



24TH XBRL INTERNATIONAL CONFERENCE

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Academic Track:09 Academic Research and Insight

Application of XBRL to proxy voting -- what are the chances?! --

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Data Analyst Chie Mitsui

Contents for Today's Session

- Shareholder voting by Institutional Investors
- Current issues of Proxy Voting in Japanese companies
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- What We Can Expect?
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About Nomura Research Institute ;

A research institute which is a member of a group companies in financial sectors.

Nomura security broker was a parent company before we went to public Tokyo Stock Exchange. Our department is providing information and system solution for mainly asset management, trust, advisory, etc.

Shareholder voting by Institutional Investors

- (1) Regulatory Changes;
New disclosure rule for their voting decisions
- (2) Responsibility as institutional investors in monitoring Corporate Governance
- (3) Action to require companies to enhance their own value for long-term investment..

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平成23年6月2日

株 主 各 位

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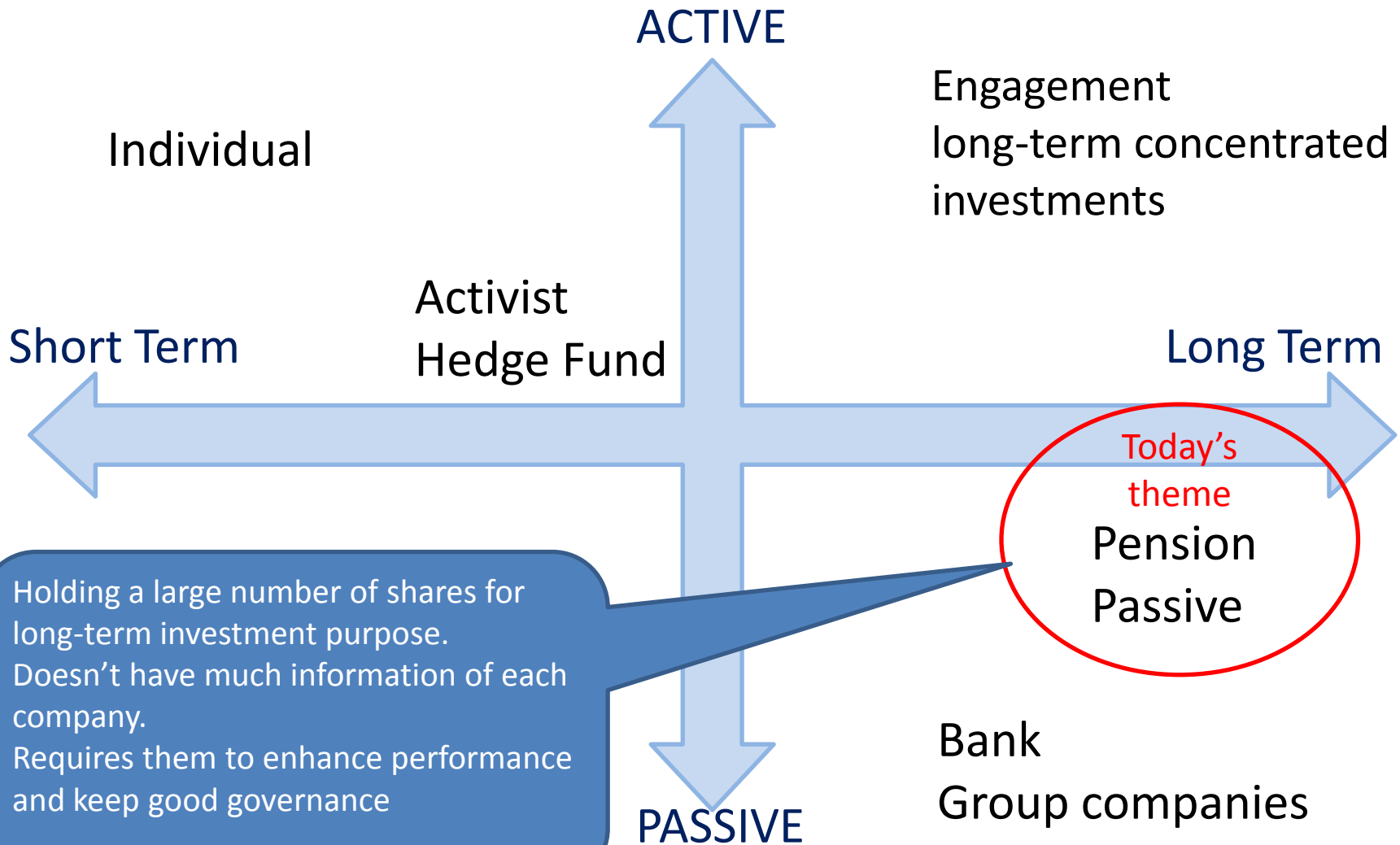
敬 具

