

Japan Proxy Season Review

June 2021 AGM

October 2021

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## June 2021 Shareholder Meeting Overview

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# Summary of June 2021 Proxy Season

- Second proxy season with COVID-19. Resolutions amending articles of association to allow virtual only shareholder meetings drew attention.
- No major changes in institutional investor guidelines.

Resolution	June 2021							
	No of Companies (#)	YoY	No of Resolutions (#)	YoY	No of Candidates (#)	YoY	Average Approval Rate (%)	YoY
Appropriation of Surplus	941	▲ 21	941	▲ 21			98.63	▲ 0.17
Amendments to Articles of Association	292	36	301	39		1	97.75	▲ 0.45
Election of Directors (All)	1,430	64			12,012	463	95.67	0.19
Internal Directors	1,413	68		2	7,662	16	95.82	0.22
External Directors	1,349	84			4,350	447	95.42	0.16
Election of Statutory Auditors (Kansayaku) (including substitutes)	648	▲ 104			1,165	▲ 505	95.57	0.63
Internal Statutory Auditors (Kansayaku)	345	▲ 96			386	▲ 160	97.37	0.02
External Statutory Auditors (Kansayaku)	537	▲ 125			779	▲ 345	94.68	0.90
Determination/Change of Amount of Remuneration	154	26	224	42			98.54	0.16
Introduction/change of Performance Linked Bonus Structure	254	79	264	85			95.81	0.22
Issue of Stock Options	92	50	101	56			94.29	0.64
Director Bonus	79	▲ 23	80	▲ 23			95.33	▲ 0.37
Payment of Director Retirement Bonus	62	▲ 25	67	▲ 26		4	82.10	▲ 2.75
Takeover Defense	42	▲ 24	43	▲ 23			73.15	0.07
Shareholder Proposal	35	▲ 2	162	▲ 19		5	13.58	1.27

- 1 Increase in negative votes against virtual only shareholder meetings (mainly foreign investors).
- 2 Continued increase in number (and composition) of external directors. Impact of Corporate Governance Code and institutional investor guidelines.
- 3 Fewer negative votes due to lack of independence. Trend of submission of candidates with no independence issues continues.
- 4 A number of institutional investors have tightened their guidelines.
- 5 Higher approval rate due to a number of resolutions with high approval rates.

※TSE 1<sup>st</sup> Section companies which held shareholder meeting in June 2021 (1,479 companies). Summarized resolutions and officially announced approval rates. Number of shareholder resolutions based on sub-resolutions.

# Resolutions with Low Approval Rates Top 60 (Management Resolutions) 1

- Management resolutions failed to pass at TENMA and Toshiba.
- Activist investors were involved at both these companies and at many others with resolutions with low approval rates.

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Low Approval Rate Ranking	Security Code	Company	Resolution	Official Approval Rate (%)	ROE (%)	Dividend Payout Ratio (%)	Equity Ratio (%)	Proportion of Foreign Investors (%)	Market Cap (100 million yen)
1	7958	TENMA	Election of director (member of Audit Committee)	24.69	4.1	63	78.9	25.7	597
2	7958	TENMA	Election of director (member of Audit Committee)	24.75	4.1	63	78.9	25.7	597
3	7958	TENMA	Election of director (member of Audit Committee)	24.93	4.1	63	78.9	25.7	597
4	6502	Toshiba	Election of director	25.32	10.8	31.8	33.3	50.4	17,027
5	6502	Toshiba	Election of director	43.74	10.8	31.8	33.3	50.4	17,027
6	6815	Uniden Holdings	Election of director	50.52	12.1	33.7	67.3	33.6	163
7	9308	Inui Global Logistics	Introduction of takeover defense plan (rights plan)	54.65	-6.4	0	34.3	7.6	277
8	6815	Uniden Holdings	Election of director	55.10	12.1	33.7	67.3	33.6	163
9	3291	Iida Group Holdings	Election of director	55.39	10.1	25.6	58.2	24.1	7,879
10	6502	Toshiba	Election of director	56.31	10.8	31.8	33.3	50.4	17,027
11	6236	NC Holdings	Election of director	56.80	12.2	9.2	58.8	1.0	45
12	6706	DKK Co	Amendment or renewal of takeover defense plan	56.83	2.5	46.8	75.2	22.8	383
13	6236	NC Holdings	Election of director (member of Audit Committee)	56.90	12.2	9.2	58.8	1.0	45
14	6236	NC Holdings	Election of director	57.00	12.2	9.2	58.8	1.0	45
15	6236	NC Holdings	Election of director	57.00	12.2	9.2	58.8	1.0	45
16	6236	NC Holdings	Election of director	57.00	12.2	9.2	58.8	1.0	45
17	6236	NC Holdings	Election of director	57.00	12.2	9.2	58.8	1.0	45
18	6236	NC Holdings	Election of director	57.00	12.2	9.2	58.8	1.0	45
19	6236	NC Holdings	Election of director	57.00	12.2	9.2	58.8	1.0	45
20	4047	Kanto Denka Kogyo	Amendment or renewal of takeover defense plan	57.10	7.4	22.3	55.2	21.4	515
21	7416	Haruyama Holdings	Election of director	57.55	-14.3	0	54.6	3.3	112
22	9308	Inui Global Logistics	Election of director	58.12	-6.4	0	34.3	7.6	277
23	9308	Inui Global Logistics	Election of director	58.28	-6.4	0	34.3	7.6	277
24	2531	Takara Holdings	Election of statutory auditor (kansayaku)	58.64	6.9	39.3	51.1	11.4	3,009
25	9308	Inui Global Logistics	Election of director	58.92	-6.4	0	34.3	7.6	277
26	9308	Inui Global Logistics	Election of director	58.93	-6.4	0	34.3	7.6	277
27	6924	Iwasaki Electric	Election of statutory auditor (kansayaku)	59.25	6.8	14.9	46.8	12.6	122
28	3360	Ship Healthcare Holdings	Election of statutory auditor (kansayaku)	59.70	11.5	30.8	33.3	30.6	3,162
29	2815	Ariake Japan	Director retirement bonus	60.39	7.6	33.7	87.9	26.0	2,201
30	7294	Yorozu Corporation	Amendment or renewal of takeover defense plan	60.75	-11.0	0	39.6	20.2	334

※ At TENMA, the Board of Directors and the Audit & Supervisory Committee were in opposition. The failed resolutions were from the Audit & Supervisory Committee (the Board of Directors recommended voting against)

# Resolutions with Low Approval Rates Top 60 (Management Resolutions) 2

Low Approval Rate Ranking	Security Code	Company	Resolution	Official Approval Rate (%)	ROE (%)	Dividend Payout Ratio (%)	Equity Ratio (%)	Proportion of Foreign Investors (%)	Market Cap (100 million yen)
31	3880	Daio Paper	Amendment to Articles of Association (Addition/Removal of business objective, dividend payout by resolution of Board of Directors)	60.88	10.1	12.3	28.2	10.8	3,210
32	9001	Tobu Railway	Amendment or renewal of takeover defense plan	61.27	-5.5	0	26.4	19.7	6,244
33	2002	Nishin Seifun Group	Amendment or renewal of takeover defense plan	61.98	4.6	57.9	63.0	14.1	5,631
34	6480	Nippon Thompson	Amendment or renewal of takeover defense plan	62.17	0.4	264.9	58.7	17.7	487
35	1976	Mesei Industrial	Amendment or renewal of takeover defense plan	62.70	8.8	33.4	78.4	19.0	460
36	6590	Shibaura Mechatronics	Election of statutory auditor (kansayaku)	62.70	9.5	24.7	37.5	15.3	288
37	9715	transcosmos	Amendment or renewal of takeover defense plan	63.32	12.5	38.5	48.8	20.9	1,457
38	9308	Inui Global Logistics	Appropriation of surplus	63.39	-6.4	0	34.3	7.6	277
39	7416	Haruyama Holdings	Election of director	63.41	-14.3	0	54.6	3.3	112
40	7416	Haruyama Holdings	Election of director	63.44	-14.3	0	54.6	3.3	112
41	7416	Haruyama Holdings	Election of substitute statutory auditor (kansayaku)	63.47	-14.3	0	54.6	3.3	112
42	6771	Ikegami Tsushinki	Amendment or renewal of takeover defense plan	63.48	3.3	21.6	53.9	3.1	65
43	8919	Katitas	Final payment of retirement bonus with abolishment of same	63.48	29.3	30.5	50.6	35.4	2,430
44	6815	Uniden Holdings	Election of director	63.48	12.1	33.7	67.3	33.6	163
45	7416	Haruyama Holdings	Election of director	63.51	-14.3	0	54.6	3.3	112
46	9308	Inui Global Logistics	Election of director	63.52	-6.4	0	34.3	7.6	277
47	9308	Inui Global Logistics	Amendment to Articles of Association (executive officer (shikkoyakuin))	63.54	-6.4	0	34.3	7.6	277
48	9308	Inui Global Logistics	Election of statutory auditor (kansayaku)	63.55	-6.4	0	34.3	7.6	277
49	2270	Megmilk Snow Brand	Amendment or renewal of takeover defense plan	64.32	8.1	18.1	49.0	17.2	1,591
50	7416	Haruyama Holdings	Election of statutory auditor (kansayaku)	64.34	-14.3	0	54.6	3.3	112
51	6701	NEC Corporation	Election of director	64.67	13.5	16.2	35.7	39.7	17,790
52	3844	Comture	Election of substitute kansayaku	65.36	17.7	47.4	74.9	35.7	861
53	5186	Nitta	Election of substitute statutory auditor (kansayaku)	65.70	4.4	42.5	80.2	19.7	797
54	5009	Fuji Kosan	Trigger of takeover defense plan, other takeover defense plan	66.08	6.5	0	55.5	28.8	107
55	5009	Fuji Kosan	Trigger of takeover defense plan, other takeover defense plan	66.18	6.5	0	55.5	28.8	107
56	6502	Toshiba	Election of director	66.26	10.8	31.8	33.3	50.4	17,027
57	4212	Sekisui Jushi	Election of statutory auditor (kansayaku)	66.30	7.3	32.2	77.4	23.2	992
58	1959	Kyudenko	Election of statutory auditor (kansayaku)	66.63	12.1	28.3	60.0	22.0	2,998
59	5410	Godo Steel	Election of statutory auditor (kansayaku)	66.91	5.1	27.9	47.6	15.2	373
60	4298	Proto Corporation	Retirement bonus to kansayaku	66.95	14.3	20.7	72.7	27.7	491

# Shareholder Resolutions with High Approval Rates Top 30

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Approval Rate Ranking	Security Code	Company	Resolution from Fund	Electric Power Company	Resolution	Official Approval Rate (%)	Pass/Fail	Proportion of Foreign Investors (%)	Market Cap (100 million yen)
1	7958	TENMA	○	N	Election of director (member of Audit Committee)	76.66	Pass	25.7	597
2	7958	TENMA	○	N	Election of director (member of Audit Committee)	76.66	Pass	25.7	597
3	7958	TENMA	○	N	Election of director (member of Audit Committee)	76.57	Pass	25.7	597
4	5357	Yotai Refractories	○	N	Amendment to Articles of Association (removal of clause disallowing resolution of appropriation of surplus by general shareholders meeting)	47.80	Fail	11.4	263
5	6815	Uniden Holdings	○	N	Amendment to Articles of Association (disclosure of cost of capital)	46.09	Fail	33.6	163
6	6236	NC Hodings	×	N	Election of director	44.30	Fail	1.0	45
7	6236	NC Hodings	×	N	Election of director	44.30	Fail	1.0	45
8	6236	NC Hodings	×	N	Election of director	44.30	Fail	1.0	45
9	6236	NC Hodings	×	N	Election of director	43.70	Fail	1.0	45
10	6236	NC Hodings	×	N	Election of director	43.70	Fail	1.0	45
11	6236	NC Hodings	×	N	Election of director	43.70	Fail	1.0	45
12	6236	NC Hodings	×	N	Election of director	43.60	Fail	1.0	45
13	6815	Uniden Holdings	○	N	Election of statutory auditor (kansayaku)	43.25	Fail	33.6	163
14	6815	Uniden Holdings	○	N	Election of statutory auditor (kansayaku)	37.43	Fail	33.6	163
15	9503	Kansai Electric Power	×	Y	Amendment to Articles of Association (disclosure of director remuneration)	37.10	Fail	18.4	11,246
16	8093	Kyokuto Boeki Kaisha	○	N	Amendment to Articles of Association (disclosure of cost of capital)	34.83	Fail	24.3	97
17	9503	Kansai Electric Power	×	Y	Amendment to Articles of Association (disclosure of director remuneration)	31.60	Fail	18.4	11,246
18	4295	Faith	○	N	Acquisition of treasury stock	31.02	Fail	21.8	111
19	4295	Faith	○	N	Election of director	29.77	Fail	21.8	111
20	8038	Tohto Suisan	×	N	Election of director	29.19	Fail	0.4	178
21	9503	Kansai Electric Power	×	Y	Amendment to Articles of Association (disclosure of director remuneration)	28.80	Fail	18.4	11,246
22	8093	Kyokuto Boeki Kaisha	○	N	Election of director	28.28	Fail	24.3	97
23	8093	Kyokuto Boeki Kaisha	○	N	Amendment to Articles of Association (sale of strategic shareholdings)	28.12	Fail	24.3	97
24	9503	Kansai Electric Power	×	Y	Amendment to Articles of Association (disclosure of director remuneration)	28.10	Fail	18.4	11,246
25	8306	Mitsubishi UFJ Financial Group	×	N	Amendment to Articles of Association (early submission of annual securities report (yuhō))	27.58	Fail	28.0	80,365
26	5901	Toyo Seikan Group Holdings	○	N	Amendment to Articles of Association (abolishment of advisor position)	26.75	Fail	22.5	2,670
27	9506	Tohoku Electric Power	×	Y	Amendment to Articles of Association (abolishment of advisor position)	26.44	Fail	21.3	5,255
28	1852	Asanuma Corporation	○	N	Appropriation of surplus	25.31	Fail	16.2	362
29	5208	Arisawa Manufacturing	×	N	Reversal of general reserve	25.18	Fail	19.6	345
30	8418	Yamaguchi Financial Group	×	N	Amendment to Articles of Association (disclosure of director remuneration)	24.26	Fail	14.7	1,946

