

# Platform

Summer Edition  
August 15, 2007

Peak Season 2007 is in the bag and the dust has settled. The number of ICJ participating issuers has now reached 215. For institutional investors, what significance do these 215 Japanese companies have? Most importantly, they (1) provide proxy statements immediately on the day of release, and (2) allow voting up until the day prior to meeting date.

This electronic voting is facilitated by ProxyEdge.com®, a web-based voting platform used by over 3600 institutional clients of Broadridge Financial Solutions. Institutions receive benefits such as immediate access to agendas, consolidated voting functions, automated vote

recommendations which can be adjusted to an individual institution's needs, and the "broad" range of products and services provided by Broadridge.



Japanese issuers, in turn, benefit from the early return of voting results, a delivery process which provides Japanese companies with twice-daily vote reports. Seeing voting results early gives issuers the opportunity to recognize which proposals might require further explanation, and ProxyEdge® allows issuers to immediately post supplemental information for review by the global village of investors.

Why only 215? One of the greatest hurdles in bringing Japanese issuers onto the ICJ platform is the generally accepted view among issuers that (1) the current system of voting is sufficient, and (2) there is no demand on the part of institutional investors for improvements in the Japan proxy voting environment. Based on early returns from our [Japanese Proxy Voting Survey](#), it appears most institutions think exactly the opposite. Have you made your voice heard?

A good first step is to fill out the [survey](#). However, to most effectively encourage ICJ participation and take the pain out of proxy season, we request all investors to actively contact companies in their portfolio and ask if they are considering participating in ICJ. In June 2008 the difference between 3 days and 3 weeks is big. Which would you prefer?

# ICJ Participating Companies

## The leading “Investor Friendly” companies in Japan

Each of the following companies has made the decision to provide institutions with extended voting times and full meeting materials via ProxyEdge.com®. As the number of participating companies steadily increases, we will continue to keep you informed of all the latest developments via our homepage ([www.icj-co.com](http://www.icj-co.com)). We also encourage institutional investors to make direct contact with non-participating issuers and ask them why they aren't proactively seeking to improve Japan's proxy voting environment.

Code	Company Name	RD			
			4756	CULTURE CONVENIENCE CLUB CO.	Mar
6857	ADVANTEST CORP.	Mar	7912	DAI NIPPON PRINTING CO., LTD.	Mar
8267	AEON CO., LTD.	Feb	4568	DAIICHI SANKYO CO., LTD.	Mar
8761	AIOI INSURANCE CO., LTD.	Mar	6367	DAIKIN INDUSTRIES, LTD.	Mar
9202	ALL NIPPON AIRWAYS CO., LTD.	Mar	8692	DAIKO CLEARING SERVICES CORP.	Mar
6770	ALPS ELECTRIC CO.LTD.	Mar	7735	Dainippon Screen Mfg.Co.Ltd.	Mar
6113	AMADA CO., LTD.	Mar	1878	DAITO TRUST CONSTRUCTION CO.	Mar
6754	ANRITSU CORP.	Mar	1925	DAIWA HOUSE IND. CO., LTD.	Mar
8925	ARDEPRO Co.Ltd.	Jul	8601	DAIWA SECURITIES GROUP INC.	Mar
2502	ASAHI BREWERIES, LTD.	Dec	4061	DENKI KAGAKU KOGYO K.K.	Mar
5201	ASAHI GLASS CO., LTD.	Dec	9952	DOUTOR COFFEE CO.LTD.	Mar
3407	ASAHI KASEI CORP.	Mar	9427	EACCESS LTD.	Mar
9747	ASATSU-DK INC.	Dec	9020	EAST JAPAN RAILWAY CO.	Mar
2678	ASKUL CORP.	May	6361	EBARA CORP.	Mar
2337	Asset Managers Co.,Ltd.	Feb	4523	EISAI CO., LTD.	Mar
4503	ASTELLAS PHARMA INC.	Mar	9513	ELECTRIC POWER DEVELOPMENT CO.	Mar
1872	AZEL CORP.	Mar	8028	FAMILYMART CO., LTD.	Feb
6448	BROTHER INDUSTRIES, LTD.	Mar	4921	FANCL CORP.	Mar
6366	CHIYODA CORP.	Mar	6504	FUJI ELECTRIC HOLDINGS CO., LTD.	Mar
7762	Citizen Holdings Co.Ltd.	Mar	4676	FUJI TELEVISION NETWORK, INC.	Mar
2579	COCA-COLA WEST HOLDINGS CO., LTD.	Dec	6702	FUJITSU LTD.	Mar
1721	COMSYS Holdings Corporation	Mar	6457	GLORY LTD.	Mar
8253	Credit Saison Co.Ltd.	Mar	7433	HAKUTO CO., LTD.	Mar
8888	CREED CORPORATION	May	6965	HAMAMATSU PHOTONICS K.K.	Sep
9737	CSK HOLDINGS CORP.	Mar	1808	HASEKO CORP.	Mar

