of 10% or more, **17** (**85.0%**) received at least one positive proxy advisor recommendation, up from **20** out of **35** shareholder proposals (**57.1%**) last year. This apparently huge proportionate increase over 2025 may not be as significant as it seems; investor support for shareholder proposals was much lower in 2026 than last year while proxy advisor support for shareholder resolutions remained about the same as in 2025. However, advisor support for all resolutions was overall lower, numerically and proportionally, in 2026:

- ISS recommended against **159** resolutions of all kinds in 2026, a decrease of **28.7%** over 2025's **223**.
- Glass Lewis recommended against **183** resolutions of all kinds, down by **10.3%** from **204** in 2025.

Voting in Japan

Overview

Our analysis covers resolutions submitted for shareholder approval by Nikkei 225 companies at AGMs held during the FY26 financial year, between 1 July 2025 and 30 June 2026.

Meetings concentration

The Japanese AGM season is unusual in that most companies hold their AGMs during a heavily concentrated period at the end of June. The trend is that the proportion of companies holding their AGMs in June is declining slowly, but the proportion holding theirs in the biggest week for meetings is increasing strongly over time.

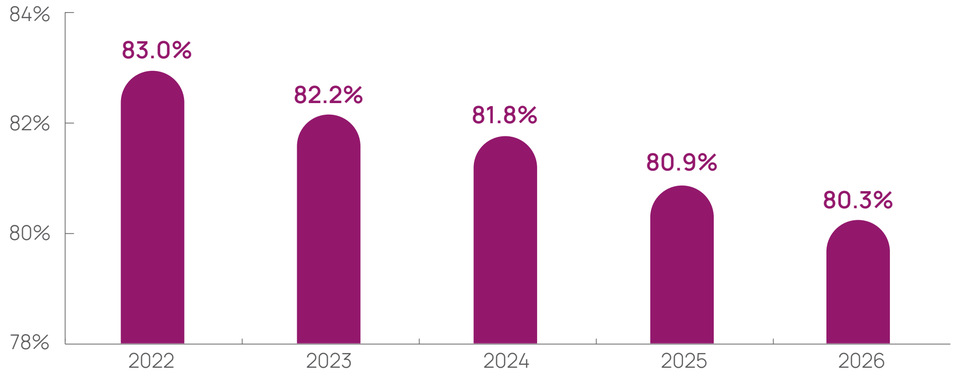
Over the four years from 2022, the proportion of meetings:

- Held in June dropped by 8 (a reduction of 3.5%), but
- Held in the biggest week in June rose, in the three years to 2025, by 49 (a 55.1% increase), dropping back by 24 in 2026, for a four-year increase of 25 (28.1%).

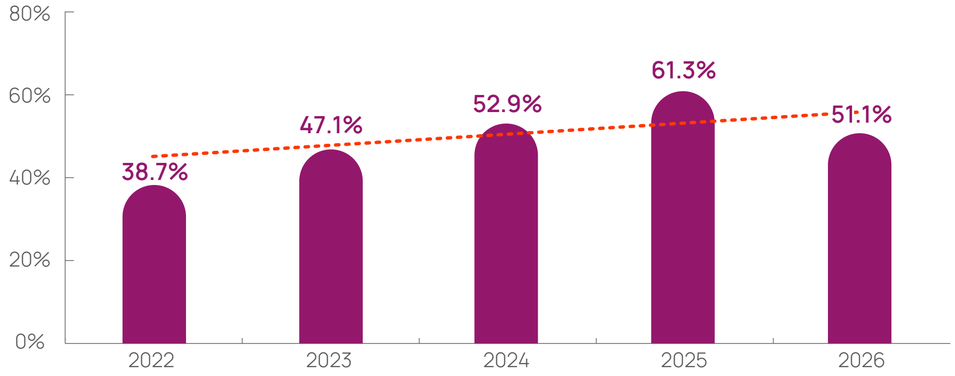
In 2026, 179 Nikkei 225 companies held their AGMs in June, down from 181 in 2025. 114 companies held them in the last week of June, a significant reduction from 2025's 137; 47 companies held them on the biggest day, 26 June, up from 42 in 2025.

Whilst regulators are seeking to persuade companies to spread out their meetings more, the increased emphasis on disclosing annual securities reports ahead of AGMs may have contributed to a shift towards later meeting dates, as well as a higher concentration of meetings on peak days.

Concentration of meetings – % of meetings held in June



Concentration of meetings – % of AGMs in biggest week



Contested resolutions

Georgeson defines a contested vote as one in which 10% or more votes are lodged in opposition to management. The chart to the right shows that the proportion of companies experiencing contested resolutions at the annual meeting of shareholders has been trending slowly upwards, by 1.0% to 1.5% a year, but in 2026 it jumped by almost 5.0%.

Of all Nikkei 225 companies, 124 experienced a contested vote on one or more board resolutions, a noticeable increase from previous years, when proportions clustered around 51% to 53%.

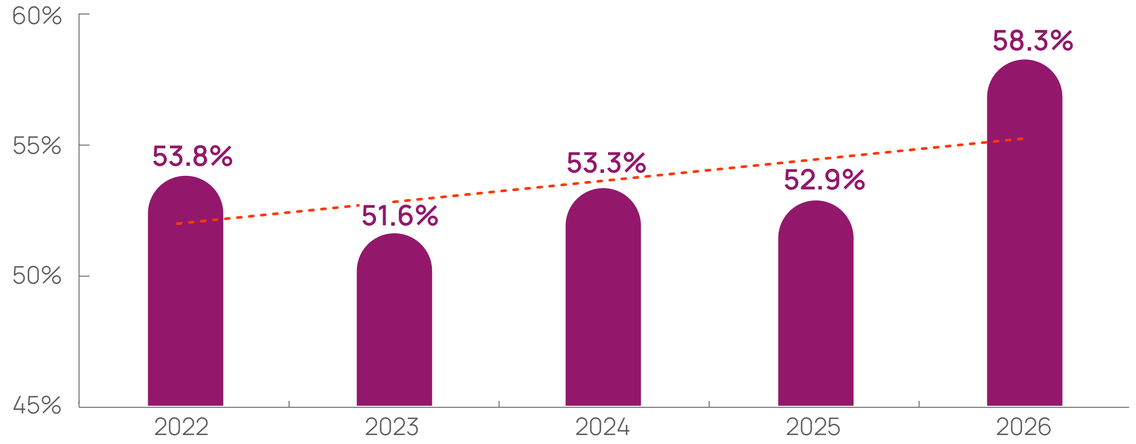
Single vs multiple contested votes

Interestingly, the trends for companies experiencing single vs those seeing multiple contested resolutions diverge noticeably. As shown in the lower chart, the number of companies experiencing a single contested vote ie on a single resolution, has increased since 2022, while the number seeing multiple contested votes has decreased:

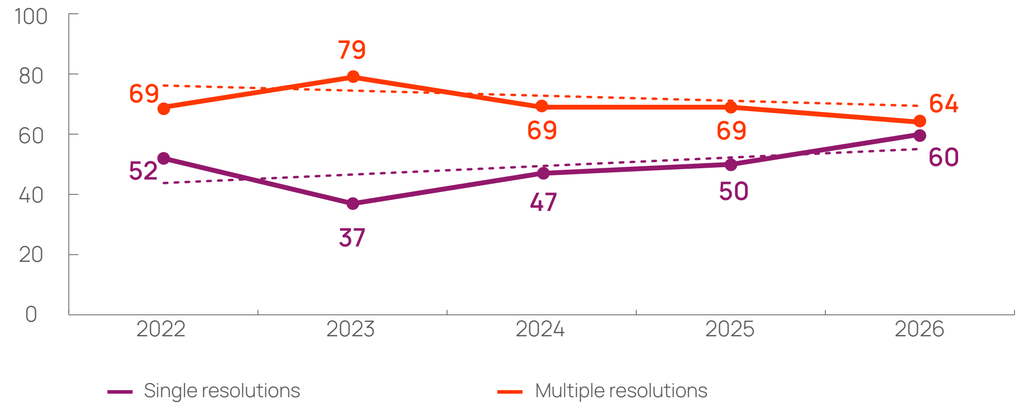
- During 2026, 64 companies experienced two or more contested resolutions, a decrease from the 69 in 2025, 69 in 2024 and 79 in 2023. Conversely,
- 60 companies experienced a single contested resolution, up significantly from 50 last year, 47 in 2024 and 37 in 2023.

The reasons behind this trend are likely varied. One possible explanation is that companies that historically attracted opposition across multiple resolutions due to governance or capital efficiency concerns have gradually improved over time. At the same time, stricter proxy voting guidelines adopted by institutional investors appear to be broadening the range of companies facing opposition votes, particularly in areas such as director independence, including tenure, and board gender diversity. This may explain the increase in companies experiencing a single contested resolution, alongside the decline in those facing opposition across multiple resolutions.

Companies facing contested votes Board-sponsored resolutions



Single vs multiple contested votes – Companies with support <90%



Of all 2,800 resolutions of both kinds (management and shareholder) submitted for voting during the 2026 AGM season, 296 (10.6%) were contested, broken down into:

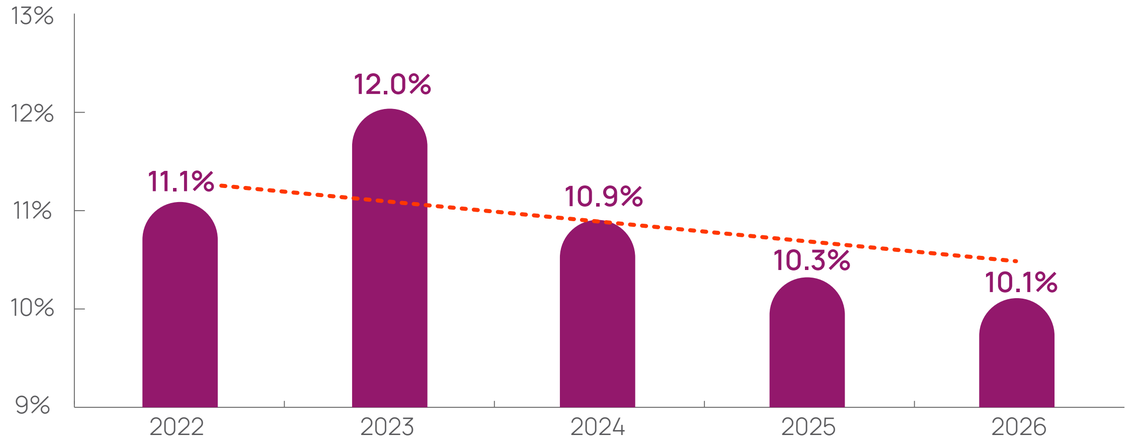
- 276 Board-sponsored resolutions (10.1%), slightly fewer than the 287 (10.1%) in 2025 and 305 (12.0%) in 2024;
- 20 of the 72 shareholder resolutions voted on (27.8%) received 10% or more support.

