

PIRC Summary Report Appendix

Japanese

AEON CO LTD AGM Date: 2011-05-19

- 1.5 Elect Kurashige Hideki** **Oppose**
Outside Non-Executive Director. Independent by company, not independent by PIRC as he has served the board for more than nine years. Three of the four other outside directors on the board are considered independent, which is a sufficient quorum, and therefore we do not support the election of a further non-independent outsider.
- 1.9 Elect Satou Ken** **Oppose**
Newly appointed Outside Non-Executive Director. Independent by company, not independent by PIRC as he was appointed by the government. Three of the four other outside directors on the board are considered independent, which is a sufficient quorum, and therefore we do not support the election of a further non-independent outsider.

TAKASHIMAYA CO LTD AGM Date: 2011-05-24

- 3.1 Elect Yamabe Isao as a Corporate Auditor** **Oppose**
PIRC considers 2 of the 4 candidates to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.
- The candidate is an insider, therefore opposition to his re-election is recommended.

RENOWN INC AGM Date: 2011-05-26

- 1.1 Elect Kitabatake Minoru** **Oppose**
President. It is considered the responsibility of the most senior director to ensure that a sufficient level of independent representation is on the board. As there is insufficient outside presence on the board, a vote against his re-election is recommended.

TOYOTA INDUSTRIES CORP AGM Date: 2011-06-16

- 2.1 Elect Imura Akira** **Oppose**
Executive Chairman. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the board, an oppose vote on the most senior directors is recommended.
- 2.2 Elect Toyoda Tetsurou** **Oppose**
President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the board, an oppose vote on the most senior directors is recommended.
- 3 Payment of Bonus to Directors/Corporate Auditors** **Oppose**
The Company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

KEYENCE CORP AGM Date: 2011-06-17

- 1 Appropriation of Surplus** **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 30 yen per share is proposed and the dividend payout ratio is approximately 6%, which is less than shareholders could reasonably expect.
- 2.1 Elect Takizaki Takemitsu** **Oppose**
Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the board an oppose vote on the most senior directors is recommended.
- 2.7 Elect Sasaki Michio** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the board an oppose vote on the most senior directors is recommended.
- 3.1 Elect Kinomoto Yoshirou** **Oppose**
Outside Corporate Auditor. Kinomoto Yoshirou is the only corporate auditor standing for election and is not considered independent by PIRC. The corporate auditor board will be 33.3% independent in our view following the Annual Meeting. Therefore, opposition is recommended.
- 4 Elect Hashimoto Norimasa as substitute corporate auditor** **Oppose**
The candidate is an insider and is standing as a substitute corporate auditor and potential replacement for any candidate on the corporate auditor board. Therefore, should the candidate be

required to serve as substitute for an incumbent outsider, there will be a negative impact on the independence ratio and an oppose vote is recommended.

NTT DOCOMO INC AGM Date: 2011-06-17

- 4.1 Elect Hoshizawa Shuurou as Corporate Auditor** **Oppose**
It is considered that two of the four standing candidates to be independent. The corporate auditor board will be 40% independent in our view following the Annual Meeting.

Inside corporate auditor. Not independent by PIRC. Opposition is recommended.
- 4.2 Elect Yoshizawa Kyouichi as Corporate Auditor** **Oppose**
Inside corporate auditor. Not independent by PIRC. Opposition is recommended.

TOYOTA MOTOR CORP AGM Date: 2011-06-17

- 3.1 Elect Chou Fujio** **Oppose**
Executive Chairman. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board, an oppose vote on the most senior directors is recommended.
- 3.2 Elect Toyoda Akio** **Oppose**
President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board, an oppose vote on the most senior directors is recommended.
- 4.3 Elect Ichimaru Youichirou** **Oppose**
Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC.
- 4.4 Elect Katou Masahiro** **Oppose**
Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

THK CO LTD AGM Date: 2011-06-18

- 1 Appropriation of Surplus** **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 8 yen per share is proposed and the dividend payout ratio is approximately 14.7%, which is less than shareholders could reasonably expect.
- 2.1 Elect Teramachi Akihiro** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.
- 5 Payment of Bonus to Directors/Corporate Auditors** **Oppose**
The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, auditors are permitted to benefit from payment of an aggregate 5 million yen bonus, and two of the four corporate auditors are considered outsiders by PIRC guidelines. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

ASTELLAS PHARMA INC AGM Date: 2011-06-20

- 3.1 Elect Aoyagi Shigeo as a Corporate Auditor** **Oppose**
It is considered that neither of the two Corporate Auditor candidates standing for election are independent by PIRC guidelines. The Corporate Auditor board will be 25% independent following the annual meeting.

Inside corporate auditor. Not independent by PIRC. Opposition is recommended.
- 3.2 Elect Kashii Seigou as a Corporate Auditor** **Oppose**
Inside corporate auditor. Not independent by PIRC. Opposition is recommended.
- 4 Elect Kanamori Hitoshi, attorney-at-law As a Reserve Corporate Auditor** **Oppose**
The candidate is an insider and is standing as a substitute corporate auditor and potential replacement for any candidate on the corporate auditor board. Therefore, should the candidate be required to serve as substitute for an incumbent outsider, there could be a negative impact on the independence ratio and an oppose vote is recommended.

NIDEC CORP AGM Date: 2011-06-21

- 1.1 Elect Nagamori Shigenobu** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside

representation (less than three outside directors), a vote against his re-election is recommended.

- 2.1 Elect Narumiya Osamu** **Oppose**
Two of the four candidates standing are considered independent by PIRC guidelines. The Corporate Auditor board will be considered 40% Independent following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC.
- 2.2 Elect Kobayashi Kiichirou** **Oppose**
Outside Corporate Auditor. Independent by company, not independent by PIRC.

NIPPON SHOKUBAI CO LTD AGM Date: 2011-06-21

- 3.1 Elect Kondou Tadao** **Oppose**
President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board, an oppose vote on the most senior directors is recommended.
- 4.1 Elect Oonishi Shouichi** **Oppose**
PIRC considers two of the three standing candidates to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

NTT DATA CORP AGM Date: 2011-06-21

- 2.1 Re-Elect Yamashita Tooru** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the board an oppose vote on the most senior directors is recommended.

DENSO CORP AGM Date: 2011-06-22

- 2.1 Elect Fukaya Kouichi** **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.
- 2.2 Elect Katou Nobuaki** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.
- 3.1 Elect Chou Fujio** **Oppose**
One of the three Corporate Auditors standing for election are considered independent by PIRC guidelines. The Corporate Auditor board will be 40% independent following the Annual Meeting.