※At TENMA, the Board of Directors were in opposition against the Audit Committee. The shareholder proposals that passed were from Oasis and Dalton Investments (the Board of Directors recommended voting for)



## Strategic Shareholdings

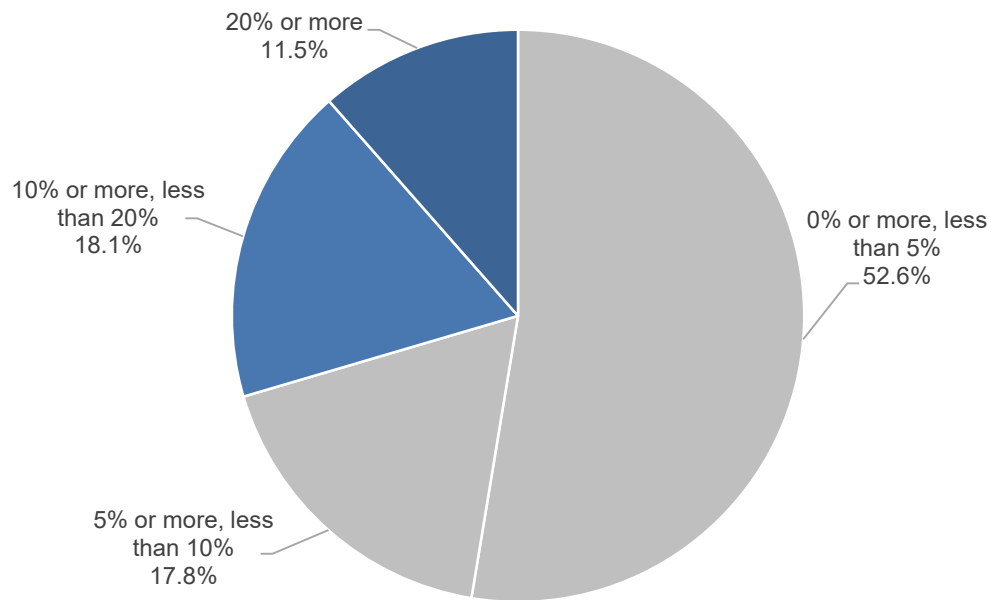
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# Strategic Shareholdings

- Researched the ratio of strategic shareholdings to net assets of TSE Section 1 companies (as of end March 2021).
- Approximately 30% of companies have more than 10% of strategic shareholdings compared to their net assets, and are in breach of Glass Lewis' "excessive strategic shareholding" criterion.
- Approximately 10% of companies are in breach of ISS' new criterion to be introduced from February 2022 (vote against top management if strategic shareholdings are 20% or more compared to net assets). Possible impact on election of top management resolutions at shareholder meetings from 2022.

## Strategic Shareholdings Compared to Net Assets



Strategic Shareholdings / Net Assets (%)	No of Companies (#)	Composition (%)
0% or more, less than 5%	1,141	52.6%
5% or more, less than 10%	387	17.8%
10% or more, less than 20%	392	18.1%
20% or more	249	11.5%

Summarized ratio of strategic shareholdings compared to net assets of TSE Section 1 companies as of end March 2021 (fiscal year end between April 2020 and March 2021)

Annual securities report (Yuho) net assets as denominator (there is no other official data), investment equity securities held for objectives other than pure investment as numerator. Data source: Quick.

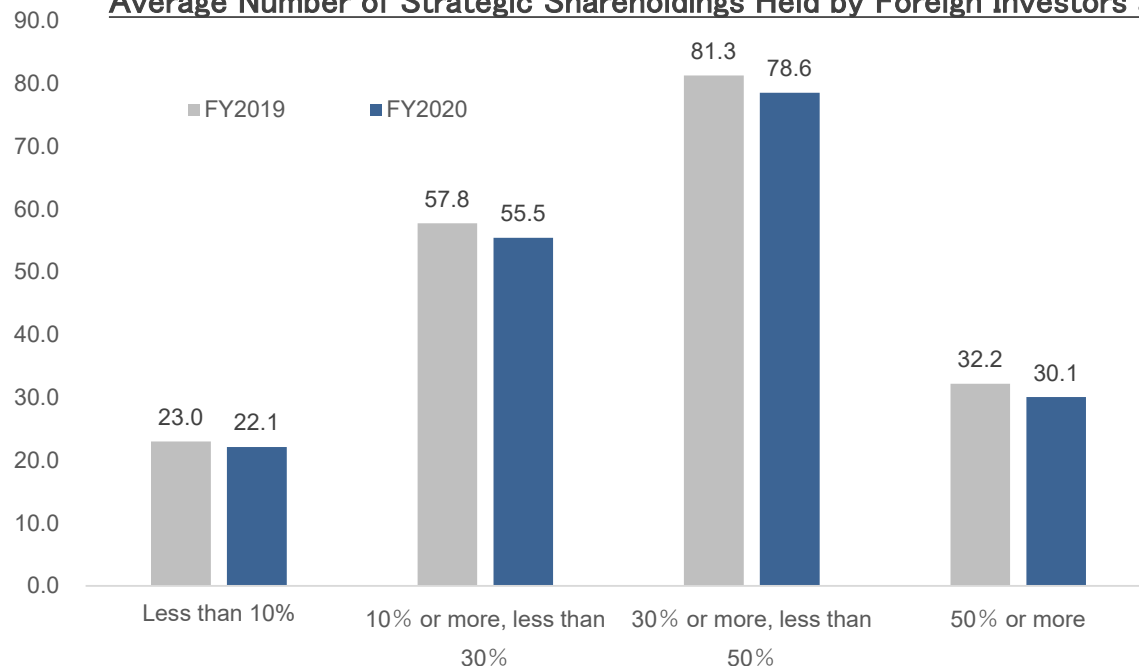
TSE Section 1 companies (as of end March 2021) Excludes insolvent companies whose liabilities exceed their assets.

# Strategic Shareholdings (Decrease by Proportion of Foreign Investors)

- Average ratio of strategic shareholdings to net assets and average number of strategic shareholdings by foreign investors as proportion of shareholder base (as of end March 2021).
- No significant change in ratio of strategic shareholdings to net assets, partly due to general increase in share prices. Clear general decrease in number of strategic shareholdings held.
- Particularly significant decrease for companies with 30% to 50% foreign investors as proportion of shareholder base. Likely conscious of introduction of proxy voting advisor strategic shareholding criteria.

Foreign investors as proportion of shareholder base (%)	Strategic Shareholdings / Net Assets (average) (%)			Number of companies held (average) (#)		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Less than 10%	8.35%	7.50%	+0.85pt	22.1	23.0	-0.8
10% or more, less than 30%	8.90%	8.03%	+0.87pt	55.5	57.8	-2.3
30% or more, less than 50%	7.07%	6.10%	+0.97pt	78.6	81.3	-2.7
50% or more	2.00%	2.49%	-0.49pt	30.1	32.2	-2.1

**Average Number of Strategic Shareholdings Held by Foreign Investors as Proportion of Shareholder Base**



FY2020 (April 2020 to March 2021) and FY2019 (April 2019 to March 2020) data for TSE Section 1 companies (as of end March 2021).

Average ratio of strategic shareholdings to net assets and average number of strategic shareholdings by foreign investors as proportion of shareholder base. Data source: Quick

TSE Section 1 companies (as of end March 2021) Excludes insolvent companies whose liabilities exceed their assets.

Source: JSS based on Quick

## Strategic Shareholdings (Decrease by Industry)

- Average ratio of strategic shareholdings to net assets and average number of strategic shareholdings by industry (as of end March 2021).
- Many industries are flat to a small increase in the ratio of strategic shareholdings to net assets as the value of strategic shareholdings on balance sheets have been impacted by the overall increase in share prices.  
However, looking at the average number of strategic shareholdings, almost all industries show a decrease.
- Financials (Banks and Financials ex Banks), which have a large number of strategic shareholdings, show the most significant decrease. Real Estate and IT & Services, Others, which have fewer strategic shareholdings, show the smallest decrease. Electric Power & Gas, which has a significant number of strategic shareholdings, also shows a limited decrease.

TSE 17 Industries	Strategic Shareholdings / Net Assets (average) (%)			Number of companies held (average) (#)		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Banks	20.18%	18.24%	+1.94pt	254.0	260.4	-6.3
Financials (ex Banks)	9.70%	8.77%	+0.93pt	150.2	154.8	-4.5
Raw Materials & Chemicals	9.77%	8.96%	+0.81pt	42.9	45.9	-3.0
Steel & Nonferrous Metals	7.25%	6.06%	+1.19pt	48.1	50.8	-2.7
Transportation & Logistics	10.39%	8.99%	+1.41pt	60.2	62.8	-2.6
Construction & Materials	10.78%	10.54%	+0.24pt	53.6	55.9	-2.4
Foods	10.97%	10.59%	+0.38pt	51.4	53.6	-2.2
Automobiles & Transportation Equipment	9.50%	7.86%	+1.65pt	43.0	45.1	-2.2
Commercial & Wholesale Trade	11.23%	9.92%	+1.32pt	46.8	48.9	-2.1
Electric Appliances & Precision Instruments	7.18%	6.51%	+0.67pt	30.3	31.9	-1.6
Energy Resources	6.97%	5.52%	+1.45pt	34.9	36.5	-1.6
Electric Power & Gas	8.18%	7.80%	+0.38pt	86.5	87.8	-1.3
Machinery	7.19%	6.19%	+1.00pt	29.1	30.2	-1.1
Retail Trade	3.14%	2.87%	+0.27pt	11.2	11.6	-1.0
IT & Services, Others	6.54%	5.21%	+1.32pt	16.3	17.0	-0.6
Pharmaceuticals	8.84%	8.85%	-0.01pt	32.9	33.5	-0.6
Real Estate	4.63%	6.54%	-1.91pt	16.1	16.3	-0.2

TSE Section 1 companies (as of end March 2021) Excludes insolvent companies whose liabilities exceed their assets.

Source: JSS based on Quick

## Strategic Shareholdings (Companies with Significant Decrease)

- Screened for companies with significant decrease in absolute number of strategic shareholdings, or companies with significant rate of decrease in number of strategic shareholdings.
- Financials, which originally had significant strategic shareholdings, show the largest decrease in absolute number of strategic shareholdings.
- Companies with a large rate of decrease in number of strategic shareholdings are varied. Eg. cases where sold close business partners and financial institutions (Ichikoh Industries, ID Holdings, Sanyo Shokai), case where sold other company within the Group (Aeon group company G-Foot), case where stated in annual securities report (yuho) a number of years ago that intended to sell but continued to hold (VIA Holdings)

Security Code	Company Name	Industry	Number of Companies Held (#)		Decrease in Number of Companies Held (#)	% Decrease in Number of Companies Held (pt)	Total Sale Companies
			FY2020	FY2019			
8306	Mitsubishi UFJ Financial Group	Banks	2,419	2,521	-102	-4.0pt	Kirin Holdings, other
8630	SOMPO Holdings	Insurance	1,745	1,814	-69	-3.8pt	Hitachi Chemical, Family Mart, other
8058	Mitsubishi Corporation	Wholesale Trade	302	369	-67	-18.2pt	Aeon, Tokai Carbon, Okamura, other
4091	Nippon Sanso Holdings	Chemicals	34	98	-64	-65.3pt	Total sales were of unlisted companies, no disclosure
8411	Mizuho Financial Group	Banks	1,987	2,049	-62	-3.0pt	Canon, Kyowa Kirin, NOF Corporation, other
2686	G-FOOT	Retail Trade	1	14	-13	-92.9pt	Aeon Financial Service, COX, Aeon Kyushu, other
7918	VIA Holdings	Retail Trade	3	10	-7	-70.0pt	KADOKAWA, Resona Holdings, Daisyo, other
7244	Ichikoh Industries	Electric Appliances	4	12	-8	-66.7pt	Mizuho Financial Group, Toyota, Hino Motors, other
4709	ID Holdings	Information & Communications	9	25	-16	-64.0pt	Nihon Unysis, NTT Docomo, Asahi Intelligence Service, other
8011	Sanyo Shokai	Textiles & Apparel	7	14	-7	-50.0pt	Isetan Mitsukoshi, MUFG, Matsuya, other

Screened for cases of note from companies with significant decrease in absolute number of strategic shareholdings, or significant rate of decrease in strategic shareholdings compared to FY2019, from TSE Section 1 companies (as of end March 2021).

Source: JSS based on Quick

# Strategic Shareholdings (Disclosure Examples of Holding Objective)

- For the holding objective and impact of individual strategic shareholdings, concrete details relating these to the company's strategy, business and segment, including quantitative impact are required.
- The examples below relate the holding objective to the business and transactions in a concrete manner.

