

# *Teikoku Sen-i Should Boost Dividend, Buy Shares-UK's AVI*

By Reuters

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TOKYO — London-based Asset Value Investors said on Tuesday it has submitted proposals to Japan's Teikoku Sen-i Co asking the maker of fire-fighting equipment to boost its dividend and conduct a share buyback.

The London-based investor's bid for better returns comes amid a government push to improve corporate governance and follows a similar, failed effort by Japanese asset manager Sparx Group .

"All the reasons why Sparx submitted their proposals still exist today," AVI CEO Joe Bauernfreund said in an interview.

"The company is undervalued and management are not doing enough about capital efficiency to address these issues."

AVI has proposed Teikoku Sen-i boost its annual dividend to 76 yen per share from 40 yen and conduct a share buyback worth 2 billion yen (\$18.23 million), or 3% of its outstanding shares.

A Teikoku Sen-i spokesman said cash is needed for the company to expand its business to respond the government call for disaster prevention.

Bauernfreund said the government's stance offered Teikoku Sen-i very attractive business opportunities.

Sparx's proposals were voted down at the company's annual shareholders meeting last year for a second time. Sparx has since cut its stake to less than 1% from around 6%, it said.

AVI holds a 5.2% stake in Teikoku Sen-i, second to insurer Sompo Japan Nipponkoa Insurance Co with a 5.83% stake, Refinitiv Eikon data showed.

Other shareholders include Mizuho Bank, the banking unit of Mizuho Financial Group, insurer Meiji Yasuda Life Insurance [MEIY.UL] and property developer Hulic Co.

Bauernfreund said such investors have responsibilities to their own stakeholders to do what is good for them.

(Reporting by Junko Fujita; editing by Jason Neely)