Outside Corporate Auditor. Independent by company, not independent by PIRC. As there is less than 50% independence on the Corporate Auditor board, opposition is recommended.
- 3.2 Elect Watanabe Toshio** **Oppose**
Inside Corporate Auditor. Not independent by company, not independent by PIRC.

DIC CORPORATION AGM Date: 2011-06-22

- 2.1 Elect Oe Kouji** **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended.

Mitsubishi Tanabe Pharma AGM Date: 2011-06-22

- 2 Amend Articles - Limit Liability of Directors/Statutory Auditors** **Oppose**
Pursuant to Article 426, paragraph 1 of the Companies Act, authority is sought to establish new provisions Article 27 (Exemption of Directors from Liabilities) and Article 35 (Exemption of Corporate Auditors from Liabilities) that authorises the Board to partially exempt Directors and Corporate Auditors from their liabilities, and authorises entry into a limitation of liability agreement with any Outside Directors and Outside Corporate Auditors in order to allow all Directors and Corporate Auditors to fully fulfil their duties.

The Board is submitting a proposal to limit the liability for outside auditors. It is considered that this can potentially impact on the objectivity of the external auditing process. An oppose vote is therefore recommended.

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| 3.1 Elect Tsuchiya Michihiro | President and CEO. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is insufficient outside representation on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended. | Oppose |
| 4.1 Elect Fujisawa Kouichi | PIRC considers one out of three standing candidates to be independent. The corporate auditor board will be 25% independent in our view following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC. | Oppose |
| 4.3 Elect Nishida Takashi | Outside Corporate Auditor. Independent by Company, not independent by PIRC. | Oppose |

NEC CORP AGM Date: 2011-06-22

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| 1.13 Elect Kunibe Takeshi | Newly appointed Outside Non-Executive Director. Not independent by PIRC due to association with the groups principle commercial banker. As there is already a sufficient quorum of outside directors (three others on the board) an oppose vote is recommended. | Oppose |
| 2.1 Elect Ono Takao | One of the two candidates standing as Corporate Auditors is considered independent by PIRC guidelines. The Corporate Auditor board will be 60% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |

TEIJIN LTD AGM Date: 2011-06-22

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| 2.1 Elect Amano Atsuo | One of the two Corporate Auditors standing for election is considered independent by PIRC guidelines. The Corporate Auditor board will be 40% independent following the Annual Meeting.

Inside corporate auditor. Not independent by PIRC. Opposition is recommended. | Oppose |
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TOSHIBA CORP AGM Date: 2011-06-22

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| 2 Shareholder proposal regarding Amendment 1 to the Articles of Incorporation regarding disclosure of the facts of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) | Oppose |
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Note: The next 20 Shareholder proposals have all been submitted by the same shareowner who has raised shareholder proposals for four consecutive years since 2008.

The proponent is seeking amendments to the company's articles of incorporation regarding disclosure of the facts of improper billing and unfair receipt of the research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO). Specifically, the proponent is seeking to establish the following provision in the Articles of Incorporation:

“In regards to the issue of improper billing and unfair receipt of labor research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the issue was concealed without rectifying unfair receipt of research labor expenses until a request for refund was received from NEDO in July 2002, though Fumio Sato, President, and other relevant officers including Taizo Nishimuro, Executive Vice President, were aware of those issues no later than June 1996. At ordinary general meetings of shareholders from 1999, a shareholder asked whether the improper billing had been rectified; however, Taizo Nishimuro, President, Toshiki Miyamoto, Corporate Senior Vice President, Tadashi Okamura, President, Kiyooki Shimagami, Executive Vice President, and Toshiyuki Oshima, Corporate Vice President, continued to respond that the issue was finished with and concealed the issue without rectifying the unfair receipt. The details of the damages incurred due to the acceptance of the disposition of a three-year suspension to the new agreement for the research commissioned by NEDO and for a three-year suspension of monetary grants, and the details of expenses relating to the issue of unfairly received expenses shall be also reported and disclosed in the above report. In addition, the detailed information of how the research labor expenses were improperly billed and received with the fabricated daily reports of research labor shall be reported and disclosed in the above report. In the process of the disclosure, the detailed facts shall be specifically disclosed in such a way as to let it be understood how the chairman, president, and other officers gave instructions and commands in relation to the concealment of the issue of improper billing and who took on what responsibility.” In their supporting statement, the proponent claims that "the issue of

improper billing and unfair receipt of research labor expenses for the research commissioned by NEDO has been concealed for a long time without having been rectified" and that "disclosing the detailed facts of the issue should call on the parties involved including the president and the other relevant officers and employees to reflect on their activities and further serve to help prevent recurrence of similar illegal activities". Further, "disclosure of the responsibility of the officers involved in the illegal activities and of the amount of damage caused at Toshiba as a result of this problem is necessary when shareholders are to bring a derivative lawsuit against the officers involved in such activities". Finally, the proponent states that "the name(s) of the employee(s) who declined to cooperate with fabrication of the daily research labor reports were used in preparing such reports by having their forged seals placed thereon, against the intention of such employees, without rectifying the problem", and in their view, "this is an act of infringing human rights".

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

3 Shareholder proposal regarding Amendment 2 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of labor research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the following "Written Rejection of Request for Fabrication of Daily Research Labor Reports" shall be investigated. The method and results of such investigation, and the details of documents shall be disclosed in the Yomiuri Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

4 Shareholder proposal regarding Amendment 3 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labor expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the

issue of improper billing and unfair receipt of research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the following "Report to Yuichiro Isu, President" shall be investigated. The method and results of such investigation, and the details of documents shall be disclosed in detail in the Asahi Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

5 Shareholder proposal regarding Amendment 4 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the following "Report to Tomohiko Sasaki, General Executive" shall be investigated. The method and results of such investigation, and the details of documents shall be disclosed in detail in the Sankei Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

6 Shareholder proposal regarding Amendment 5 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the following "Report to Fumio Sato, President" shall be investigated. The method and results of such investigation, and the details of documents shall be disclosed in detail in the Nihon Keizai Shimbun

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

7 Shareholder proposal regarding Amendment 6 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of labour research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, "How the research labour expenses were improperly billed" and "Employees' awareness of crime" described below shall be investigated. The method and results of such investigation shall be disclosed in the Mainichi Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

8 Shareholder proposal regarding Amendment 7 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of labour research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, "Cover-up 1 (at Keihin Product Operations)", "Cover-up 2 (at Head Office)", "Cover-up 3 (at Keihin Product Operations)", and "Organized crime" described below shall be investigated. The method and results of such investigation shall be disclosed in the Yomiuri Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation

requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

9 Shareholder proposal regarding Amendment 8 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of labour research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, "Response at head office 1", "Response at head office 2", "Response at head office 3", "Response at head office 4", "Response at head office 5", "Response at head office 6", and "Response at head office 7" described below shall be investigated. The method and results of such investigation shall be disclosed in the Asahi Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

10 Shareholder proposal regarding Amendment 9 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of labour research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, "Investigation conducted by NEDO and Toshiba's response thereto" and "Expenses and losses" described below shall be investigated. The method and results of such investigation shall be disclosed in the Sankei Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

11 Shareholder proposal regarding Amendment 10 to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization **Oppose**

The shareholders propose an amendment to the Articles of Incorporation regarding disclosure of the documentary evidence of improper billing and unfair receipt of the research labour expenses for the research commissioned by the New Energy and Industrial Technology Development Organization. The shareholders propose the addition of the following article: "In regards to the issue of improper billing and unfair receipt of labour research expenses for the research commissioned by the New Energy and Industrial Technology Development Organization (NEDO) uncovered at Toshiba in January 1996, the following "Responsibility" shall be investigated. The method and results of such investigation, and the details of documents shall be disclosed in the Nihon Keizai Shimbun.