## 【Example1 : DeNA】

Stock	This Fiscal Year	Previous Fiscal Year	Holding objective, quantitative holding impact and reason for increase in number of shares	Holds our shares
	Number of Shares (shares)	Number of Shares (shares)		
	Value on B/S (million yen)	Value on B/S (million yen)		
Nintendo	1,759,400	1,759,400	We signed a business and capital alliance with Nintendo on 17 March 2015, to co-develop smartphone game applications for the global market, and member services for a variety of devices. We have entered into a capital alliance with a view to business synergies and a stronger relationship over the medium to long term. As stated in II Status of Business, 1. Management Policy, Management Environment and Issues, in the game business, we will work to enhance our lineup of quality content, further grow our major existing titles and continue to produce hit titles, through the development of titles based on alliances with major external partners and the development of titles with a view to the global market.	Yes
	108,749	73,209		

## 【Example2 : Mitsubishi Heavy Industries】

Stock	This Fiscal Year	Previous Fiscal Year	Holding objective, quantitative holding impact and reason for increase in number of shares	Holds our shares
	Number of Shares (shares)	Number of Shares (shares)		
	Value on B/S (million yen)	Value on B/S (million yen)		
Vestas Wind Systems A/S	5,049	-	To maintain and enhance a good relationship with a strategic partner in renewable energy. We are allied in the sale of land-based and offshore wind power generation systems in Japan and Asia with the world's largest player in wind power generation systems. We are also working to expand the scope of our alliance toward the age of decarbonization, deepening our relationship by seconding external director(s) and co-developing hydrogen products and services. (Reason for increase) In order to strengthen our partnership, we restructured and in December 2020 exchanged shares in our joint venture, "MHI Vestas Offshore Wind A/S" (sea wind power generation systems manufacturing and sales company) for shares in the company.	No
	114,720	-		



## Shareholder Proposals

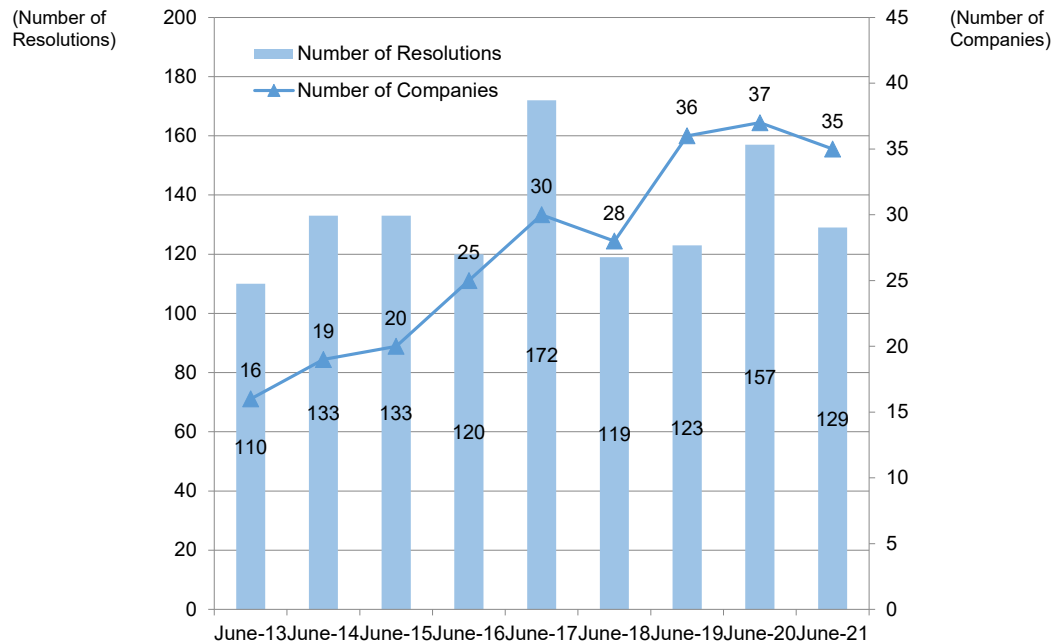
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# Shareholder Proposals

- Both the number of shareholder proposals and the number of companies that received shareholder proposals decreased from the previous year.

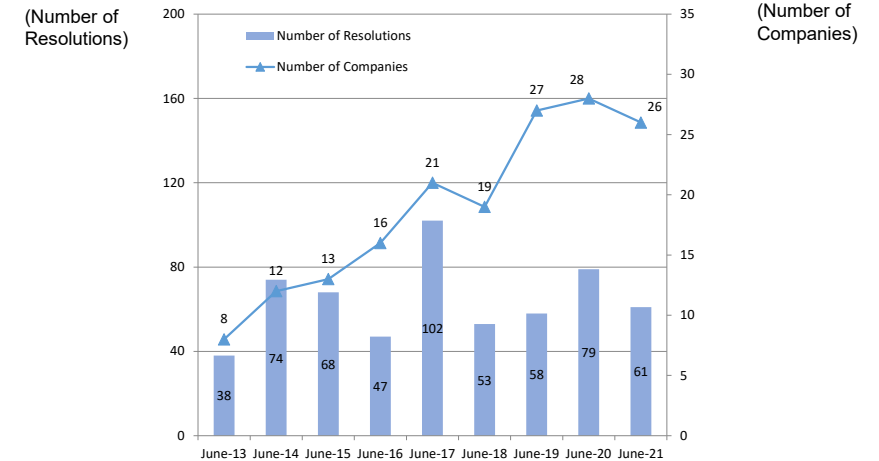
## Number of resolutions

### Shareholder Proposals (All)

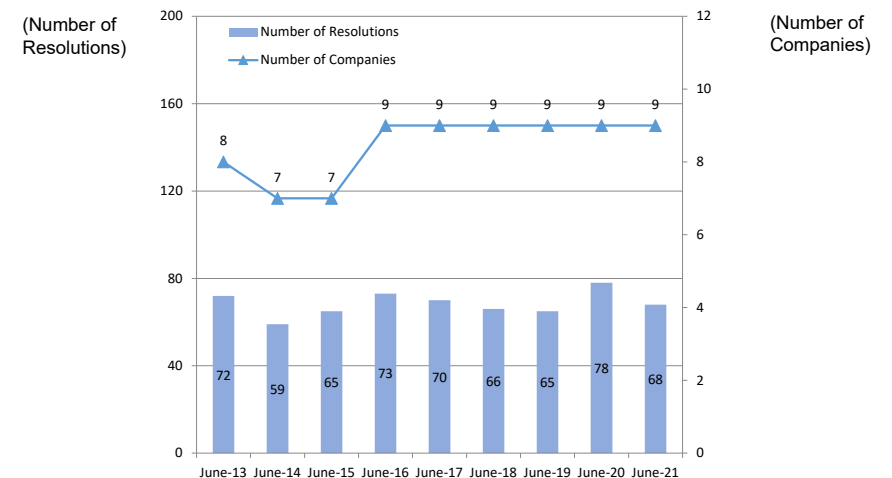


Note: Election of Directors is counted as 1 resolution (number of candidates is not counted)

### Shareholder Proposals (excluding Electric Power companies)



### Shareholder Proposals (Electric Power companies only)



TSE Section 1 companies that held shareholders meeting in June 2021 (including resolutions that were withdrawn)

Source: JSS based on publicly available information

- Decrease of 9 shareholder proposals from activist funds compared to the previous year. Fewer director election and disclosure resolutions, more director remuneration resolutions.
- ISS issued positive recommendations for over half of shareholder proposals from activist funds. Average approval rate for shareholder proposals overall is higher than the previous year.

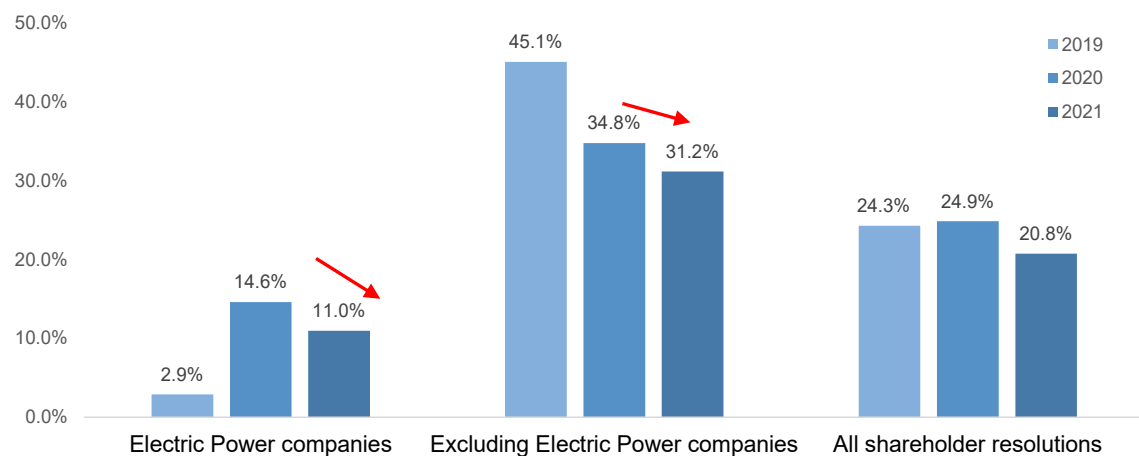
Resolution	Shareholder Proposals from Activist Funds			ISS Positive Recommendation Rate			Average Approval Rate		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Shareholder Return									
Appropriation of Surplus	4	2	4	100.0%	100.0%	75.0%	28.7%	25.7%	19.5%
Acquisition/Cancellation of treasury stock	1	3	4	100.0%	100.0%	100.0%	34.1%	17.4%	19.2%
Sub-Total	5	5	8	100.0%	100.0%	87.5%	29.8%	20.7%	19.3%
Other, Corporate Governance									
Director Remuneration (Clawback)	-	1	-	-	0.0%	-	-	38.1%	-
Dismissal of Directors	-	3	2	-	0.0%	100.0%	-	36.2%	40.3%
Abolishment of Advisor Position	-	1	1	-	100.0%	100.0%	-	22.5%	26.8%
Disclosure (Capital Policy)	2	5	3	100.0%	80.0%	66.7%	33.1%	21.4%	31.7%
Election of Directors	5	7	5	60.0%	71.4%	80.0%	31.3%	20.5%	57.6%
Strategic Shareholdings	2	6	4	100.0%	16.7%	0.0%	30.6%	19.6%	21.0%
Move to 3 Committee Structure	2	1	-	100.0%	100.0%	-	34.7%	11.9%	-
Move to 1 Committee (Audit Committee) Structure	-	-	1	-	-	0.0%	-	-	6.9%
Increase in External Directors	-	1	-	-	100.0%	-	-	8.2%	-
Third Party Board Evaluation	-	1	-	-	0.0%	-	-	3.8%	-
Separation of CEO and Chair	1	-	-	100.0%	-	-	37.3%	-	-
Director Remuneration (Introduction of Stock Remuneration)	1	-	2	0.0%	-	50.0%	20.6%	-	8.2%
Amendments to Articles of Association (Other)	2	8	4	50.0%	25.0%	50.0%	22.9%	18.6%	21.8%
Sub-Total	15	34	22	73.3%	44.1%	54.5%	30.5%	20.9%	31.1%
Total	20	39	30	80.0%	51.3%	63.3%	30.3%	20.9%	28.0%

TSE Section 1 companies that held shareholders meeting in June 2021  
(excluding resolutions that were withdrawn)

※Blue: ISS Positive Recommendation Rate of 50% or more    ※Blue: Average Approval Rate of 30% or more

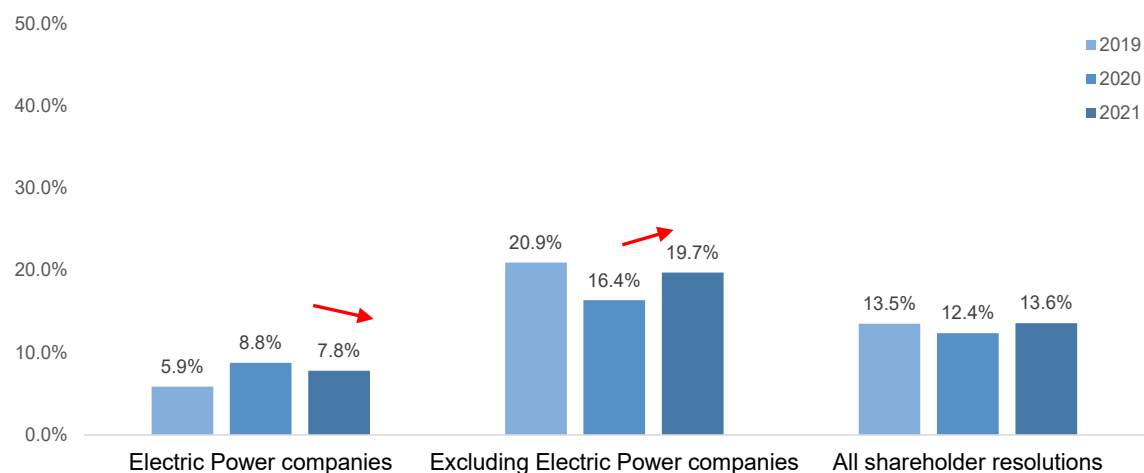


ISS Positive Recommendation Rate (by Type of Issuer)



- Number of resolutions at electric power companies decreased calling for abolishment of advisor positions. The ISS positive recommendation rate fell as a result.
  - While the ISS positive recommendation rate for companies excluding electric power decreased compared to the previous year, maintained around 30% level.
- The number of positive recommendations decreased by 8 to 24. The number of shareholder proposals decreased by 15 to 77.