記

1. 日 時 平成23年6月23日(木曜日) 午前10時
2. 場 所 東京都江東区木場一丁目5番15号
深川ギャザリア タワーN棟 1階 当社大会議室
(本屋の「株主総会会場ご案内図」をご参照ください。)

Will introduce the Japanese Case....

Definition and categorized of “Institutional Investors”



Current issues of Proxy Voting in Japanese companies

1. Japanese company's agenda of AGM usually has many shareholder resolutions

2. limited time; because many Japanese companies have their AGM on certain dates.

How It Affects?

Institutional Investor

- Takes time to read through all agenda
- Need a lot of human resources to exercise voting rights

Listed Companies

- Long-term passive investors are preferred.
- Company wants them to understand agenda well and act to vote only for their performance

➤ Infrastructure is required to allow such Institutional Investors to reduce "Cost"

Screening approach

Ideas in Quants Analysts

Can we use XBRL to
Screening as financial
data?

Quant Analysts

Screening shares for "buy"

XBRL Company
Performance data

no XBRL non-
financial data

Idea for efficient voting

Can we eliminate the company
which we vote "YES"? So that
we can spend time to think
carefully others.

As "Share-holders"

Screening for Say "Yes"

Past
information

New
agenda ?

➤ Can We use XBRL for screening past
information and new agenda?

Feasibility of screening with XBRL for Proxy Voting

- **How we can describe agenda and voting policy of asset management companies, as XBRL?**

Area	latest XBRL achievement
Tokyo Stock Exchange	Corporate governance report Name of directors, Contents Anti-takeover measure etc...
Japanese FSA	Tagging for all part of security reports (Planning for next generation EDINET in 2013)
IFRS	Discussion about tagging for “Management Commentary”
IIRC	Integrated reports

- Can we use new applied or planned architecture for agenda?