Among Nikkei 225 companies, the resolutions most commonly voted on during 2026 were those regarding

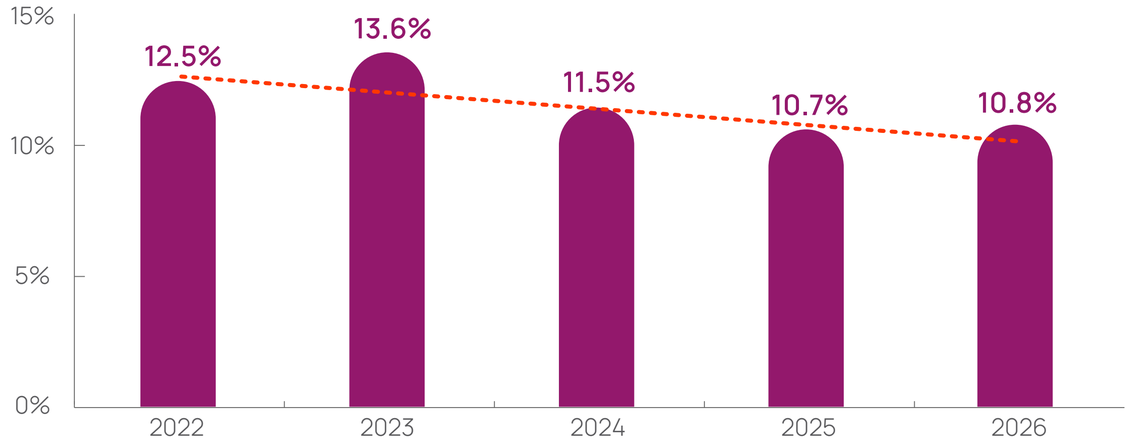
- director elections (voted on by 222 companies),
- allocation of income (145 companies),
- the election of statutory auditors (73 companies),
- compensation (70 companies, down from 73 in 2025), and
- article amendments (45 companies, down from 48 in 2025).

The category of board-sponsored resolutions with the highest proportion of contested votes was the election of directors (246 resolutions). The second most contested category was the election of statutory auditors, which saw 13 contested resolutions.

% of Board-sponsored resolutions contested



% of director election resolutions contested



Director elections

Of the 2,276 Director elections, 246 were contested (10.8%), a marginal increase from 10.7% in 2025.
In total, director elections accounted for 89.1% of the 276 contested board resolutions in the Nikkei 225 in 2026, up from both the 85.0% in 2025 and 85.9% in 2024. The figures in 2026 show a flattening of the slow downward trend observed in recent years in the proportion of contested director elections.

Cross-shareholdings have historically been presented in Japan as a way companies can maintain close business relationships, but in reality were often used to fend off unwelcome advances from activists or acquisitive predators. In recent years pressure has been building for issuers to stop using them as many investors believe they show poor corporate governance. The gradual reduction in the number of contested director elections since 2022, when the number spiked, may reflect that more companies have been reducing their cross-shareholdings.

For the first time in the Nikkei 225 since we have been preparing these reports, a board-sponsored director candidate, for Nissan Motor Co., Ltd., failed to gain the required votes and was not elected (see Case Study for more detail). Furthermore, Ricoh and Chubu Electric Power both had candidates that received less than 60% support and came close to not being elected.

The five Nikkei 225 companies with the lowest level of support for director and statutory auditor elections in 2026 were:

- Nissan Motor Co., Ltd. (Motoo Nagai – 48.3% support, failed to be elected)
- Otsuka Holdings Co., Ltd. (Appoint Statutory Auditor Hiroshi Sugawara – 54.0% support)
- Ricoh Co., Ltd (Akira Oyama – 55.7% support; Yoshinori Yamashita – 60.5% support)
- Chubu Electric Power Co., Inc. (Satoru Katsuno – 56.3% support; Kingo Hayashi – 61.1% support)
- Mitsui Chemicals, Inc. (Ungyong Shu – 60.7% support)

In addition, across the Nikkei 225,

- Four candidates received less than 60% support, and
- Six candidates received less support than the lowest-supported candidate last year.

These results demonstrate the extent to which investors are increasingly prepared to vote against directors when they feel that governance or performance issues are not being adequately addressed.

The global proxy advisors continue to tighten their Japanese voting policies with regard to making directors accountable for issues such as diversity, director independence and strategic shareholdings. See page 15 for information on the latest policy changes from ISS and Glass Lewis.

We note that, of the seven candidates above, ISS recommended votes against Motoo Nagai, Hiroshi Sugawara, Satoru Katsuno and Kingo Hayashi, and for the other three while Glass Lewis recommended against Motoo Nagai, Hiroshi Sugawara and Satoru Katsuno and for the other four. The voting results suggest that some major investors' voting policies may be stricter – or more strictly applied – than those of the proxy advisors.

Director removal case study: Nissan Motor Co. Ltd. (7201.T)

In 1999, Nissan was close to bankruptcy when it was rescued by French carmaker Renault. Rather than undertake a takeover, Renault bought 36.8% of Nissan (later increased to 43.4%) and Nissan bought 15% of Renault to form the Nissan-Renault Alliance. Amidst a number of ongoing disputes between Nissan and Renault between 2015 and around 2019 (also involving the French government, which owns 15% of Renault), Renault entered into a binding pledge never to oppose the Nissan board at a company shareholder meeting.

From 2018, following the arrest, flight and removal of Nissan's then-CEO and Chair, Carlos Ghosn, Nissan's operating profits eroded rapidly, culminating in massive pandemic-era net losses through 2020. Since then it has partially recovered, but US tariffs, plant rationalisations and Chinese competition combined to take Nissan to a US$4.6bn loss in FY26.

In the lead up to the 2026 AGM, shareholders expressed concerns over director Motoo Nagai's involvement in the decisions that led Nissan into its current predicament, and over his independence. As a former banker from the company's main creditor Mizuho Financial Group, Mr Nagai had played a pivotal role during Mr Ghosn's ejection from the company in 2018. As the only director serving on the nomination, compensation and audit committees, he wielded significant power over Nissan's corporate governance, executive recruitment, and strategic alliances. Renault was concerned about his long tenure (12 years as statutory auditor, board and committee member), but also about his independence, as well as that of Junichi Shinbo, another former Mizuho banker who was newly proposed as a director. Renault said in a statement, 'We cannot support their appointments as they are linked to Mizuho, the main creditor of Nissan, and hence cannot be considered independent.' Renault abstained from voting on both appointments.

Outcome: At the meeting Mr Nagai received votes totalling 51.7% against his appointment, marking the first time since we started reporting on Japan that a Nikkei 225 company director candidate has failed to be elected. Mr Shinbo received a 26.3% vote against and was elected. Several stockholders voiced disapproval of Nissan in the meeting, criticising Nissan's executives and pointing to the poor performance of its share price and a lack of compelling models. Institutions voting against Mr Nagai cited, as reasons for their negative votes, both his own lack of independence and the board not being majority independent if he was elected.

Director remuneration

In Japan, publicly listed companies must disclose individual executive remuneration totalling 100 million yen or more in their annual securities reports. However, unlike many other major markets, Japan does not require an annual shareholder vote on remuneration reports or executive pay outcomes.

Remuneration-related proposals at Nikkei 225 companies typically relate to forward-looking remuneration authorization. The most common proposals involve the establishment, amendment or renewal of equity-based compensation plans, particularly restricted stock and trust-based incentive schemes. Companies also periodically seek shareholder approval to establish or increase aggregate director remuneration limits, typically covering both executive and non-executive directors. Sometimes companies will combine these together into a single voting item.

Of the **126** director compensation resolutions put forward by Nikkei 225 companies during the 2026 AGM season, **11** were contested (**8.7%**), a reduction from the **16** (**12.4%**) in 2025. Average shareholder support across all compensation resolutions over the same period was: 2026: 97.3% support, 2025: 82.9% support, 2024: 91.7% support.

The five Nikkei 225 companies with the lowest levels of remuneration resolution support in 2026 were:

- Ricoh Co., Ltd. (64.0% support)
- NEXON Co., Ltd. (66.1% support)
- Kao Corp. (75.5% support)
- Takashimaya Co., Ltd. (79.2% support)
- Kioxia Holdings Corp. (79.2% support).

Three of these resolutions (at NEXON, Kao Corp. and Kioxia) received against recommendations from ISS and one (NEXON) received an against recommendation from Glass Lewis.

The continuing focus on remuneration in Japan echoes that in other markets in which Georgeson also publishes annual AGM reviews.

Proxy advisors

The global proxy advisory firms – ISS and Glass Lewis – set governance policies for listed companies that are based on both local regulations and their own experience of investor expectations across multiple jurisdictions. For every company shareholder meeting they assess how well each resolution satisfies their policy. Based on their assessment they make recommendations to their clients, mainly asset owners, hedge funds and asset managers, on how to vote their shares on each resolution, with a rationale as to why.

Overseas institutional investors. Rely on proxy advisory firms for Japanese company meeting agenda analysis and vote recommendations to inform their voting decisions. A negative recommendation from a proxy advisor can, and often does, have an adverse impact on the voting outcome of a given resolution.

Japanese institutional investors. Mostly develop their own proxy guidelines to help them vote at meetings. Under pressure to comply with the Stewardship Code and corporate laws, they vote in line with their guidelines, including on shareholder proposals. There are a few exceptions – for example where the investor has a conflict of interest – in which they may follow global advisors like ISS or Glass Lewis.

