

Appointment of Independent Directors  
by TSE-Listed Companies  
[Final Figures]

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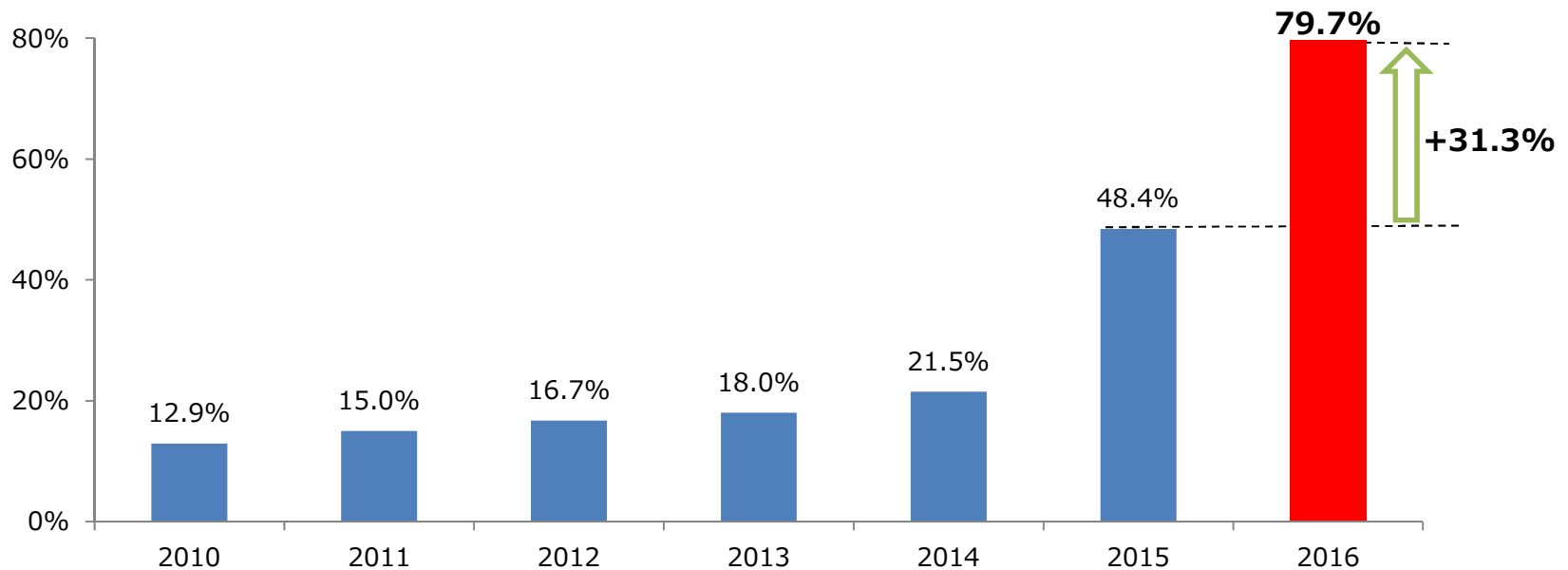
Tokyo Stock Exchange, Inc.  
July 27, 2016



# Appointment of two or more Independent Directors

- 79.7% of the 1st Section Companies appoint two or more independent directors.

[Ratio of 1<sup>st</sup> Section Companies with two or more Independent Directors]



\* Figures for years prior to 2016 are based on corporate governance reports. The figures for 2016 are based on corporate governance reports submitted by listed companies as of July 14, 2016.

What is an "Independent Director"?

