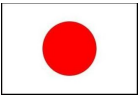


MEETING DATE	Thu, 27 Jun 2019 10:00 am	TYPE	AGM	ISSUE DATE	Thu, 20 Jun 2019
MEETING LOCATION	Hyatt Regency Kyoto 1F The Ball Room644-2 Sanjusangendo-mawari, Higashiyama-ku, Kyoto, Japan				
CURRENT INDICES	PIRC Japan				
SECTOR	Semiconductors and related devices				

PROPOSALS		ADVICE
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 75 yen per share is proposed, and the dividend payout ratio is approximately 34.8%. This exceeds the minimum acceptable threshold of 15% and the Company did not make a loss during the year under review. Support is recommended.	For
2	Amend Articles It is proposed to change the board structure to the audit and supervisory committee system limiting liabilities of board members, The board proposes to alter the board structure to change from a "Statutory Corporate Auditor" structured company (Kansayaku-setchi-gaisha) to a three-committee structure (Shimei-iinkai-tou-Setchi Gaisha), with committees responsible for audit, nomination and remuneration/or to an Audit and Supervisory Committee structured company (Kansa-tou-iinkaci-Setchi Gaisha), - a development that is welcomed. Under this model, and in line with the Japanese Commercial Code, each of the board committees should consist of a majority of independent directors.	For
3.1	Elect Fujiwara Tadanobu President, Representative Director. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board, and support is therefore recommended.	For
3.2	Elect Azuma Katsumi Executive Director.	For
3.3	Elect Matsumoto Isao Executive Director.	For
3.4	Elect Yamazaki Masahiko Executive Director.	For
3.5	Elect Suenaga Yoshiaki Executive Director.	For
3.6	Elect Uehara Kunio Executive Director.	For
3.7	Elect Satou Kenichirou Executive Director.	For
3.8	Elect Nishioka Kouichi Independent Non-Executive Outside Director.	For
3.9	Elect Tateishi Tetsuo Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.	Oppose

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| 4.1 Elect Director and Audit Committee Member Nii, Hiroyuki | For |
| Non-Executive Director nominated as committee member, not considered to be independent. The Audit & Supervisory Committee is 50% or more independent. Therefore, support is recommended. | |
| 4.2 Elect Director and Audit Committee Member Chimori, Hidero | For |
| Independent member of the Audit and Supervisory Committee. Support is recommended. | |
| 4.3 Elect Director and Audit Committee Member Miyabayashi, Toshiro | For |
| Independent member of the Audit and Supervisory Committee. Support is recommended. | |
| 4.4 Elect Director and Audit Committee Member Tanaka, Kumiko | For |
| Independent member of the Audit and Supervisory Committee. Support is recommended. | |
| 5 Approve Compensation Ceiling for Directors Who Are Not Audit Committee Members | For |
| It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. The increase has been justified and it is within recommended limits. Also, performance-related pay is restricted to executives. Support is therefore recommended. | |
| 6 Approve Compensation Ceiling for Directors Who Are Audit Committee Members | For |
| It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. The increase has been justified and it is within recommended limits. Also, performance-related pay is restricted to executives. Support is therefore recommended. | |
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