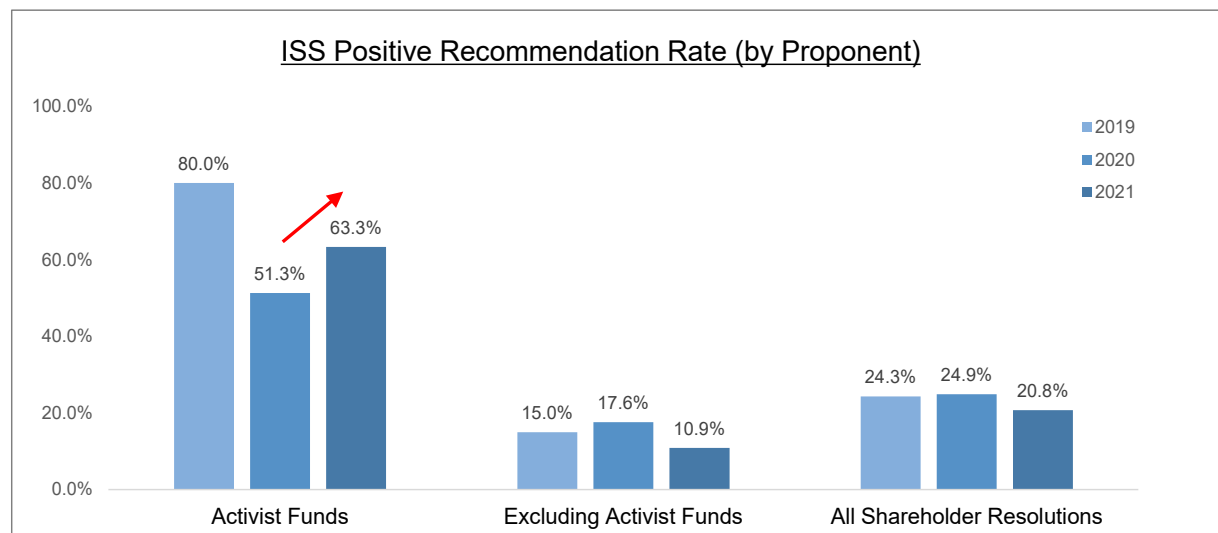
Average Approval Rate (by Type of Issuer)



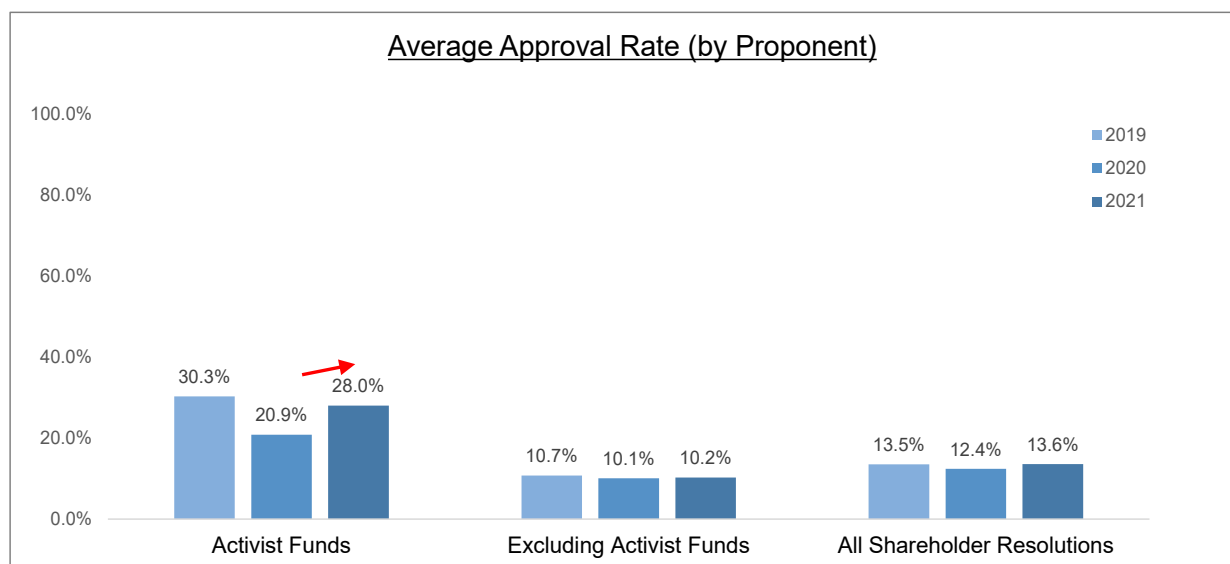
- While the ISS positive recommendation rate for companies excluding electric power fell, the average approval rate rose.

TSE Section 1 companies that held shareholders meeting in June 2021  
(excluding resolutions that were withdrawn)

Source: JSS based on publicly available information



- The ISS positive recommendation rate for shareholder proposals from activist funds rose compared to the previous year. ISS issued positive recommendations for over 60% of proposals from activist funds. The number of shareholder proposals from activist funds decreased by 9 to 30. The number of positive recommendations decreased by 1 to 19.



- ISS issued positive recommendations for 3 out of 4 appropriation of surplus shareholder proposals. Recommendations were divided for director elections/dismissals, strategic shareholdings and other amendments to articles of association.
- The average approval rate for shareholder proposals from activist funds rose.

TSE Section 1 companies that held shareholders meeting in June 2021  
(excluding resolutions that were withdrawn)

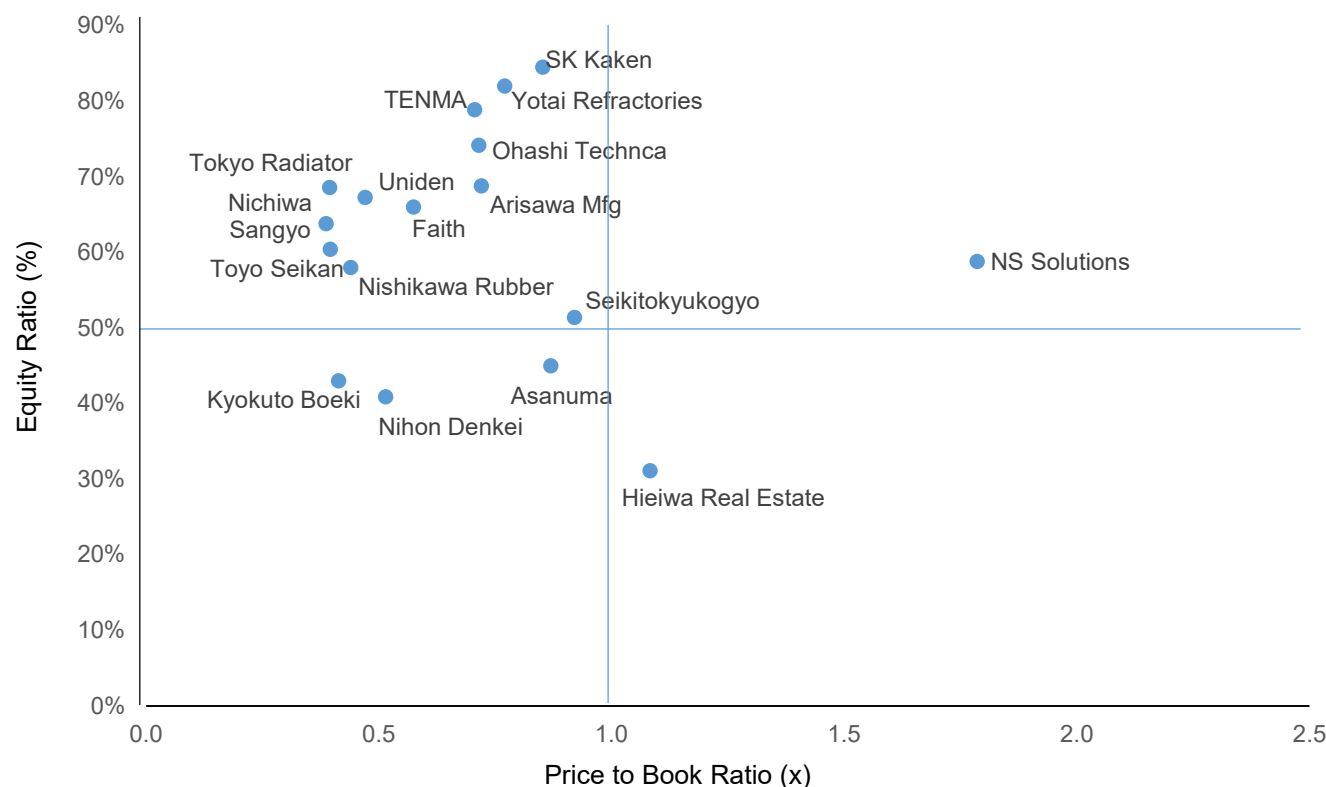
Source: JSS based on publicly available information

# Characteristics of Companies that Receive Shareholder Proposals from Activist Funds

【Confidential】

- Companies that received shareholder proposals from activist funds tended to have low Price to Book ratios and high Equity ratios.
- Most companies that received shareholder proposals have market caps of less than 100 billion yen, and the company with the largest market cap was a little over 300 billion yen.
- However, this does not mean that large caps companies are not targeted by activist funds in Japan. Large cap companies are targeted under the radar out of the public eye.

## Equity Ratio and Price to Book Ratio of Companies that Received Shareholder Proposals (All TSE Listed Companies)



End March 2021

Companies that received shareholder resolutions at June 2021 shareholder meeting

Source: JSS based on Quick, Bloomberg, Shikiho, disclosures and other publicly available information

Security Code	Company Name	Market Cap (March 2021) 100 million yen
2327	NS Solutions	3,212
4628	SK Kaken	1,212
7235	Tokyo Radiator MFG	85
4295	Faith	111
5161	Nishikawa Rubber	301
7628	Ohashi Technica	232
2055	Nichiwa Sangyo	74
5357	Yotai Refractories	263
1852	Asanuma	362
1898	Seikitokyukogyo	376
5208	Arisawa Mfg	345
8093	Kyokuto Boeki Kaisha	97
5901	Toyo Seikan Group Holdings	2,670
7958	TENMA	597
9908	Nihon Denkei	108
6815	Uniden Holdings	163
8803	Heiwa Real Estate	1,343

- There were 4 shareholder proposals regarding climate change in 2021, compared to 1 in 2020.
- In 2021, there was a shareholder proposal from an activist fund in addition to NGOs/NPOs.

Year	Company	Proponent	Resolution	Approval Rate	Result
2020	Mizuho Financial Group	Kiko Network	Partial amendment to Articles of Association (Disclosure of plan with management strategy to invest aligned with Paris Agreement goals)	34.5%	Failed
2021	Mitsubishi UFJ Financial Group	Kiko Network, Market Force, 350.org Japan, Rainforest Action Network	Partial amendment to Articles of Association (Drawing up and disclosure of plan with management strategy for lending aligned with Paris agreement goals)	22.7%	Failed
2021	Sumitomo Corporation	Market Force	Partial amendment to Articles of Association (Drawing up and disclosure of plan with business strategy for business activities aligned with Paris Agreement goals)	20.0%	Failed
2021	Toyo Seikan Group Holdings	Oasis Management Company	Partial amendment to Articles of Association (Disclosure of plan with management strategy based on TCFD)	14.3%	Failed
2021	Kansai Electric Power	Kyoto City	Partial amendment to Articles of Association (Transformation of business toward realization of low carbon society)	18.3%	Failed

# Shareholder Proposals Regarding Climate Change at Major Banking Groups

- The approval rate for the shareholder proposal regarding climate change at Mitsubishi UFJ Financial Group's June 2021 shareholder meeting was 23%. This was lower than the 34% approval rate for a similar proposal the previous year at Mizuho Financial Group.
- The reason for this is that more institutional investors voted against compared to Mizuho Financial Group. However, this does not mean that institutional investors or proxy voting advisors are requiring less from issuers in regard to climate change. Rather, they are actually demanding more.

## Voting Regarding Shareholder Proposal from NGO/NPO at Mizuho Financial Group June 2020 Shareholder Meeting

Outline		Proxy Voting Advisor	Vote
Approval Rate	34.5%	ISS	For
Voting Result	Failed	Glass Lewis	For

Domestic Investors		Foreign Investors	
Investor	Vote	Investor	Vote
Asset Management One	For	BlackRock	Against
Sumitomo Mitsui Trust AM	Against	The Vanguard Group	Against
Mitsubishi UFJ Trust & Banking	Against	State Street Global Advisors	For
Resona Asset Management	Against	Norges Bank Investment Management	Against
Nomura AM	For	Legal & General Investment Management	For
Daiwa AM	Against	UBS Asset Management	For
Nikko AM	Against	JPMorgan Asset Management	Against
Mitsubishi UFJ Kokusai AM	Against	Northern Trust Global Investments	For
Sumitomo Mitsui DS AM	Against	T. Rowe Price International	For
Nissay AM	For	Geode Capital Management	For

## Voting Regarding Shareholder Proposal from NGO/NPO at Mitsubishi UFJ Financial Group June 2021 Shareholder Meeting

Outline		Proxy Voting Advisor	Vote
Approval Rate	22.7%	ISS	Against
Voting Result	Failed	Glass Lewis	Against

Domestic Investors		Foreign Investors	
Investor	Vote	Investor	Vote
Asset Management One	For	BlackRock	Against
Sumitomo Mitsui Trust AM	Against	The Vanguard Group	Against
Mitsubishi UFJ Trust & Banking	Against	State Street Global Advisors	Against
Resona Asset Management	For	Norges Bank Investment Management	Against
Nomura AM	For	Legal & General Investment Management	For
Daiwa AM	Against	UBS Asset Management	Against
Nikko AM	Against	JPMorgan Asset Management	Against
Mitsubishi UFJ Kokusai AM	Against	Northern Trust Global Investments	Against
Sumitomo Mitsui DS AM	For	T. Rowe Price International	Against
Nissay AM	Against	Geode Capital Management	Against