6305	HITACHI CONST. MACH. CO., LTD.	Mar	8002	MARUBENI CORP.	Mar
9694	HITACHI SOFTWARE ENGINEERING	Mar	6752	MATSUSHITA ELECTRIC IND. CO., LTD.	Mar
6501	HITACHI, LTD.	Mar	3051	MATSUZAKAYA CO., LTD.	Feb
9509	HOKKAIDO ELECTRIC POWER CO., INC.	Mar	7459	MEDICEO PALTAC HOLDINGS CO., LTD.	Mar
6856	HORIBA, LTD.	Dec	9744	MEITEC CORP.	Mar
4062	IBIDEN CO., LTD.	Mar	8766	MILLEA HOLDINGS, INC.	Mar
8922	IDU CO.	Aug	8058	mitsubishi corp.	Mar
7013	IHI Corporation	Mar	6503	MITSUBISHI ELECTRIC CORP.	Mar
4847	INTELLIGENT WAVE INC.	Jun	8802	MITSUBISHI ESTATE CO., LTD.	Mar
7202	ISUZU MOTORS LTD.	Mar	4182	MITSUBISHI GAS CHEMICAL CO., INC.	Mar
9205	JAPAN AIRLINES CORP.	Mar	7011	MITSUBISHI HEAVY IND., LTD.	Mar
8518	Japan Asia Investment Company, Limited	Mar	5711	MITSUBISHI MATERIALS CORP.	Mar
8511	JAPAN SECURITIES FINANCE CO., LTD.	Mar	3404	MITSUBISHI RAYON CO., LTD.	Mar
2914	JAPAN TOBACCO INC.	Mar	8031	MITSUI & CO., LTD.	Mar
3820	JBIS HOLDINGS, INC.	Mar	5706	MITSUI MINING & SMELTING CO.	Mar
5411	JFE HOLDINGS, INC.	Mar	9104	MITSUI O.S.K.LINES, LTD.	Mar
4185	JSR CORP.	Mar	8752	Mitsui Sumitomo Insurance	Mar
8703	KABU.COM SECURITIES CO., LTD.	Mar	2779	MITSUKOSHI, LTD.	Feb
9678	KANAMOTO CO., LTD.	Oct	8411	MIZUHO FINANCIAL GROUP, INC.	Mar
4452	KAO CORP.	Mar	8607	MIZUHO INVESTORS SECURITIES CO.	Mar
7012	KAWASAKI HEAVY IND., LTD.	Mar	6981	MURATA MFG. CO., LTD.	Mar
9107	KAWASAKI KISEN KAISHA, LTD.	Mar	6268	NABTESCO CORP.	Mar
9433	KDDI CORP.	Mar	6701	NEC CORP.	Mar
4321	KENEDIX, INC.	Dec	2799	NEXUS CO.,LTD.	May
2503	Kirin Holdings Company, Limited	Dec	6594	NIDEC CORP.	Mar
5406	KOBE STEEL, LTD.	Mar	8056	NIHON UNISYS, LTD.	Mar
6301	KOMATSU LTD.	Mar	6376	NIKKISO CO., LTD.	Mar
4902	KONICA MINOLTA HOLDINGS, INC.	Mar	8603	NIKKO CORDIAL CORP.	Mar
6326	KUBOTA CORP.	Mar	7731	NIKON CORP.	Mar
1861	KUMAGAI GUMI CO., LTD.	Mar	7974	Nintendo Co.Ltd.	Mar
3405	KURARAY CO., LTD.	Mar	9062	NIPPON EXPRESS CO., LTD.	Mar
6370	KURITA WATER INDUSTRIES LTD.	Mar	4272	NIPPON KAYAKU CO.LTD.	May
6971	KYOCERA CORP.	Mar	5701	NIPPON LIGHT METAL CO., LTD.	Mar
1951	KYOWA EXEO CORP.	Mar	5016	NIPPON MINING HOLDINGS, INC.	Mar
9508	KYUSHU ELECTRIC POWER CO., INC.	Mar	5001	NIPPON OIL CORP.	Mar
6586	MAKITA CORP.	Mar	5401	NIPPON STEEL CORP.	Mar