The board opposes the proposal, stating that "the proposal relates to the issue that occurred in the fiscal year 1994 and has already been settled in 2002". Further, the board states that "the company has already explained the specific details at the ordinary general meetings of shareholders for the 164th fiscal year held in June 2003 and for the 169th fiscal period held in June 2008". The board states that the proposing shareholder made a proposal to amend the Articles of Incorporation requesting disclosure of the facts of the same issue at the ordinary general meetings of shareholders for the 169th fiscal year held in June 2008, for the 170th fiscal period held in June 2009, and for the 171st fiscal Period in June 2010 and such proposals were rejected. In addition, the detailed facts of this issue were reported and disclosed in the report on the convocation notice of this year's meeting.

It is considered that the proponent has not provided sufficient grounds for shareholders to suspect ongoing fraud, and the matter has become dated as it occurred over ten years ago and it is not clear if any of the current officers were implicated in the incident. The Company states that they have under taken actions to mitigate against occurrence. As the board's view that the proponent has an "overly focused agenda" is concurred with, an oppose vote is recommended.

19 Shareholder proposal regarding Amendment to the Articles of Incorporation regarding conditions of employment for temporary employees **Abstain**

The proponent is seeking amendments to the company's articles of incorporation regarding conditions of employment for temporary employees. Specifically, the proponent is seeking to establish the following provision in the Articles of Incorporation: "The hourly wage of temporary employees shall be 2,200 yen or more."

In their supporting statement, the proponent states that "the wages of temporary employees are much lower than those of permanent employees even if they do the same work". In addition, "temporary employees will not be paid any retirement benefits or get paid only a small amount, if at all". As such, the proponent feels that through employment of temporary employees, Toshiba has "expanded its valuable workforce significantly with small costs and is able to adjust labour more easily". Given the above considerations, the proponent feels that the company "needs to at least increase the wages of temporary employees and consequently, as one idea, the increase of temporary employees' hourly wage to 2,200 yen or more is proposed".

The board opposes the proposal, stating that "company has been in compliance with the Act on Improving Management of Part-Time Workers' Employment and has duly determined those wages, trying to keep a balance with the wages for permanent workers, pursuant to the provisions of the said act". Consequently, the Board believes there is no need to establish such a provision in the Articles of Incorporation.

It is considered that there is insufficient public information available regarding this matter to make an informed decision. Additionally, the minimum wages to be paid are considered to be an operational management issue. An abstain vote is therefore recommended.

20 Shareholder proposal regarding Amendment to the Articles of Incorporation regarding dividends **Abstain**

The proponent requests an amendment to the articles of incorporation stating "The annual dividends shall be 5 yen or more for the period of 5 years starting from the fiscal year 2011." In their statement of justification, they state that Toshiba Corporation has continued to reduce or not pay dividends. The Company's management deficiency resulted in reduction or non-payment of

dividends. Dividends were continued to be reduced or unpaid due to wasteful investment, irrational investment or hefty remuneration for advisors to the board, advisors and shayu.

The board opposes this proposal, stating that they "decided to resume dividend payments to meet shareholders' expectations, taking into careful consideration the reasonable amount of profits secured for FY2010, and our future business plans and financial position. The annual dividend has been determined to be 5 yen per share."

While it is considered in the interests of shareholders to ensure dividends are paid, the company has responded sufficiently by providing a 5 yen per share dividend. As such, the above amendment is considered unnecessary and possibly restrictive if the company made a significant loss. An abstain vote is therefore recommended.

21 Shareholders' Proposal: Election of alternative directors

Oppose

The proponent proposes the election of the following alternative directors: Seigo Watanabe, Yoshio Koyama, Jiro Ozono, Masataka Shintani, Yuichiro Isu, Kazuo Tanigawa, Koichi Hatano, Yoshiaki Miki, Tomohiko Sasaki, Toshiki Miyamoto, Toshiyuki Oshima, Fumio Sato, Taizo Nishimuro, Tadashi Okamura, and Kiyooki Shimagami. The shareholders propose the election of these directors in the light of the issues regarding the violations of laws and regulations by Toshiba Corporation that were reported by the mass media.

The board opposes this proposal as the company has a three-committee structure (Inkai-setchi-gaisha) and endeavours to secure the transparent management of the company with committees, comprised of a majority of outside directors. The board points out that the candidates for directors in the shareholder's proposal are executives and employees of the company who were involved in a specific area during a specific period.

It is considered that the board has the stronger argument against this proposal, as it is considered that a three-committee structure company should have a majority of outside directors for its committees, and as the directors proposed are executives, an oppose vote is recommended.

JS GROUP CORP AGM Date: 2011-06-23

2.5 Elect Takasaki Masahiro

Oppose

Non-Executive Outside Director. Independent by Company, not independent by PIRC due to having been on the Board for more than nine years. As there is not a majority of independent directors on the Board, an oppose vote is recommended.

EAST JAPAN RAILWAY CO AGM Date: 2011-06-23

4.3 Re-Elect Harayama Kiyomi

Oppose

Inside Corporate Auditor, not independent by PIRC. Opposition recommended.

5 Payment of Bonus to Directors/Corporate Auditors

Oppose

The Company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

HONDA MOTOR CO LTD AGM Date: 2011-06-23

3.1 Elect Kondou Kouichi

Oppose

Executive Chairman. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board, an oppose vote on the most senior directors is recommended.

3.2 Elect Itou Takanobu

Oppose

President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board, an oppose vote on the most senior directors is recommended.

