

May 2024

Invesco Asset Management Japan

Proxy voting results from Apr 2023 to Mar 2024

At the General Meeting of Shareholders from Apr 2023 to Mar 2024, voting rights were exercised for 165 Company's proposals and shareholder proposals, in total 1,822 proposals.

1. Voting results on management proposals

項目		For (A)	Against (B)	Abstain (C)	Carte Blanche (D)	Total (E)	% of Against (B+C)/(E)
Company organization	Election / Removal of directors	1,299	159	0	0	1,458	10.9%
	Election / Removal of statutory auditors	95	33	0	0	128	25.8%
	Election / Removal of accounting auditors	3	0	0	0	3	0.0%
Compensation	Remuneration (*1)	52	3	0	0	55	5.5%
	Retirement bonus	0	1	0	0	1	100.0%
Capitalisation (excluding articles of incorporation)	Allocation of income and dividends	100	1	0	0	101	1.0%
	Company reorganization (*2)	1	0	0	0	1	0.0%
	Takeover defense	0	0	0	0	0	0.0%
	Other (*3)	1	0	0	0	1	0.0%
Amendment of Articles of Incorporation		30	1	0	0	31	3.2%
Other		0	0	0	0	0	0.0%
		1,581	198	0	0	1,779	11.1%

(*1)・・・Includes revision of remuneration, stock options, performance related pay plans, executive bonus, etc.

(*2)・・・Includes merger, sale/transfer of business, equity transfer, stock splits, corporate separation, etc.

(*3)・・・Includes share buybacks, decline in legal reserves, third party allotment, capital reduction, reverse equity splits, etc.

In case the one company is held by two or more strategies, it is counted as one vote. In case each strategy voted differently, it is counted as two votes one For vote and Against vote.

2. Voting results on shareholder proposals

	For (A)	Against (B)	Abstain (C)	Carte Blanche (D)	Total (E)	% of Against (B+C)/(E)
	10	33	0	0	43	76.7%

In case the one company is held by two or more strategies, it is counted as one vote. In case each strategy voted differently, it is counted as two votes one For vote and Against vote.

3. Overview of Exercise of Voting Rights

To enable effective investment stewardship, we have established an investor-driven ESG integration framework. Portfolio managers and research analysts, who make investment decisions for Japanese equity portfolios, take the lead in engagement with companies on a number of issues, including ESG-related issues, and make proxy voting decisions.

We make voting decisions following our internally developed Invesco Japan Proxy Voting Guideline. We engage and communicate with the investee companies on our voting policy and voting decisions. Engagements on proxy voting have been made throughout the year,

regardless of voting season.

Depending on a proposal, we may make an exception after having constructive dialogue with the investee company. In such a case, approval of the Responsible Investment Committee shall be obtained.

① Our overview of against votes on management proposals and the backgrounds are as follows.

Board composition

- We voted against the top management in the following cases;
 - Less than one-third of independent outside directors on the board
 - Less than a majority of independent non-executive directors on the boards of listed subsidiaries
 - None of the female directors are appointed.
 - As such issues as the board composition or the diversity of the board, we were in favour, with the approval of the Responsible Investment Committee, in cases where the management's commitment to improvements in the near future was clear in the dialogue and the future improvement measures presented were concrete

Nomination of directors and statutory auditors

- In the proposal for the appointment of external directors and external auditors, we voted against the candidates in the following cases;
 - The independence of the candidate does not meet our criteria
 - The tenure exceeds 10 years
 - The candidate sits five or more directorships in listed companies or companies that are considered to have a similar level of business.
 - The candidate's board attendance rate below 75%
 - In those cases where the suitability was met or substantial independence was considered to be ensured, we voted for the nominee with the approval from the Responsible Investment Committee.
- We voted against top management and directors of audit and risk committee in cases where we considered that there were governance issues that could have resulted in damage to shareholder value.
- With regard to cross-share shareholdings, we voted against top management in cases where the balance of holdings amounted to more than 20% of net assets.
 - We voted for the top management with the approval from the Responsible Investment Committee in cases where industry-specific circumstances should

be taken into account, or where we had confirmed sufficient plans to reduce policy shareholdings in dialogue, for example.

Remuneration

- We voted against proposals on remuneration in cases where we considered that the proposals were not in line with the perspective of medium- to long-term shareholder value.
- We voted for shareholder resolution which requires the disclosure of each director's remuneration amount.

Capital policy

- We voted against opposed proposals for the appropriation of surplus in cases where the total shareholders return was significantly low, taking into account the state of capital accumulation and business strategy.

Other

- We didn't have the proposal on anti-takeover measures.

② In shareholder proposals, we voted for 33 proposals, while voted against 10 proposals. Shareholder proposals, as well as company proposals, basically comply with the guidelines and are decided on an individual proposal basis, taking into account whether or not they contribute to increasing shareholder value.

- This year, proposals were made on governance, information disclosure, and climate change. In each case, we decided after examining the content of the proposal and the company's response, taking into account whether or not the proposal would contribute to increasing shareholder value.
- While climate change-related measures and increased disclosure should be promoted, the progress of corporate responses, the feasibility of disclosure, and the potential impact on shareholder value should also be taken into consideration.
- We voted for the proposal which required the dismissal of top management in cases where we considered that there was a governance issue that could have resulted in damage to shareholder value. Also, we voted for the proposal which required further improvement of capital efficiency where we considered there was a large room for the increase of shareholders' return.

Disclaimer: The English version is a translation of the original in Japanese and is for information purposes only. In case of a discrepancy, the Japanese original will prevail.

Ticker	Company Name	Meeting Date	Meeting Type	Proponent	Proposal Number	Proposal Code Description	Rational	Vote Instruction
9783	Benesse Holdings, Inc.	6/24/2023	Annual	Management	2.3	Elect auditors	Vote Against on independence	Against
9783	Benesse Holdings, Inc.	6/24/2023	Annual	Management	2.4	Elect auditors	Vote Against on independence	Against
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.1	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.2	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.3	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.4	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.5	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.6	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.7	Elect directors	Vote Against on independence	Against
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	1.8	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	2.1	Elect auditors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9830	Trusco Nakayama Corporation	3/28/2024	Annual	Management	2.2	Elect auditors	Vote Against on independence	Against
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	1	Amend the Company articles	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.1	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.2	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.3	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.4	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.5	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.6	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For
9882	Yellow Hat Ltd.	6/21/2023	Annual	Management	2.7	Elect directors	Vote FOR based on the guidelines and the sustainability of corporate value enhancement	For