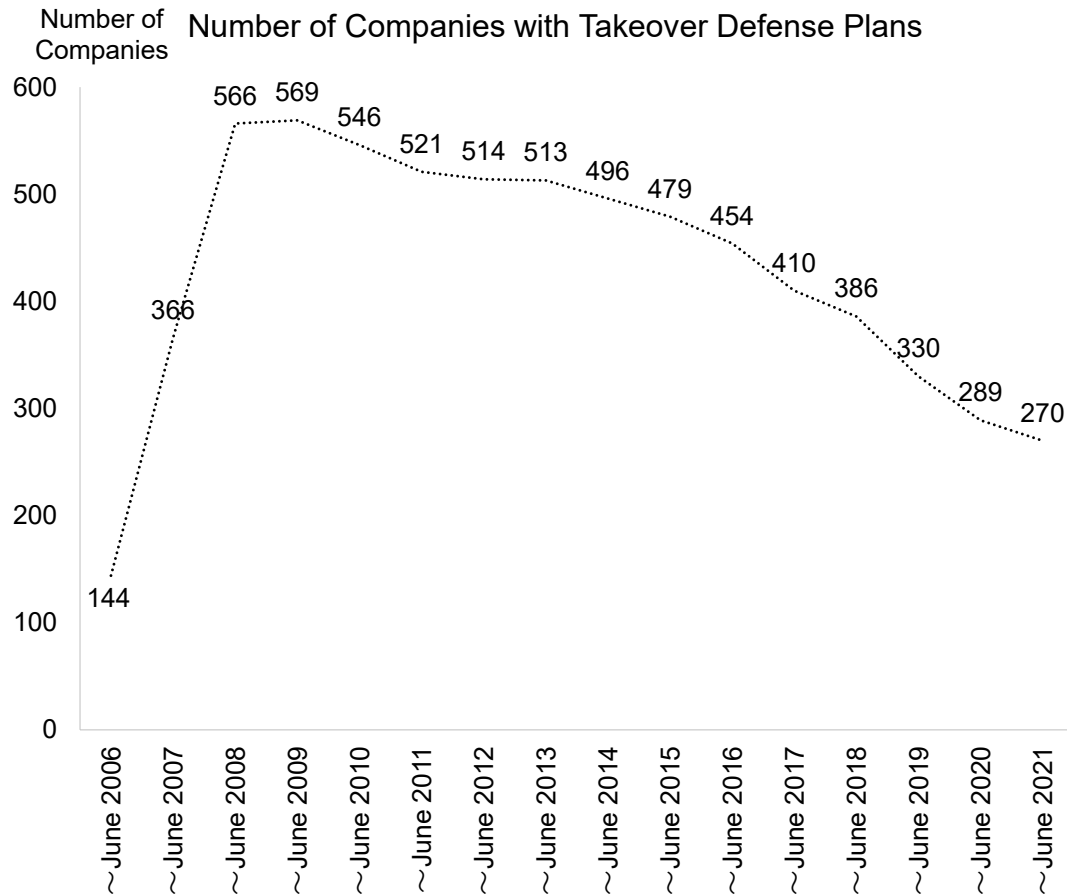


## Takeover Defense Plans

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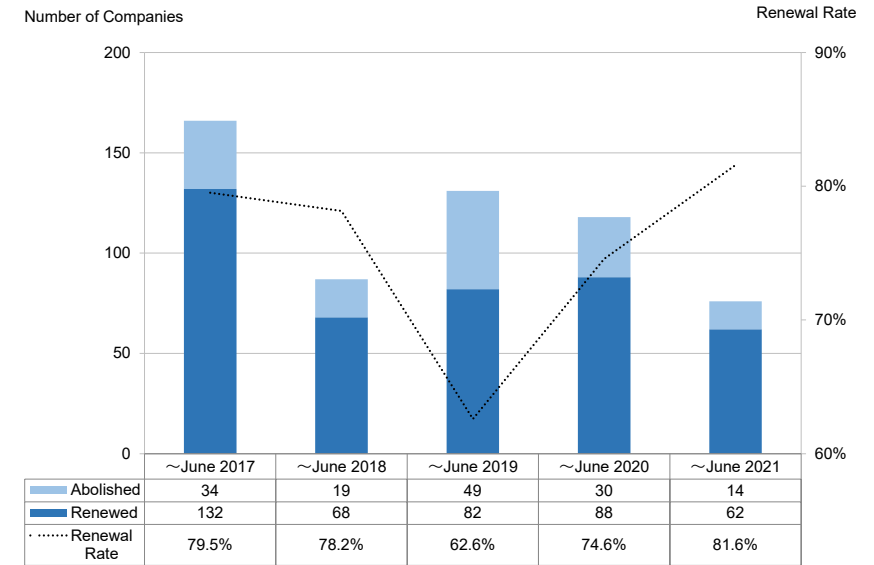
【Chart 1】 Number of Companies with Takeover Defense Plan

- Long term decreasing trend but decrease rate has slowed



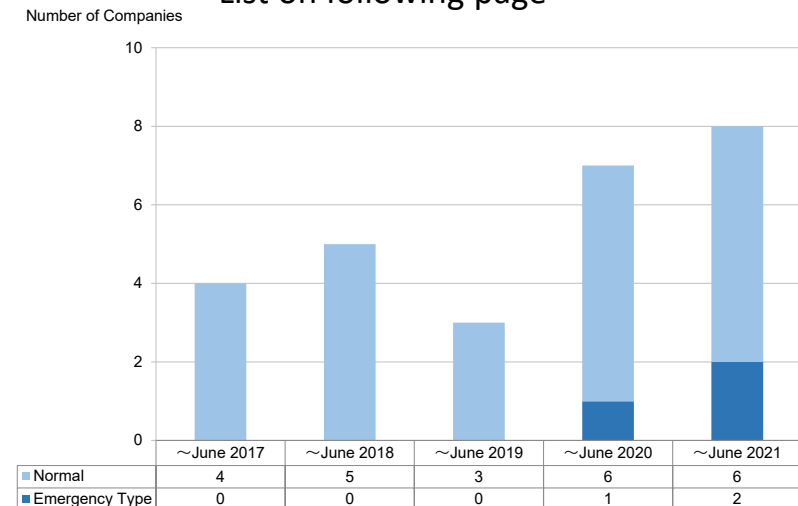
【Chart 2】 Renewal Rate of Takeover Defense Plans

- Renewal rate continues previous year's rising trend



【Chart 3】 New Introductions

- New introductions of takeover defense plans is increasing
- List on following page



# Companies Newly Introducing Takeover Defense Plans

【Confidential】

- The following 8 companies have newly introduced takeover defense plans over the past 1 year (July 2020 to June 2021)
- They have been introduced following the commencement of a tender offer or against a specific shareholder (Japan Asia Group, Inui Global Logistics, Fuji Kosan, Tokyo Soir)

Release Date	Security Code	Company	Method of Introduction	Period	Approval Rate	Proportion of Foreign Investors	Proportion of Trust Nominees which are Pure Investment (of top 10 shareholders)	Details
20-Jan-21	8025	Tsukamoto Corporation	Shareholder Meeting Resolution	3 years	72.46%	1.37%	2.47%	Freesia Macross large holding filing (7.18%)
01-Feb-21	6181	Tameny	Shareholder Meeting Resolution	3 years	97.00%	2.74%	-	
09-Feb-21	8854	Japan Living Service	Shareholder Meeting Resolution	3 years	99.03%	0.07%	-	Reintroduced (Abolished 2019)
09-Mar-21	3751	Japan Asia Group	Board of Directors Resolution	-	-	22.35%	8.11%	<ul style="list-style-type: none"> <li>• Against City Index Eleventh (15.18%)</li> <li>• Introduced by Board of Directors resolution, abolished at Board of Directors after June 2021 Shareholders Meeting</li> </ul>
14-May-21	9308	Inui Global Logistics	Shareholder Meeting Resolution	3 years	54.65%	7.55%	2.61%	<ul style="list-style-type: none"> <li>• Abolished prior warning type takeover defense plan.</li> <li>• Reintroduced as specific scheme against Alpha Leo Holdings</li> </ul>
18-May-21	6797	Nagoya Electric Works	Shareholder Meeting Resolution	3 years	93.14%	0.57%	-	
24-May-21	5009	Fuji Kosan	Shareholder Meeting Resolution	-	66.08%	28.81%	13.01%	<ul style="list-style-type: none"> <li>• Emergency type takeover defense plan introduced against Aslead Capital</li> <li>• Valid until September 2021. However, extendable depending on circumstances</li> <li>• Trigger also approved by shareholder meeting (66.18%)</li> </ul>
16-Jun-21	8040	Tokyo Soir	Shareholder Meeting Resolution (July 30 Extraordinary Meeting)	-	-	2.07%	-	<ul style="list-style-type: none"> <li>• Against Freesia Macross (11.76%)</li> <li>• Valid until Board of Directors meeting after March 2022 Shareholder Meeting</li> </ul>

\*Emergency type takeover defense plan:  
Introduction after specific buyer emerges



# Trigger of Takeover Defense Plans

- There have recently been a growing number of cases concerning the triggering of takeover defense plans. Many of these are so-called emergency type defense plans, which are introduced after a specific buyer emerges. This is as opposed to the so-called prior warning type defense plans, which are most common in Japan.
- The only case where the court granted an injunction is the case of Japan Asia Group, where neither the introduction of the plan nor the trigger of the plan were put to a shareholders meeting.  
Even in the case of Fuji Kosan, where the TOB had no upper limit (=low level of coercion), the court did not grant an injunction.
- The extraordinary shareholders meeting of Tokyo Kikai Seisakusho is a discriminatory case where the shares held by the purchaser are not included in the voting.

Period	Company	Purchaser	Purchase Method	TOB Conditions				Takeover Defense Plan						Court Decision Regarding Trigger	Details
				Premium (vs previous day)	Existing Holding	Lower Limit	Upper Limit	Type of Takeover Defense Plan	Target Specific Shareholder	Timing of Introduction (Renewal)		Timing of Trigger			
2020	Toshiba Machine (now Shibaura Machine)	Murakami related company	TOB	11.8%	12.75%	27.25%	43.82%	Emergency Type	○	Shareholders Meeting	62.18% (March 2020)	Shareholders Meeting	62.25% (March 2020)	No injunction	<ul style="list-style-type: none"><li>• The coerciveness of the TOB came under scrutiny due to the fact that it was a partial purchase and management strategy after the TOB was unclear.</li><li>• The takeover defense plan drew the support of many institutional investors despite the fact that the share price was far below the TOB offer price.</li><li>• The purchaser withdrew the TOB.</li></ul>
2021	Japan Asia Group	Murakami related company	On Market	-	-	-	-	Emergency Type	○	Board of Directors		Board of Directors		Injunction granted	<ul style="list-style-type: none"><li>• 1) Originally planned MBO at 600 yen, 2) MBO price was raised to 1200 yen, 3) Purchaser started TOB at 1210 yen, 4) Company announced special dividend of 300 yen contingent on approval by extraordinary shareholders meeting (record date of dividend before end of TOB), 5) Purchaser withdrew TOB, 6) Purchaser continued purchase of shares, suggesting a new TOB.</li><li>• Company's Board of Directors introduced a takeover defense plan and issued warrants to subscribe for new shares. The court granted an injunction.</li><li>• An acquisition was made with a new TOB (at 970 yen)</li></ul>
2021	Nippo	Freesia Macross	TOB	74.2%	19.73%	20.00%	27.57%	Prior Warning Type		Shareholders Meeting	64.64% (June 2020) 59.74% (June 2021)	Board of Directors		No injunction	<ul style="list-style-type: none"><li>• The purchaser started a TOB that ignored the rules in the prior warning type takeover defense plan. The Board of Directors issued warrants to subscribe for new shares.</li><li>• The court allowed the trigger of the takeover defense plan.</li><li>• The purchaser withdrew the TOB.</li></ul>
2021	Fuji Kosan	Aslead Capital	TOB	12.5%	16.75%	40.00%	なし	Emergency Type	○	Shareholders Meeting	66.08% (June 2021)	Shareholders Meeting	66.18% (June 2021)	No injunction	<ul style="list-style-type: none"><li>• The purchaser started a TOB without an upper limit.</li><li>• The Company introduced a takeover defense plan at a Board of Directors meeting and resolved the introduction and trigger at a shareholders meeting.</li><li>• The court acknowledged elements of coercion and denied the purchaser's request for an injunction. The purchaser withdrew the TOB.</li></ul>
2021	Tokyo Kikai Seisakusho	Asia Investment Fund	On Market	-	-	-	-	Emergency Type	○	Board of Directors		Shareholders Meeting	n.a.	?	<ul style="list-style-type: none"><li>• The purchaser acquired shares in the market at great speed. Held 8.08% as of 13 July 2021 (large holding filing), held 15.01% on following 14 July 2021 (objective changed from pure investment to management control), held 39.52% (most recent) as of 6 September.</li><li>• The auditor of the parent company of the purchaser, Asia Development Capital (TSE Section 2) has concerns over the company as a going concern. Asia Development Capital is also designated by the Tokyo Stock Exchange as a security on alert due to accounting fraud.</li><li>• The resolution at the extraordinary shareholders meeting to allot warrants without contribution to subscribe for new shares is conditional on a majority excluding interested parties, and the purchaser's holding is not reflected.</li></ul>
	Shinsei Bank	SBI Holdings	TOB	37.7%	20.32%	20.32%	48.00%	Emergency Type	○	Board of Directors		Shareholders Meeting	n.a.	?	<ul style="list-style-type: none"><li>• 10 September, purchaser announced a TOB without prior warning.</li><li>• 17 September, the Board of Directors introduced a takeover defense plan. Intend to trigger issue of warrants to subscribe for new shares following confirmation of shareholders' wishes.</li></ul>

Currently ongoing

- While institutional investors are overwhelmingly against prior warning type takeover defense plans, they vote positively in some cases with emergency type takeover defense plans, which call for case by case analysis.

\*Emergency type takeover defense plan: Introduction after specific buyer emerges

## Resolutions regarding emergency type takeover defense plans

Security Code	Company	Shareholders Meeting	Approval Rate	Nomura AM	AM One	Sumitomo Mitsui Trust AM	Mitsubishi UFJ Trust	Nikko AM	Daiwa AM	Mitsubishi UFJ Kokusai AM	Sumitomo Mitsui DS AM	Fidelity	Tokyo Marine AM	Nissay AM	PFA	SOMPO AM
5009	Fuji Kosan	2021/6/24	66.08%	For	Against	For	Against	Against	For	Against	For	Against	-	Against	Against	-
6104	Toshiba Machine (now Shibaura Machine)	2020/3/27	62.18%	Against	Against	For	For	Against	Against	For	For	For	Against	For	Against	For

PFA voted against the introduction of Fuji Kosan's takeover defense plan, but voted for triggering it.



