

September 5, 2011

## Press Release

Nikko Asset Management Co., Ltd.

### **Results of Exercise of Voting Rights at June 2011 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 1,852 invested companies between July 2010 and June 2011. Nikko AM voted against 2,496 of a total 19,811 company-generated proposals, resulting in a 12.6 percent ratio of nay votes on such proposals. Details may be found in the table below, Status of Exercise of Voting Rights by Proposal Type.

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.

Due to reasons such as significantly low dividend levels in comparison with profits, Nikko AM voted against 86 of 1,285 proposals on the appropriation of surpluses, which has resulted in a 6.3% nay ratio increase from 0.4% in the previous term to 6.7%. 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 1,295 of 13,575 proposals on the election or dismissal of directors. Accordingly, the nay ratio in this category rose by 3.3% from 6.2% in the previous term to 9.5%. In opposition to payments to external directors and auditors, Nikko AM rejected 150 of 390, or 38.5% of proposals on retirement benefit payments.

Proposals on anti-takeover measures, such as so-called "poison pill" defenses, increased to 187 this term. Based on the belief that the trading of shares and transfer of control is something that ought to happen, whether it be friendly or hostile, Nikko AM is generally opposed to anti-takeover measures that may immobilize current management and discourage efficient company operations. However, if it is clear that the objective of a takeover is fair and permissible in light of the principles of shareholder equality, Nikko AM closely examines such proposals from a comprehensive point of view. In such cases, Nikko AM thoroughly engaged in multilateral discussions from various angles, such as whether or not there would be room for management to arbitrarily utilize certain defense measures. As a result, the nay ratio increased to 97.9% from 95.5% in the previous term.

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 2010 – June 2011				(For Ref.) July 2009 – June 2010			
	Subtotal	Yea	Nay	Nay ratio	Subtotal	Yea	Nay	Nay ratio
Appropriation of surpluses	1,285	1,199	86	6.7%	1,268	1,263	5	0.4%
Partial revision to articles of incorporation	474	414	60	12.7%	596	505	91	15.3%
Election/Dismissal of directors	13,575	12,280	1,295	9.5%	12,972	12,168	804	6.2%
Election/Dismissal of corporate auditors	3,184	2,558	626	19.7%	1,801	1,330	471	26.2%
Retirement benefit payments	390	240	150	38.5%	360	259	101	28.1%
Revision of executive remuneration amount	352	336	16	4.5%	113	106	7	6.2%
Granting of stock acquisition rights	184	124	60	32.6%	217	163	54	24.9%
Restructuring	52	41	11	21.2%	89	76	13	14.6%
Other company-generated proposals	315	123	192	61.0%	518	349	169	32.6%
<i>Granting of stock acquisition rights (preventive measures against acquisition)</i>	<i>187</i>	<i>4</i>	<i>183</i>	<i>97.9%</i>	<i>154</i>	<i>7</i>	<i>147</i>	<i>95.5%</i>
<i>Selection of corporate auditors</i>	<i>43</i>	<i>43</i>	<i>0</i>	<i>0.0%</i>	<i>50</i>	<i>48</i>	<i>2</i>	<i>4.0%</i>
<i>Other</i>	<i>85</i>	<i>76</i>	<i>9</i>	<i>10.6%</i>	<i>314</i>	<i>294</i>	<i>20</i>	<i>6.4%</i>
<b>Total</b>	<b>19,811</b>	<b>17,315</b>	<b>2,496</b>	<b>12.6%</b>	<b>17,934</b>	<b>16,219</b>	<b>1,715</b>	<b>9.6%</b>

### 2. Shareholder Proposals

Proposal	July 2010 – June 2011				(For Ref.) July 2009 – June 2010			
	Subtotal	Yea	Nay	Yea ratio	Subtotal	Yea	Nay	Yea ratio
Appropriation of surpluses	3	0	3	0.0%	7	0	7	0.0%
Election/Dismissal of officers	75	4	71	5.3%	62	5	57	8.1%
Other proposals (incl. revision to articles of incorporation)	37	1	36	2.7%	46	5	41	10.9%
<b>Total</b>	<b>115</b>	<b>5</b>	<b>110</b>	<b>4.3%</b>	<b>115</b>	<b>10</b>	<b>105</b>	<b>8.7%</b>