Range of proxy advisor recommendations against board resolutions

Comparing ISS and Glass Lewis 2022-2026

ISS recommended voting range 2022-2026	Glass Lewis recommended voting range 2022-2026
Against **3.8%-4.0%** of director elections	Against **3.4%-5.4%** of director elections
Against **4.7%-6.0%** of auditor elections	Against **15.0%-17.0%** of auditor elections
Against **1.7%-3.1%** of compensation votes	Against **0.8%-4.2%** of compensation votes

ISS

Institutional Shareholder Services is a leading provider of corporate governance and responsible investment solutions, market intelligence, fund services, events and editorial content to help institutional investors and corporations globally build for long-term, sustainable growth, with high-quality data, analytics and insight.

ISS recommendations 2026

Between 1 July 2025 and 30 June 2026, ISS made at least one recommendation against Board-sponsored resolutions at 65 companies, down from 74 companies in 2025. The number of individual resolutions on which ISS recommended votes against across the 65 companies was 103 (excluding shareholder resolutions), down by 20.2% from 2025's total of 129.

Of the 72 shareholder resolutions, ISS recommended voting for 16 (22.2%) during 2026, the same as last year's 16 (14.5%).

ISS voting policy changes 2026

The major policy changes announced by ISS for Japan in 2026 included that ISS would vote against director candidates:

- At any company with a controlling shareholder, if the board, after the shareholder meeting, is not majority independent (previously required 'at least two' independent directors);
- If the board, after the shareholder meeting, will not include at least 10 percent of female directors. With a grace period of a year, the new requirement will be enforced for meetings on or after 1 February 2027;
- In 2025 ISS introduced a new director independence criterion, under which individuals who have served on the board for 12 years or more will not be considered independent. This voting policy update was implemented in February 2026.

Glass Lewis

Glass Lewis provides governance solutions to enable institutional investors and publicly listed companies to make informed decisions based on research and data. It covers 30,000+ meetings each year in 100 global markets, providing in-depth analysis of companies and relying solely on publicly available information to inform its policies, research, and voting recommendations.

Glass Lewis recommendations 2026

Between 1 July 2025 and 30 June 2026, Glass Lewis made at least one against recommendation at 94 companies in the Nikkei 225, up from the 85 in 2025, and on 117 Board-sponsored resolutions (up from 105 last year).

With regard to shareholder resolutions, Glass Lewis recommended voting for 6 resolutions (8.3%) during 2026, down from 11 (10.0%) last year.

Glass Lewis voting policy changes 2026

The major change from Glass Lewis in FY26 was the announcement of its intention to phase out its standard benchmark recommendations globally by 2027 and shift entirely toward customized client frameworks and thematic voting policies. Glass Lewis plans to transition from a single benchmark 'house view,' as they put it, to providing four distinct 'perspectives' (sets of research and recommendations), starting in 2027. They also intend to move towards more customized voting policy guidelines for all clients by 2028, enabling recommendations that better reflect clients' specific viewpoints.

In late August 2026 Glass Lewis opened a two-month consultation period and provided a comparison paper for its clients on the four perspectives. It advised that it will continue to offer the existing Benchmark Voting Policy Guidelines and Proxy Paper research reports through the 2027 Proxy Season.

The 2026 season introduced few changes to its traditional benchmark policies, serving as a transition period for the new framework, however specifically, for 2026, Glass Lewis updated its guidance such that:

- Prime Market-listed companies are to have a board comprised of at least 20% gender diverse directors. Companies listed outside the Prime Market are to appoint at least one gender diverse member to the board of directors, regardless of board structure. The Benchmark Policy will generally recommend voting against
  - the chair of a two tier board or of a one-tier board with one-committee structure; or
  - the nominating committee chair of a one-tier board with three-committee structure,

  where the board that does not meet these requirements.
- With regard to length of tenure, beginning in 2026, any outside director or statutory auditor who has served for 12 or more consecutive years, including combined service as both director or statutory auditor if the role changed, will be considered non-independent.

Shareholder activism

Activism trends in the Japanese share market

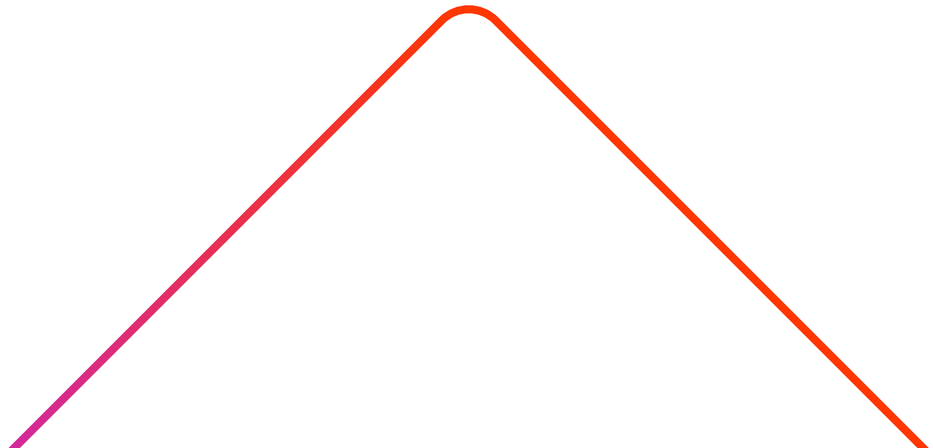
Japanese companies receive and vote on the second-highest number of shareholder proposals globally, after the US, and have done so since at least 2020. This has been driven by a confluence of forces, some of which partially feed into each other.

- **Cross-shareholdings**. In the past, Japanese companies could rely on long-term shareholders, often corporates, trust banks or life insurance companies holding shares strategically through cross-shareholdings, to shield them from unwelcome proposals. Activists were rarely a major concern and AGMs were largely a formality.

  Recently, however, corporates have been unwinding cross-shareholdings under pressure from activist shareholders and regulators. Issuers have no longer been able to rely on these strategic investors and have experienced significant rates of dissent against management, particularly from overseas institutions, with proxy advisors playing their part. Though not all companies have yet eliminated their cross-shareholdings, they are under increasing pressure from regulators and activists to do so.

- **Significant regulatory change.** Japanese regulators, from government ministries to TSE, have focused on securing major changes to 'how Japan does business.' They have moved fast to tighten the rules around governance and capital allocation and sought to make Japanese businesses more profitable, more conscious of the cost of capital, more responsive to investors – and more exposed to real consequences where they fail, including being 'named and shamed.' The TSE has also encouraged poorly-performing companies to move off the major markets or go private. Their intention has been to encourage inflows of investment capital by encouraging Japanese companies to become more valuable and attractive to overseas investors.

- **Emergence of attractive investment opportunities.** Despite improvements in recent years, there is still a significant number of companies with wide variations between their net assets per share and their share price, or large cash holdings, or both. These create significant opportunities for activist investors. The relatively low threshold and binding nature of shareholder resolutions in Japan provide major opportunities for activism compared with some other jurisdictions. Activist investors have embraced the less restrictive environment and been able to pressure companies to improve further, demand accountability and seek to profit from the ensuing changes.



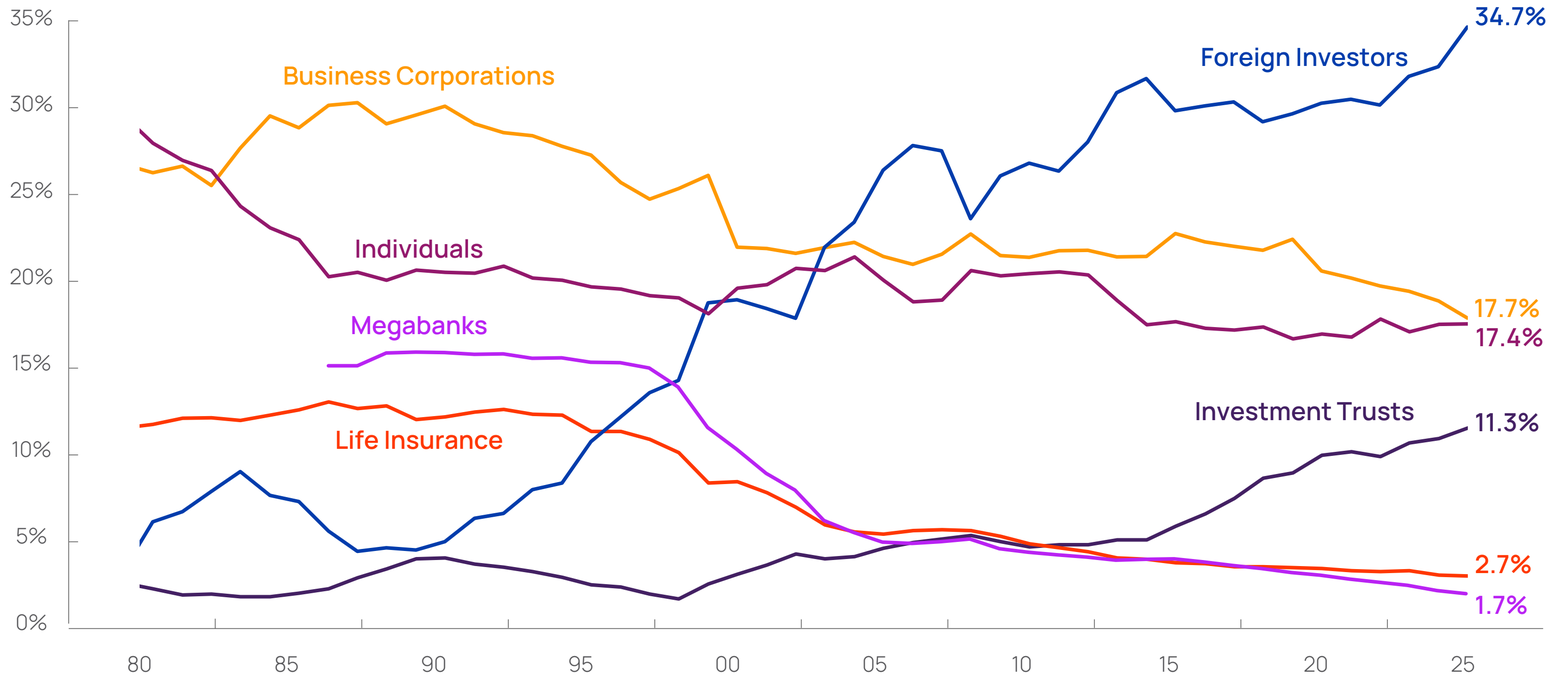
- **Ownership changes**. Possibly the largest long term change that precedes and may have contributed to the recent increase in activism is the enormous shift in ownership of Japanese company shares. The chart shows how dramatic the shift has been over the last 40 years or more.

