

Principles for Exercising Voting Rights (Tentative)

【In Exercising Voting Rights】

- In accordance with the “Principles for Stewardship Activities”, investment managers shall exercise voting rights as part of their year-round engagement.
- Investment managers shall formulate and publicly disclose voting policies and guidelines that contribute to the maximization of long-term shareholder value, ensuring that the rationale for their decisions is clear.
- Investment managers shall emphasize communication with investee companies to ensure that the exercise of voting rights does not become a mere formality.
- Investment managers shall recognize that considering sustainability (mid- to long-term sustainability including ESG factors) is essential for enhancing long-term corporate value, and shall exercise voting rights appropriately on that basis.
- Investment managers shall carefully review proposals that protect minority shareholders’ rights, as well as those that may impair such rights, and exercise voting rights appropriately.
- When investment managers have concerns about potential conflicts of interest in the exercise of voting rights, they shall establish policies to avoid such conflicts.
- Investment managers shall exercise voting rights in line with the requirements of each country’s Corporate Governance Code. Where no such code or equivalent exists, voting shall be conducted in accordance with the standards set by each investment manager for its investee companies.
- When using proxy advisory services, investment managers shall ensure that voting is not conducted mechanically based on recommendations, and shall exercise voting rights with the recognition that ultimate responsibility lies with investment managers themselves (except where proxy advisory services are used for conflict-of-interest management).

【Post-Shareholders’ Meeting Actions】

- Investment managers shall disclose all voting outcomes for each investee company and each proposal.
- Investment managers shall, where material or otherwise necessary, disclose the reasons for their voting decisions.
- Investment managers shall provide a detailed explanation of the rationale behind their voting decisions when requested by a company or as deemed necessary.

- Investment managers shall periodically review voting outcomes and conduct self-assessments.
- Investment managers shall revise their voting policies for subsequent years as necessary based on the results of such self-assessments.