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Title	<i>Foreign chambers urge Japan to boost governance</i>

A group of foreign chambers of commerce in Japan on Thursday called for authorities to improve corporate governance, as a scandal continues to engulf camera maker Olympus over its business dealings.

The chambers of the United States, Europe, Canada, Australia and New Zealand urged officials to push for independent outside directors in any amendments to company law, which are being discussed in order to reduce risks posed by "insider-dominated" firms, they said.

Japanese listed firms "significantly lag those of other leading economies in the use of independent outside directors," leading to reduced confidence among foreign investors, the chambers said in a statement.

They urged the Japanese government "to adopt meaningful and progressive amendments that will restore foreign confidence in Japanese corporate governance," and help boost investment in Japan, it added.

The call came as Olympus has been mired in controversy over fee payments made in a series of deals that triggered a pair of leadership changes in less than two weeks.

The company's shares have lost nearly 50 percent of their value since the ousting of its British chief executive and president on October 14, who said he was fired after he raised questions about payments made in a series of deals.

His replacement, company veteran Tsuyoshi Kikukawa, who oversaw the questioned deals, resigned on Wednesday as the company looked to arrest the decline of its stock price amid concerns from investors and customers.

The chambers said that Japanese-listed companies were "out-of-step with global governance standards."

With stronger governance, the fiasco over Olympus "would not be occurring the same way as badly," said Nicholas Benes, a governor of the American Chamber of Commerce in Japan.

"They are scrambling to get a special committee of outsiders" to investigate a series of deals made between 2006 and 2008 that are currently under scrutiny due to the size of payments involved.

"Why? Because they don't have anyone on the board right now who can fill that role," Benes told a news conference.

"And they cannot in one decision simply turn over the matter to a group of independent outsiders that are credible in front of the market...not an easy thing to do in the next few weeks," Benes said.

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