




Domain	Metric	Measurement	Notes	Principles
		2018		(1), (3), (4), (6), (7)
Engagements	# of meetings	730*	Nearly all meetings include some level of engagement	
	# of CEO meetings	78*		
	# of presentations	142		
	# of engagement successes	63		
	 Successes: Reputation Value	35	IR Improvement (18), Disclosure Improvement (6), ESG (4), etc.	
	 Successes: Financial Value	18	Dividend Policy (8), Cancellation of shares/buybacks (2), etc.	
 Successes: Business Value	10	Divestiture (3), Strategic Alliances (4), etc.		
	*Meetings with both portfolio and candidate companies. Also, includes below ESG-related engagements:			
	Environment	0		
	Social	4	Employee satisfaction (2), Talent diversity (2)	
	Governance	13	Board Improvement (7), Gov process (4), CEO Succession (1), Incentives (1)	
Events	# of Shacho-kais	1	Annual CEO Round Table (theme: "Unleash Your Strength")	
	# of CEOs participating	10		
	# of Benkyo-kais	0		
	# Executives participating	0		
Training	# of internships	4	One day to 1 week executive seminars at Taiyo's office	
	# of executives participating	20		
	# of workshops	4	Half - to one day executive seminars at portfolio companies	
	# executives participating	10		

	For	Against	Total		
				(1), (2), (3), (4), (5), (6), (7)	
Proxy Voting	Election Directors & Auditors	246	0	246	TPP has retained Institutional Shareholder Services, Inc. ("ISS") to provide proxy related services. TPP will vote proxies in a manner consistent with the best interests of the relevant Fund/ Account and its security holders. In the event that ISS recommends a vote against management, TPP will seek further explanation from the company. If management provides sufficient information to support their position, TPP will vote with management. A summary of proxy results and TPP's Implementation Guide to the Japan Stewardship Code can be found on our website. Further proxy details are available to clients upon request.
	Executive Compensation	16	0	16	
	Allocation of Retained Earnings	19	0	19	
	Anti-takeover Measures	0	0	0	
	Others	19	0	19	
Total Number of Items	300	0	300		
Advisory	ISS "For Recommendation	292	0	292	
	ISS "Against" Recommendation	8	0	8	
	Total Number of Items	300	0	300	

	TPP 2018	TPX 2018		
			(1), (3), (4), (6), (7)	
Metrics	Market Value Change	-10.9%	-2.6%	
	ROIC	10.2%	6.9%	
	ROE	10.7%	8.0%	
	Analyst Coverage per Co.	10	2	
	Total Shareholder Payout Ratio	33.5%	27.5%	Total of dividend and share buyback
	OP Growth (YoY %)	9.9%	8.8%	

All data median except for analyst coverage (simple average). Source: Factset, company disclosures, TSE Corporate Governance Information Service, etc.

	2018	
		(2), (6)
TPP - Internal	# of Conflict of Interest cases	0
	# of Advisory Committee Mtgs.	0

Upcoming Changes

- Improving internal/external reporting process to better monitor ESG discussions (1), (6)
- Updating the database to increase effectiveness as an engagement tool (1), (4), (7)
- Gathering feedback on the ESG dashboard from portfolio companies for further improvements (1), (4), (7)

Japan Stewardship Code Principles

- (1) Fulfill stewardship responsibilities
- (2) Conflict of interests
- (3) Sustainable growth
- (4) Constructive engagement via dialogue
- (5) Policy on voting, disclosure
- (6) Periodic reporting
- (7) In-depth knowledge of Co.