




Domain	Metric	Measurement	Notes	Principles
		<b>2017</b>		(1), (3), (4), (6), (7)
<b>Holdings Engagements</b>	# of securities	27	Streamlined portfolio by 1 name.	
	# of meetings	780	Nearly all meetings include some level of engagement	
	# of CEO meetings	99		
	# of presentations	108		
	# of engagement successes	62		
	 Successes: Reputation Value	42	IR Improvement (21), Mid-Term Plan (8), Rating Upgrade (5), ESG (1), etc.	
	 Successes: Financial Value	15	Buybacks/cancellation (8), Payout Ratio Increase (2), etc.	
	 Successes: Business Value	5	Divestiture (3), Strategic Alliances (2), etc.	
<b>Events</b>	# of Shacho-kais	1	Annual CEO Round Table (theme: "Innovation")	
	# of CEOs participating	23		
	# of Benkyo-kais	1	Theme-based seminars for executives (theme: "Capital Policy")	
	# Executives participating	54		
<b>Training</b>	# of internships	2	One day to 1 week executive seminars at Taiyo's office	
	# of executives participating	10		
	# of workshops	7	Half - to one day executive seminars at portfolio companies	
	# executives participating	276		

		For	Against	Total	Notes	Principles
<b>Proxy Voting</b>	Election Directors & Auditors	216	0	216	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.	(1), (2), (3), (4), (5), (6), (7)
	Executive Compensation	17	0	17		
	Allocation of Retained Earnings	20	0	20		
	Anti-takeover Measures	0	0	0		
	Others	15	0	15		
<b>Advisory</b>	Total Number of Items	268	0	268		
	ISS "For Recommendation	258	0	258		
	ISS "Against" Recommendation	10	0	10		
	Total Number of Items	268	0	268		

		TPP	TPX		
		2017	2017		
<b>Metrics</b>	Market Capitalization Increase	34.7%	24.2%	(1), (3), (4), (6), (7)	
	ROIC	10.0%	6.3%		
	ROE	10.8%	8.8%		
	Analyst Coverage per Co.	6	3		
	Total Shareholder Payout Ratio	25.5%	25.2%		Total of dividend and share buyback
	OP Growth (YoY %)	20.3%	6.7%		

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

		2017	Principles
<b>TPP - Internal</b>	# of Conflict of Interest cases	0	(2), (6)
	# of Advisory Committee Mtgs.	0	

**Upcoming Changes**

- Making upgrades to our propriety database to enhance functionality and to streamline recording and tracking of engagement activities (1), (7)
- Plan to complete introduction of our new ESG Dashboard to further facilitate engagement with our portfolio companies (1), (3), (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.