  Across all Japanese listed companies since the early 1980s, the share of the total share market held by:

  - Foreign institutional investors and investment trusts rose from 7% to around 46%; simultaneously, those held by
  - Domestic business corporations, life insurers and megabanks dropped from 55% to approximately 23% of listed securities.

The enormous shift in share ownership towards overseas share ownership is likely to continue for as long as foreign investors and investment trusts see value in Japanese shares. The switch has already had significant repercussions for Japanese companies and, coupled with ongoing TSE and regulatory changes, is likely to continue to do so.

Share ownership ratio by investor types



Source: Tokyo Stock Exchange, Mitsubishi UFJ Trust and Banking Corporation

Issuer and political pushback

While shareholder activism is viewed by some as contributing to improved market discipline and capital efficiency, after the pace of change in Japanese governance over the last few years and the rapid rise in shareholder activism, it is perhaps not surprising that major pushback against the changes started to occur during 2026. Lawmakers and business lobby groups had been complaining that activism, in particular, had gone too far.

Among the most significant moves arising from these complaints have been:

- A push in March 2026 by lawmakers from the government, backed by business lobbies, to raise proposal thresholds, claiming that activists are putting forward 'abusive' demands that divert resources away from long-term growth to deal with short-term investor demands. A justice ministry advisory panel issued an interim proposal on revising the Companies Act in March, presenting options on shareholder proposal rules involving restricting eligibility by raising the holding threshold;
- In July 2026, the Liberal Democratic Party (LDP) project team on corporate governance announced the intention to aggressively enforce shareholder disclosure rules and to probe activist funds. This follows an earlier investigation by the FSA (Financial Services Agency) into suspicions that some large shareholders do not reveal their real intentions when reporting significant new holdings;
- Also, in July 2026 the LDP's project team on corporate governance raised concerns over suspected collusion between activist investors and buyout funds in take-private deals. In draft policy proposals, they stated that there have been cases of activists suspected of working behind the scenes with private equity funds seeking to take listed companies private, warning that such arrangements could undermine capital markets' fairness.

It is unclear at this stage what specific changes will arise from these moves, other than the draft revisions to the Companies Act. See Item 3, Shareholder proposal rights, on page 25, for more on this.

Activist campaigns during 2026

Shareholder proposals

- **Nikkei 225**. The number of companies facing shareholder proposals at 2026 shareholder meetings was 16 (down by 36% from 25 in 2025), facing a total of 72 resolutions (down 34.5% from 110 last year). This year's shareholder resolutions total was below or equal to the number in the last three years (110 in 2025, 72 in 2024 and 81 in 2023).

Across the broader Japanese share market there was a similar reduction in campaign numbers during 2026 (figures provided by JSS):

- **Prime Market**. In 2026, 67 companies (down by 9.5%) faced 251 shareholder proposals (down 6.0%), against the 74 companies and 267 proposals in 2025;
- **Whole Japan share market**. In 2026, 104 companies (down 7.9%) faced 349 shareholder proposals (down 12.3%) against 2025's 113 companies and 398 shareholder proposals.

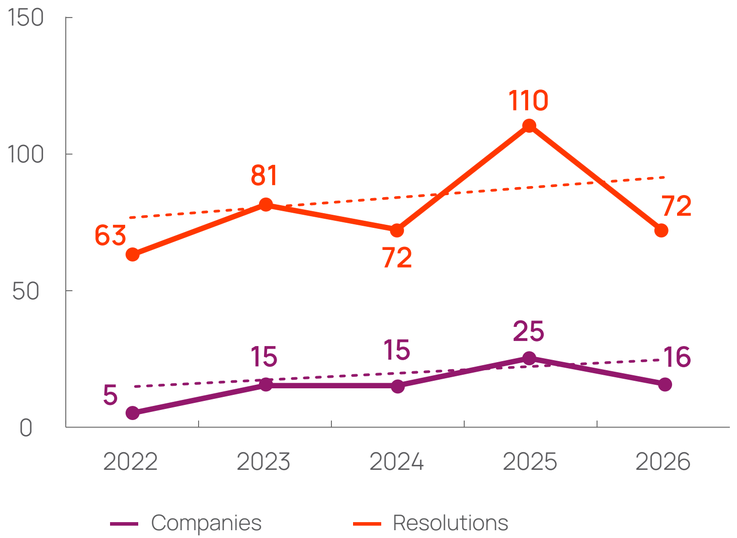
While the number of companies targeted and shareholder resolutions voted on both decreased across the listed share market, the amount of activism was still high enough to keep Japan in second place in the world for activist campaigns. The major activist investors during 2026 were Dalton Investments, Elliott Investment Management, Oasis Management Company, 3D Investment Partners and Murakami Group.

Among Nikkei 225 companies, of 72 shareholder resolutions in 2026, in relation to:

- Governance, director, compensation or capital issues, there were 29 resolutions (versus 54 in 2025) at 12 companies;
- Environmental issues including climate change, nuclear power and environmental governance issues, there were 17 resolutions (vs 24 in 2025) at 4 companies;
- Disclosure issues, there were 9 resolutions (vs 11 in 2025) at 5 companies;
- Voting and meeting-related issues, 4 resolutions (vs 6 in 2025) at 4 companies;
- Business, staff, product, subsidiary (etc) issues, there were 8 resolutions (vs 11 in 2025) at 6 companies;
- Human capital and corporate social responsibility, there were 5 resolutions (vs 4 in 2025) at 2 companies.

The modest decline in shareholder proposals this year may not necessarily indicate a reduction in activist activity. Rather, it could reflect a combination of factors, including the diversification of activist strategies, a shift in focus toward larger-cap companies requiring greater capital commitments, and improved preparedness among issuers, particularly large-cap companies, to make activist campaigns more challenging to pursue through shareholder proposals alone.

Nikkei 225 issuers facing shareholder resolutions – No. of companies and resolutions



Shareholder proposal voting outcomes

There was a wide range of voting outcomes for shareholder resolutions, with support ranging from 1.8% to 43.1% of votes cast. In general, resolutions supported by positive proxy advisor recommendations gained more support.

Of the 72 shareholder resolutions voted on in 2026, none passed. 20 resolutions (27.8%) at 11 companies received supportive votes of 10% or more of votes cast, broken down such that, of the 20 resolutions:

- None passed,
- 1 received over 40% support,
- 3 received 30%-39.99% support,
- 6 received 20%-29.99% support,
- 10 received 10%-19.99% support.

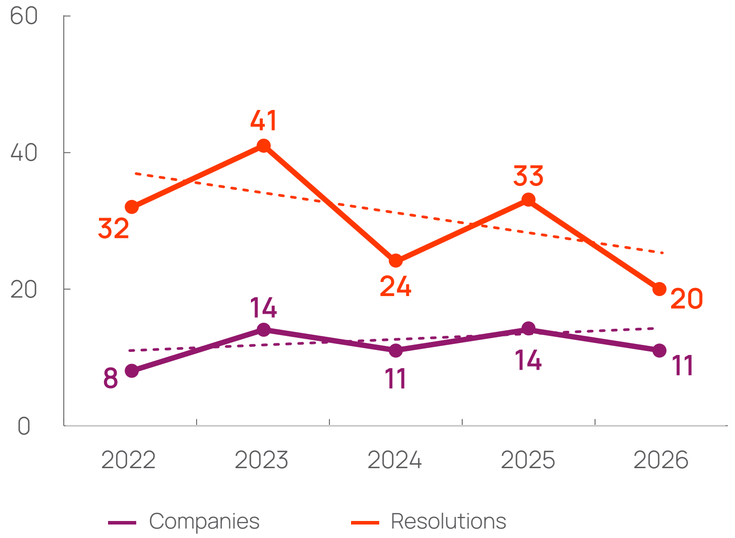
The 20 resolutions receiving 10% support or more are down on both the 35 resolutions (31.8%) in 2025 and the 24 in 2024, and appear to be in line with a steady decline in recent years in the proportion of proposals winning significant investor support.

In contrast to this downward overall trend, however, the shareholder resolutions winning the greatest support have been, broadly, gradually increasing their votes in favour each year, as can be seen below. It is only a matter of time before a Nikkei 225 company experiences a shareholder proposal being passed.

The top five shareholder proposals for voting support in 2026 were as follows:

- Mitsui Kinzoku Co., Ltd. (Amend articles to require individual compensation disclosure for directors – 43.1% support)
- Nissan Motor Co., Ltd. (Amend articles to prohibit [counting] blank votes as votes FOR management proposals and AGAINST shareholder proposals – 31.7% support)
- Chubu Electric Power Co., Inc. (Remove incumbent director – 31.3% support)
- Kao Corp. (Investigate potential failures of risk management, internal controls and supply chains – 30.3% support)
- Sompo Holdings, Inc. (Amend articles to appoint outside director as Chairman – 29.2% support)

Contested shareholder resolutions – Shareholder support ≥10%



Case studies

To give you a flavour of the range of activist shareholder campaigns during 2026, we provide some case studies of notable campaigns we observed during the AGM season, focused on governance and financial issues, including the following.

1. Activist case study: Kadokawa Corporation (9468.T) vs Oasis Management Company (Oasis)

Kadokawa is a gaming, manga and anime company which owns a number of successful titles, including, through majority-owned subsidiary FromSoftware (FS), the global blockbuster video game Elden Ring.

In May 2026, Oasis Management Company, an activist investment manager owning 13.76% of Kadokawa shares, launched a campaign titled 'A Better Kadokawa.' It sought, at the 2026 AGM, to remove CEO Takeshi Natsuno as both CEO and director for what it said were a series of failures during his tenure.

Oasis cited six major issues: Continued value leakage from FS; weakened management focus and productivity from FS's 'quantity over quality' IP strategy; failure to monetize key IP in games; poor capital allocation and lack of cost discipline; poor execution across growth and turnaround areas; and inadequate governance and management accountability. Lowered forecasts had been repeatedly missed and the 5-year mid-term management plan had been withdrawn and targets pushed out to 2032-33.

Kadokawa responded by defending its current leaders and asking shareholders to trust Mr Natsuno. It claimed Oasis did not understand the local Japanese market well and lacked a better replacement for the job.