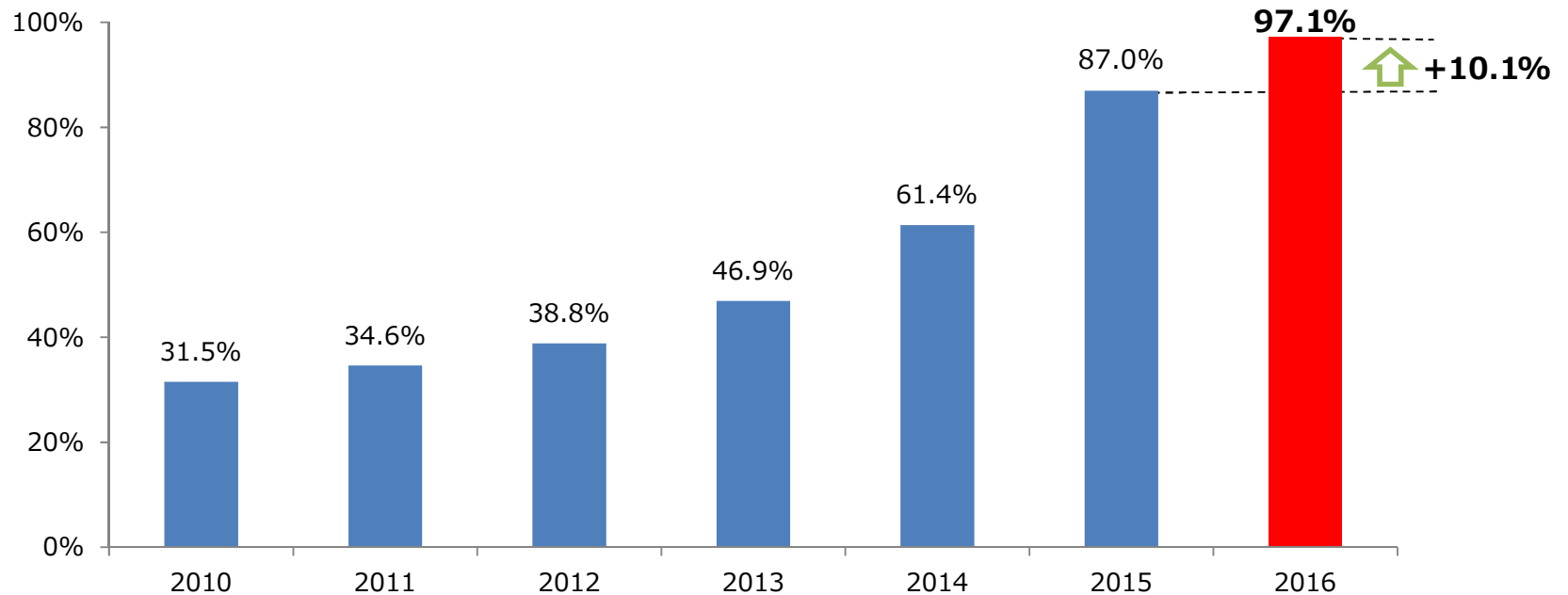
An outside director that is designated as an independent director under the TSE listing rules. To protect the interests of general shareholders, TSE requires listed companies to file highly independent outside directors/auditors as independent directors/auditors.



# Appointment of Independent Directors

- 97.1% of the 1st Section Companies appoint independent directors.

[Ratio of 1<sup>st</sup> Section Companies with Independent Directors]



\* Figures for years prior to 2016 are based on corporate governance reports. The figures for 2016 are based on corporate governance reports submitted by listed companies as of July 14, 2016.



(Table)

## Appointment of Independent/Outside Directors

	Number of Companies	Companies with two or more Independent Directors		Companies with Independent Directors		Companies with Outside Directors	
		Number	Ratio	Number	Ratio	Number	Ratio
1 <sup>st</sup> Section	1,966	1,566 (+653)	79.7% (+31.3%)	1,909 (+268)	97.1% (+10.1%)	1,943 (+164)	98.8% (+4.5%)
2 <sup>nd</sup> Section	536	300 (+192)	56.0% (+36.4%)	489 (+123)	91.2% (+24.8%)	526 (+50)	98.1% (+11.7%)
Mothers	234	70 (+43)	29.9% (+17.2%)	187 (+61)	79.9% (+20.5%)	218 (+47)	93.2% (+12.5%)
JASDAQ	771	183 (+98)	23.7% (+13.4%)	533 (+116)	69.1% (+18.5%)	671 (+63)	87.0% (+13.2%)
<b>Total</b>	3,507	2,119 (+986)	60.4% (+27.8%)	3,118 (+568)	88.9% (+15.5%)	3,358 (+324)	95.8% (+8.4%)
JPX-Nikkei Index 400	400	361 (+71)	90.3% (+17.6%)	394 (+21)	98.5% (+5.0%)	397 (+9)	99.3% (+2.1%)

\* Change from previous year indicated in parentheses.



# (Table) Number of Outside/Independent Directors per Company

	Number of Companies	Directors		Independent Directors						Outside Directors						
		Average	Average	None	1 person	2 persons	3 or more persons	1/3 or more	1/2 or more	Average	None	1 person	2 persons	3 or more persons	1/3 or more	1/2 or more
1st Section	1,966	9.29	2.22	57 2.9%	343 17.4%	1,072 54.5%	494 25.1%	446 22.7%	90 4.6%	2.43	23 1.2%	273 13.9%	978 49.7%	692 35.2%	589 30.0%	131 6.7%
2nd Section	536	7.72	1.73	47 8.8%	189 35.3%	252 47.0%	48 9.0%	96 17.9%	11 2.1%	1.95	10 1.9%	157 29.3%	271 50.6%	98 18.3%	155 28.9%	29 5.4%
Mothers	234	5.85	1.51	47 20.1%	117 50.0%	52 22.2%	18 7.7%	54 23.1%	13 5.6%	1.82	16 6.8%	110 47.0%	61 26.1%	47 20.1%	93 39.7%	35 15.0%
JASDAQ	771	6.73	1.46	238 30.9%	350 45.4%	138 17.9%	45 5.8%	84 10.9%	19 2.5%	1.65	100 13.0%	384 49.8%	187 24.3%	100 13.0%	157 20.4%	45 5.8%
<b>Total</b>	3,507	8.26	1.97	389 11.1%	999 28.5%	1,514 43.2%	605 17.3%	680 19.4%	133 3.8%	2.16	149 4.2%	924 26.3%	1,497 42.7%	937 26.7%	994 28.3%	240 6.8%
JPX-Nikkei 400	400	10.74	2.73	6 1.5%	33 8.3%	183 45.8%	178 44.5%	115 28.8%	30 7.5%	2.95	3 0.8%	24 6.0%	163 40.8%	210 52.5%	139 34.8%	35 8.8%