Feasibility of screening with XBRL for Proxy Voting

Past Financial Reports

- Revenue
- Capital Investment
- R&D
- Deposit

• Dividends

- Directors
- Outside Director

• Corporate governance

Agenda of AGM

- Closing Account
- Planned investment
- Revenue

• Proposed appropriation of retained earnings

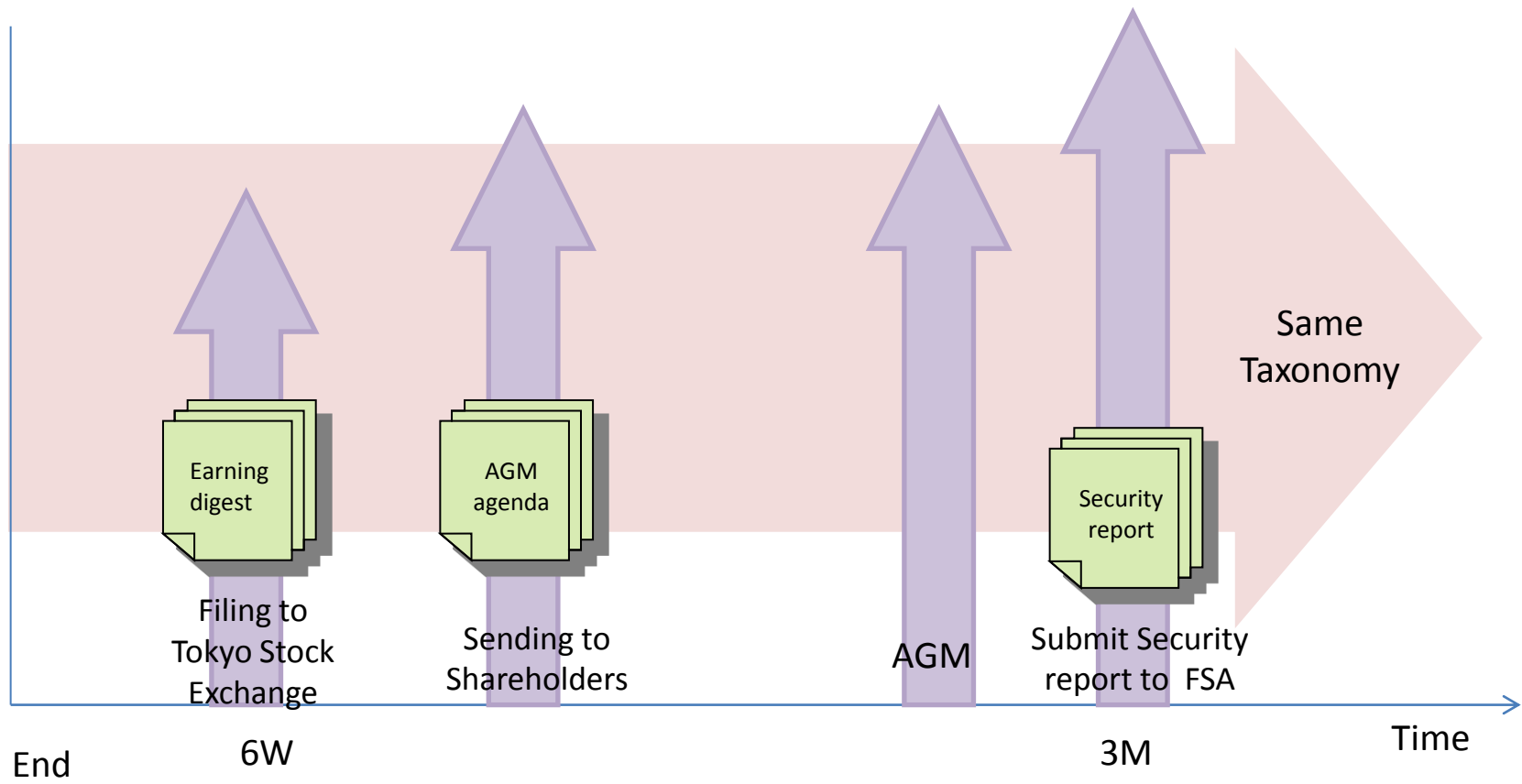
• Election of Directors.

