

# **Diversity 2.0**

**~New concept toward  
companies' sustainable growth~**

**May 2017**

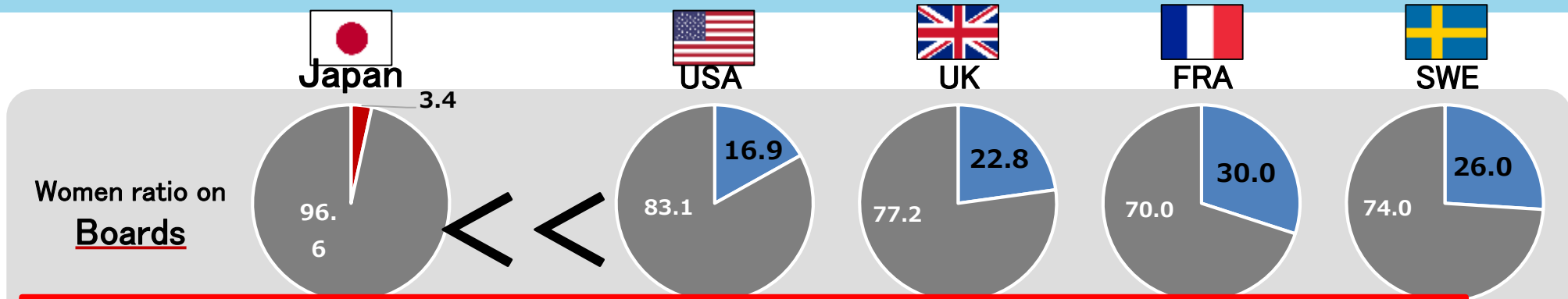
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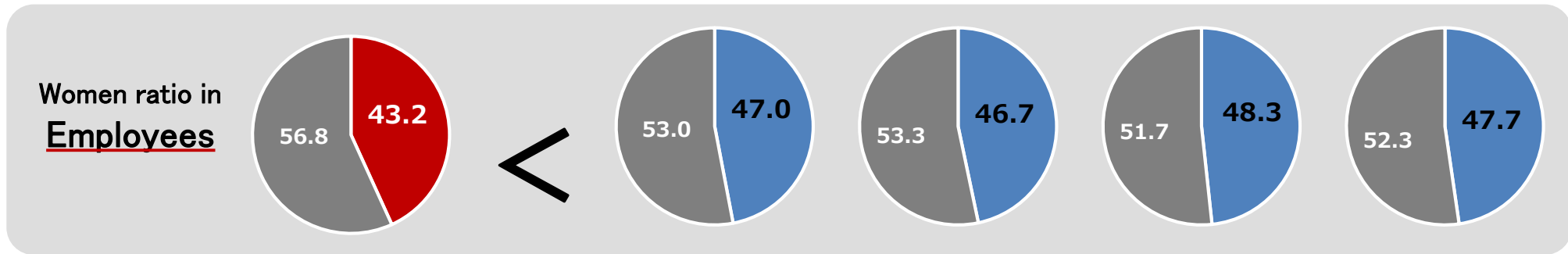
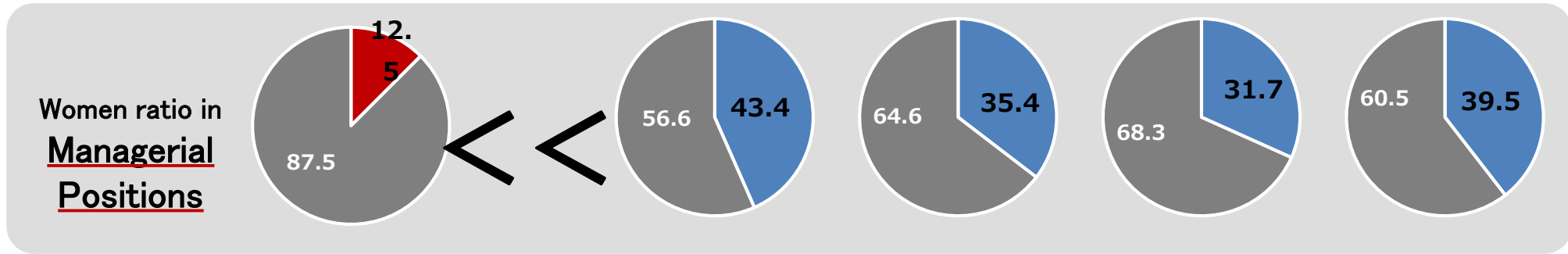
# **Background & Objective**

