

August 28, 2015

Press Release

Nikko Asset Management Co., Ltd.

Nikko Asset Management Casts More Votes at Shareholder Meetings in 2014/15

- *Firms increase focus on governance with the introduction of the Corporate Governance Code*
- *Nikko Asset Management slightly increased opposition votes on the election of directors as their independence could not be ensured*

As listed Japanese firms strengthen governance with the introduction of the Corporate Governance Code this year, Nikko Asset Management cast more votes on company-generated proposals at general shareholder meetings of firms that the Tokyo-based asset manager invested in during the year to June 2015.

At the shareholder meetings of 2,070 companies, Nikko Asset Management cast 23,117 votes in company-generated proposals, up 23% from the same period a year earlier. A total of 2,004 of these votes were negative which translates into 8.7% of total votes, higher than the 7.6% cast during the same period a year ago.

The percentage of negative votes on proposals to elect directors rose to 7.9% from 5.4% a year earlier. Before the Corporate Governance Code was introduced in June of this year, an increasing number of companies began placing outside directors on their boards. The asset manager's votes opposing proposals to appoint such directors increased because it deemed that their independence could not be ensured.

The firm's opposition votes on proposals to elect corporate auditors fell to 11.7% compared with 16.8% a year ago. This was attributed to more firms providing advance explanations on the independence of statutory auditors and notices of shareholder meetings containing more details than in previous years. The firm's percentage of negative votes for proposals on anti-takeover measures remained high at 92.9%, close to the previous year's 95.2%.

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 fulfil 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 the results of its votes, and has been doing so since 2007. The past results of its votes are available on the following website at (<http://en.nikkoam.com/voting-rights/results>).

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

Votes by Proposal Type

1. Company-generated Proposals

Proposal	July 2014 – June 2015				(For Ref.) July 2013 – June 2014			
	Subtotal	Yea	Nay	Nay ratio	Subtotal	Yea	Nay	Nay ratio
Appropriation of surpluses	1,457	1,440	17	1.2%	1,403	1,390	13	0.9%
Partial revision to articles of incorporation	1,102	1,031	71	6.4%	647	608	39	6.0%
Election/Dismissal of directors	15,945	14,680	1,265	7.9%	13,593	12,854	739	5.4%
Election/Dismissal of corporate auditors	3,340	2,949	391	11.7%	2,016	1,677	339	16.8%
Retirement benefit payments	277	195	82	29.6%	261	199	62	23.8%
Revision of executive remuneration amount	583	561	22	3.8%	350	334	16	4.6%
Granting of stock acquisition rights	200	142	58	29.0%	175	129	46	26.3%
Restructuring	42	36	6	14.3%	49	44	5	10.2%
Other company-generated proposals	171	79	92	53.8%	259	88	171	66.0%
<i>Granting of stock acquisition rights (anti-takeover measures)</i>	98	7	91	92.9%	167	8	159	95.2%
<i>Selection of corporate auditors</i>	21	20	1	4.8%	34	32	2	5.9%
<i>Other</i>	52	52	0	0.0%	58	48	10	17.2%
Total	23,117	21,113	2,004	8.7%	18,753	17,323	1,430	7.6%

2. Shareholder Proposals

Proposal	July 2014 – June 2015				(For Ref.) July 2013 – June 2014			
	Subtotal	Yea	Nay	Yea ratio	Subtotal	Yea	Nay	Yea ratio
Appropriation of surpluses	12	5	7	41.7%	7	2	5	28.6%
Election/Dismissal of officers	36	0	36	0.0%	35	0	35	0.0%
Other proposals (incl. revision to articles of incorporation)	123	3	120	2.4%	121	1	120	0.8%
Total	171	8	163	4.7%	163	3	160	1.8%

About Nikko Asset Management

Nikko Asset Management is positioning itself to be Asia's premier global asset manager. The firm offers world-class asset management solutions for global investors, and has US\$161.3 billion (19.74 trillion yen) in assets under management*. With approximately 200 investment professionals**, the firm leverages its extensive global resources representing over 30 nationalities across 11 countries. Headquartered in Asia for over 55 years, Nikko Asset Management's vantage point, extending east to west, distinguishes its investment approach.

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

* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of June 30, 2015.

** As of June 30, 2015, including employees of Nikko Asset Management and its subsidiaries.

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/
Japan Securities Dealers Association