

## Proxy Voting Result from Jan. to Mar. 2018

### 1. Number of management proposals for Japanese companies voted for, against, abstain, or carte blanche

| Management Proposals                      | For          | Against    | Abstain  | Carte Blanche | Total Proposals | % of against |
|-------------------------------------------|--------------|------------|----------|---------------|-----------------|--------------|
| Allocation of Income and Dividends        | 192          | 23         | 0        | 0             | 215             | 10.7%        |
| Election/Removal of Directors ※1          | 2,019        | 102        | 0        | 0             | 2,121           | 4.8%         |
| Election/Removal of Statutory Auditors ※1 | 210          | 55         | 0        | 0             | 265             | 20.8%        |
| Amendment of Articles                     | 71           | 5          | 0        | 0             | 76              | 6.6%         |
| Retirement Bonus for Directors & Auditors | 16           | 10         | 0        | 0             | 26              | 38.5%        |
| Revision of Remuneration                  | 33           | 0          | 0        | 0             | 33              | 0.0%         |
| Stock Option ※2                           | 46           | 28         | 0        | 0             | 74              | 37.8%        |
| Election/Removal of Accounting Auditors   | 8            | 0          | 0        | 0             | 8               | 0.0%         |
| Company Reorganization ※3                 | 5            | 1          | 0        | 0             | 6               | 16.7%        |
| Takeover Defense                          | 0            | 8          | 0        | 0             | 8               | 100.0%       |
| Others ※4                                 | 19           | 2          | 0        | 0             | 21              | 9.5%         |
| <b>Total</b>                              | <b>2,619</b> | <b>234</b> | <b>0</b> | <b>0</b>      | <b>2,853</b>    | <b>8.2%</b>  |

(※1) One candidate is counted as one proposal.

(※2) Includes stock options, pay-for-performance plan, executive bonus, etc.

(※3) Includes merger, sale/transfer of business, equity transfer, stock splits, corporate separation, etc.

(※4) Includes share buyback, legal reserve decline, third party allotment, capital reduction, reverse equity split, etc.

## 2. Number of shareholder proposals for Japanese companies voted for, against, abstain, or carte blanche

| Shareholder Proposals                     | For      | Against   | Abstain  | Carte Blanche | Total Proposals | % of against |
|-------------------------------------------|----------|-----------|----------|---------------|-----------------|--------------|
| Allocation of Income and Dividends        | 1        | 1         | 0        | 0             | 2               | 50.0%        |
| Election/Removal of Directors ※1          | 0        | 4         | 0        | 0             | 4               | 100.0%       |
| Election/Removal of Statutory Auditors ※1 | 0        | 0         | 0        | 0             | 0               | —            |
| Amendment of Articles                     | 3        | 4         | 0        | 0             | 7               | 57.1%        |
| Retirement Bonus for Directors & Auditors | 0        | 0         | 0        | 0             | 0               | —            |
| Revision of Remuneration                  | 0        | 1         | 0        | 0             | 1               | 100.0%       |
| Stock Option ※2                           | 0        | 0         | 0        | 0             | 0               | —            |
| Election/Removal of Accounting Auditors   | 0        | 0         | 0        | 0             | 0               | —            |
| Company Reorganization ※3                 | 0        | 0         | 0        | 0             | 0               | —            |
| Takeover Defense                          | 1        | 0         | 0        | 0             | 1               | 0.0%         |
| Others ※4                                 | 0        | 0         | 0        | 0             | 0               | —            |
| <b>Total</b>                              | <b>5</b> | <b>10</b> | <b>0</b> | <b>0</b>      | <b>15</b>       | <b>66.7%</b> |

(※1) One candidate is counted as one proposal.

(※2) Includes stock options, pay-for-performance plan, executive bonus, etc.

(※3) Includes merger, sale/transfer of business, equity transfer, stock splits, corporate separation, etc.

(※4) Includes share buyback, legal reserve decline, third party allotment, capital reduction, reverse equity split, etc.

## 3. Summary of proxy voting results

- For the shareholders' meetings from Jan. to Mar., there were 2,853 cases of company resolutions and 15 cases of shareholder resolutions. Decisions for approval or disapproval totaled 2,868 cases.
- Company resolutions comprised 2,121 cases related to the election of directors, 265 cases related to the election of statutory auditors, 215 cases related to the allocation of income and dividends, and 76 cases related to the amendment of articles.
- Regarding resolutions of allocation of income and dividends, we voted against mainly when we judged there to be insufficient shareholder returns in spite of the company having enough financial capacity.

- Regarding resolutions related to the election of directors, we voted against the appointment of candidates we judged to be responsible for earnings downturns, as well as outside director candidates that we thought lacked independence.
- Regarding resolutions for election of statutory auditors, we mainly voted against outside statutory auditor candidates that we thought lacked independence.
- Regarding resolutions to amend the articles of incorporation, we mainly opposed giving authority, to the boards of directors of institutions, to determine the dividends of companies whose dividend performance is not high.
- As for shareholder resolutions, there were 15 cases, on which we voted for in 5 cases, and against for all other resolutions after assessing their merits.