# International comparison of women participation

- In Japan, the participation ratios of women on boards and in managerial positions are **significantly lower** than in many peer countries.



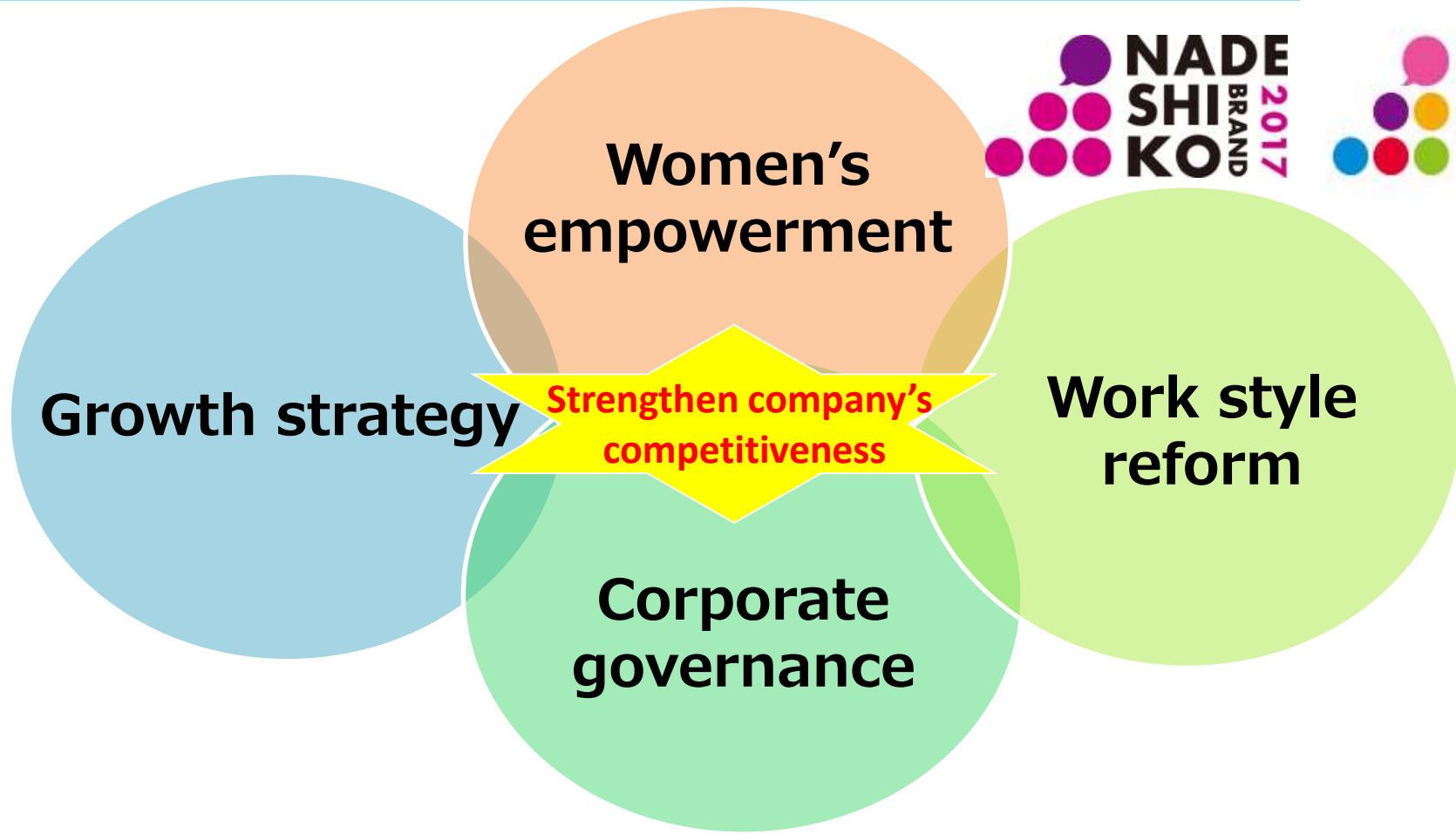
**Cf. ) Women ratio on Boards in Asia Pacific region : 12.4%** (resource: Financial Times)



