

August 29, 2012

## Press Release

Nikko Asset Management Co., Ltd.

### **Results of Exercise of Voting Rights at June 2012 GSMs**

Nikko Asset Management Co., Ltd. ("Nikko AM") announced today the results of its exercise of voting rights in proposals made at the general shareholder meetings of 1,904 invested companies between July 2011 and June 2012. Nikko AM voted against 2,327 of a total 18,950 company-generated proposals, resulting in a 12.3 percent ratio of nay votes on such proposals. Details may be found in the table below.

In aiming to ensure the fulfillment of its fiduciary responsibility by appropriately exercising its voting rights in the companies in which it invests, Nikko AM established its Guidelines for the Exercise of Voting Rights in 2002 and exercises its voting rights based on the content of those guidelines, while also making revisions to them when so required.

As a result of partially revising last year's guidelines in order to more rigorously assess the independence of external directors, Nikko AM voted against 1,266 of 12,731 proposals on the election or dismissal of directors. Accordingly, the nay ratio in this category rose by 0.4% from the previous year to 9.9%. In opposition to payments to external directors and auditors, Nikko AM rejected 138 of 339, or 40.7% of proposals on retirement benefit payments. The number of proposals on preventive measures against acquisition decreased from last year but Nikko AM's nay ratio for such proposals remained almost the same at 96.0%.

An increase in large shareholder-generated proposals was characteristic of shareholder meetings in June 2012. The number of proposals submitted rose by 30% from 115 last year to 152, including proposals from local governments against power companies and so-called proxy fights that sought to install new company management. Nikko AM's ye ratio for shareholder-generated proposals was 2.0%.

Nikko AM 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 for your reference on the following page on our website.

<http://en.nikkoam.com/voting-rights/results>

Nikko AM will continue to fulfill its fiduciary responsibility through active dialogue with the companies in which it invests.

## Status of Exercise of Voting Rights by Proposal Type

### 1. Company-generated Proposals

Proposal	July 2011 – June 2012				(For Ref.) July 2010 – June 2011			
	Subtotal	Yea	Nay	Nay ratio	Subtotal	Yea	Nay	Nay ratio
Appropriation of surpluses	1,309	1,283	26	2.0%	1,285	1,199	86	6.7%
Partial revision to articles of incorporation	562	501	61	10.9%	474	414	60	12.7%
Election/Dismissal of directors	12,731	11,465	1,266	9.9%	13,575	12,280	1,295	9.5%
Election/Dismissal of corporate auditors	3,185	2,561	624	19.6%	3,184	2,558	626	19.7%
Retirement benefit payments	339	201	138	40.7%	390	240	150	38.5%
Revision of executive remuneration amount	373	346	27	7.2%	352	336	16	4.5%
Granting of stock acquisition rights	176	112	64	36.4%	184	124	60	32.6%
Restructuring	61	44	17	27.9%	52	41	11	21.2%
Other company-generated proposals	214	110	104	48.6%	315	123	192	61.0%
<i>Granting of stock acquisition rights (preventive measures against acquisition)</i>	<i>100</i>	<i>4</i>	<i>96</i>	<i>96.0%</i>	<i>187</i>	<i>4</i>	<i>183</i>	<i>97.9%</i>
<i>Selection of corporate auditors</i>	<i>31</i>	<i>31</i>	<i>0</i>	<i>0.0%</i>	<i>43</i>	<i>43</i>	<i>0</i>	<i>0.0%</i>
<i>Other</i>	<i>83</i>	<i>75</i>	<i>8</i>	<i>9.6%</i>	<i>85</i>	<i>76</i>	<i>9</i>	<i>10.6%</i>
<b>Total</b>	<b>18,950</b>	<b>16,623</b>	<b>2,327</b>	<b>12.3%</b>	<b>19,811</b>	<b>17,315</b>	<b>2,496</b>	<b>12.6%</b>

### 2. Shareholder Proposals

Proposal	July 2011 – June 2012				(For Ref.) July 2010 – June 2011			
	Subtotal	Yea	Nay	Yea ratio	Subtotal	Yea	Nay	Yea ratio
Appropriation of surpluses	5	1	4	20.0%	3	0	3	0.0%
Election/Dismissal of officers	62	2	60	3.2%	75	4	71	5.3%
Other proposals (incl. revision to articles of incorporation)	85	0	85	0.0%	37	1	36	2.7%
<b>Total</b>	<b>152</b>	<b>3</b>	<b>149</b>	<b>2.0%</b>	<b>115</b>	<b>5</b>	<b>110</b>	<b>4.3%</b>

## About Nikko Asset Management

Established in 1959, the Nikko Asset Management Group (Nikko AM) has grown to be the largest regional asset management company headquartered in Asia, with total AUM over US\$158 billion\* and one of the largest distributor networks across the Asia-Pacific region, comprising over 300 banks, brokers and life insurance companies.

Nikko AM manages a wide range of Asian equity and Asian fixed income strategies for retail and institutional investors around the world. The company has been recognised by industry peers for outstanding performance, product innovation and market leadership across the Asia region, winning a number of prestigious awards which includes “Asia-Based Asset Manager of the Year” in 2012 and “Best Japan Onshore Fund Manager” in 2012 and 2011, both from *AsianInvestor*.

Nikko AM also offers specialist third-party expertise – currently over 40 fund managers – through the World Series Fund Platform®, operating a “best-in-class” approach across a broad range of asset classes.

Nikko AM’s senior management team has significant experience across Asian as well as global markets. The team combines local knowledge with internationally recognised standards of investment practice, transparency and corporate governance to achieve growth across the business. The company adopts a “multi local” approach – giving local management teams a high degree of autonomy to address local market conditions and client servicing needs.

Nikko AM’s head office is in Tokyo, with an extensive footprint across the Asia-Pacific region that includes local offices in Singapore, Hong Kong, Sydney, Melbourne, Brisbane and Auckland. Global offices in New York and London with full service teams provide support to investors in the US, Europe and the Middle East. Nikko AM holds a 40% stake in Rongtong Fund Management, the 7<sup>th</sup> largest Sino-foreign joint venture fund management group in China, while in Malaysia, a 51% stake in Asian Islamic Investment Management Sdn. Bhd. and a 30% stake in Hwang Investment Management Berhad – both leading investment management firms – add to Nikko AM’s regional presence\*\*.

Nikko AM is majority owned by Sumitomo Mitsui Trust Holdings, while DBS Bank is the second largest shareholder.

Nikko AM continues to operate independently.

For more information, please visit [www.nikkoam.com/english](http://www.nikkoam.com/english)

\* Consolidated assets under management and advice of Nikko AM and its subsidiaries as at 31 March 2012.

\*\*As of December 2011