Kadokawa argued that Mr Natsuno's leadership and ongoing business structure reforms were vital for the company's long-term corporate value, pointing to his handling of a major cyberattack and overall strategic growth. The company also pushed back against Oasis's claims that management intentionally avoided questions or treated the activist fund unfairly during the AGM, calling Oasis's disclosures misleading and clarifying that ample time was provided. It further defended Mr Natsuno by arguing that his sudden removal would disrupt critical internal reforms.

Proxy advisors ISS and Glass Lewis both recommended against Mr Natsuno, and large global investors including Norges Bank, LGIM and UBS voted against his re-election, citing questionable strategy and poor execution.

Outcome: Despite an aggressive campaign by Oasis and considerable publicity, Mr Natsuno received 59.7% of votes, down from 90.3% in 2025. Although he survived the campaign, the large decline in confidence in his leadership is notable and the market broadly agrees that his survival depends on turning performance around quickly. After the meeting, Oasis increased its holding to 15.25%.

2. Activist case study: Kao Corporation (4452.T) vs Oasis

Oasis started its campaign for improvement at Kao Corp. in 2024, though it had been an investor for four years before that. In 2025, Oasis nominated five independent outside director candidates for Kao's Board of Directors and pushed for executive compensation reforms ahead of the annual general meeting. All of Oasis's director candidates were rejected by investors at the 2025 AGM, with votes ranging between 11.3% and 29.2%.

In 2026, Oasis changed its approach. It became the largest shareholder of Kao Corp. (with a 12.5% stake) and pushed for an extraordinary general meeting (EGM) to mandate an independent investigation into Kao's supply chain, citing whistleblower complaints and third-party reports that Kao Corp. sourced palm oil and pulp from suppliers allegedly tied to deforestation and forced labour. Oasis also alleged that Kao's grievance mechanism covers only a small part of its supply chain, fails to disclose its pulp and paper suppliers sufficiently, and maintains relationships with suppliers that industry peers have reportedly dropped.

Kao again disputed Oasis's claims, saying it has an established supplier monitoring system that includes human rights risk surveys, third-party audits, and grievance mechanisms. It stated that, in 2024, supplier due diligence assessments covered roughly 90% of its direct material transactions, and it conducts risk surveys to identify and assess human rights risks in its value chain. Kao said it continues working to prevent and mitigate adverse human rights impacts across its entire value chain.

Outcome: At the EGM on 30 April 2026, the shareholder proposal received 30.3% support, not enough for the measure to pass. Many of the supportive institutional votes Oasis received were from overseas institutions, though a few voted against, stating that the measure was not in shareholders' interests.

3. Activist case studies: SECOM Co. Ltd. (9735) and Meiji Holdings (2269) vs Dalton

In 2026, Dalton Investments sent identical proposals to 17 different Japanese portfolio companies, including SECOM Co. Ltd. and Meiji Holdings, as part of a broader initiative across its Japanese portfolio companies to modify AGM voting record dates. It aggressively pressured corporations to optimize their capital discipline through massive share buybacks, independent director appointments and operational spin-offs.

Following previous campaigns targeting SECOM, in March 2026 Dalton submitted two proposals, one to buy back ¥180 billion of shares, the other seeking to spread out AGMs over a wider season and improve disclosure around capital allocation.

At Meiji, Dalton put forward five proposals: the same two as for SECOM, plus proposals to set up a strategic review committee, to move to majority outside board directors and to expand restricted stock compensation, including to outside directors.

Outcome: At the SECOM June AGM, Dalton's two shareholder proposals gained 2.4% and 6.1% support, however in May SECOM launched its own buyback initiative to buy back up to ¥100 billion by February 2027, so even though the votes failed, Dalton partially achieved one of its aims. At the Meiji AGM, Dalton's five shareholder proposals achieved between 6.1% and 15.5% support, all failing to be passed.

Climate activism

As in 2025, no Nikkei 225 companies voted on any Board proposals related to climate change or any other environmental issues during the 2026 AGM season. Activist shareholders, however, put forward a number of environmental proposals which were voted on. 4 companies faced 17 resolutions relating to environmental (and climate change specific) issues, of which only one resolution received 10% or more shareholder support, with between 10.0% and 19.6% of votes cast in favour.

- 3 companies, all power providers, faced 14 resolutions related to nuclear power, transport and reprocessing of nuclear fuel, phasing out of nuclear reactors and nuclear safety;
- No issuers faced any resolutions related to their own or their customers' climate transition plans, unlike in 2025, when three companies faced three resolutions;
- 1 company faced a resolution related to realisation of a zero-carbon society;
- 2 companies faced one resolution each related to decarbonisation and renewable energy.

While the number of companies targeted and shareholder resolutions voted on both decreased across the listed share market, the amount of activism was still high enough to keep Japan in second place in the world for activist campaigns.

Corporate governance developments in 2026

On 2 April 2026 the Japanese Ministry of Justice launched a public consultation on proposed amendments to the Companies Act, focusing on changes to share issuance, shareholders' meetings, corporate governance and disclosure requirements. Consultation closed on 22 May, with the government indicating that conclusions will be reached during FY2027 before legislative action is taken.

On 21 July 2026, the Financial Services Agency (FSA) and the Tokyo Stock Exchange (TSE) finalized the 2026 revision of the Corporate Governance Code, following public consultation on draft reforms released in April 2026. The revisions seek to shift companies from a compliance-focused approach to substantive governance that supports sustainable growth, disciplined capital allocation and long-term value creation. Key changes strengthen board accountability for growth investment and resource allocation, enhance expectations regarding board effectiveness and risk oversight, and encourage companies to make more productive use of excess cash and other assets. The revised Code became effective on 21 July 2026.

In this section we break down the major changes put forward or implemented by regulators during 2026, grouped under three headings:

- Sustainable growth and resource allocation
- Shareholder meeting reform
- Corporate governance and disclosure

Taken together, these developments signal a continued shift in Japan's corporate governance framework from formal compliance toward governance practices that place greater emphasis on capital efficiency, board effectiveness, transparency and long-term value creation.

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Sustainable growth and resource allocation

1 Greater scrutiny of capital allocation

The FSA's and TSE's revisions to the Corporate Governance Code sharpen expectations around how listed companies utilise balance-sheet resources, particularly cash. This, together with investor concerns regarding 'lazy balance sheets', has prompted regulators to place greater emphasis on the effective use of corporate resources to enhance long-term corporate value. The revisions formalise a shift from form-based compliance toward substantive change. Boards are expected to continuously assess whether management resources, including cash, deposits and other assets such as shares and real estate, are being used effectively to support long-term growth rather than simply accumulating by default.

Importantly, the reforms do not mandate higher payouts or prohibit cash holdings; instead, they raise the bar for explanation. Companies are expected to provide clear explanations for how uninvested capital or financial assets support sustainable long-term growth. The revised Code, under the roles and responsibilities of directors, states that the board should continuously verify the suitability of management resource allocation against management strategies and plans, including whether company resources are being effectively utilized to invest in growth.

Companies are expected to execute growth investments that increase corporate value over the mid-to long-term, rather than focusing exclusively on short-term shareholder returns. The revised Code further clarifies the board's roles and responsibilities concerning growth initiatives as follows:

i. Setting a path for growth toward corporate goals.

ii. Disclosing specific measures to achieve growth, including growth investments (capital expenditure, R&D, human capital, and intangible assets, such as intellectual properties) and ongoing review of the company's business portfolio.

iii. Continuously reviewing whether the allocation of business resources is appropriate for the disclosed business strategy and plan to achieve growth.

With this revision to the Code, shareholders and other market participants are likely to pay even closer attention in the future to how companies utilize their holdings of cash, deposits, shares and real estate.

2 FSA moves toward continuing reduction of cross-shareholdings

The FSA is promoting stricter disclosure and governance expectations relating to cross-shareholdings, including where such holdings are transferred to pure investments, as part of broader efforts to improve capital efficiency and transparency.

The FSA has required, since January 2025, that, where the purpose of holding securities has been changed during the past five fiscal years from a purpose other than pure investment (for example, so-called 'strategic shareholdings') to pure investment, companies should disclose the reasons for the change in holding purpose and the sale policy for each security concerned.

Shareholder meeting reform

3 Shareholder proposal rights

In recent years, shareholder activism in Japan has increased significantly and Japan is now second only to the US in terms of the number of shareholder proposals received and voted on. This has led to some concerns by issuers that the threshold for lodging proposals is too low, resulting in proposals that have little merit or prospect of success. They also feel that companies need more time to respond to proposals, which may currently be submitted shortly before proxy materials are distributed to shareholders.

The March 2026 draft amendments to the Companies Act include proposed changes, both to the minimum holding required for a shareholder to lodge a proposal, and to the deadline for submitting proposals. They were put forward by government lawmakers backed by major business groups.

Holding requirements for submitting shareholder proposals

The options proposed in the draft include:

- Abolishing the current requirement to continuously hold 300-voting rights (equivalent to owning 30,000 shares) for six months and replacing it with a threshold based on voting rights (such as 1% of voting rights); or
- Raising the number of required shares from 30,000 to 50,000, 100,000 or 150,000.

This proposal has itself raised concerns that individual shareholders (as opposed to institutions) will be prevented from lodging shareholder proposals due to the cost of the shares required to submit a proposal.

Deadline for submitting shareholder proposals

Currently, the deadline is eight weeks prior to the date of the general meeting of shareholders. The options put forward in the draft for consideration are:

- Simply extending this period, for example to 10 weeks;
- If a company notifies shareholders of the date of the general meeting by a certain date (such as four months prior to the meeting), setting the deadline at a certain date (such as three months prior to the meeting date); or
- Maintaining the current deadline at eight weeks.

4 Beneficial shareholder identification system

From the FSA's revised Stewardship Code, June 2025: 'In order to support constructive dialogue with investee companies, institutional investors should, in response to requests from investee companies, explain how many shares they own/hold in the company and should disclose in advance a policy on how they will respond to such requests from investee companies.'

The March 2026 draft amendments to the Companies Act include two changes making it easier for issuers to identify beneficial shareholders.