1. "Administrative workers" and "workers" were based on the "White paper on gender equality in the Heisei 2016th edition". Japan, UK, FRA, and SWE are the values of 2015. USA is the value of 2014.  
 2. Regarding "Executives", Japan was based on Toyo Keizai Shimbun "Official Quarterly Report" (2017 edition), the value in July of 2016. Other countries are based on the international non-profit organization "International Female Managing Executive Association (CWDI)" "Comparative Percentages of Women Directors", created in January 2015.

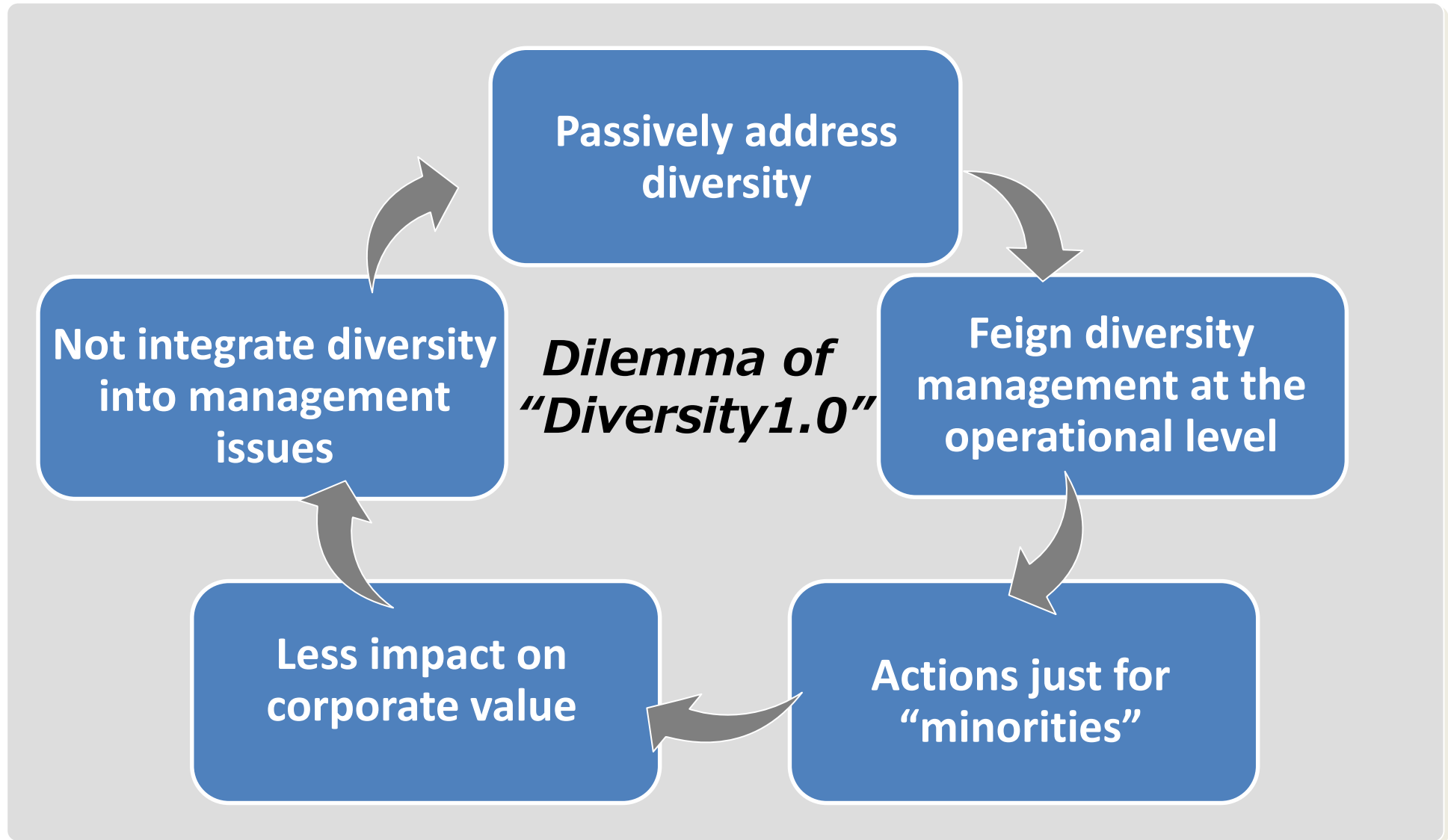
# Promotion of women's empowerment as an economic policy