\* Average numbers are averages for companies that appoint independent directors and those that appoint outside directors.

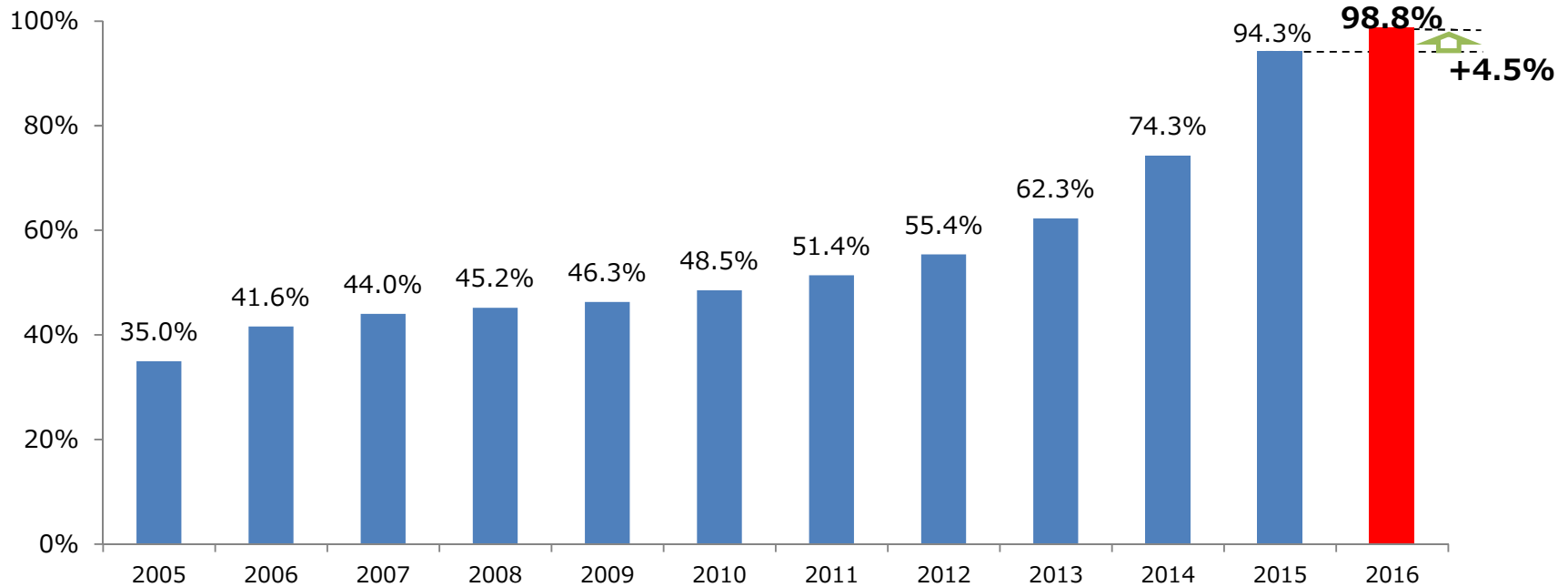
\* Percentages in lower rows are the ratios to the number of companies in each section.



# (Reference) Appointment of Outside Directors

- 98.8% of the 1<sup>st</sup> Section Companies appoint outside directors.

[Ratio of 1<sup>st</sup> Section Companies with Outside Directors]



\* Figures for years prior to 2016 are based on (i) corporate governance reports and (ii) research on corporate governance of the listed companies conducted by Japan Association of Corporate Directors. The figures for 2016 are based on corporate governance reports submitted by listed companies as of July 14, 2016.



## Notes on Figures

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- Figures for 2016 are based on corporate governance reports of listed companies as of July 14, 2016.
- Figures for 2015, used to indicate changes from the previous year, are based on the corporate governance reports of listed companies as of July 14, 2015.