



## Mitsubishi UFJ Trust and Banking Revises Proxy Voting Guidelines

✓ Annual review of proxy voting guidelines in light of recent discussions on corporate governance

Mitsubishi UFJ Trust and Banking released revisions to its proxy voting guidelines, which will take effect on April 1, 2026. The main revisions are as follows:

### <Main Revisions>

Item	Overview of the Revisions
Performance Criteria	<ul style="list-style-type: none"> <li>For companies which have been loss making and/or where ROE has been below 5% for three consecutive fiscal periods with no improvement observed and management is deemed to be responsible, the criterion has been revised from “voting against the reappointment of the representative director” to “voting against the reappointment of a representative director <u>who has been a director for three consecutive fiscal periods</u>” (the underline indicates the part added in the revision).</li> </ul>
Cross-shareholdings	<ul style="list-style-type: none"> <li>Revised to apply to “cases where cross-shareholdings (investment securities held for purposes other than pure investment, <u>including deemed shareholdings</u>) account for 20% or more of net assets.” Under the previous guideline, the underlined portion was not included. The scope of accountability is the same as under the above Performance Criteria.</li> </ul>
Cash Rich Companies	<ul style="list-style-type: none"> <li>Revised to “cases where (cash and deposits + short- and long-term marketable securities) divided by total assets is 50% or more and ROE has been <u>below 8% for three consecutive fiscal periods.</u>” Under the previous guideline, the underlined portion regarding ROE was “cases where the three-year average ROE and the most recent ROE are below 8%.” The scope of accountability is the same as under the above Performance Criteria.</li> </ul>
Reduction in the Number of Statutory Auditors	<ul style="list-style-type: none"> <li>“Regarding the reduction in the number of <u>statutory auditors</u>, in cases where the reason is not clear and reasonable,” it is deemed to be problematic and opposed in principle. Under the previous guideline, the underlined portion was “statutory auditor or outside statutory auditor.”</li> </ul>
Appropriation of Surplus	<ul style="list-style-type: none"> <li>Excessive dividends: “Dividends increased despite a net loss for the fiscal year” and “dividend payout ratio exceeding 200% with an increase in dividends” has been deleted.</li> <li>Insufficient dividends: Regarding ROE, the criterion has been revised from “ROE is below 8% based on the three-year average and the most recent figure” to “ROE has been below 8% for three consecutive fiscal periods.”</li> </ul>
Executive Remuneration	<ul style="list-style-type: none"> <li>In cases of misconduct or where performance criteria are not met, the guideline has been revised from “opposition to an increase in the overall executive remuneration cap” to “opposition to an increase in the remuneration cap for directors.”</li> </ul>

Contribution of Treasury Funds to Foundations, etc.	<p>In cases where there is deemed to be a problem and therefore should be opposed in principle, the following points has been added:</p> <ul style="list-style-type: none"> <li>· <u>Purpose</u>: Disposal of treasury shares considered inappropriate, such as cases where the relationship to the company's business is clearly weak</li> <li>· <u>Voting Rights</u>: In principle, cases where the voting rights of the contributed treasury shares are exercised (including cases where it is not considered highly probable that the voting rights will remain non-exercised on an ongoing basis)</li> </ul> <p>Examples of cases where there is deemed to be a high likelihood that voting rights will remain non-exercised on an ongoing basis include:</p> <ul style="list-style-type: none"> <li>· Where it is stipulated in the articles of incorporation of the foundation that voting rights shall not be exercised</li> <li>· In schemes using trusts, where voting rights are treated as non-exercised even if the shares are to be transferred to a foundation or similar entity in the future, or where the relevant contract is automatically renewed and voting rights are not exercised on a long-term basis.</li> </ul>
Amendments to the Articles of Incorporation	<p>The following points has been added to the criteria where no issues are identified:</p> <ul style="list-style-type: none"> <li>· Change in the record date for shareholders' meetings (change of the record date for the purpose of allowing greater flexibility in holding shareholders' meetings)</li> <li>· Virtual shareholders' meetings (holding of virtual-only shareholders' meetings)</li> </ul>

For future initiatives regarding the exercise of voting rights and other details, please refer to the URL below:  
 · "Proxy Voting Policy for Fiscal Year 2026" and "Future Initiatives Related to the Exercise of Voting Rights"  
[https://www.tr.mufg.jp/new\\_assets/houjin/jutaku/pdf/nyou\\_kabu\\_12\\_pdf.pdf](https://www.tr.mufg.jp/new_assets/houjin/jutaku/pdf/nyou_kabu_12_pdf.pdf) (in Japanese only)



## Amova Asset Management Revises Standards for Exercising Voting Rights

Amova Asset Management released revisions to its standards for exercising voting rights on February 12, 2026.

The main revisions are as follows:

<Applicable from April 2026 (Items 3 and 4 below were announced in February 2025)>

1. Changes to Articles of Incorporation (Decision-making entity of dividends of surplus, etc.): Board resolutions premised on resolutions of shareholders' meetings are permitted.

Previously, when the disposition of surplus was to be determined solely by a board resolution, such cases were opposed in principle as they could potentially restrict shareholders' rights. However, in the case of changes to the Articles of Incorporation that allow board resolutions while retaining resolutions of shareholders' meetings, such amendments are viewed positively as contributing to greater flexibility in capital policy and the standard has been revised to support such proposals in principle. (However, amendments that exclude resolutions of shareholders' meetings and provide for decisions to be made solely by the board of directors continue to be opposed in principle as before).

2. Shareholder Resolutions: Clarification of specific considerations in making voting decisions

While proposals continue to be assessed from the perspective of enhancing medium- to long-term shareholder value, the revisions clarify that the following types of proposals are opposed in principle: 1) proposals that excessively interfere with business execution, 2) proposals that lack specificity or rational justification, and 3) proposals where the company's current initiatives are deemed to be already sufficient. On the other hand, proposals that are considered to contribute to the sustainable enhancement of corporate value, such as those related to the establishment of governance frameworks for climate change initiatives or setting of emissions reduction targets, are supported in principles unless they fall under the above categories.

3. Appointment of Directors: Strengthening of requirements for TOPIX 500 Companies

Regarding the criteria for opposing to the election of the management top as a director at TOPIX 500 companies, the requirement has been raised from "cases where there are no female directors" to "cases where there are fewer than two female directors and where female directors account for less than 15% of the board." (For companies other than TOPIX 500 companies, the existing criterion continues to apply under which the election of the top management is opposed in principle when there are no female directors.)

4. Appointment of Directors (Performance Criteria): Raising of ROE threshold and introduction of a PBR criterion

The existing criterion, under which "directors who have been in office during the relevant period will be opposed in principle in cases where ROE has been below 5% for three consecutive fiscal periods and the company falls within the bottom 50% of its industry (based on the TSE 17 industry classifications)" has been revised. Under the revised criterion, "directors who have been in office during the relevant period will be opposed in principle in cases where ROE has been below 8% for three consecutive fiscal periods and the company falls within the bottom 50% of its industry (based on the TSE 17 industry classifications). (However, where PBR exceeds 1.0x, ROE is deemed to exceed the cost of capital, and such directors will be supported in principle)."

For further details, please refer to the URLs below:

- Regarding the Revisions of the Standard for Exercising Voting Rights on Japanese Stocks  
[https://www.amova-am.com/files/lists/release/2026/260212\\_01\\_j.pdf](https://www.amova-am.com/files/lists/release/2026/260212_01_j.pdf) (in Japanese only)
- Standards for Exercising Voting Rights on Japanese Stocks  
<https://global.amova-am.com/institutional/proxy-voting/voting-rights> (English)