- The Abe administration has positioned **the promotion of women's empowerment as a core economic policy**.
- Our goal is enhancing corporate value through women's empowerment, together with other management reform.



# Dilemma of “Diversity 1.0”

- Although the concept of diversity has been in general, significant challenges remain.



# Why Diversity ?

- Traditional management in Japan has been upheld by homogeneous workforce in prioritizing consensus building.
- **Diversity has become a key strategy for top management** in order to address various changes surrounding companies.

## External environmental changes

**Intensified  
global competition**

**Accelerated change  
of industrial structure**

**Declining birthrate**

**Management reform toward a more inclusive, diverse,  
and competitive human resource strategy**

**Gender**

**Nationalities**

**Generation**

**Skill**

**Career**

**What is “Diversity 2.0” ?**

# Diversity2.0

**“A company-wide and consistent management action which aims to continuously create added values, by maximally leveraging the diverse attributes and skills of each individual”**

## Key Points of Diversity 2.0

- Point 1 **Mid-to long-term/continuous implementation, and management’s commitment**
- Point 2 **Company-wide implementation, and interaction with various corporate management actions**
- Point 3 **Relations with key external stakeholders who encourage management transformation (via dialogue, disclosure, etc.)**
- Point 4 **Acquiring various attributes of nationalities, ages, and careers as well as promoting empowerment of women**