• Measures to prevent acquisition

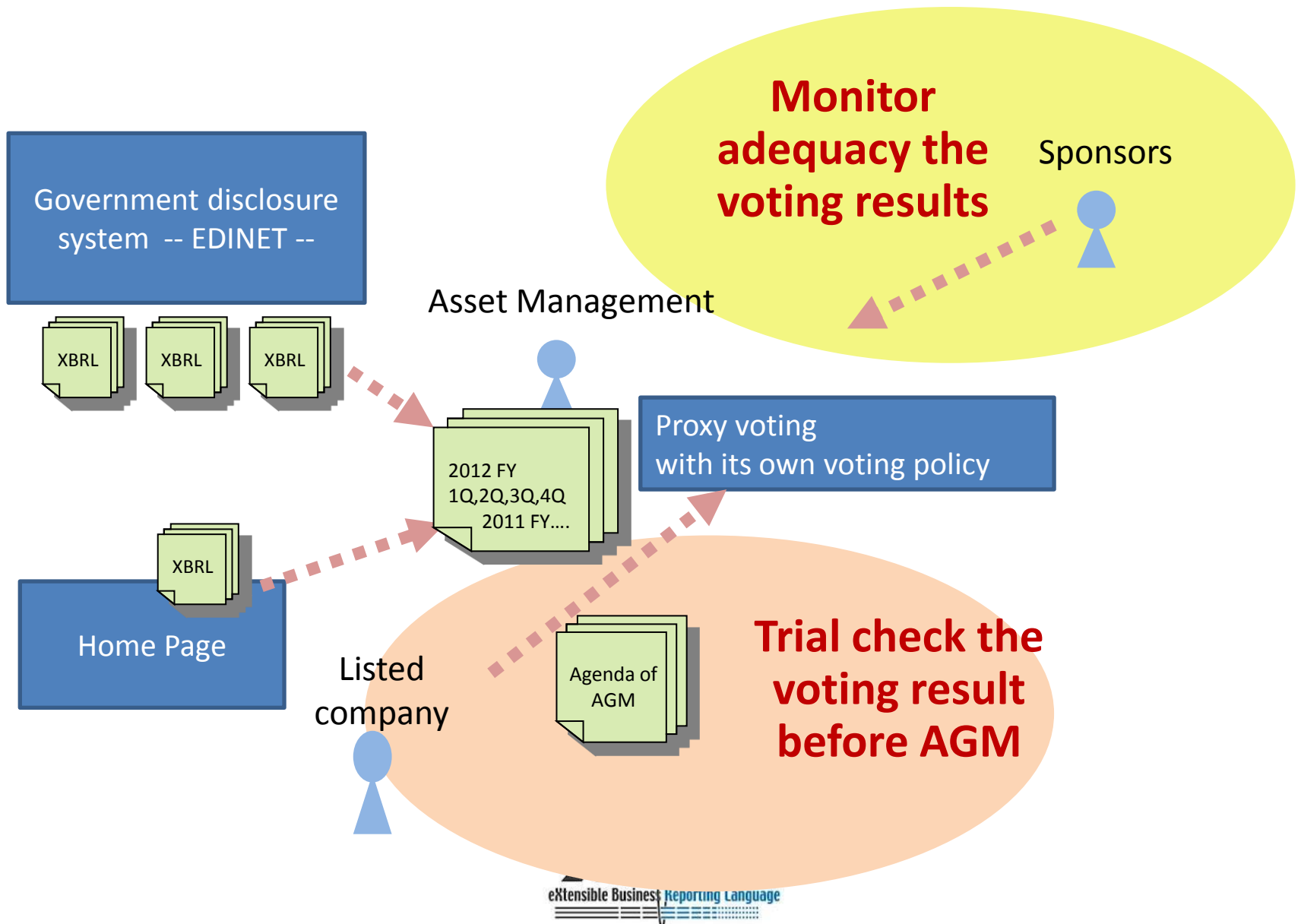
Evaluate
Each fact
Consistency
Using
Same tags

Feasibility of screening with XBRL for Proxy Voting

- Evaluating each fact in resolutions of agenda.