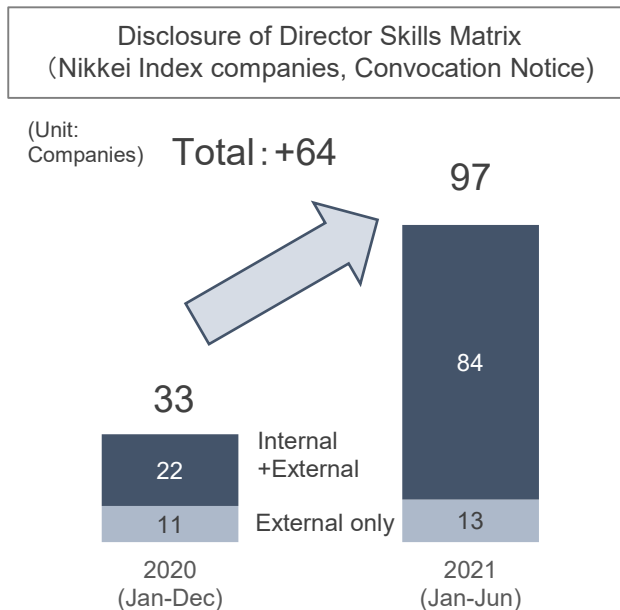
## Skills Matrix

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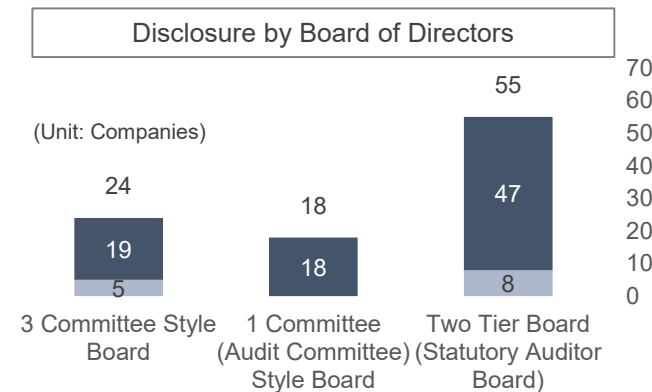
# Disclosure of Skills Matrix in Convocation Notice 1: Overview

- Researched skills matrix disclosure of Nikkei Index constituent companies. As of June 2021, 97 companies disclosed skills matrices in their Convocation Notices.
- In 2020 1/3 of companies disclosed skills matrices for external directors only; in 2021 many companies disclosed for internal directors also.
- For 2 tier board (Statutory Auditor Board (Kansayaku Board)) companies, many companies disclose skills matrices for the Statutory Auditor Board (Kansayaku Board) in addition to the Board of Directors.
- The number of skills varies from 3 to 16.

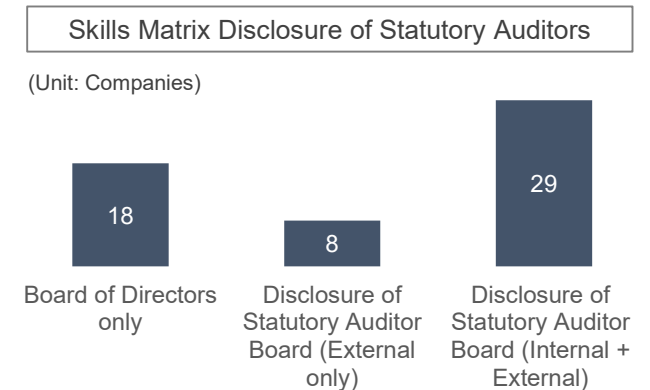
【Chart1】



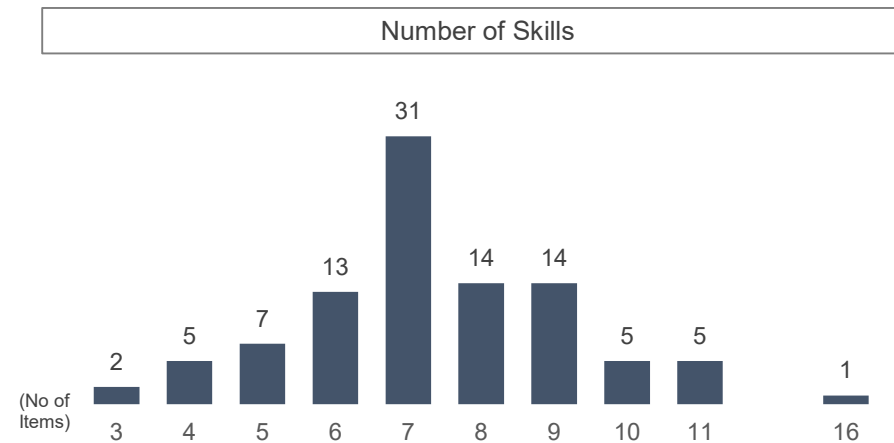
【Chart 2】



【Chart 3】



【Chart4】



※ Nikkei Index constituent companies (as of July 2021), up to June shareholders meeting for 2021, calendar year for 2020

Source: JSS based on Convocation Notices

## Disclosure of Skills Matrix in Convocation Notice 2: List -1

No.	Security Code	Company	Structure of Board of Directors	2021					2020				
				Directors		Kansayaku		Number of Skills	Directors		Kansayaku		Number of Skills
				Internal	External	Internal	External		Internal	External	Internal	External	
1	1332	Nippon Suisan Kaisha	2 Tier Board (Statutory Auditor Board)	●	●	●	●	10					
2	1801	Taisei Corporation ※	2 Tier Board (Statutory Auditor Board)	●	●		●	7					
3	1802	Obayashi Corporation	2 Tier Board (Statutory Auditor Board)	●	●			11					
4	1812	Kajima Corporation	2 Tier Board (Statutory Auditor Board)	●	●			8					
5	1925	Daiwa House Industry	2 Tier Board (Statutory Auditor Board)	●	●			6					
6	1928	Sekisui House	2 Tier Board (Statutory Auditor Board)	●	●			6	●	●			7
7	2502	Asahi Group Holdings	2 Tier Board (Statutory Auditor Board)	●	●			7					
8	2503	Kirin Holdings	2 Tier Board (Statutory Auditor Board)	●	●			10	●	●			9
9	2768	Sojitsu	2 Tier Board (Statutory Auditor Board)	●	●	●	●	10					
10	3086	J. Front Retailing	3 Committee Style Board	●	●			9					
11	3289	Tokyu Fudosan Holdings	2 Tier Board (Statutory Auditor Board)	●	●			7					
12	3382	Seven & i Holdings	2 Tier Board (Statutory Auditor Board)	●	●	●	●	10					
13	3401	Teijin	2 Tier Board (Statutory Auditor Board)	●	●	●	●	8	●	●	●	●	5
14	3407	Asahi Kasei	2 Tier Board (Statutory Auditor Board)		●		●	4					
15	3659	Nexon	1 Committee (Audit Committee) Style Board	●	●			7					
16	3861	Oji Holdings	2 Tier Board (Statutory Auditor Board)	●	●			9					
17	4005	Sumitomo Chemical	2 Tier Board (Statutory Auditor Board)	●	●	●	●	9					
18	4183	Mitsui Chemicals	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7					
19	4188	Mitsubishi Chemical	3 Committee Style Board	●	●			7	●	●			7
20	4208	Ube Industries	1 Committee (Audit Committee) Style Board	●	●			7					

※ Taisei Corporation: skills matrix disclosed for 1 statutory auditor (kansayaku) up for reelection only. No disclosure for other 4 statutory auditors (kansayaku) (internal:2, external:2)

※ Nikkei Index constituent companies (as of July 2021), up to June shareholders meeting for 2021, calendar year for 2020

Source: JSS based on Convocation Notices

## Disclosure of Skills Matrix in Convocation Notice 2: List -2

No.	Security Code	Company	Structure of Board of Directors	2021					2020				
				Directors		Kansayaku		Number of Skills	Directors		Kansayaku		Number of Skills
				Internal	External	Internal	External		Internal	External	Internal	External	
21	4324	Dentsu Group	1 Committee (Audit Committee) Style Board	●	●			7					
22	4507	Shionogi & Co	2 Tier Board (Statutory Auditor Board)	●	●			8					
23	4523	Eisai	3 Committee Style Board	●	●			6		●			5
24	4568	Daiichi-Sankyo	2 Tier Board (Statutory Auditor Board)	●	●	●	●	9		●		●	4
25	4578	Otsuka Holdings	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7					
26	4689	Z Holdings	1 Committee (Audit Committee) Style Board	●	●			8					
27	4704	Trend Micro	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7					
28	4901	FUJIFILM Holdings	2 Tier Board (Statutory Auditor Board)	●	●	●	●	6	●	●	●	●	6
29	5020	ENEOS Holdings	1 Committee (Audit Committee) Style Board	●	●			9					
30	5202	Nippon Sheet Glass	3 Committee Style Board	●	●			6					
31	5406	Kobe Steel	1 Committee (Audit Committee) Style Board	●	●			9	●	●			9
32	5707	Toho Zinc	1 Committee (Audit Committee) Style Board	●	●			7					
33	5711	Mitsubishi Materials	3 Committee Style Board	●	●			7					
34	5801	Furukawa Electric Group	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7					
35	5803	Fujikura	1 Committee (Audit Committee) Style Board	●	●			8	●	●			10
36	6301	Komatsu	2 Tier Board (Statutory Auditor Board)		●		●	8					
37	6305	Hitachi Construction Machinery	1 Committee (Audit Committee) Style Board	●	●			9					
38	6326	Kubota	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7	●	●	●	●	5
39	6361	Ebara Corporation	3 Committee Style Board	●	●			9	●	●			9
40	6472	NTN	3 Committee Style Board	●	●			9	●	●			9

※ Nikkei Index constituent companies (as of July 2021), up to June shareholders meeting for 2021, calendar year for 2020

Source: JSS based on Convocation Notices

## Disclosure of Skills Matrix in Convocation Notice 2: List -3

No.	Security Code	Company	Structure of Board of Directors	2021					2020				
				Directors		Kansayaku		Number of Skills	Directors		Kansayaku		Number of Skills
				Internal	External	Internal	External		Internal	External	Internal	External	
41	6479	MinebeaMitsumi	2 Tier Board (Statutory Auditor Board)	●	●	●	●	11					
42	6503	Mitsubishi Electric	3 Committee Style Board	●	●			7					
43	6506	Yaskawa Electric Corporation	1 Committee (Audit Committee) Style Board	●	●			7	●	●			7
44	6645	Omron	2 Tier Board (Statutory Auditor Board)		●		●	5					
45	6674	GS Yuasa Corporation	2 Tier Board (Statutory Auditor Board)	●	●	●	●	8					
46	6701	NEC Corporation	2 Tier Board (Statutory Auditor Board)	●	●			7					
47	6724	Seiko Epson	1 Committee (Audit Committee) Style Board	●	●			7	●	●			7
48	6752	Panasonic	2 Tier Board (Statutory Auditor Board)	●	●			8					
49	6758	Sony	3 Committee Style Board	●	●			7					
50	6770	Alps Alpine	1 Committee (Audit Committee) Style Board	●	●			8					
51	6841	Yokogawa Electric	2 Tier Board (Statutory Auditor Board)		●		●	6					
52	6857	Advantest	1 Committee (Audit Committee) Style Board	●	●			6	●	●			6
53	6952	Casio Computer	1 Committee (Audit Committee) Style Board	●	●			5					
54	6954	Fanuc	1 Committee (Audit Committee) Style Board	●	●			5					
55	6976	Taiyo Yuden	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7	●	●	●	●	6
56	7201	Nissan Motor	1 Committee (Audit Committee) Style Board	●	●			9	●	●			9
57	7270	SUBARU	2 Tier Board (Statutory Auditor Board)	●	●	●	●	8	●	●	●	●	8
58	7272	Yamaha Motor	2 Tier Board (Statutory Auditor Board)	●	●	●	●	9	●	●	●	●	8
59	7733	Olympus	3 Committee Style Board	●	●			7					
60	7752	Ricoh	2 Tier Board (Statutory Auditor Board)	●	●	●	●	4					

※ Nikkei Index constituent companies (as of July 2021), up to June shareholders meeting for 2021, calendar year for 2020

Source: JSS based on Convocation Notices

## Disclosure of Skills Matrix in Convocation Notice 2: List -4

No.	Security Code	Company	Structure of Board of Directors	2021					2020				
				Directors		Kansayaku		Number of Skills	Directors		Kansayaku		Number of Skills
				Internal	External	Internal	External		Internal	External	Internal	External	
61	7951	Yamaha	3 Committee Style Board	●	●			7	●	●			7
62	8001	Itochu Corporation	2 Tier Board (Statutory Auditor Board)	●	●	●	●	8		●		●	6
63	8002	Marubeni Corporation	2 Tier Board (Statutory Auditor Board)	●	●	●	●	6					
64	8015	Toyota Tsusho	2 Tier Board (Statutory Auditor Board)		●		●	4					
65	8031	Mitsui & Co	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7		●		●	5
66	8035	Tokyo Electron	2 Tier Board (Statutory Auditor Board)	●	●	●	●	6					
67	8053	Sumitomo Corporation	2 Tier Board (Statutory Auditor Board)		●			6		●			6
68	8303	Shinsei Bank	2 Tier Board (Statutory Auditor Board)	●	●			11					
69	8304	Aozora Bank	2 Tier Board (Statutory Auditor Board)		●		●	3					
70	8306	Mitsubishi UFJ Financial Group	3 Committee Style Board		●			4		●			4
71	8308	Resona Holdings	3 Committee Style Board	●	●			11		●			4
72	8309	Sumitomo Mitsui Trust Holdings	3 Committee Style Board		●			4		●			3
73	8316	Sumitomo Mitsui Financial Group	3 Committee Style Board		●			7					
74	8411	Mizuho Financial Group	3 Committee Style Board	●	●			6		●			5
75	8601	Daiwa Securities Group	3 Committee Style Board		●			5					
76	8604	Nomura Holdings	3 Committee Style Board	●	●			7	●	●			5
77	8630	SOMPO Holdings	3 Committee Style Board	●	●			9					
78	8697	Japan Exchange Group	3 Committee Style Board	●	●			5		●			5
79	8750	Dai-ichi Life Holdings	1 Committee (Audit Committee) Style Board	●	●			10					
80	8766	Tokio Marine Holdings	2 Tier Board (Statutory Auditor Board)	●	●	●	●	9	●	●	●	●	9

※ Nikkei Index constituent companies (as of July 2021), up to June shareholders meeting for 2021, calendar year for 2020