5 Payment of Bonus to Directors/Corporate Auditors

Oppose

The Company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

NIPPON TELEGRAPH & TELEPHONE AGM Date: 2011-06-23

2.1 Elect Amiya Shunsuke

Oppose

PIRC considers three out of five standing candidates to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

2.2 Elect Makitani Yoshitaka **Oppose**
Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

SHARP CORP AGM Date: 2011-06-23

2 Payment of Bonus to Directors/Corporate Auditors **Oppose**
The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

3.1 Elect Machida Katsuhiko **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

3.2 Elect Katayama Mikio **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

4.1 Elect Ueda Junzou **Oppose**
One of the two Corporate Auditors Standing for election is considered independent by PIRC. The Corporate Auditor board is considered 50% independent by PIRC.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

5 Adoption of Takeover Defense Measures **Abstain**
The board is proposing the continuation of the companies anti takeover defence measures. All directors seek annual election, which we welcome. There is sufficient independent representation on the board according to PIRC guidelines. The bid evaluation committee has at least three members and is considered to be fully independent by PIRC guidelines. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of below 20% of the company's common stock, but this can be reduced at the discretion of the board. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The company releases its proxy circular at least 22 days before the meeting. The company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences.

Takeover Defence Rating: C. On this basis, an abstain vote is recommended.

WEST JAPAN RAILWAY CO AGM Date: 2011-06-23

2 Amend Articles - Limit Liability of Directors/Statutory Auditors **Oppose**
The board is submitting two amendments to the articles of incorporation. The Company, at the meeting of its Board of Directors held on May 18, 2011, adopted resolutions for a stock split to subdivide each share into 100 shares and the adoption of a unit-of-share system under which the number of shares constituting one unit of shares should be 100 shares, as well as the amendment to Article 6 (Total number of issuable shares) of the existing Articles of Incorporation and the establishment of a proposed Article 7 (Number of shares constituting one unit) in accordance with the Corporation Law of Japan. Additional articles regarding the limiting of liabilities on external auditors and directors is also proposed.

While the first amendment is considered an acceptable proposal regarding stock splits, especially regarding the high dividend payout, the second amendment regarding limiting liability of outside directors and auditors is not considered best practice as this can potentially compromise the independence and objectivity of said directors and auditors. An oppose vote is therefore recommended.

4.1 Elect Koide Noboru **Oppose**
One of the four corporate auditors standing for the meeting is considered independent by PIRC guidelines. The Corporate Auditor board will be 25% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

4.2 Elect Iwasaki Tsutomu **Oppose**
Outside Corporate Auditor. Independent by company, not independent by PIRC. The Corporate Auditor Board is less than 50% independent. An oppose vote is recommended.

- 4.3 Elect Uno Ikuo** **Oppose**
 Outside Corporate Auditor. Independent by company, not independent by PIRC. The Corporate Auditor Board is less than 50% independent. An oppose vote is recommended.
- 5 Shareholders' Proposal to Dismiss the Director Naoki Nishikawa** **Abstain**
 The proponent proposes the dismissal of the Director Naoki Nishikawa. They state that West Japan Railway Company has acted in defense of Defendant Yamazaki, who is not related to the Company, accused of professional negligence resulting in bodily injuries and deaths in a criminal case of the derailment accident on the JR Fukuchiyama Line and made its employees attend court as "business trips" and give testimony like "I don't remember" and "I don't know" to defend the Company by making secret arrangements with the Company. Consequently, they state that such insincere acts have brought about tremendous pain on the bereaved and the victims and eroded the confidence in the Company. They state that Director Nishikawa has violated the code of being "sincere and honest" under the "Executive Officers' Code of Conduct" and abdicated "corporate social responsibility" as Senior General Manager of Railway Operations Headquarters of West Japan Railway Company.
- The board opposes this proposal stating that he "has steadily implemented measures to establish safety management and build up a safety infrastructure based on risk assessments and taken the initiative in enhancing safety and restoring the confidence, all in an effort to carry through the "Basic Safety Plan" formulated in April 2008. He has thus performed his duties as Director faithfully in accordance with laws and ordinances and the Articles of Incorporation of the Company."
- While it is considered that Director Naoki Nishikawa should be penalised if the instance of his "insincere" actions are true and that directors should act according to the articles set out under "Corporate Social Responsibility", the proponent has presented insufficient evidence to support its claim. An abstain vote is therefore recommended.

MITSUI & CO LTD AGM Date: 2011-06-24

- 3.1 Elect Miura Satoru** **Oppose**
 Neither of the Corporate Auditors standing for election are considered independent by PIRC. The Corporate Auditor board will be considered 50% independent after the Annual Meeting.
- Inside Corporate Auditor. Not independent by company, not independent by PIRC.
- 3.2 Elect Murakami Motonori** **Oppose**
 Inside Corporate Auditor. Not independent by company, not independent by PIRC.

HITACHI LTD AGM Date: 2011-06-24

- 2 Shareholder Proposal: Removal of Director Takashi Miyoshi** **Oppose**
 The proponent seeks the removal of Director Takashi Miyoshi due to his "arrogance" or "impudence" to the proponent's enquiries and requests on infrastructural and maintenance matters of the Company.
- The Board states that Takashi Miyoshi "has been performing his duty faithfully as a member of the Board of Directors" and "there is no problem regarding his eligibility to be a Director of the Company".
- As there is sufficient independent representation on the Board, opposition is recommended for the proposal.

NSK LTD AGM Date: 2011-06-24

- 2 Adoption of Takeover Defense Measures** **Oppose**
 The board is proposing the continuation of the companies anti takeover defence measures. All directors seek annual election, which we welcome. There is sufficient independent representation on the board according to PIRC guidelines. Biographical disclosure on the bid evaluation committee is not disclosed. PIRC cannot assess the independence of the bid evaluation committee. The minimum trigger threshold for a shareholder or group of shareholders is the ownership 20% of the company's common stock, but this can be reduced at the discretion of the board. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The company releases its proxy circular at least 22 days before the meeting. The company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences.

Takeover Defence Rating: D. On this basis, an oppose vote is recommended.

- 3.9 Elect Ueno Michio** **Oppose**

Outside Non-Executive Director. Not independent by PIRC due to association with the group's principle commercial banker. As there is not a majority of independent representation on the board, an oppose vote is recommended.