- Firstly, the proposals introduce a beneficial shareholder identification system broadly similar to the EU's SRD II, under which custodians would be required to provide issuers with information regarding beneficial shareholders.
- In addition, the draft seeks to authorize companies to suspend voting rights for beneficial shareholders who fail to comply with large shareholding reporting regulations. These reports are currently required from beneficial shareholders holding five percent or more of a company's shares, and the proposal would create a stronger mechanism to encourage compliance with those disclosure obligations.

The proposed changes are expected to be submitted to the Diet in early 2027, with most provisions likely to take effect in 2028.

5 Changes to director independence rules

The one-third (33%) criteria for the proportion of Independent Directors is already in place in 98.1% of Prime market-listed companies (as of July 2024). The ratio of Prime market-listed companies with a majority of independent directors is increasing but is still quite low at 29.9% (as at July 2026).

All Japanese listed companies are required to have outside director(s) under the Companies Act. The Corporate Governance Code provides that:

- In the Prime Market, one third or more of the directors should be independent outside directors;
- In the other markets, two or more directors should be independent outside directors;
- For a company with a controlling shareholder:
  - If a Prime market company, it should appoint at least a majority of independent directors who are independent of the controlling shareholder;
  - If listed on other markets, it should appoint at least one-third of independent directors who are independent of the controlling shareholder.

Defining independence

TSE[1] updates the criteria used in assessing if a candidate may be considered independent. A person would not qualify as an independent director/auditor of a listed company if they were:

- A major shareholder or their close relative;
- An executive or recent former executive at a major shareholder, or their close relative;
- An executive or recent former executive of a company in which the listed company is a major shareholder, or their close relative;
- An outside director or outside company auditor who has served as an auditor or accounting advisor at the company's parent company in the past ten years, or their close relative.

The revised Code would also require outside directors and outside company auditors who fall under the following categories to describe the relevant status and provide a summary in the Independent Director/Auditor Notification:

- an executive of a company holding shares of the listed company as cross-shareholdings; or
- an executive of a company in which the listed company holds shares as cross-shareholdings.

6 Tightening of criteria for female directors

Women held 19% of the directorships at companies listed on the Tokyo Stock Exchange's top-tier Prime market in 2025, up 2 percentage points on the year, according to the Japan Business Federation. These companies had 2,915 female directors, up 335. The increase was driven partly by changes to the TSE's corporate governance code, which states that companies should promote diversity.

In October 2023 the TSE amended its listing rules to provide that companies listed on the Prime Market should:

- strive to appoint at least one female executive or director by 2025,
- aim to increase female representation on the board to at least 30% by 2030.

The TSE also recommended the development of a plan of action to achieve these goals.

Pressure to improve female representation is coming from international investors and global proxy advisory firms. Glass Lewis has updated its Japan voting policies, effective from the 2026 AGM season, to expect that Prime-listed companies maintain boards with at least 20% gender-diverse representation. Companies with less than 20% risk receiving advisor recommendations to vote against the chair of the board under a two-tier board or one-tier with one-committee board structure or the nominating committee chair under a one-tier with three-committee board structure.

7 Disclosure of securities reports prior to shareholders' meeting

The FSA and TSE are implementing reforms encouraging companies to disclose their Annual Securities Reports (Yuho) before their Annual General Meetings (AGMs). Until 2025, over 80% of Japanese companies file their annual securities reports at the time of, or after the AGM, limiting shareholders' ability to review key information that may inform their voting decisions.

The FSA is strongly encouraging companies to release their securities reports at least three weeks prior to their AGMs. To support this and reduce reporting burdens on companies, the government is reviewing measures such as streamlining disclosure requirements and reducing overlap between Annual Securities Reports and statutory business reports. The FSA and Ministry of Justice are coordinating to adjust legal and operational frameworks to accommodate these changes.

Some companies have already begun taking voluntary steps to facilitate earlier disclosure. Advantest (TSE 6857), for example, amended its Articles of Incorporation at its 2025 Annual General Meeting to allow greater flexibility in the timing of future shareholder meetings by moving the meeting date from late July to early August. In 2026, the company disclosed a document that satisfied the requirements of both the Annual Securities Report and the business report approximately one month prior to its AGM.

1 Practical Matters to Note on Securing Independent Directors/Auditors https://www.jpx.co.jp/english/equities/listing/ind-executive/tvdivq0000008o74-att/dreu250000003qkg.pdf

Corporate governance and disclosure

8 Changes to MBO and subsidiary conversion rules

On July 22, 2025, TSE revised its listing rules regarding management buyouts (MBOs) and the conversion of listed company subsidiaries into wholly-owned subsidiaries, seeking to enhance shareholder protections. The listing rules now require that:

- Listed companies obtain and disclose an opinion from a special committee of independent directors, auditors and/or external experts stating that the transaction is fair to minority shareholders. Such opinions should address whether the transaction enhances corporate value, whether the transaction terms are fair; and whether fair procedures have been followed;
- The company makes 'necessary and sufficient timely disclosure,' including an overview of the share value calculation and the basis for the valuation.

These measures previously applied only to conversions to wholly-owned subsidiary status by a controlling shareholder, but will now also apply to:

- An MBO of a listed subsidiary;
- The conversion of a listed subsidiary by an entity other than its controlling shareholder, such as another related company.

The previous Fair M&A Guidelines were not legally binding. However, because key elements have now been incorporated into the TSE Securities Listing Regulations and Code of Corporate Conduct, companies may face regulatory scrutiny, enhanced disclosure obligations and potential disciplinary measures for non-compliance.

METI's own supplementary guidance on takeovers, published in July 2026, provides additional clarification on the original 2023 Guidelines for Corporate Takeovers, making clear that definitions of value do not just refer to money, but also that boards can – and should – also weigh up factors such as economic security, employee views, business partner impacts and the broader community.

9 Nomination Committee changes

Currently, for companies who operate with a three committee governance structure, the Companies Act gives nomination and compensation committees the authority to nominate directors and determine the compensation of directors and officers. These decisions cannot be overturned, even by the full board. This rule was originally established to ensure significant independent director oversight, with the assumption made that the board would not be majority independent among companies with a three-committee board structure. However, more than 80 percent of three-committee companies now have a majority-independent board.

Critics have observed that, under the existing rules, the committee's authority is so strong that it can effectively nominate or remove the CEO without reference to the full board.

The government changes put forward in April 2026 propose that, for companies with three committees:

- Provided a majority of the directors are outside directors, the Board of Directors be permitted to override the decisions of the Nomination Committee regarding the appointment and removal of directors by resolution; or
- The current law should remain unchanged.

The first option will give boards more flexibility to change committee determinations on director appointments and remuneration while also strengthening certain shareholder-facing protections.

Additionally, a potential requirement to disclose, in proxy materials, the composition of the committees, in three-committee companies, is under discussion. Currently regulations do not mandate the disclosure of committee composition post-meeting and, according to ISS-Stoxx, around 25% of such companies do not include this information in proxy materials.

Expert insights

Global Best Practice Perspective



Ms Jen Sisson

Chief Executive

International Corporate Governance Network (ICGN)

Progress on Capital Efficiency and TSE Reforms: Since the TSE introduced the “Management Conscious of Cost of Capital and Stock Price” initiative, how would you assess the overall progress made by Japanese companies regarding capital efficiency? Have you seen meaningful changes in capital allocation decisions or shareholder engagement regarding this topic?

Taking the long view, we've seen real progress in Japan on capital efficiency. Cross-shareholdings have fallen a long way from where they stood in the 1990s, and companies now engage with capital allocation in a way they did not before with Boards stepping up to their responsibility for deploying capital to drive long-term value creation. The pace of reducing cross-shareholding has slowed considerably, though. We are pleased that the recently revised Corporate Governance Code strengthens expectations here and we are expecting to see this have a positive impact in the near future.

While formal disclosure has progressed, the substance behind it is uneven. For example, investors need more granular disclosure of cost of capital assessment methodologies, rather than simply the output.

Investment in growth, including R&D, technology and workforce, is fundamental to long-term value creation, and investors expect more proactive and disciplined use of capital in these areas. We are pleased to see the clearer expectation in the Code that companies assess whether excess cash holdings may be impairing capital efficiency.

In the medium-term, ICGN believes cross-shareholdings should be wound down to zero. We would like to see clearer disclosure of optimal capital structure and target balance sheet positioning, explicit reduction targets and exit timelines for remaining holdings, and more granular disclosure of cost of capital methodologies. We also discourage companies from impeding cross-shareholders who wish to sell.

"Engagement between Japanese companies and institutional investors has improved in recent years, although there is still room for further progress. Last year’s revisions to the Stewardship Code have been a real step forward, and we are seeing a greater openness to dialogue than a few years ago, particularly from larger listed companies."

Board Effectiveness and Director Accountability: Much attention has been paid to board composition in recent years. Beyond diversity and independence, what aspects of board effectiveness are you focusing on today?

Diversity and independence are key to strong and effective boards in Japan. An equally big focus of ICGN is on the quality of independent directors. It is very important that board members are equipped with the right skills to perform the job effectively.

Investors continue to observe a gap between intent and reality in Japanese boardrooms. Structural requirements are often met, but the skills, experience and oversight capabilities of directors do not always reflect the demands of the role.

What investors want to see is the board setting out which specific capabilities the company needs to deliver long-term value creation, and how the current composition measures against that. Where there are gaps, we want to understand succession plans and companies' director development. Is there a training policy, and if so, how are directors keeping pace with the issues now landing on boards? Artificial intelligence and geopolitical risk are the obvious examples. Neither is a specialist topic anymore, and both require boards to exercise independent judgement on matters that were not part of most directors' formative experiences.

High-quality board effectiveness reviews are also key. We want to understand what the outcomes of these reviews are and what the Board intends to do to address any gaps.

Stewardship and Engagement Effectiveness: How would you assess the quality of engagement between Japanese companies and institutional investors today? Are companies becoming more responsive to investor concerns, and what differentiates leading companies from laggards?

Engagement between Japanese companies and institutional investors in Japan has improved in recent years, although we believe there is still plenty of room for further progress. Last year's revisions to the Stewardship Code have been a real step forward, and we are seeing a greater openness to dialogue than a few years ago, particularly from larger listed companies.

One persistent challenge is access to independent outside directors. We would like to see Japanese independent directors, including chairs and lead independent directors, making themselves available to shareholders for engagement meetings, as they do in markets such as the UK, the USA, across Europe and in Australia. Investors do not want to speak only to investor relations teams. This is critical to the long-term effectiveness and credibility of the governance reform agenda.