Source: JSS based on Convocation Notices



## Disclosure of Skills Matrix in Convocation Notice 2: List -5

No.	Security Code	Company	Structure of Board of Directors	2021					2020				
				Directors		Kansayaku		Number of Skills	Directors		Kansayaku		Number of Skills
				Internal	External	Internal	External		Internal	External	Internal	External	
81	8795	T&D Holdings	1 Committee (Audit Committee) Style Board	●	●			5					
82	8801	Mitsui Fudosan	2 Tier Board (Statutory Auditor Board)	●	●			7					
83	9001	Tobu Railway	2 Tier Board (Statutory Auditor Board)	●	●			8					
84	9005	Tokyu Corporation	2 Tier Board (Statutory Auditor Board)	●	●	●	●	11					
85	9064	Yamato Holdings	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7	●	●	●	●	7
86	9101	NYK Line	2 Tier Board (Statutory Auditor Board)	●	●			16					
87	9104	Mitsui O.S.K.Lines	2 Tier Board (Statutory Auditor Board)	●	●			8					
88	9107	Kawasaki Kisen Kaisha	2 Tier Board (Statutory Auditor Board)	●	●			5	●	●			5
89	9202	ANA Holdings	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7					
90	9432	Nippon Telegraph and Telephone Corporation	2 Tier Board (Statutory Auditor Board)	●	●	●	●	6					
91	9433	KDDI	2 Tier Board (Statutory Auditor Board)		●		●	3		●		●	3
92	9434	Softbank	2 Tier Board (Statutory Auditor Board)	●	●	●	●	6					
93	9501	Tokyo Electric Power	3 Committee Style Board		●			7					
94	9503	Kansai Electric Power	3 Committee Style Board	●	●			9					
95	9602	Toho ※	1 Committee (Audit Committee) Style Board	●	●			6					
96	9613	NTT Data	1 Committee (Audit Committee) Style Board	●	●			7					
97	9984	Softbank Group	2 Tier Board (Statutory Auditor Board)	●	●	●	●	7					

※ Toho: disclosure for 1 new director who is a member of the Audit Committee only

※ Nikkei Index constituent companies (as of July 2021), up to June shareholders meeting for 2021, calendar year for 2020

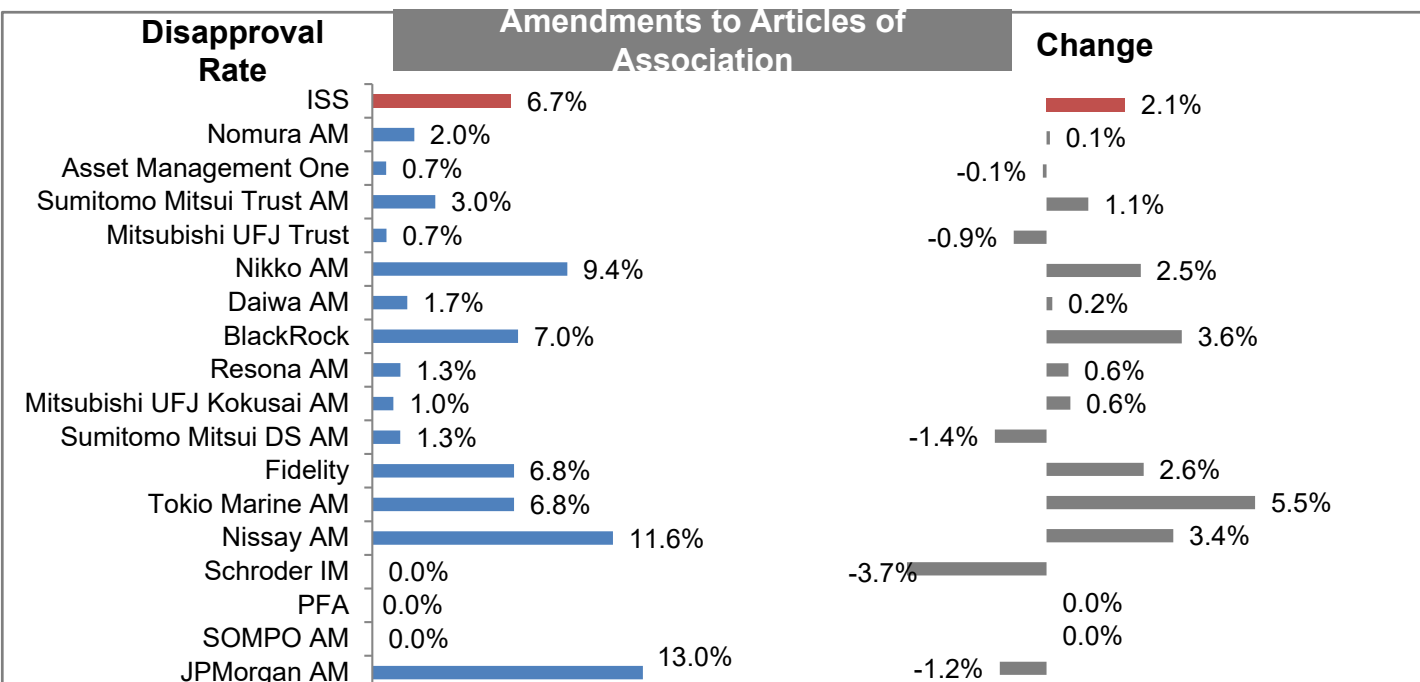
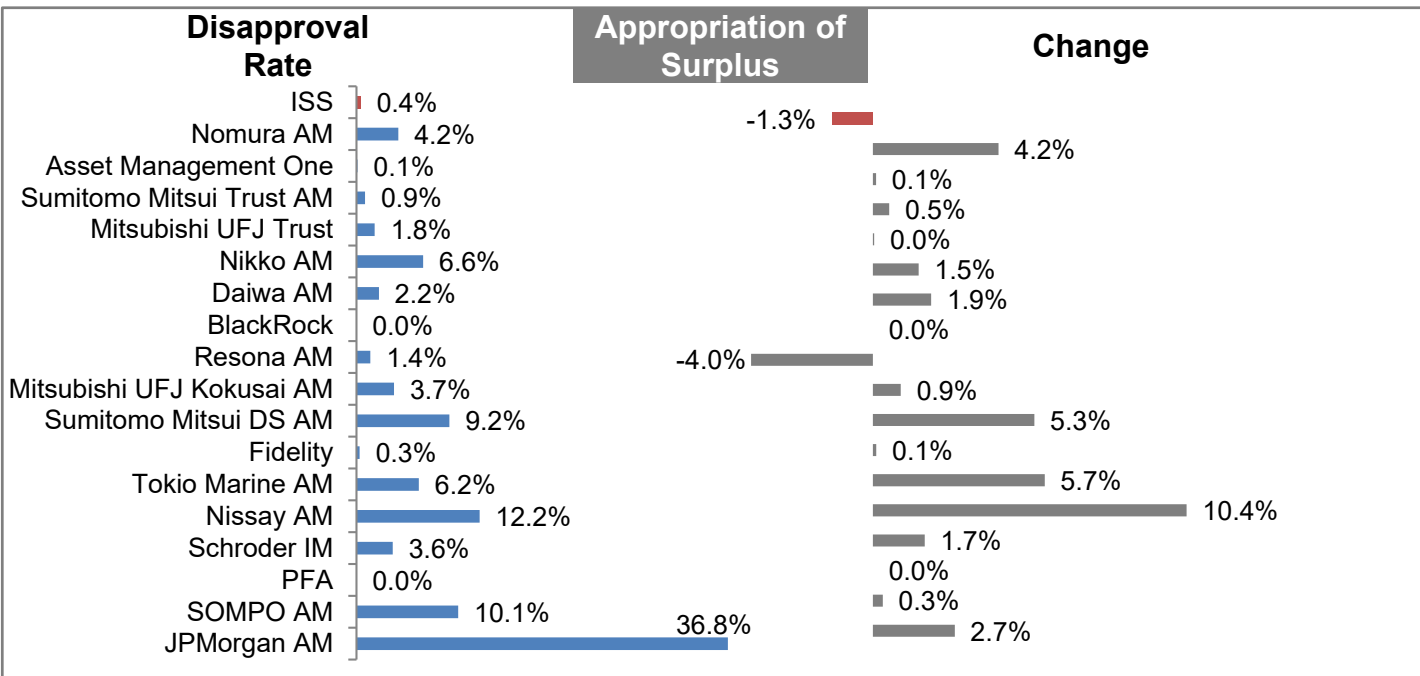
Source: JSS based on Convocation Notices

Appendix:

Proxy Voting of Institutional Investors in Japan

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# Proxy Voting of Major Institutional Investors in Japan 1

