

**Notice regarding the status of initiatives
for the new method of tallying shareholder voting forms**

As reported in the press release dated December 17, 2020 (*Notice regarding revision of the method for tallying shareholder voting forms*; “previous press release”), Mizuho Trust & Banking Co., Ltd. (President & CEO: Kei Umeda; “Mizuho TB”) has introduced a new workflow for tallying shareholder voting forms starting from the general meetings of shareholders convened in March 2021, and has also advanced the digitization of shareholder voting in addition to strengthening the management system.

Below is an overview of the current status of the new tallying method in relation to the June 2021 general meetings of shareholders, the peak of the annual workload for tallying shareholder votes, as well as of the current progress of the digitization of shareholder voting and the development of the management system for stock transfer agency operations at Mizuho TB.

We are keenly aware that the provision of these services plays a central role in corporate governance, and we will continue leveraging our extensive expertise to contribute to the sound development of the capital markets.

1. Status of the new method for tallying shareholder voting forms

As reported in the previous press release, to ensure that shareholder voting forms are received as soon as possible, we have changed the method of receiving shareholder voting forms starting with the general meetings of shareholders convened in March 2021. The forms were previously received by delivery from the post office, but this has been changed to collection through a post-office box. For the tallying after shareholder voting forms are received, we have also increased the number of staff assigned to manual tasks such as sorting mail and the amount of equipment available for digitization and categorization of shareholder voting forms. Additionally, we have put in place a framework that enables tallying based on the date shareholder voting forms are actually received from the post office, even during busy periods.

Regarding the shareholder voting at the June 2021 general meetings of shareholders, which is the peak of the annual workload for the new method of tallying shareholder voting forms, we surpassed our single-day tallying record from last year with a total of 1.6 million votes from 375 companies (Mizuho TB clients). Tallying duties were carried out and completed appropriately.

2. Progress of the digitization of shareholder voting

In regard to shareholder voting at general meetings of shareholders, Mizuho TB is aiming to promote shareholder voting through electronic means and is working to encourage more companies to adopt voting through electronic means such as smartphones (“smartphone voting”), as well as to facilitate the use of electronic voting by shareholders.

At the June 2021 general meetings of shareholders, we carried out a campaign which offered a Quo card gift to shareholders who used smartphone voting and completed a survey.

This campaign proved effective in greatly increasing electronic voting, with 301 companies offering smartphone voting (46.8% of our clients, an increase of 69 companies over March 2021), 1.041 million electronic votes received from shareholders (an increase of 629,000 votes over the same period last year), and 39.3% of shareholders who voted at the general meetings of shareholders using electronic voting (an increase of 21.6% over the same period last year). In addition, we have found that the introduction of smartphone voting has led to a rise in shareholder voting, as the percentage of shareholders with voting rights who voted was 38.0%, a 3.8 point increase over last year.

The June 2021 revision to Japan’s Corporate Governance Code produced the recommendation that companies “should make the Electronic Voting Platform available... to institutional investors”. Based on this, we will work to grow institutional investors’ use of the Electronic Voting System Platform by engaging with companies entrusted with stock transfer agency operations.

In terms of promoting electronic voting by institutional investors, we have conferred with related parties, including through the Trust Companies Association of Japan, and eliminated the need to obtain consent from asset owners through fund managers (such as institutional investors). We believe that this will reduce the burden of obtaining consent and advance the digitization of shareholder voting by fund managers (including institutional investors).

3. Strengthening the management system

In reflection of this issue, we have implemented the items below. We at Mizuho TB will continue to ensure that we are in strict compliance with the law, and to ensure appropriateness in stock transfer agency operations that are conducted in a precise and timely manner.

- (1) Receiving support from independent third-party experts, we conducted a revision of operational procedures, manuals, etc. related to general stock transfer agency operations other than shareholder vote tallying in order to re-examine the appropriateness of work execution.
- (2) In addition to verifying the appropriateness of the workflow based on the degree of risk involved in entrusted work, the impact on clients, etc., when we begin entrusting operations and when we conduct regular revisions, we have also strengthened structures for appropriate monitoring and guidance, and enhanced entrustment management.
- (3) We strengthened the compliance verification system by clarifying and regulating approaches to verification and examination within compliance management, and by increasing involvement of the compliance division for when we begin handling such services, change operations workflows, etc.
- (4) We are strengthening our education and training of employees, including with our ongoing training for employees assigned to stock transfer agency operations to improve their knowledge of laws and other regulations pertinent to each area of work.
- (5) In our internal audits, we have strengthened the system for examining risk, giving consideration to various factors including changes in the external environment.
- (6) In order to strengthen the legal and compliance-related internal management of Japan Stockholders Data Service Company, Limited, the company entrusted with stock transfer agency operations, we established a new compliance department, among other efforts, in coordination with our investment partner Sumitomo Mitsui Trust Bank, Limited.