It's important to approach this engagement with the right mindset. Good engagement meetings are a two-way dialogue, so companies need to listen as well as explaining their positions. Where a company faces significant dissent, we would like to see boards engage with, and listen to, investor views and take the investors views into consideration when they set out how they will respond.

A key differentiator of leading companies is that they build relationships with investors through continuous engagement. They speak with their shareholders regularly, and they do this in ordinary years as well as difficult ones.

Overseas' Perspective: How does Japan compare with other major markets in terms of governance reform momentum, shareholder engagement, and responsiveness to investor expectations? Where do you believe Japan has progressed most, and where does it continue to lag global peers?

We've observed significant momentum across Asia, and the focus on value-up programmes compares favourably with what we are seeing in some other markets. Although the pace of change has perhaps been fastest in South Korea recently, what distinguishes Japan from other markets in the region is the length and consistency of the commitment to reform. Reform in Japan stands out because it has been sustained across many years and successive initiatives.

Japan continues to lag global peers on some baseline good governance expectations, with board independence as the clearest example. Majority independent boards should be the norm for most companies rather than something framed as exceptional or limited to companies with a controlling shareholder. We would also like to see clearer expectations on independent board leadership, ideally an independent chair, or at minimum a lead independent director as a transitional step.

Timeliness of disclosure is the other area where we would like to see change. The use of the fiscal year-end as the record date is unique to Japan and can cause some of the issues that create frustration for investors, such as AGM clustering, short notice or late disclosure and lack of engagement. It is great to see the new expectation in the Code that companies publish their Yuho at least three weeks ahead of the AGM.

None of this diminishes what has been achieved. Japan has established itself as a leader in its approach to governance and stewardship reform. Moving forward, we want to see that leadership maintained and strengthened, and we would encourage the Japanese government not to slow the pace of reform.

The Investor Perspective



Mr Wataru Terada

Stewardship Specialist, APAC

Northern Trust Asset Management

Was there anything that surprised (or impressed) you at the 2026 Annual Meeting of Shareholders?

While Japan's 2026 AGM season reinforced several trends that have been building for some time—including stronger shareholder pressure on board accountability and continued focus on capital efficiency—what surprised us was the limited scrutiny of executive remuneration.

This was notable because remuneration outcomes at some companies have become significantly larger, driven in part by rising share prices. Yet directors serving on remuneration committees often continued to receive very high levels of shareholder support, even where remuneration structures appeared to raise legitimate questions.

In our view, executive remuneration is one of the most important tools available to boards to align management with long-term shareholder interests. However, we continue to see cases where disclosure around performance metrics, weightings, and targets remains limited. We also often encounter remuneration structures with insufficiently demanding performance hurdles, a strong emphasis on annual rather than longer-term performance, and limited alignment through long-term equity ownership.

Japan's governance debate has rightly focused on capital efficiency and shareholder accountability. These are important developments. However, if boards are expected to oversee strategy, capital allocation, and long-term value creation, remuneration frameworks should reinforce those same objectives. For that reason, we believe executive remuneration deserves greater investor attention and remains an area where Japan's governance reform still has meaningful room for further progress.

> "Japan's governance debate has rightly focused on capital efficiency and shareholder accountability... However, if boards are expected to oversee strategy, capital allocation, and long-term value creation, remuneration frameworks should reinforce those same objectives."

The proposed revision to Japan's Corporate Governance Code explicitly states that 'the board should persistently review the allocation of company business resources, such as financial assets like cash and real estate assets, including whether they are utilized efficiently in growth investments.' How do you evaluate Japanese companies' responses to this increased focus on capital efficiency? In addition, please tell us the direction of your engagement policy and voting criteria regarding capital policy (ROE, PBR, stock price, cross-shareholdings, etc).

We have observed a significant increase in Japanese companies' focus on capital efficiency in recent years. Discussions around ROE, dividends, share buybacks, and the reduction of cross-shareholdings have become much more prominent. This is a welcome development and reflects growing attention to shareholder interest and the efficient use of corporate resources.

At the same time, much of the discussion has remained focused on a relatively narrow set of capital efficiency measures, including those mentioned above. We are therefore cautiously optimistic about the latest revision to the Corporate Governance Code and its broader emphasis on the allocation of business resources. In our view, this has the potential to promote a more comprehensive discussion of capital allocation and long-term value creation.

As a long-term shareholder on behalf of our clients, we do not have a predetermined preference between growth investment and shareholder distributions. The appropriate capital allocation depends on a company's circumstances, opportunities, and strategic position. Some companies may have attractive opportunities to reinvest capital into the business, while others may create greater value by returning excess capital to shareholders. Accordingly, our engagement on capital allocation takes a holistic view. We consider how companies manage assets and business portfolios, how they evaluate investment opportunities, how they determine the appropriate use of excess capital, and whether balance sheet and capital structure decisions support long-term value creation.

One challenge for investors is that these decisions are often easier to observe than to understand. We can see an acquisition, an investment, or a buyback, but not always the thinking behind it. The companies that stand out are those that can clearly explain how investment decisions, portfolio management, financial policy, and shareholder distributions fit together within an overall value creation strategy. Ultimately, we do not view higher investment or greater shareholder returns as objectives in themselves. What matters most is whether boards and management can clearly articulate how their decisions are expected to create sustainable long-term shareholder value.

Please share your awareness of issues related to board composition (diversity, independence, skill, effectiveness, etc), and the direction of your company's future efforts.

We have seen progress in board composition among Japanese companies over the past decade. Independent directors are now far more common, nomination and remuneration committees have become more widely established, and companies are giving greater attention to the overall composition of their boards. In our view, these developments have strengthened the foundations of corporate governance in Japan.

At the same time, as Japan's governance reform continues to evolve, we believe increasing attention should be paid to how boards function in practice. The more important question to us is whether boards are providing effective oversight of management, contributing to strategic decision-making, and supporting long-term shareholder value creation.

One of the challenges for investors is that this is much harder to assess. While board composition can be evaluated relatively easily, it is often less clear whether independent directors are genuinely both able and willing to challenge management, contribute meaningfully to board discussions, and hold executives accountable when necessary. Recent high-profile governance controversies in Japan have reinforced the importance of looking beyond board structure and understanding how boards actually operate in practice.

This is one reason why we continue to encourage greater access to independent directors, which remains relatively limited in Japan outside a group of leading companies. Direct engagement helps us better understand how directors think about strategy, risk, capital allocation, and their oversight responsibilities.

With respect to E and S, what is your focus in engagement and voting?

We review how companies manage environmental and social factors, alongside governance and business fundamentals. Our focus is on understanding how these issues may affect a company's long-term performance, risk profile, and ability to create sustainable value for shareholders.

During engagement, we focus on those issues that are most relevant to a company's circumstances. This may include topics such as climate risks, natural capital, human capital management, and emerging areas such as artificial intelligence. The common thread is whether the company has effective oversight, appropriate risk management, and sufficiently transparent disclosure.

When exercising voting rights, we generally assess environmental and social proposals on a case-by-case basis. We consider whether the issue is financially material, whether existing disclosure is sufficient, and whether the proposal is appropriately framed rather than overly prescriptive.

Ultimately, our focus is on understanding how companies identify, manage, and disclose material environmental and social risks and opportunities, and whether those practices support sustainable long-term shareholder value creation.

Activism is becoming increasingly prevalent in Japan. Is your view of activism changing? How do you make decisions on activist proposals?

While shareholder activism and shareholder proposals have become increasingly prominent in Japan in recent years, the rise of activism has not fundamentally changed our approach.

We do not generally support or oppose a proposal because it comes from an activist investor. Instead, we assess each proposal on its own merits and in the context of the company's specific circumstances. In doing so, we consider whether the issue is financially material, whether it addresses a genuine concern, whether the company has already responded credibly, and whether the proposal is appropriately framed rather than overly prescriptive.

As a long-term investor, we also consider whether a proposal is likely to contribute to sustainable long-term shareholder value creation. We recognize concerns that are sometimes raised about short-termism in certain activist campaigns, while also recognizing that activism has, in some cases, encouraged companies to scrutinize capital allocation, strengthen accountability, and improve communication with shareholders.

Ultimately, our assessment does not begin with the identity of the proponent. It begins with the quality of the proposal and whether it is likely to create sustainable long-term value for shareholders.

The Regulator Perspective



Mr Haruyuki Yamashita

Representative &
Deputy General Manager,
New York Representative Office

Tokyo Stock Exchange, Inc.

What feedback and reactions have you received from overseas institutional investors regarding the Tokyo Stock Exchange's ongoing market reforms, including its request for companies to implement management that is conscious of cost of capital and stock price? Looking ahead, what challenges or hurdles do you see in advancing these reforms, and what is your long-term vision for the Japanese market?

Since the TSE's request was issued in March 2023, many investors have noted positive shifts in corporate attitudes toward capital markets. In my own discussions with U.S. investors, I have increasingly heard comments such as, "Companies have become more proactive in engaging with investors," and "There is a growing understanding among companies of the common language shared with investors, including concepts such as capital efficiency and valuation." Approximately 90% of Prime Market-listed companies and around 50% of Standard Market-listed companies have already responded through disclosures relating to the request.

At the same time, some examples of disclosure still reveal a gap between what companies believe investors are seeking and what investors actually expect. As a result, we continue to hear calls from investors for further improvements in the quality and substance of these disclosures. We believe the market is now entering a new phase, one in which the focus is shifting from formal compliance to substantive implementation. To support this transition, we have published guidance materials, including 'Key Points and Examples Considering The Investor's Point of View'[2] and 'Case Studies of Companies' Initiatives Toward Issue Resolution.'[3] By highlighting disclosure practices that have been well received by investors, we aim to encourage listed companies to further enhance the quality and effectiveness of their efforts.

U.S. investors often ask us what the ultimate goal of these reforms is intended to be. Needless to say, corporate governance reform is not a one-off initiative with a clearly defined endpoint, but an ongoing process. We also do not believe that its progress should be assessed solely by reference to specific numerical targets. As a stock exchange, our role is to provide the infrastructure and framework for effective capital markets. Ultimately, our goal is to foster a market in which companies and investors engage in constructive dialogue and work together to enhance corporate value on a sustainable basis. Through these efforts, we hope to strengthen the long-term attractiveness and competitiveness of Japan's capital markets in the global competition for investment capital, and we intend to continue advancing these reforms with that objective in mind.

