

August 27, 2014

## Press Release

Nikko Asset Management Co., Ltd.

### **Nikko Asset Management Casts Fewer Nay Votes at Shareholder Meetings in 2013/14**

Growing awareness of strengthening corporate governance in Japan and improving corporate earnings has led Nikko Asset Management to cast fewer negative votes at general shareholder meetings of the firms that the Tokyo-based asset manager has invested in the year to June 2014, the company announced today.

Nikko Asset Management unveiled the results of its voting rights exercised in proposals made at the general shareholder meetings of 1,996 companies that the asset manager invested between July 1<sup>st</sup>, 2013 and June 30<sup>th</sup>, 2014.

The results showed that the asset manager voted against 1,430 out of a total 18,753 company-generated proposals. This translates into a 7.6% ratio of opposition votes, down from a 9.5% ratio during the same period a year ago.

In regard to proposals to elect directors, the percentage of Nikko Asset Management's nay votes dropped to 5.4% from 7.3% a year ago. In the proposal for electing corporate auditors, the asset manager's opposition votes fell to 16.8% compared with 18.1% a year ago.

The asset management firm's ratio of no votes for proposals on measures to prevent acquisitions remained high at 95.2%, although it dropped against the previous year's 97.4%.

In May 2014, Nikko Asset Management announced its adoption of the "Principles for Responsible Institutional Investors" (also known as Japan's Stewardship Code) in relation to its investments in publicly traded Japanese stocks. Nikko Asset Management unveiled its policy on the stewardship code in order to specify how it will fulfill its stewardship responsibilities (<http://en.nikkoam.com/stewardshipcode>). As this policy indicates, Nikko Asset Management emphasizes the exercising of voting rights in the companies in which it invests as an opportunity to express its opinion and does so in accordance with its Guidelines on Exercising Voting Rights. Moreover, the asset manager was the first asset management company in Japan to release results of its exercise of voting rights, and has been doing so since 2007. The past results of its exercise of voting rights are available on the following website (<http://en.nikkoam.com/voting-rights/results>).

Nikko Asset Management will continue to fulfill its fiduciary responsibility through appropriate engagement with the companies in which it invests.

## Status of Exercise of Voting Rights by Proposal Type

### 1. Company-generated Proposals

Proposal	July 2013 – June 2014				(For Ref.) July 2012 – June 2013			
	Subtotal	Yea	Nay	Nay ratio	Subtotal	Yea	Nay	Nay ratio
Appropriation of surpluses	1,403	1,390	13	0.9%	1,320	1,302	18	1.4%
Partial revision to articles of incorporation	647	608	39	6.0%	624	570	54	8.7%
Election/Dismissal of directors	13,593	12,854	739	5.4%	13,731	12,730	1,001	7.3%
Election/Dismissal of corporate auditors	2,016	1,677	339	16.8%	2,183	1,788	395	18.1%
Retirement benefit payments	261	199	62	23.8%	271	195	76	28.0%
Revision of executive remuneration amount	350	334	16	4.6%	317	292	25	7.9%
Granting of stock acquisition rights	175	129	46	26.3%	160	102	58	36.3%
Restructuring	49	44	5	10.2%	63	46	17	27.0%
Other company-generated proposals	259	88	171	66.0%	260	101	159	61.2%
<i>Granting of stock acquisition rights (preventive measures against acquisition)</i>	167	8	159	95.2%	153	4	149	97.4%
<i>Selection of corporate auditors</i>	34	32	2	5.9%	25	22	3	12.0%
<i>Other</i>	58	48	10	17.2%	82	75	7	8.5%
<b>Total</b>	<b>18,753</b>	<b>17,323</b>	<b>1,430</b>	<b>7.6%</b>	<b>18,929</b>	<b>17,126</b>	<b>1,803</b>	<b>9.5%</b>

### 2. Shareholder Proposals

Proposal	July 2013 – June 2014				(For Ref.) July 2012 – June 2013			
	Subtotal	Yea	Nay	Yea ratio	Subtotal	Yea	Nay	Yea ratio
Appropriation of surpluses	7	2	5	28.6%	5	0	5	0.0%
Election/Dismissal of officers	35	0	35	0.0%	49	0	49	0.0%
Other proposals (incl. revision to articles of incorporation)	121	1	120	0.8%	68	0	68	0.0%
<b>Total</b>	<b>163</b>	<b>3</b>	<b>160</b>	<b>1.8%</b>	<b>122</b>	<b>0</b>	<b>122</b>	<b>0.0%</b>

## About Nikko Asset Management

Nikko Asset Management (Nikko AM) is a leader in the Asian financial services industry, with \$158 billion in assets under management as of March 31, 2014. Established in 1959, the firm has representation across 24 locations in 12 countries and enjoys one of the largest distributor networks in the region, serving both retail and institutional clients. More than 300 banks, brokers, financial advisors and life insurance companies distribute the company's products.

Nikko AM manages a wide range of equity and fixed income strategies in both active and passive formats, leveraging the talents of over 270 investment professionals. In 2013 alone, Nikko AM won awards for excellence in asset management from Lipper, Morningstar, Mercer, AsianInvestor, R&I, among others.

The company's management team is highly diverse and experienced, and is committed to running the company according to international best practices. Nikko AM's independence from the limitations imposed on many captive asset management companies allows it to focus on the interests of clients. At the same time, the company enjoys a stable base of shareholders, with majority ownership held by Sumitomo Mitsui Trust Holdings and a smaller stake by DBS Bank.

For more information, please visit <http://en.nikkoam.com/>

\* Consolidated assets under management and sub-advisory of Nikko AM and its subsidiaries as of 31 March 2014. AUM figures are converted into US dollars using the month-end exchange rate.

\*\* Represents the 24 locations of Nikko Asset Management and its overseas subsidiaries and affiliates (including minority joint ventures) across 12 countries.

### **Nikko Asset Management Co., LTD**

Registration Number: Director of the Kanto Local Finance Bureau (Financial instruments firms) No. 368

Member Associations: The Investment Trusts Association, Japan/Japan Investment Advisers Association