**“Diversity 2.0 Action Guideline”**  
**~Seven Key Actions for Practice~ ①**

**[1] Integrate Diversity into Corporate strategies**

**[2] Elaborate Promotion Structure**

**[3] Activate Corporate Governance**

**[4] Improve Company-wide Rules & Systems**

**[5] Change Managers’ Actions & Mentalities**

**[6] Change Staff’s Actions & Mentalities**

**[7] Disclosure & Dialogue with the Labor/Capital Markets**

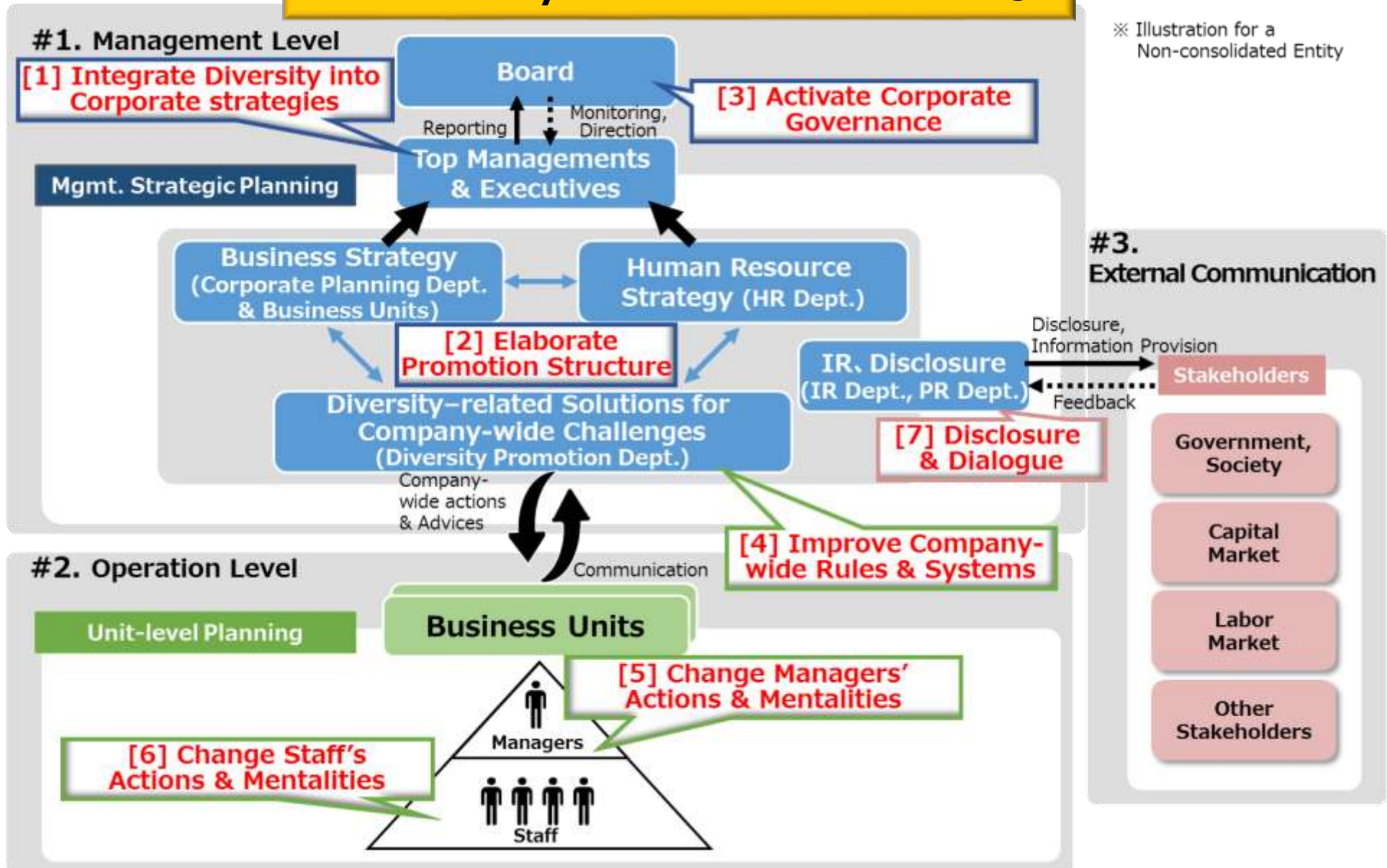
For more information, please access the following website.

[http://www.meti.go.jp/english/press/2017/pdf/0323\\_002a.pdf](http://www.meti.go.jp/english/press/2017/pdf/0323_002a.pdf)

