

PRESS RELEASE

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NIKKO ASSET MANAGEMENT CO., LTD.

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## Nikko Asset Management Enhances Governance, with Full Disclosure of its Voting Results

*Also announces results of 2016/17 Shareholder Meetings - Opposition almost doubles*

Nikko Asset Management today announces its commitment to disclose the results of individual voting in the companies in which it invests at shareholder meetings, in accordance with the [Principles for Responsible Institutional Investors](#) set forth in Japan's Stewardship Code. With this, every quarter the firm openly communicates its voting for each investee company and each individual proposal on its website (<http://en.nikkoam.com/voting-rights-results>), ensuring full accountability and transparency in representing its clients. Nikko Asset Management votes are cast based on its [Guidelines on Exercising Voting Rights](#).

Further strengthening transparency and governance in its voting and other stewardship activities, in June 2016 the firm set up its Stewardship & Voting Rights Policy Committee and in March 2017 established a dedicated department responsible for engagement with investee companies - including for holdings in passively managed funds.

Today, Nikko Asset Management also announces that at the shareholder meetings from July 2016 through June 2017 of 2,211 Japanese companies in which Nikko Asset Management invests, the firm cast 3,876 negative votes against 22,956 proposals. This translates to 16.9% of total votes, up from the 9.1% in 2015/16 – almost doubling. See the tables on the following page (*Votes by Proposal Type*) for further details.

The ratio of nay votes against proposals for *appropriation of surpluses* rose to 9.4% from 4.3% in 2015/16, while the ratio of nay votes against proposals for *election/dismissal of directors* rose to 18.5% from 8.6% in 2015/16. The large increases in both figures resulted from Nikko Asset Management's adoption of more stringent voting criteria, as well as efforts to more fully reflect judgments based on qualitative analysis and engagement by its in-house analysts in the voting process. At the same time, the ratio of nay votes against *election/dismissal of corporate auditors* dropped to 9.4% from 12.3% in 2015/16 due to an increase in the number of candidates meeting the criteria for independence. Finally, the ratio of nay votes against proposals for *anti-takeover defense* remained high, edging up to 90.9% from 89.6% in 2015/16.

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## Votes by Proposal Type

### 1. Company-generated Proposals

Proposal	July 2016 – June 2017				(For Ref.) July 2015 – June 2016			
	Yea	Nay	Subtotal	Nay ratio	Yea	Nay	Subtotal	Nay ratio
Appropriation of surpluses	1,344	140	1,484	9.4%	1,426	64	1,490	4.3%
Partial revision to articles of incorporation	597	57	654	8.7%	855	85	940	9.0%
Election/Dismissal of directors	14,147	3,208	17,355	18.5%	15,085	1,412	16,497	8.6%
Election/Dismissal of corporate auditors	1,676	174	1,850	9.4%	2,566	360	2,926	12.3%
Retirement benefit payments	165	47	212	22.2%	177	65	242	26.9%
Revision of executive remuneration amount	511	18	529	3.4%	898	16	914	1.8%
Granting of stock acquisition rights (Stock Option Plan)	233	88	321	27.4%	238	51	289	17.6%
Granting of stock acquisition rights (anti-takeover measures)	12	120	132	90.9%	12	103	115	89.6%
Restructuring	45	8	53	15.1%	49	2	51	3.9%
Selection of corporate auditors	44	2	46	4.3%	46	1	47	2.1%
Other	306	14	320	4.4%	142	4	146	2.7%
<b>Total</b>	<b>19,080</b>	<b>3,876</b>	<b>22,956</b>	<b>16.9%</b>	<b>21,494</b>	<b>2,163</b>	<b>23,657</b>	<b>9.1%</b>

### 2. Shareholder Proposals

Proposal	July 2016 – June 2017				(For Ref.) July 2015 – June 2016			
	Yea	Nay	Subtotal	Yea ratio	Yea	Nay	Subtotal	Yea ratio
Appropriation of surpluses	8	2	10	80.0%	8	4	12	66.7%
Election/Dismissal of officers	1	53	54	1.9%	1	33	34	2.9%
Other proposals (incl. revision to articles of incorporation)	8	149	157	5.1%	11	104	115	9.6%
<b>Total</b>	<b>17</b>	<b>204</b>	<b>221</b>	<b>7.7%</b>	<b>20</b>	<b>141</b>	<b>161</b>	<b>12.4%</b>

## About Nikko Asset Management

With US\$184.1 billion (20.68 trillion yen)\* under management, Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income, Multi-Asset and Alternative strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Headquartered in Asia since 1959, the firm represents more than 200\*\* investment professionals and over 30 nationalities across 9 countries. More than 300 banks, brokers, financial advisors and life insurance companies around the world distribute the company's products.

The investment teams benefit from a unique global perspective complemented by the firm's historic Asian DNA, striving to deliver consistent excellence in performance. The firm also prides itself on its progressive solution-driven approach, which has led to many innovative funds launched for its clients.

For more information about Nikko Asset Management and to access its investment insights, please visit the firm's [homepage](#).

\* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of June 30, 2017.

\*\* As of June 30, 2017, including employees of Nikko Asset Management and its subsidiaries.

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Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo, 107-6242, Japan

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