SECOM CO LTD AGM Date: 2011-06-24

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| 3.3 Elect Kimura Shouhei | Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended. | Oppose |
| 3.5 Elect Maeda Shuuji | President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended. | Oppose |
| 4.1 Elect Ogino Teruo | Three of the five Corporate Auditors standing for election are considered independent by PIRC guidelines. The Corporate Auditor board will be 60% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |
| 4.5 Elect Sakamoto Seiji | Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |

YOKOGAWA ELECTRIC CORP AGM Date: 2011-06-24

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| 1 Reduction of Statutory Reserve | The board seeks shareholder approval for the reduction of statutory reserve. There is a reduction of the statutory reserve of JPY 15,372m. The request for a reduction in the statutory reserve is being made without a commitment to facilitate a distribution to shareholders. An oppose vote is therefore recommended. | Oppose |
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FUJI HEAVY INDUSTRIES LTD AGM Date: 2011-06-24

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| 1 Appropriation of Surplus | Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 4.50 yen per share is proposed and the dividend payout ratio is approximately 13.9%, which is less than shareholders could reasonably expect. | Oppose |
| 2.1 Elect Mori Ikuo | President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the board (less than three outside directors) an oppose vote on the most senior directors is recommended. | Oppose |

MITSUBISHI CORP AGM Date: 2011-06-24

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| 3.1 Elect Noma Osamu as Corporate Auditor | Newly elected Noma Osamu is the only Corporate Auditor standing for election and is not independent as an Inside Corporate Auditor. Post the Annual General Meeting the Corporate Auditor board will be 40% independent. Opposition recommended. | Oppose |
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NIPPON STEEL CORP AGM Date: 2011-06-24

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| 2.1 Elect Mimura Akio | Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended. | Oppose |
| 2.2 Elect Muneoka Shouji | President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended. | Oppose |

PANASONIC CORP AGM Date: 2011-06-24

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| 1.1 Elect Nakamura Kunio | Executive Chairman. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board, an oppose vote on the most senior directors is recommended. | Oppose |
| 1.3 Elect Ootsubo Fumio | President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board, an oppose vote on the most senior directors is recommended. | Oppose |

2.2 Elect Furuta Yoshihiro **Oppose**
Newly appointed Inside Corporate Auditor. Not independent by PIRC. Opposition is recommended.

PROMISE CO LTD AGM Date: 2011-06-24

3 Amendment of Article of Association **Abstain**
The board proposes three amendments to the articles of incorporation. These include (i) Amending the business objectives to reflect the operations of its subsidiaries; (ii) Increased authorised share capital from 300,000,000 to 380,000,000; and (iii) To introduce a new Class A share which receives a 2.5% dividend for every share held.

The increase in share capital represents 26.6% of current authorised share capital and there no specific justification for the increase as the board states merely that it is to “increase flexibility in strategy” and “reduce costs”. Neither has the addition of a new class of share where dividends can be received been justified for a specific strategic reason. On this basis, an abstain vote is recommended.

5.1 Elect Akasako Yoshiyuki as Corporate Auditor **Oppose**
Neither of the Corporate Auditors up for election are independent by PIRC guidelines. Post the Annual General Meeting, the Corporate Auditor board will have no independent representation.

Inside Corporate Auditor. Not independent by PIRC, opposition recommended.

5.2 Elect Mori Hiroaki **Oppose**
Outside Corporate Auditor, not independent by PIRC. As the Corporate Auditor board is less than 50% independent post AGM, opposition is recommended.

RICOH CO LTD AGM Date: 2011-06-24

1 Appropriation of Surplus **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 16.50 yen per share is proposed and the dividend payout ratio is approximately 121.9%, which is considered unwise given the capital maintenance needs of the company.

4.1 Elect Shinoda Mitsuhiro **Oppose**
This proposal: PIRC does not consider the candidate to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC.

SHISEIDO CO LTD AGM Date: 2011-06-24

1 Appropriation of Surplus **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 25.00 yen per share is proposed and the dividend payout ratio is approximately 155.5%, which is considered unwise given the capital maintenance needs of the company.

4.1 Elect Takayama Yasuko as Corporate Auditor **Oppose**
One of the two Corporate Auditors up for election is independent by PIRC guidelines. Post the Annual General Meeting the Corporate Auditor board will be 40% independent.

Newly appointed inside Corporate Auditor. Not independent PIRC, opposition recommended.

TAKEDA PHARMACEUTICAL CO AGM Date: 2011-06-24

3.1 Elect Sakurada Teruo **Oppose**
PIRC does not consider the one candidate standing for election to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

DAIWA SECURITIES GROUP INC AGM Date: 2011-06-25

1.7 Elect Yasuda Ryuuji **Oppose**
Outside non-executive Director. Not independent by PIRC due to association with a key government entity. As there is not a majority of independent directors on the board, an oppose vote

is recommended.

DAICHI SANKYO COMPANY LTD AGM Date: 2011-06-27

- 2.6 Re-Elect Okimoto Takashi** **Oppose**
Non-Executive outside director, not independent by PIRC due to association with the groups principle commercial banker. Three of the four outside directors on the board are considered independent, which is a sufficient quorum, and therefore the election of a further non-independent director is not supported.
- 3.1 Elect Koike Kazuo as Corporate Auditor** **Oppose**
Neither of the Corporate Auditors standing for election are independent by PIRC guidelines. Post the Annual General Meeting, the Corporate Auditor board will be 50% independent.
- Newly appointed Inside Corporate Auditor. Not independent by PIRC, opposition recommended.

JAPAN RADIO CO LTD AGM Date: 2011-06-28

- 1.1 Elect Suwa Yorihiisa** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.
- 2.1 Elect Suzuki Tsutomu** **Oppose**
The one standing Corporate Auditor is not considered independent by PIRC guidelines. The Corporate Auditor Board will be 25% independent following the Annual Meeting.
- Newly appointed Outside Corporate Auditor. Independent by company, not independent by PIRC as he is employed at a key affiliated bank. As the independence of the Corporate Auditor Board is below 50%, an oppose vote is recommended.

NIPPON SYSTEM DEVELOPMENT CO AGM Date: 2011-06-28

- 1 Amend Articles - Limit Liability of Directors/Statutory Auditors** **Oppose**
The board is submitting a proposal to limit the liability for directors/statutory auditors. However, as it also applies to outsiders, opposition is recommended.
- 2.1 Elect Imajou Yoshikazu** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

SANGEISU CO LTD AGM Date: 2011-06-28

- 2.2 Elect Tajima Takashi** **Oppose**
Newly appointed Inside Corporate Auditor. Not independent PIRC, opposition recommended.

ANRITSU CORP AGM Date: 2011-06-28

- 3.1 Elect Yamaguchi Shigehisa** **Oppose**
PIRC considers two of the three candidates to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.
- Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

AIFUL CORP AGM Date: 2011-06-28

- 1.1 Elect Fukuda Yoshitaka** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the board (less than three outside directors) an oppose vote on the most senior directors is recommended.

SEINO HOLDINGS CO AGM Date: 2011-06-28

- 2.1 Elect Taguchi Yoshikazu** **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board (less than three outside directors) an oppose vote on the most senior directors is recommended.
- 2.2 Elect Taguchi Yoshitaka** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board (less than three outside directors) an oppose vote on the most senior

directors is recommended.

