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## Glass Lewis Releases Revised Policy Guidelines

- ✓ Tightening of the gender diversity criteria and the tenure criteria for outside directors

Proxy advisory firm Glass Lewis released the 2026 revised Benchmark Policy Guidelines.

In this revision, the primary changes concern the following criteria. Please note that the content previously disclosed in the 2025 revision is included.

### ① Criteria regarding gender diversity

Starting from shareholder meetings held in January 2026, companies listed on the Prime Market are required to appoint directors of diverse genders to account for at least 20% of the board.

In addition, for companies listed on markets other than the Prime Market, the appointment of at least one director of a diverse gender is required, regardless of the board's composition. Before the revision, the requirement had been to appoint at least one officer (including directors, audit & supervisory board members, and executive officers in companies with nominating committees). Under the revised guidelines, however, the scope has been narrowed to directors only.

### ② Criteria regarding the tenure of outside directors and outside audit & supervisory board members

Starting from shareholder meetings held in January 2026, any individual who has continuously served as an outside director or an outside audit & supervisory board member for 12 years or more will be deemed non-independent. The periods served as a director and an audit & supervisory board member are to be counted in aggregate if the position changed during the tenure.

In the previous revision, a new standard was introduced in which if all outside directors or all outside audit & supervisory board member had served for 12 consecutive years or more, Glass Lewis may recommend voting against the chair of the board of directors of companies with an audit & supervisory board or audit and supervisory committee, or the chair of the nominating committee of companies with a nominating committee. In the latest revision, a new standard regarding the tenure of each individual board member has been established.

For further details, please refer to the URLs below:

(Downloading the file requires registration of certain information.)

- GLASS LEWIS 2026 Benchmark Policy Guidelines – Japan  
[https://www.glasslewis.com/policy-guidelines?\\*=-japan](https://www.glasslewis.com/policy-guidelines?*=-japan)



## Sumitomo Mitsui DS Asset Management Revises Criteria for Determining the Exercise of Voting Rights

- ✓ Tightening of the criteria regarding cross-shareholdings and expansion of the scope of companies subject to the criteria regarding female directors.

On January 5, 2026, Sumitomo Mitsui DS Asset Management released its revised criteria for determining the exercise of voting rights as well as an overview of the changes made in this latest revision.

In this revision, the primary changes concern the following criteria.

- ① Criteria regarding cross-shareholdings
 

The ratio of cross-shareholdings (listed shares only) to net assets has been tightened from 20% to 15%. In principle, if a company owns cross-shareholdings of approximately 15% or more, the firm will vote against the reappointment of the representative director.

In addition, it should be noted that under the previous revision in 2025, if the reduction of cross-shareholdings is deemed not to be substantive, any shares reclassified as “pure investment” will be considered cross-shareholdings in the proxy voting decisions.

Furthermore, from the standpoint of ultimately encouraging companies to diminish their cross-shareholdings to zero, the firm has stated its policy of lowering the threshold to below 10% by fiscal year 2030.
- ② Criteria regarding female directors
 

The criterion requiring at least 10% of the board members to be female will now be applied to all listed companies. Previously, this criterion only applied to companies listed on the Prime Market, but the scope has been expanded under the latest revision.

Furthermore, regarding its policy going forward, the firm plans to raise this threshold to 20% or more for Prime Market-listed companies beginning January 2027.
- ③ Criteria regarding board composition
 

Regarding companies with a nomination committee that are listed on the Prime Market (excluding subsidiaries in parent-subsidary listings and companies with a major shareholder owning one-third or more of their voting rights), the required ratio of independent outside directors on the board has been raised from one-third to a majority.

For Prime Market-listed companies that are either subsidiaries in a parent-subsidary listing or have a major shareholder owning one-third or more of their voting rights, regardless of governance structure, a majority of independent outside directors has already been required prior to this revision.
- ④ Criteria regarding business performance
 

The criterion for voting against the reappointment of directors when there is a net loss for two consecutive fiscal years has been abolished. The reason for abolishment is to consolidate the criterion into the criterion regarding ROE, with which largely overlapped in terms of the subject of opposition.

For further details, please refer to the URLs below:

- Criteria for Determining the Exercise of Voting Rights—Overview of the January 2026 Revisions and Explanations Regarding Each Criterion (January 5, 2026)  
[https://www.smd-am.co.jp/corporate/responsible\\_investment/voting/guideline/pdf/Overview\\_Criteria\\_for\\_Determining\\_the\\_Exercise\\_of\\_Voting\\_Rights\\_20260105.pdf](https://www.smd-am.co.jp/corporate/responsible_investment/voting/guideline/pdf/Overview_Criteria_for_Determining_the_Exercise_of_Voting_Rights_20260105.pdf) (in Japanese only)
- Criteria for Determining the Exercise of Voting Rights (January 5, 2026)  
[https://www.smd-am.co.jp/english/corporate/responsible\\_investment/voting/guideline/pdf/Criteria\\_for\\_Determining\\_the\\_Exercise\\_of\\_Voting\\_Rights\\_20260105\\_en.pdf](https://www.smd-am.co.jp/english/corporate/responsible_investment/voting/guideline/pdf/Criteria_for_Determining_the_Exercise_of_Voting_Rights_20260105_en.pdf) (English)