# “Diversity 2.0 Action Guideline”

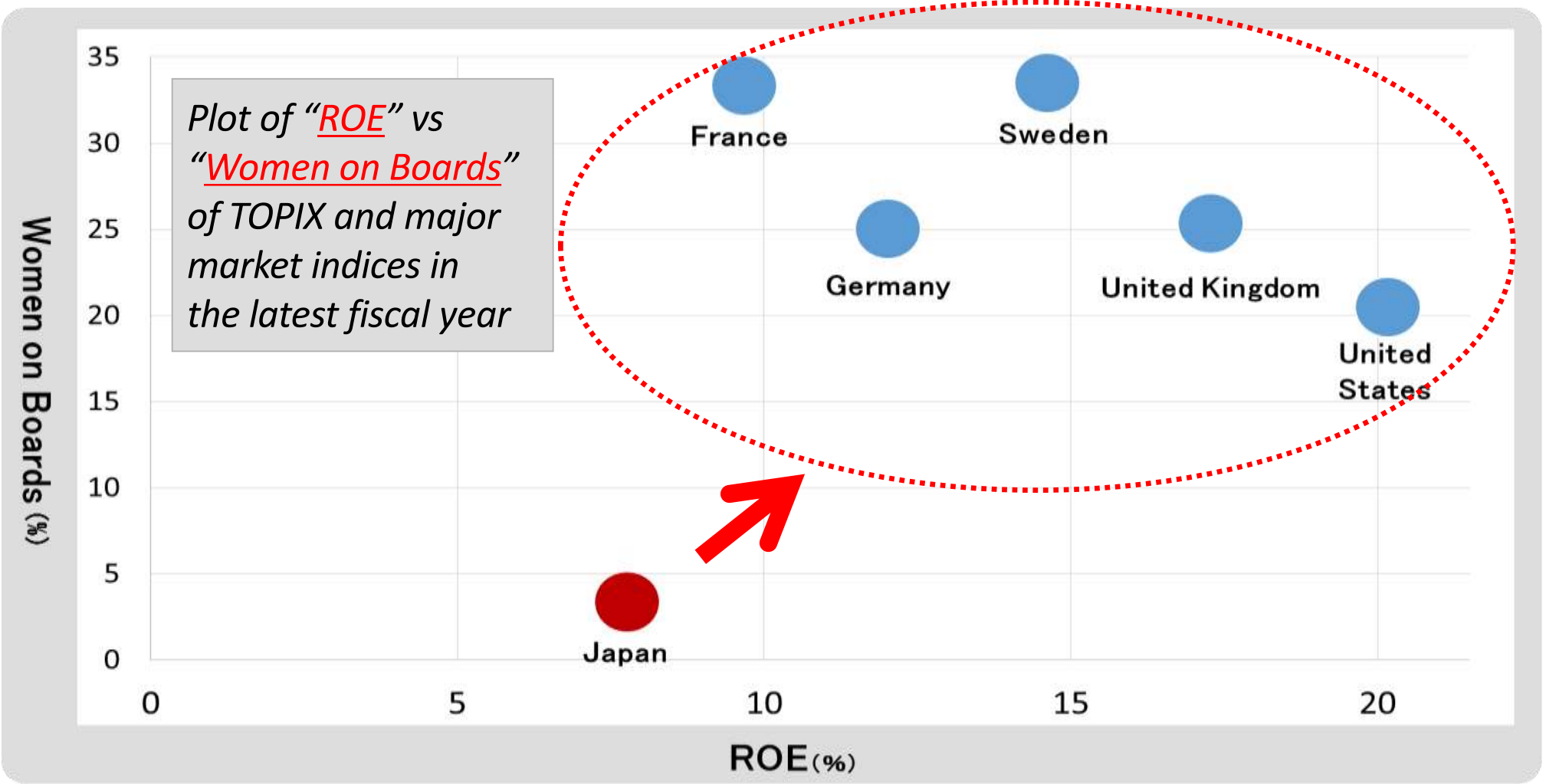
## ~Seven Key Actions for Practice~ ②

※ Illustration for a Non-consolidated Entity



# What is the aimed “Diversity 2.0” ?

- Companies pursue both goals : enhancing diversity & earning power



Note: Bloomberg (as of March 7<sup>th</sup>, 2017)  
The figures of ROE (horizontal) and Women on Boards (vertical) are the means of entity group by selected index. Top 2 ROE entities and bottom 2 ROE entities by index are filtered out as outliers.

## (Reference)

# List of the Members of the Study Group for Ideal Approaches to Diversity Management (Diversity 2.0) as a Competitive Strategy

### Chair

- **Tetsuo Kitagawa**, Professor of Finance and Corporate Governance,  
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- **Akira Matsumoto**, Chairman of the Board and CEO, Calbee, Inc.
- **Yosuke Yagi**, Executive Officer and Executive Vice President, LIXIL Group Corporation (by 21<sup>st</sup> September 2016 )

### Observer

Japan Association of Corporate Executives  
Japan Business Federation  
Japan Exchange Group, Inc. (JPX)