1332	NIPPON SUISAN KAISHA, LTD.	Mar	8165	SENSHUKAI CO., LTD.	Dec
9432	NIPPON TELEGRAPH & TELEPHONE	Mar	6753	SHARP CORP.	Mar
9101	NIPPON YUSEN K.K.	Mar	8184	SHIMACHU CO.LTD.	Aug
8754	NIPPONKOA INSURANCE CO., LTD.	Mar	8606	SHINKO SECURITIES CO., LTD.	Mar
8571	NIS GROUP CO., LTD.	Mar	8303	SHINSEI BANK, LTD.	Mar
7201	NISSAN MOTOR CO., LTD.	Mar	4911	SHISEIDO CO., LTD.	Mar
8759	NISSAY DOWA General Insurance Co.	Mar	9543	SHIZUOKAGAS CO., LTD.	Dec
8248	Nissen Holdings Co.Ltd.	Dec	3003	SHOEI CO., LTD.	Dec
5407	NISSHIN STEEL CO., LTD.	Mar	4004	SHOWA DENKO K.K.	Dec
2897	Nissin Food Products Co.Ltd.	Mar	8132	SINANEN CO., LTD.	Mar
6988	NITTO DENKO CORP.	Mar	2262	SNOW BRAND MILK PRODUCTS CO.	Mar
8604	NOMURA HOLDINGS, INC.	Mar	9984	SOFTBANK CORP.	Mar
9613	NTT DATA CORP.	Mar	2768	SOJITZ CORP.	Mar
9437	NTT DOCOMO, INC.	Mar	8755	SOMPO JAPAN INSURANCE INC.	Mar
8933	NTT URBAN DEVELOPMENT CORP.	Mar	4565	SOSEI GROUP CORP.	Mar
4684	OBIC CO., LTD.	Mar	8739	SPARX Group Co., Ltd.	Mar
3861	OJI PAPER CO., LTD.	Mar	9684	SQUARE ENIX CO., LTD.	Mar
6703	OKI ELECTRIC IND. CO., LTD.	Mar	6817	SUMIDA CORP.	Dec
9436	OKINAWA CELLULAR TELEPHONE Co.	Mar	8053	SUMITOMO CORP.	Mar
7733	OLYMPUS CORPORATION	Mar	6302	SUMITOMO HEAVY IND., LTD.	Mar
6645	OMRON CORP.	Mar	8403	SUMITOMO TRUST & BANKING CO.	Mar
8591	ORIX CORP.	Mar	9987	SUZUKEN CO., LTD.	Mar
9532	OSAKA GAS CO., LTD.	Mar	8795	T&D HOLDINGS, INC.	Mar
8697	OSAKA SECURITIES EXCHANGE CO.	Mar	5233	TAIHEIYO CEMENT CORP.	Mar
6773	PIONEER CORP.	Mar	1801	TAISEI CORP.	Mar
2685	POINT INC.	Feb	4091	TAIYO NIPPON SANSEI CORPORATION	Mar
7893	PRONEXUS INC.	Mar	6976	TAIYO YUDEN CO., LTD.	Mar
8308	RESONA HOLDINGS, INC.	Mar	8233	TAKASHIMAYA CO., LTD.	Feb
7752	RICOH CO., LTD.	Mar	4502	TAKEDA PHARMACEUTICAL CO., LTD.	Mar
8566	RICOH LEASING COMPANY LTD.	Mar	8369	THE BANK OF KYOTO, LTD.	Mar
6963	ROHM COMPANY LIMITED	Mar	8332	THE BANK OF YOKOHAMA, LTD.	Mar
4527	ROHTO PHARMACEUTICAL CO., LTD.	Mar	8234	THE DAIMARU, INC.	Feb
8328	SAPPORO HOKUYO HOLDINGS, INC.	Mar	8763	THE FUJI FIRE & MARINE INS. CO., LTD.	Mar
6460	SEGA SAMMY HOLDINGS INC.	Mar	5801	THE FURUKAWA ELECTRIC CO., LTD.	Mar
6724	SEIKO EPSON CORP.	Mar	4723	THE GOODWILL GROUP, INC.	Jun
4204	SEKISUI CHEMICAL CO., LTD.	Mar	8878	THE JAPAN GENERAL ESTATE CO., LTD.	Mar

8355	THE SHIZUOKA BANK, LTD.	Mar	8868	URBAN CORP.	Mar
9501	THE TOKYO ELECTRIC POWER CO.	Mar	6925	USHIO INC.	Mar
1805	TOBISHIMA CORP.	Mar	4732	USS CO., LTD.	Mar
8035	TOKYO ELECTRON LTD.	Mar	4689	YAHOO JAPAN CORP.	Mar
9531	TOKYO GAS CO., LTD.	Mar	9831	YAMADA DENKI CO., LTD.	Mar
4186	TOKYO OHKA KOGYO CO.LTD.	Mar	7951	YAMAHA CORP.	Mar
8804	TOKYO TATEMONO CO., LTD.	Dec	6845	YAMATAKE CORP.	Mar
9005	TOKYU CORPORATION	Mar	6841	YOKOGAWA ELECTRIC CORP.	Mar
3402	TORAY INDUSTRIES, INC.	Mar	9474	ZENRIN CO., LTD	Mar
6502	TOSHIBA CORP.	Mar			
9715	TRANSCOSMOS INC.	Mar			
8270	UNY CO., LTD.	Feb			

# Peak Performance

## A “win-win” for both issuers and institutions

One of the most publicized figures during this year’s peak season was the number “28”, as in, “non-domestic ownership of Japanese stocks rose to an all-time high of 28%.” This is significant in that it represents a shareholder profile VERY different from the former style popular in Japan of cross-holding between banks and companies. Cross-holding allowed issuers to more easily attain significant loans, as well as cemented ties between “management and shareholders”, thus providing the “rubber stamp” for proposals.