> "We hope to strengthen the long-term attractiveness of Japan's capital markets in the global competition for investment capital, and we intend to continue advancing these reforms with that objective in mind."

2 https://www.jpx.co.jp/english/equities/follow-up/uorii50000004sse-att/dh3otn000000lfxm.pdf
3 https://www.jpx.co.jp/english/equities/follow-up/b5b4pj000004yqcc-att/vk0khi000000lfm5.pdf

Looking back on the 2026 proxy season in North America, what were the most notable themes and developments? Are there any trends or events that may hold lessons for Japanese companies?

One of the most significant developments during the 2026 proxy season was a major shift in the approach taken by the U.S. Securities and Exchange Commission (SEC). Historically, when a company sought to exclude a shareholder proposal from its proxy materials, the SEC would review the basis for the exclusion request and issue a no-action letter expressing a non-binding view on whether it would recommend enforcement action. However, beginning with the 2025-2026 proxy season, the SEC changed its approach and, in many cases, ceased providing substantive views in such letters.

In effect, the SEC is no longer undertaking the same level of substantive assessment and generally does not challenge a company's decision regarding exclusion. In practical terms, this means that companies can no longer rely on the implicit regulatory endorsement that had previously accompanied the SEC review process. At first glance, this shift may appear to be favorable to issuers, as it seemingly gives companies greater discretion to determine whether shareholder proposals should be included. However, the reality is more nuanced. This is because the responsibility for making judgments – which had previously fallen under the SEC's coverage – has simply been transferred from the SEC to the company itself. As a result, companies must now give greater consideration to how they justify exclusion decisions to investors and, in some cases, to the potential litigation risks arising from those decisions. We have heard from market participants that this has, in certain respects, increased the burden on companies rather than reduced it.

Recent data suggest that companies have in fact adopted a more cautious approach toward proposal exclusions. Following the SEC's policy shift in November 2025, the number of no-action requests submitted to the SEC by companies fell to approximately 170 through 1 June 2026, compared with around 360 during the same period of the previous year. Rather than aggressively exercising greater discretion to exclude proposals, many companies appear to have taken a more conservative approach, opting to include proposals in their proxy materials in order to minimize potential litigation risk associated with exclusion decisions. Indeed, litigation risk has already begun to materialize in several cases. Investor groups led by organizations such as the New York City Pension Funds have filed a number of lawsuits challenging exclusion decisions, with at least six such cases reported in recent months.

As such, in the U.S., meeting federal regulatory requirements alone is not necessarily regarded as sufficient. Companies are expected to maintain an ongoing and proactive dialogue with the capital markets and demonstrate accountability through their own initiatives. U.S. investors generally regard this as a natural expectation and are prepared to make their views known through a variety of channels, ranging from routine engagement discussions to, when necessary, litigation.

For Japanese companies, this offers an important lesson when engaging with U.S. investors. Whether in the context of shareholder meeting preparations or during ordinary-course investor engagement, Japanese companies should recognize that many investors expect more than mere compliance with minimum regulatory requirements. Investors expect companies to demonstrate accountability through ongoing, constructive dialogue and to explain their decisions on their own initiative.

Activist investors continue to play an increasingly prominent role in Japan. Some view activism positively, arguing that it has contributed to higher share prices and improved corporate governance, while others express concerns about the potential downsides of short-term investment strategies and call for regulatory responses. How does the TSE assess the current state of shareholder activism in Japan? Does the TSE view this trend as a healthy source of market discipline and corporate value enhancement, or does it also recognize certain challenges and risks? Looking at the history of shareholder activism in the U.S. and other developed markets, what developments do you expect to see in Japan going forward?

The origins of modern shareholder activism in the U.S. are often traced to public pension funds such as CalPERS (California Public Employees' Retirement System). From the 1970s onward, institutional investors accumulated increasingly large portfolios as pension assets expanded, while the growing prevalence of index investing made it less practical to rely solely on the traditional 'Wall Street Rule' of selling shares when dissatisfied with management. Instead, investors found it necessary to address governance concerns at portfolio companies more directly. This trend accelerated during the 1980s, when anti-takeover measures such as poison pills and staggered boards became increasingly common. Public pension funds and other institutional investors responded by raising governance concerns through engagement with companies, shareholder proposals, and, in some cases, active voting on director elections and removals. It was in this environment that activist hedge funds began to emerge as a major force, seeking to influence corporate decision-making more directly through campaigns and proxy contests etc.

In Japan today, activist investors and certain engagement-oriented funds continue to play a prominent role as what are often described as 'vocal shareholders.' As public attention toward activism has grown, so too has debate regarding the merits and drawbacks of various activist approaches. While many asset owners in North America closely follow the activities of such funds, we also occasionally hear critical voices directed at Japanese institutional investors for being comparatively less assertive in addressing governance shortcomings at portfolio companies. In particular, some overseas investors question why domestic institutions are not more vocal in holding companies accountable when governance concerns arise.

As a stock exchange, we are not in a position to judge the superiority of one investment/engagement style over another. However, we do believe that companies should not dismiss shareholders simply because of differences in investment horizon or investment strategy. As long as they are shareholders, companies have a responsibility to engage with them and provide appropriate explanations. Some investors may prioritize near-term shareholder returns, while others may place greater emphasis on long-term growth and sustainable corporate value creation. We believe that the presence of shareholders with diverse perspectives helps bring discipline to corporate management across multiple time horizons, which is beneficial to corporate value.

In addition, it is the company that retains discretion over how to evaluate and respond to feedback obtained through dialogue with investors, including activists. Even when an investor's proposal differs from management's strategic direction, there is no need to blindly incorporate the details of the discussion into management decisions. What matters is that companies clearly articulate their vision, long-term growth strategy and equity story, while building investor understanding of their capital allocation policies and strategic priorities.

"We believe that the presence of shareholders with diverse perspectives helps bring discipline to corporate management across multiple time horizons, which is beneficial to corporate value."

In your view, what actions are most important for Japanese companies seeking to attract long-term investor support and remain attractive investment opportunities, particularly with respect to engagement with shareholders and institutional investors? In addition, following the July revision of Japan's Corporate Governance Code, what changes do you hope to see among listed companies, and what message would you like to share with corporate leaders?

Constructive dialogue with shareholders and institutional investors remains one of the most important responsibilities for listed companies. The revised Corporate Governance Code underscores this point by elevating the relevant provisions to General Principle 1. Fostering effective dialogue continues to be one of the most important expectations for companies. In this regard, how companies view engagement is critically important. Investor dialogue should not be seen merely as an obligation to fulfill accountability to providers of capital. Rather, companies should seek to utilize engagement as an opportunity for collaboration aimed at enhancing corporate value and advancing their long-term vision. Companies that successfully communicate this perspective are more likely to attract investors who share and support their strategic objectives.

The revised Code also emphasizes that companies should not rely solely on short-term measures such as shareholder returns. Instead, it places greater emphasis on sustainable corporate value creation over the medium to long term, particularly through growth investment. This reflects the concept of 'growth-oriented governance' that has been a central objective of Japan's corporate governance reforms since the Code was first introduced in 2015. In recent years, the importance of this has continued to grow amid a rapidly changing business environment driven by developments such as the return of inflation and the rise of AI.

Of course, some investors may prioritize near-term shareholder returns, and companies pursuing long-term growth initiatives may at times feel constrained by such demands. On the other hand, if a company has consistently communicated its vision and strategic direction to investors, and has earned the support of long-term shareholders, those investors can become valuable allies, even in times of challenge or crisis. Over time, such engagement can also help shape a shareholder base that is aligned with the company's preferred time horizon and management approach.

Finally, the revised Code deliberately returns to its original principles-based approach. The intent is to encourage each company to develop and pursue value-enhancement initiatives in a manner that reflects their own circumstances. Companies should not approach the Code as a checklist exercise focused solely on whether individual provisions are formally complied with. Rather than taking a checkbox-style approach to determining whether they comply with the Code, companies are expected to revisit the intent of each principle, discuss at the board level what is necessary to achieve the vision they aspire to, and then steadily fulfill their accountability to investors in their own words.

The progress achieved in transforming Japan's capital markets over the past decade has been highly regarded by both domestic and international investors. To ensure that Japan remains a market of global significance and continues to attract international investment, we sincerely ask for the continued understanding and cooperation of listed companies in advancing corporate governance reform.

2026 AGM Season Reviews – other jurisdictions

In addition to working with JSS to prepare this Japanese AGM Season Review, every year Georgeson also prepares AGM reviews covering a number of other jurisdictions. These include the US, Europe (one report covering nine countries including the UK), Hong Kong and Australia.

These reports form a useful source of comparative information for companies, their investors and asset owners on how other share markets and their participants behave, particularly around investor engagement and the AGM season, but also with regard to trends in corporate governance development and regulation. Many of the same topics – executive remuneration, director elections, contested elections, activist campaigns and regulatory change – are covered in each report, enabling voting outcomes in each jurisdiction to be compared, global trends observed and potential future developments identified.

Links to some of the 2026 reports (2025 for Australia) are available here:



Europe 2026 AGM Season Review



United States 2026 AGM Season Review



Australian AGM Season Review (2025)



Hong Kong 2026 AGM season review

About us

About Georgeson

Established in 1935, Georgeson is the world's original and foremost provider of strategic services to corporations and investors working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our core proxy expertise is enhanced with and complemented by our strategic consulting services, including solicitation strategy, investor identification, corporate governance analysis, vote projections and insight into investor ownership and voting profiles. Our local presence and global footprint allow us to analyse and mitigate operational risk associated with various corporate actions worldwide. For more information, visit www.georgeson.com

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About JSS

Japan Shareholder Services Ltd. (JSS) was established in autumn 2005 as a joint venture between Mitsubishi UFJ Trust and Banking Corporation, the largest stock transfer agent in Japan, and Computershare Limited (Australia), the world's largest transfer agent with operations expanding around the globe. JSS supports hundreds of Japanese companies' Shareholder/Investor Relations activities with its expertise and knowledge in Capital Markets and Corporate Governance. Our aim is to help building "Win-Win Relationship" between institutional investors and Japanese companies over the long-term. For more information, visit www.jss-ltd.jp

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