3 Adoption of Takeover Defense Measures

Abstain

Japanese companies perceived the threat of hostile takeovers following a rapid dissolution of cross-shareholdings amongst Japanese companies that began in the 1990s; in particular, between creditor banks and corporate borrowers. With the reduction in strategic holdings came the rise in availability of free float shares the most prominent takeover defence prepared by companies is the adoption of a formal rights plan. Such plans are based on the principle that once triggered the plan will dilute the voting rights of a potential raider (by either increasing the voting rights of all other shareholders or diminishing those of the raider) therefore making the cost of acquiring sufficient rights prohibitive. PIRC will consider the introduction of a takeover defence in the context of the questions below. PIRC approach to analysis of such plans seeks to achieve a balance between the right of shareholders to receive the best offer for their shares, the stability of the company or group and the rights of minority investors.

All directors seek annual election, which we welcome. There is sufficient independent outside representation on the board according to PIRC guidelines. The bid evaluation committee has at least three members and is considered to be fully independent by PIRC guidelines. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of 20% of the company's common stock, however this can be ignored at the discretion of the Board. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The company releases its proxy circular at least 21 days before the meeting, which is considered borderline. The company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences. Takeover Defence Rating: C

TOKYO ELECTRIC POWER CO INC AGM Date: 2011-06-28

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| 1.4 Elect Katsumata Tsunehisa
Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended. | Oppose |
| 1.12 Elect Nishizawa Toshio
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended. | Oppose |
| 2.1 Elect Fujiwara Makio
Neither of the two Corporate Auditors standing for election are considered independent by PIRC guidelines. The corporate auditor board will be 57% independent following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |
| 2.2 Elect Matsumoto Yoshihiko
Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |

HIROSE ELECTRIC CO LTD AGM Date: 2011-06-29

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| 2.1 Elect Nakamura Tatsurou
President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board, an oppose vote on the most senior directors is recommended. | Oppose |
| 3.1 Elect Matsubara Toshio
PIRC does not consider the one candidate standing for election to be independent. The corporate auditor board will be 75% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by Company, not independent by PIRC. | Oppose |

KAJIMA CORP AGM Date: 2011-06-29

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| 2.1 Elect Umeda Sadao
Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the board (less than three outside directors) an oppose vote on the most senior directors is recommended. | Oppose |
| 3.1 Elect Fujii Tsuneo | Oppose |

This proposal: PIRC does not considers the candidate to be independent. The corporate auditor board will be 40% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

KAMIGUMI CO LTD AGM Date: 2011-06-29

- 2.1 Elect Kubo Masami** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the board (less than three outside directors) an oppose vote on the most senior directors is recommended.

KURIMOTO LTD AGM Date: 2011-06-29

- 3 Adoption of Takeover Defense Measures** **Oppose**
The board is proposing the continuation of the companies anti takeover defence measures. All directors seek annual election, which we welcome. There is insufficient independent outside representation on the board according to PIRC guidelines. The bid evaluation committee is not considered fully independent by PIRC guidelines. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of 20% of the company's common stock, but this can be reduced at the discretion of the board. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The company releases its proxy circular less than three weeks before the meeting. The company has not published a statement of intent for the poison pill considered reasonable by PIRC. There are no other protective or entrenchment tools that serve as takeover defences.

Takeover Defence Rating: E. On this basis, an oppose vote is recommended.

- 4.1 Elect Fukui Hideaki** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.

MATSUMOTOKIYOSHI HLDGS CO AGM Date: 2011-06-29

- 3.1 Elect Oomori Tetsuo** **Oppose**
The one Corporate Auditor candidate standing is nor considered independent by PIRC. The Corporate Auditor board will be 66.6% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

AMADA CO LTD AGM Date: 2011-06-29

- 1 Appropriation of Surplus** **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 5.00 yen per share is proposed and the dividend payout ratio is approximately 140.6%, which is considered unwise given the capital maintenance needs of the company.

- 2.1 Elect Okamoto Mitsuo** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.

- 3.1 Elect Hashimoto Ryouichi** **Oppose**
Two of the four candidates are considered independent by PIRC guidelines. The Corporate Auditor board will be 50% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

- 3.2 Elect Nozaki Shouichi** **Oppose**
Inside Corporate Auditor. Not independent by company, not independent by PIRC.

MITSUBISHI LOGISTICS CORP AGM Date: 2011-06-29

- 3.1 Elect Watanabe Tooru** **Oppose**
PIRC considers one of the two candidates standing for election to be independent. The corporate auditor board will be 60% independent in our view following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

MS&AD INS GROUP HLDGS INC AGM Date: 2011-06-29

- 1 Appropriation of Surplus** **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 27.00 yen per share is proposed and the dividend payout ratio is approximately 622.1%, which is considered unwise given the capital maintenance needs of the Company.
- 3.1 Elect Ikeda Katsuaki** **Oppose**
PIRC does not consider either candidates standing for election to be independent. The corporate auditor board will be 60% independent in our view following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC.
- 3.2 Elect Nakamura Hitoyoshi** **Oppose**
Newly appointed Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

ORIENTAL LAND CO LTD AGM Date: 2011-06-29

- 2.1 Elect Kagami Toshio** **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the board (less than three outside directors) an oppose vote on the most senior directors is recommended. Mr. Kagami Toshio is also connect to a major shareholder.

PIONEER CORP AGM Date: 2011-06-29

- 1.1 Elect Kotani Susumu** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

AJINOMOTO CO INC AGM Date: 2011-06-29

- 3.1 Elect Yamaguchi Norio** **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.
- 3.2 Elect Ito Masatoshi** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

ASAHI KASEI CORP AGM Date: 2011-06-29

- 2.1 Elect Kawasaki Toshiyuki** **Oppose**
One of the two Corporate Auditors standing for election is considered independent by PIRC guidelines. The Corporate Auditor board will be considered 50% independent following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC.
- 4 Adoption of Takeover Defense Measures** **Abstain**
The board is proposing the continuation of the companies anti takeover defence measures. Not all directors stand for annual election. PIRC considers it best practice for all directors to be put to shareholder approval each year. There is sufficient independent outside representation on the board according to PIRC guidelines. The bid evaluation committee is not considered fully independent by PIRC guidelines. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of 20% of the company's common stock. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The company releases its proxy circular at least 22 days before the meeting. The company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences.

Takeover Defence Rating: C. On this basis, an abstain vote is recommended.

DAINIPPON PRINTING CO LTD AGM Date: 2011-06-29

- 3.1 Elect Kitajima Yoshitoshi** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.
- 4.1 Elect Yoneda Minoru** **Oppose**
Two of the four Corporate Auditors standing for election are considered independent by PIRC guidelines. The corporate auditor board will be considered 50% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.
- 4.2 Elect Noguchi Kenji** **Oppose**
Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC.