With non-domestic ownership continuing to rise, many Japanese companies are finding themselves in uncharted waters. IR departments are flooded with requests for information from foreign institutions, and, unfortunately, also find themselves impeded by deficiencies in their communication infrastructure.

It is at this juncture where the ICJ platform plays an important role on behalf of the issuer. Under normal circumstances a non-domestic institution may receive an agenda with only two or three days to research the proposals and vote. This certainly does not provide time for a meaningful dialogue between issuer and investor. When an issuer participates in ICJ they allow institutions to both view agendas and vote on the day of release, and continue to make changes to their vote up until the day prior to the meeting. This extended timeframe facilitates communication between issuers and their shareholders. For example, perhaps a proposal is

not explained thoroughly. Having heard complaints, or seen an inordinate amount of negative votes, an issuer can immediately release additional information via ProxyEdge®.

Whether this directly translates to shareholder approval is difficult to quantify; however the benefits to expedient and proactive communication can be seen and heard anecdotally throughout the market. A previous issue of *Platforum* included an interview with Mr. Scott Callon of Ichigo Asset Management, in which he noted, “[the ICJ Platform] allows companies to deepen the dialogue with shareholders, reduce the heavy clerical burdens of paper processing, and move toward strategy and outreach in building a strong shareholder base.”

While fundamental differences exist in how stakeholder relationships are viewed inside and outside Japan, it seems clear that Japanese companies need to further open the lines of communication with their shareholders – or, be forced to do so by activist shareholders. Steel Partners Japan was one of the more outspoken investors in this year’s proxy season with significant stakes in the meetings for Bull-Dog Sauce, Tenryu Saw Manufacturing, Yushiro Chemical Industry, Sapporo Holdings and others. These high-profile cases were representative of a general growth in shareholder concern which manifested itself this year in the form of 85 shareholder proposals on the ballots of 21 meetings. This is nearly double the amount from the same period last year. In fact, shareholder activism this year was not merely an exercise by the “non-domestics”. The Japanese Government Pension Investment Fund (\$810 billion in assets under management) stated they would vote against up to 10% of proposals – an increasing trend over the past four years.

This trend among shareholders, both foreign and domestic, to request higher dividends and greater transparency, and the subsequent negative reaction from many management teams, may be part of the reason why the Nikkei showed limited gains this year. Some say management’s unwillingness to make a place at the table for shareholders, as well as increases in cross-holding strategies, might be scaring investors away from the Japanese capital market.

Several of the institutions ICJ has spoken with this year have questioned the value of Japanese companies not proactively working with shareholders to build value. Could it then be true that a small step toward being “investor friendly” might go a long way toward boosting corporate value? Any institutional investor who has experienced the rigors of proxy season in Japan might say a good first step would be for the issuer to participate in an electronic voting platform which allows voting from the day of release to the day prior to the meeting. Participation in ICJ sounds like a win-win situation.

# Backstage

## What's happening at ICJ

### Bound for Bloomberg

The ICJ homepage will be up and active on Bloomberg beginning in September! ICJC <GO> takes you directly to the page on your Bloomberg terminal. Please stop by and review regularly posted information regarding ICJ participating companies, platform highlights, vote analysis and other news features.

### Bound for Tokyo?

During the heat of summer or the cold of winter, ICJ's office in Chiyoda-ku is always open to folks visiting Japan. While the temperature of the tea we serve might change according to the weather, ICJ's commitment to improving the Japanese proxy voting environment won't.

### Homeward Bound

Chris Nixon, ICJ's Product Services Division Chief and a Chicago native, will be in the United States on business during the month of September. Should your schedule allow for a meeting, please feel free to contact him directly at [chris.nixon@icj-co.jp](mailto:chris.nixon@icj-co.jp) to discuss your needs and concerns regarding proxy voting in Japan.

### Bound to be Great

ICJ looks forward to bringing you a wide variety of content in our fall edition of *Platform* due to be released in October. For those persons or institutions who would like to be featured in a future interview in *Platform*, please send your requests to [chris.nixon@icj-co.jp](mailto:chris.nixon@icj-co.jp). We look forward to hearing from you!