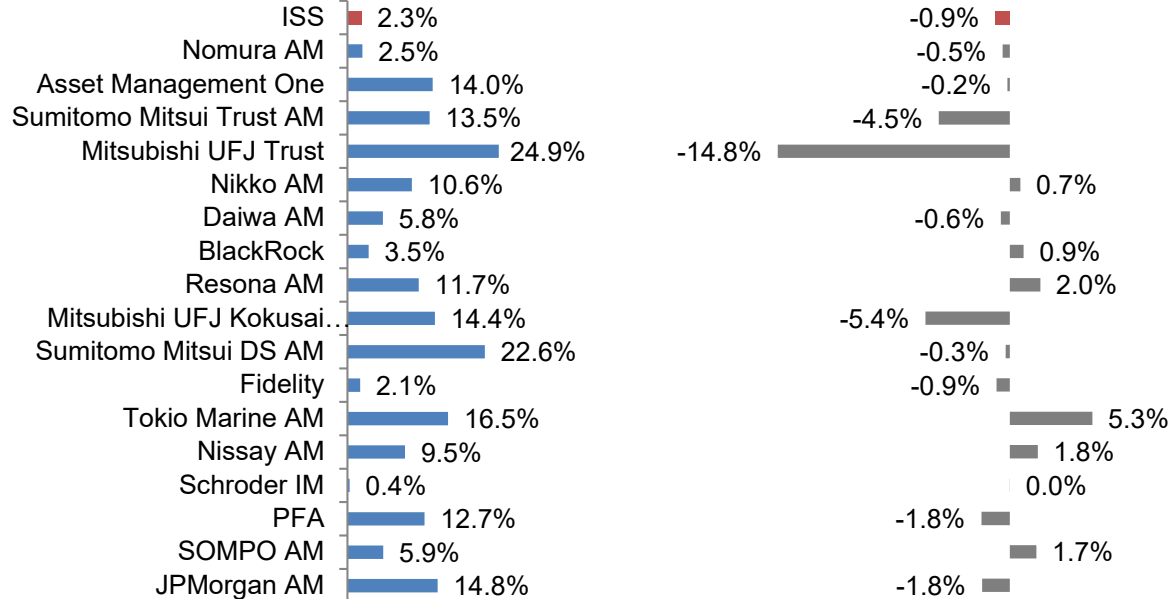


# Proxy Voting of Major Institutional Investors in Japan 2

## Disapproval Rate

## Election of Directors (Internal)

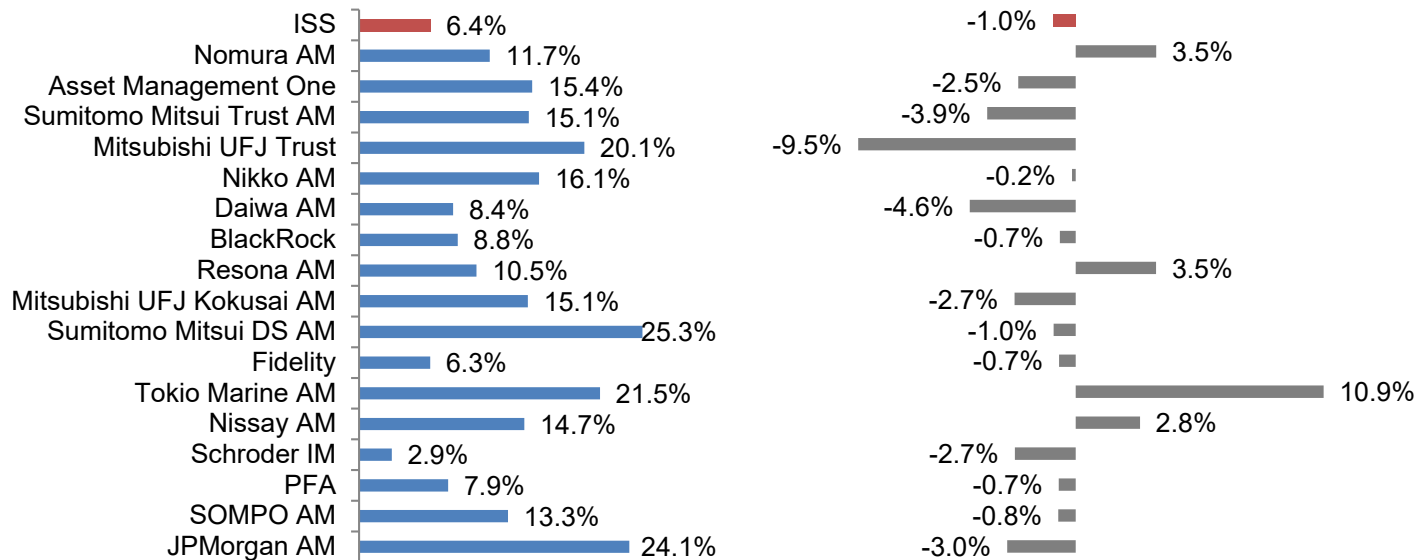
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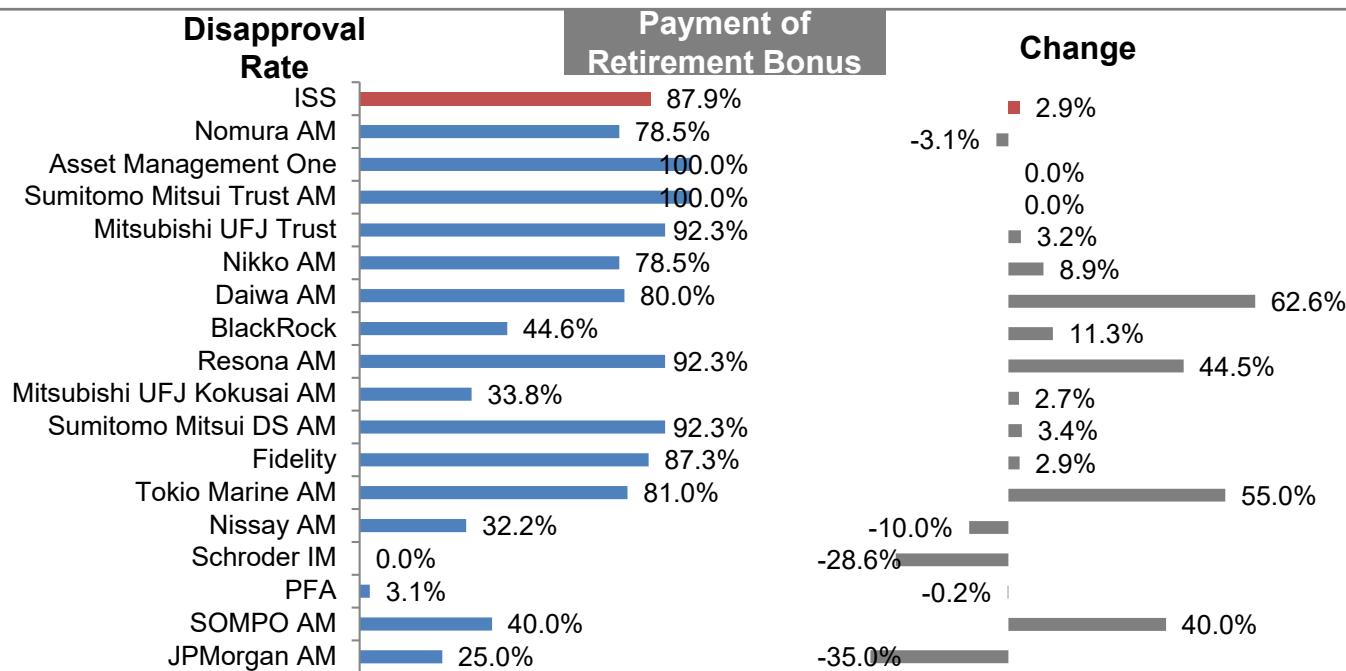
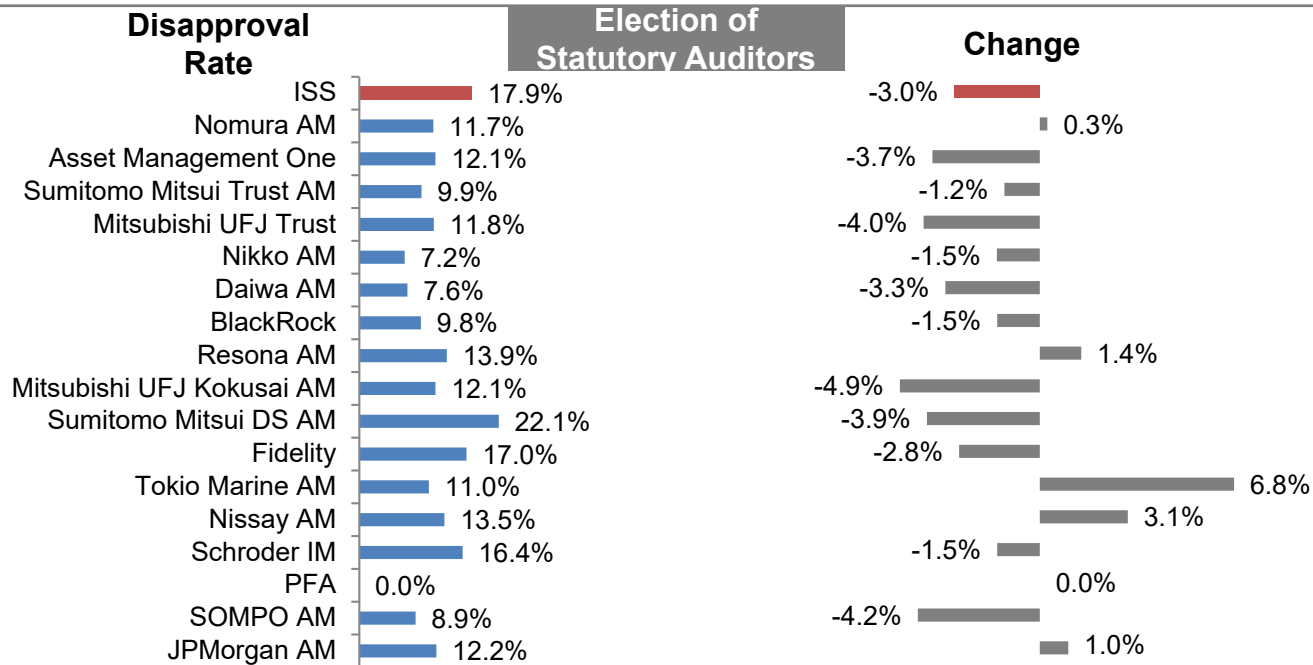
## Disapproval Rate

## Election of Directors (External)

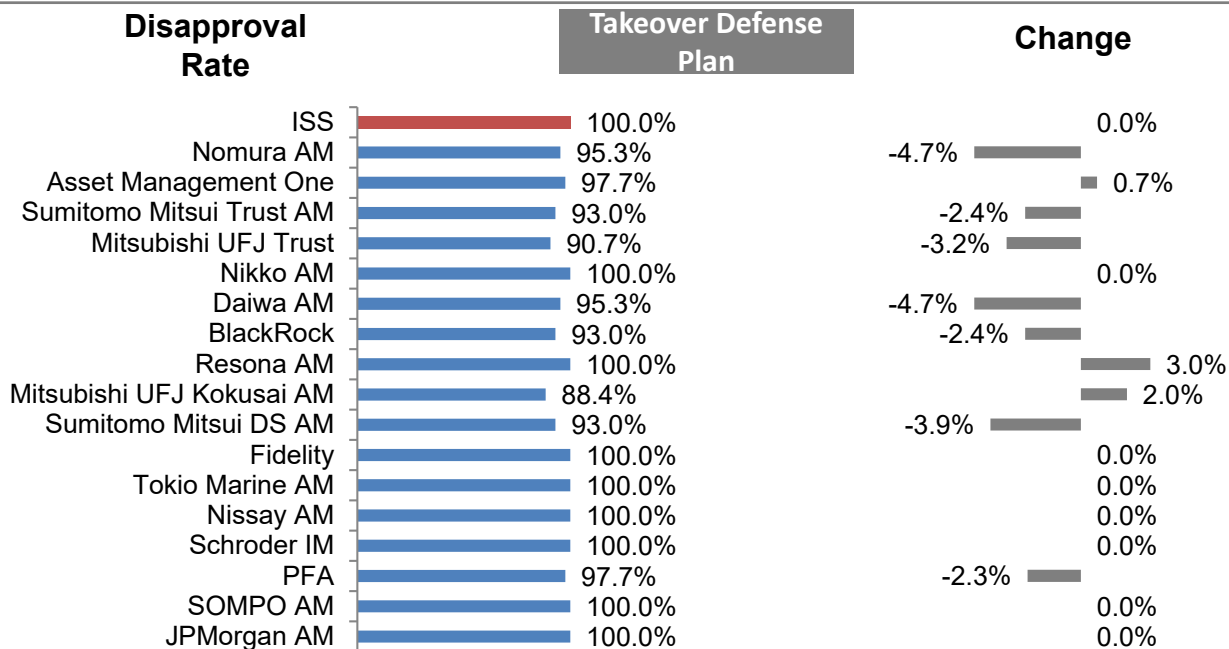
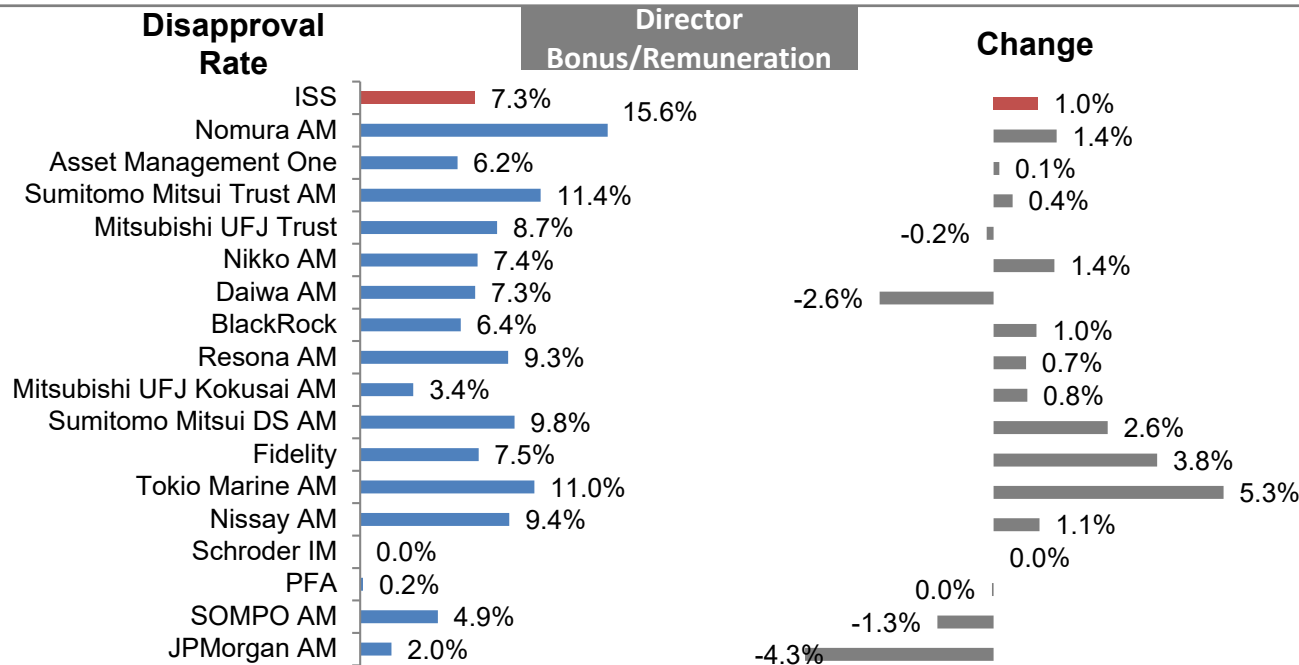
## Change



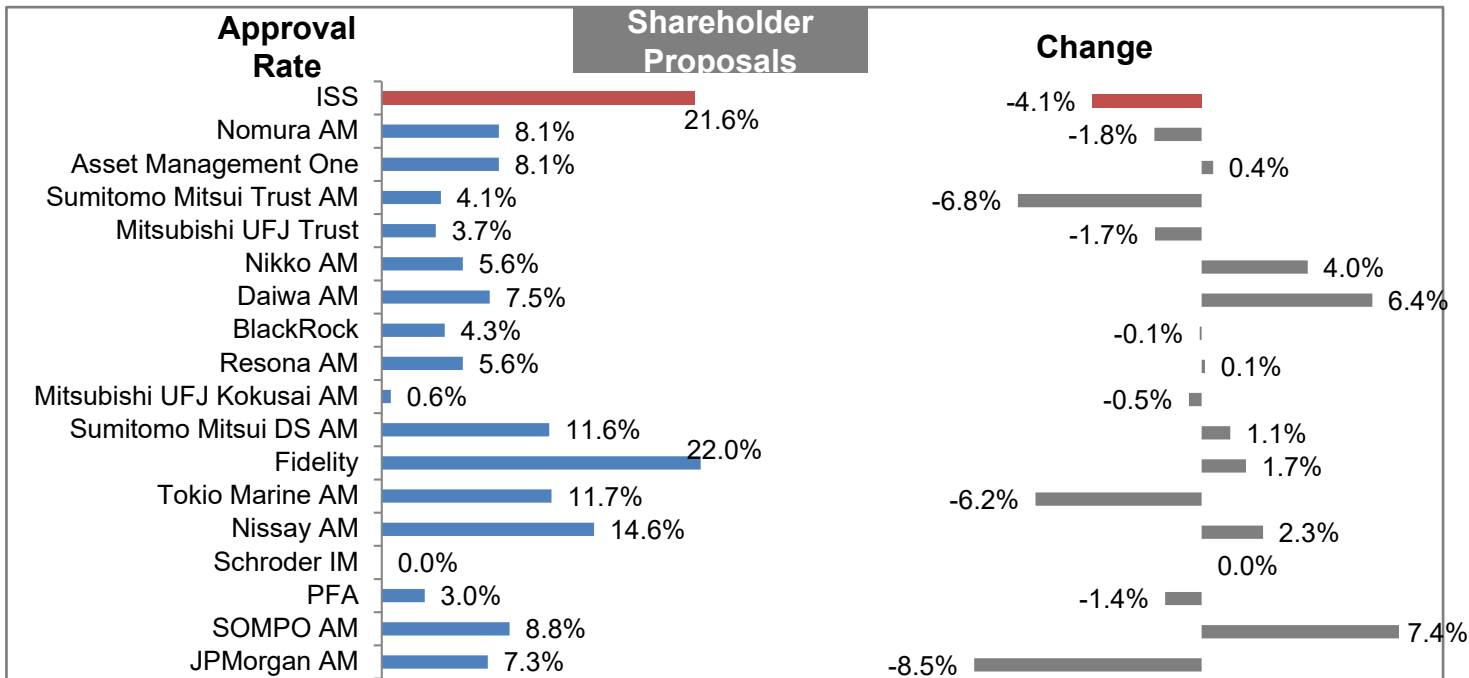
# Proxy Voting of Major Institutional Investors in Japan 3



# Proxy Voting of Major Institutional Investors in Japan 4



# Proxy Voting of Major Institutional Investors in Japan 5



# JSS Japan Shareholder Services

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