DAIWA HOUSE INDUSTRY CO AGM Date: 2011-06-29

- 2.1 Elect Higuchi Takeo** **Oppose**
Executive Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.
- 2.2 Elect Murakami Kenji** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is no outside representation, a vote against his re-election is recommended.

FANUC LTD AGM Date: 2011-06-29

- 3.1 Elect Inaba Yoshiharu** **Oppose**
President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board, an oppose vote on the most senior directors is recommended.
- 4.1 Elect Kimura Shunsuke** **Oppose**
PIRC considers one of the three candidates standing for election to be independent. The corporate auditor board will be 50% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by Company, not independent by PIRC.
- 4.2 Elect Shimizu Naoki** **Oppose**
Inside Corporate Auditor. Not independent by Company, not independent by PIRC.

FUJIFILM HLDGS CORP AGM Date: 2011-06-29

- 2.1 Elect Komori Shigetaka** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended.
- 3.1 Elect Furusawa Kiichirou** **Oppose**
PIRC does not consider the one candidate standing for election to be independent. The corporate auditor board will be 40% independent in our view following the Annual Meeting.

Outside Corporate Auditor. Independent by Company, not independent by PIRC. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

MINEBEA CO LTD AGM Date: 2011-06-29

- 3.1 Elect Kainuma Yoshihisa** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.
- 4.1 Elect Kamoi Akifumi** **Oppose**
One of the three Corporate Auditors standing for election is considered independent by PIRC guidelines. The Corporate Auditor Board will be 50% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

MITSUBISHI ESTATE CO LTD AGM Date: 2011-06-29

2.13 Elect Gomi Yasumasa **Oppose**
Outside Non-Executive Director. Independent by Company, not independent by PIRC due to association with the groups principle commercial banker. Three of the four outside directors on the Board are considered independent, which is a sufficient quorum, and therefore the election of a further non-independent outsider is not supported.

MITSUBISHI UFJ FINANCIAL GRP AGM Date: 2011-06-29

3.1 Elect Nemoto Takehiko **Oppose**
The candidate standing for election is not considered independent by PIRC. The Corporate Auditor board will be 60% independent.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

MITSUI FUDOSAN CO LTD AGM Date: 2011-06-29

2.12 Elect Hosoya Eiji **Oppose**
Newly appointed Outside Non-Executive Director. Not independent by PIRC due to association with the groups principle commercial banker. Three of the four outside directors on the board are considered independent, which is a sufficient quorum, and therefore the election of a further non-independent outsider is not supported.

3.1 Elect Kuramoto Seizou **Oppose**
This proposal: PIRC considers none of the three candidates to be independent. The corporate auditor board will be 25% independent in our view following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC.

3.2 Elect Okada Akishige **Oppose**
Outside Corporate Auditor. Independent by company, not independent by PIRC. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

3.3 Elect Nishida Keiu **Oppose**
Outside Corporate Auditor. Independent by company, not independent by PIRC. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

MURATA MANUFACTURING CO LTD AGM Date: 2011-06-29

2.1 Elect Murata Tsuneo **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

3.1 Elect Yoshino Yukio **Oppose**
The one candidate standing for election as a Corporate Auditor is not considered independent by PIRC guidelines. The Corporate Auditor Board will be 0% independent following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC.

NINTENDO CO LTD AGM Date: 2011-06-29

2.1 Elect Iwata Satoru **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the board an oppose vote on the most senior directors is recommended.

3.1 Elect Nakaji Ichirou **Oppose**
This proposal: PIRC considers two of the three candidates to be independent. The corporate auditor board will be 60% independent in our view following the Annual Meeting.

Inside Corporate Auditor. Not independent by PIRC. Opposition is recommended.

NIPPON EXPRESS CO LTD AGM Date: 2011-06-29

1 Appropriation of Surplus **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 5.00 yen per share is proposed and the dividend payout ratio is approximately 122.1%, which is considered unwise given the capital maintenance needs of the company.

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| 2.1 Elect Kawai Masanori | Executive Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board an oppose vote on the most senior directors is recommended. | Oppose |
| 2.2 Elect Watanabe Kenji | President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board an oppose vote on the most senior directors is recommended. | Oppose |
| 4 Adoption of Takeover Defense Measures | Japanese companies perceived the threat of hostile takeovers following a rapid dissolution of cross-shareholdings amongst Japanese companies that began in the 1990s; in particular, between creditor banks and corporate borrowers. With the reduction in strategic holdings came the rise in availability of free float shares the most prominent takeover defence prepared by companies is the adoption of a formal rights plan. Such plans are based on the principle that once triggered the plan will dilute the voting rights of a potential raider (by either increasing the voting rights of all other shareholders or diminishing those of the raider) therefore making the cost of acquiring sufficient rights prohibitive. PIRC will consider the introduction of a takeover defence in the context of the questions below. PIRC approach to analysis of such plans seeks to achieve a balance between the right of shareholders to receive the best offer for their shares, the stability of the company or group and the rights of minority investors. | Oppose |

All directors seek annual election, which we welcome. There is insufficient independent outside representation on the Board according to PIRC guidelines. The bid evaluation committee has at least three members and is considered to be fully independent by PIRC guidelines. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of 20% of the Company's common stock. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The Company releases its proxy circular less than three weeks before the meeting. The Company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences. Takeover Defence Rating: D

OJI PAPER CO LTD AGM Date: 2011-06-29

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| 1.1 Elect Suzuki Shouichirou | Executive Chairman. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended. | Oppose |
| 1.2 Elect Shinoda Kazuhisa | President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended. | Oppose |
| 3 Adoption of Takeover Defense Measures | Japanese companies perceived the threat of hostile takeovers following a rapid dissolution of cross-shareholdings amongst Japanese companies that began in the 1990s; in particular, between creditor banks and corporate borrowers. With the reduction in strategic holdings came the rise in availability of free float shares the most prominent takeover defence prepared by companies is the adoption of a formal rights plan. Such plans are based on the principle that once triggered the plan will dilute the voting rights of a potential raider (by either increasing the voting rights of all other shareholders or diminishing those of the raider) therefore making the cost of acquiring sufficient rights prohibitive. PIRC will consider the introduction of a takeover defence in the context of the questions below. PIRC approach to analysis of such plans seeks to achieve a balance between the right of shareholders to receive the best offer for their shares, the stability of the company or group and the rights of minority investors. | Abstain |

All directors seek annual election, which we welcome. There is insufficient independent outside representation on the Board according to PIRC guidelines. The bid evaluation committee is not considered fully independent by PIRC guidelines. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of 20% of the Company's common stock, however this can be ignored at the discretion of the Board. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The Company releases its proxy circular at least 22 days before the meeting. The Company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences. Takeover Defence Rating: C