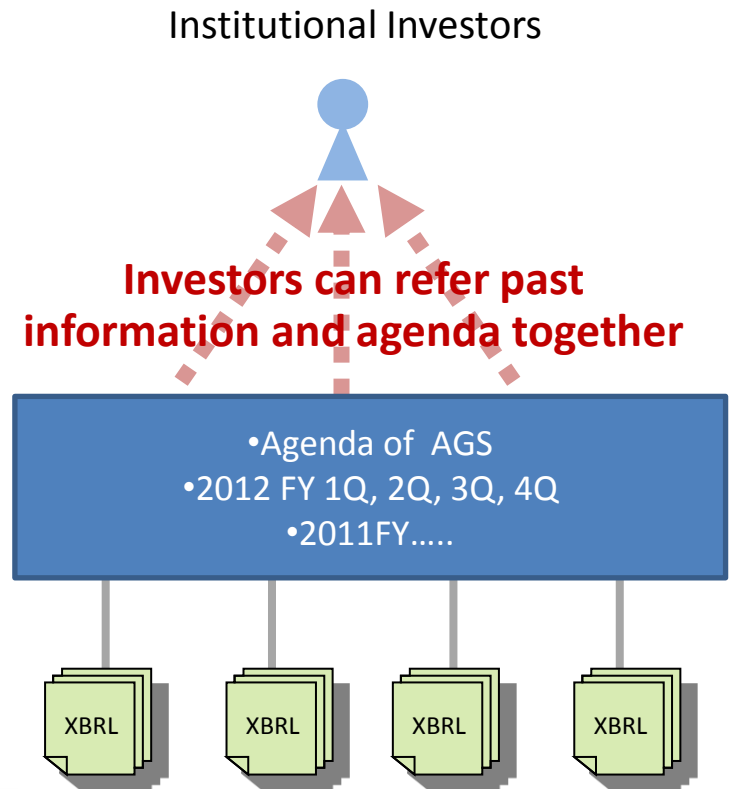
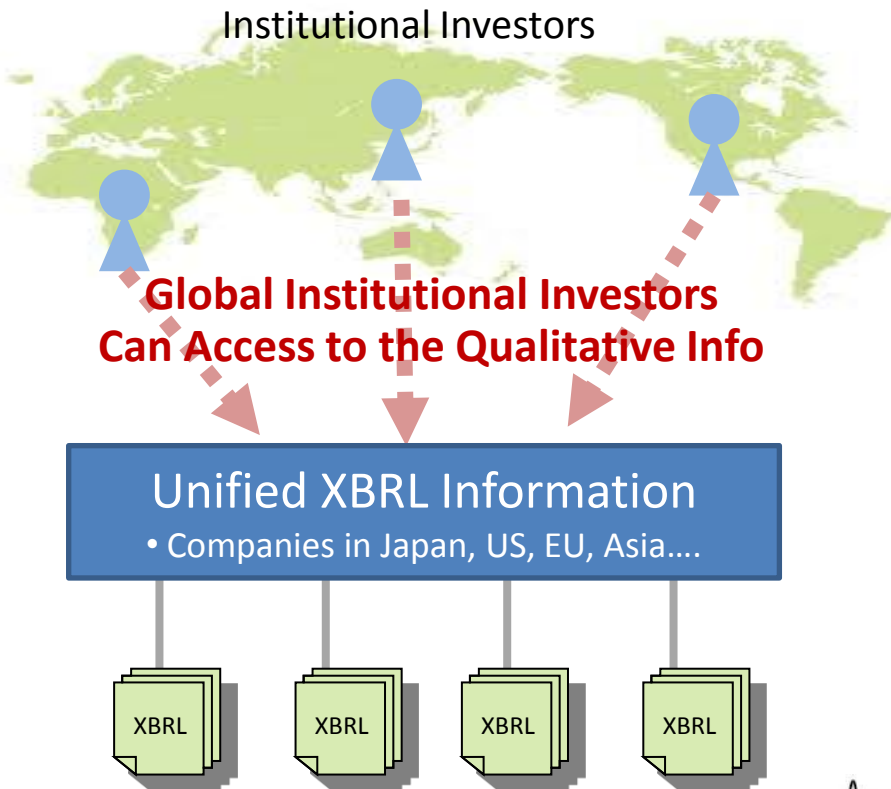
Feasibility of two monitoring using XBRL



What We Can Expect?

- ✓ Global Institutional Investors would be able to Exercise voting rights

- ✓ Institutional Investors can judge the agenda using multiple year qualitative information.



What's the Next Step?

● Issues to be resolved

- ✓ We should discuss about "facts" which set on instance of XBRL.
- ✓ Making rule of cords for name of executive, types of dividends, type of measures to prevent acquisition, to be known global investors.
- ✓ Since these information is word, for non-English speaking countries, flags are better to understanding.
- ✓ We should collect more opinions from both companies and investors, globally.