

[Press Release]

## Voting results of shareholder resolution for Mizuho Financial Group (1<sup>st</sup> tally) Majority of investors, including Japanese asset managers' Nomura and Norinchukin, supported Kiko Network's resolution

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In March 2020, Kiko Network submitted Japan's first climate shareholder resolution, calling on the Mizuho Financial Group (Mizuho) to disclose a plan outlining its business strategy to align its investments with the climate goals of the Paris Agreement. Although the resolution did not pass at the shareholders' meeting, held on June 25, shareholders representing 34.5% of the votes supported the resolution.

Two of the world's leading proxy advisory services, Glass Lewis and Institutional Shareholder Services (ISS), recommended voting "for" Kiko Network's resolution. Several overseas investors also indicated their support prior to the shareholder meeting. Domestically in Japan as well, Kiko Network's results reconfirmed the support from many Japanese asset managers, underscoring the need for businesses to be aligned with the Paris Agreement and to strengthen their ESG investments.

While the detailed shareholder voting results are typically not disclosed by Mizuho or other institutions, Kiko Network researched the outcomes of voting by Mizuho's institutional investors, one by one, based on the information each investor discloses. It found 43 of 59 institutions (including the results of updated voting rights by affiliated companies) which have disclosed voting information or have confirmed independently to date supported the Mizuho resolution, while 15 were opposed, and one was a split vote, with different arms of institution voting for or against. It is insightful that the resolution was supported by a vast majority of overseas investors, as well as four Japanese asset managers, namely, Nomura Asset Management, Norinchukin Zenkyoren Asset Management, Nissay Asset Management, and Asset Management One. Meanwhile, opposing votes in Japan came from several asset managers, including Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, Daiwa Securities, and others, revealing that the Japanese shareholders were divided.

Among the 15 institutions that voted in opposition of the resolution, some actually acknowledged and supported the importance of climate change. Part of the reason for opposition was because the resolution called for a partial amendment of the company's Articles of Incorporation, although this a common approach taken in making shareholder resolutions in Japan

Based on the findings, Kiko Network confirmed that there was considerable support among Japanese institutional investors for our climate resolution, and that the inclination is also growing stronger for ESG investments consistent with the Paris Agreement.

On the other hand, it is extremely disappointing that BlackRock, which has declared its commitment to sustainable investments, voted against the resolution. The resolution called on Mizuho to outline a plan detailing its business strategy to align its investments with the climate goals of the Paris Agreement, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Some asset managers voted against our resolution because Mizuho had updated its policy “Taking firm action toward a low-carbon society” in April, followed by the publication of its “TCFD Report 2020” in May. Clearly, Mizuho is making progress in its efforts to reduce its credit balance for coal-fired power plants and to disclose more information, however Mizuho’s corporate finance portfolios continue to be non-transparent and the bank does not conduct its financial business in a way that would be consistent with the Paris Agreement. Therefore, the resolution remained necessary to ensure that Mizuho had a plan to align its business strategy with the Paris Agreement.

Based on this initial tally of the voting results, Kiko Network will continue calling for much more stringent investment policies from Mizuho. It also plans to promote dialogue with those institutional investors and financial institutions that displayed an understanding of the intent of the climate resolution.

## Reference

Massive global shareholder backing for Mizuho climate shareholder proposal (June 25, 2020)

[https://www.kikonet.org/eng/press-release-en/2020-06-25/Mizuho\\_AGM\\_20200625](https://www.kikonet.org/eng/press-release-en/2020-06-25/Mizuho_AGM_20200625)

Voting results of Kiko Network’s shareholder resolution filed with Mizuho Financial Group (PDF)

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