SEKISUI CHEMICAL CO LTD AGM Date: 2011-06-29

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| 2.1 Elect Negishi Naofumi | President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended. | Oppose |
| 4 Issuance of Stock Subscription Right for Option Plan | The Board is seeking authority to issue stock subscription rights under its share option plan. As outside directors are included in the plan, it is considered that this gives rise to a conflict of interest. | Oppose |

SUMITOMO BAKELITE CO LTD AGM Date: 2011-06-29

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| 2.1 Elect Ogawa Tomitarou | Chairman. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended. | Oppose |
| 2.2 Elect Hayashi Shigeru | President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended. | Oppose |
| 3.1 Elect Uchimura Takeshi | Three of the four candidates standing for election are considered independent by PIRC. The Corporate Auditor board will be 75% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |

SUMITOMO MITSUI FINANCIAL GR AGM Date: 2011-06-29

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| 3.1 Elect Mizoguchi Jun | Neither of the two candidates standing are considered independent according to PIRC guidelines. The Corporate Auditor Board will be 33.3% independent following the Annual Meeting.

Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |
| 3.2 Elect Kawaguchi Shin | Newly appointed Inside Corporate Auditor. Not independent by company, not independent by PIRC. | Oppose |

SUZUKI MOTOR CO LTD AGM Date: 2011-06-29

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| 2.1 Elect Suzuki Osamu | President. It is considered the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board, an oppose vote on the most senior directors is recommended. | Oppose |
| 3 Payment of Bonus to Directors/Corporate Auditors | The Company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended. | Oppose |

TAIHEIYO CEMENT CORP AGM Date: 2011-06-29

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| 2.1 Elect Tokuue Keiji | President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board an oppose vote on the most senior directors is recommended. | Oppose |
| 3.1 Elect Takano Atsushi | PIRC does not consider either of the candidates standing for election to be independent. The corporate auditor board will be 20% independent in our view following the Annual Meeting.

Outside Corporate Auditor. Independent by Company, not independent by PIRC. The corporate auditor board is less than 50% independent. Opposition is therefore recommended. | Oppose |
| 3.2 Elect Watanabe Tomoyuki | Newly appointed Outside Corporate Auditor. Independent by Company, not independent by PIRC. The corporate auditor board is less than 50% independent. Opposition is therefore recommended. | Oppose |

TAIYO NIPPON SANSEI CORP AGM Date: 2011-06-29

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| 2.1 Elect Matsueda Hirotsugu | Executive Chairman. It is considered that it is the responsibility of the most senior board members | Oppose |
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to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended.

- 2.2 Elect Kawaguchi Yasunobu** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is inadequate outside presence on the Board an oppose vote on the most senior directors is recommended.

- 4 Adoption of Takeover Defense Measures** **Oppose**
Japanese companies perceived the threat of hostile takeovers following a rapid dissolution of cross-shareholdings amongst Japanese companies that began in the 1990s; in particular, between creditor banks and corporate borrowers. With the reduction in strategic holdings came the rise in availability of free float shares the most prominent takeover defence prepared by companies is the adoption of a formal rights plan. Such plans are based on the principle that once triggered the plan will dilute the voting rights of a potential raider (by either increasing the voting rights of all other shareholders or diminishing those of the raider) therefore making the cost of acquiring sufficient rights prohibitive. PIRC will consider the introduction of a takeover defence in the context of the questions below. PIRC approach to analysis of such plans seeks to achieve a balance between the right of shareholders to receive the best offer for their shares, the stability of the company or group and the rights of minority investors.

All directors seek annual election, which we welcome. There is insufficient independent outside representation on the Board according to PIRC guidelines. Biographical disclosure on the bid evaluation committee is not disclosed. PIRC cannot assess the independence of the bid evaluation committee. The minimum trigger threshold for a shareholder or group of shareholders is the ownership of 20% of the Company's common stock, however this can be ignored at the discretion of the Board. The duration of the poison pill, after which it has to be put forward for shareholder approval, is three years or less. The Company releases its proxy circular less than three weeks before the meeting. The Company has published a statement of intent for the poison pill, explaining why the poison pill is in the interest of shareholders, and PIRC considers this to be reasonable. There are no other protective or entrenchment tools that serve as takeover defences. Takeover Defence Rating: E

CHIBA BANK LTD AGM Date: 2011-06-29

- 2.1 Elect Sakuma Hidetoshi** **Oppose**
President. It is considered that it is the responsibility of the most senior board members to ensure that there is appropriate outside oversight of board decisions. As there is no outside presence on the Board an oppose vote on the most senior directors is recommended.

- 3.1 Elect Shirato Akio** **Oppose**
PIRC does not consider the one candidate standing for election to be independent. The corporate auditor board will be 0% independent in our view following the Annual Meeting.

Outside Corporate Auditor. Independent by Company, not independent by PIRC. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

TOEI CO LTD AGM Date: 2011-06-29

- 1 Appropriation of Surplus** **Oppose**
Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. The vote on appropriation of surplus does not additionally seek approval of a directors' report. A dividend of 6 Yen per share is proposed and the dividend payout ratio is approximately 14.7%, which is less than shareholders could reasonably expect an oppose vote is recommended.

- 2.1 Elect Kurino Takamitsu** **Oppose**
Two of the four corporate Auditors standing for election are considered independent by PIRC guidelines. The Corporate Auditor board will be 50% independent following the Annual Meeting.

Inside Corporate Auditor. Not independent by company, not independent by PIRC.

- 2.4 Elect Higuchi Tamotsu** **Oppose**
Inside Corporate Auditor. Not independent by company, independent by PIRC.

TOKYO GAS CO LTD AGM Date: 2011-06-29

- 3.1 Elect Fukumoto Manabu** **Oppose**
This proposal: PIRC does not consider the candidates to be independent. The corporate auditor board will be 40% independent in our view following the Annual Meeting.

SENKO CO LTD AGM Date: 2011-06-29

- 2 Amend Articles - Change Business Objectives.** **Oppose**
The company is seeking shareholder approval to amend the articles of incorporation to (i) Include the following business objectives: Development of businesses for various products such as electric and domestic goods, among others. (ii) Limit liability for outside directors and auditors. Change (i) appears to allow expansion of the groups business to areas that are reasonable given its core activity. However change (ii) is not considered acceptable where outsiders are involved as this could compromise the objectivity of their services. An oppose vote is therefore recommended.
- 3.1 Elect Fukuda Yasuhisa** **Oppose**
President. It is considered that it is the responsibility of the most senior directors to ensure that there is sufficient independent representation on the board. As there is insufficient outside representation (less than three outside directors), a vote against his re-election is recommended.

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