



Excellent Integrated Reports and Most-improved Integrated Reports Selected by GPIF's Asset Managers Entrusted with Domestic Equity Investment

Government Pension Investment Fund (GPIF) requested its external asset managers entrusted with domestic equity investment (hereinafter, "external asset manager") to nominate "excellent integrated reports" and "most-improved integrated reports."

The number of companies issuing integrated reports has been increasing every year, surpassing 400 in 2018 and reportedly reaching 500 in 2019. This year, GPIF requested external asset managers to each nominate up to 10 companies, and the result of the survey was compiled in two lists comprised of 71 (67 in the previous survey) and 91 (87 in the previous survey) companies selected for having created excellent integrated reports and most-improved integrated reports, respectively, as shown on page 4 herein.

The following companies were nominated by the most respondents as publishers of excellent integrated reports and most-improved integrated reports.

[Companies nominated by four or more external asset managers for their excellent integrated report] (number of external asset managers)

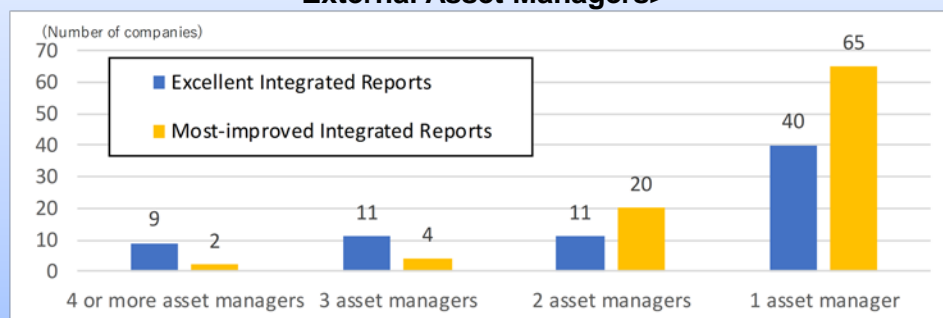
- ◇ Hitachi, Ltd. (7)
- ◇ Kirin Holdings Company, Limited (6)
- ◇ ITOCHU Corporation (6)
- ◇ Mitsui Chemicals, Inc. (5)
- ◇ MARUI GROUP CO., LTD. (5)
- ◇ SUMITOMO CHEMICAL COMPANY, LIMITED (4)
- ◇ Kao Corporation (4)
- ◇ MITSUI & CO., LTD. (4)
- ◇ MS&AD Insurance Group Holdings, Inc. (4)

[Companies nominated by four or more external asset managers for their most-improved integrated report] (number of external asset managers)

- ◇ MinebeaMitsumi Inc. (6)
- ◇ FUJI OIL HOLDINGS INC. (5)

Note: As the definition of an integrated report depends on individual external asset managers, a report that is not specified as an integrated report may be nominated if it is considered by an external asset manager that information disclosure is conducted based on "integrated thinking." The names of the companies are listed in order of their securities code in cases where the number of nominating external asset managers is the same.

<Distribution of Nominated Companies based on the Number of Nominations by External Asset Managers>



[Key remarks on the “excellent integrated reports” nominated by four or more external asset managers]

○ Hitachi, Ltd.

- The report demonstrates the company’s strong will and strategies to expand sustainable corporate value including measures to improve profitability and initiatives for social innovation businesses based on its past experience as well as ROIC management and balance sheet strategy.
- The CEO’s message is also organized with a sense of story that deepens the satisfaction of investors.
- The business models are comfortably summarized for readers despite an extensive range of businesses. The explanation of materiality issues is also highly satisfactory, with detailed descriptions of risks and opportunities.
- The volume of explanation for each ESG issue is well balanced, and the content is summarized in an advanced but easy-to-understand way. The interview with outside directors of the company was so specific and clear, and the most worthwhile reading.
- The explanations of financial and non-financial targets and initiatives, the mechanisms to support sustainable growth, capital allocation strategy, innovation and others are thorough and easy to understand, which shows a high degree of perfection as a whole. The disclosure of each section based on the TCFD recommendations can be evaluated as advanced.

○ Kirin Holdings Company, Limited

- Greater emphasis is placed on substantial issues such as ROIC targets exceeding capital cost, the director’s expertise and the succession processes for the representative director.
- The report clearly illustrates the company’s short-, medium- and long-term initiatives in its aim to become a global leader in creating shared value (CSV). Non-financial targets have also been distinctly set, not to mention financial targets. Information disclosure in line with the TCFD recommendations is skillfully created by using a link to the company’s environmental report.
- Covering necessary themes including details of business and strategies, the report has reached a level such that employees can use it as a tool to deepen their understanding of the company’s businesses.

○ ITOCHU Corporation

- The report has successfully transmitted the company’s intense efforts for the sustainable growth of its steadily expanded business performance and corporate value, while retaining a sound sense of crisis. At the same time, we can also understand that the core issue is the human resource strategy.
- The company’s efforts to visualize sustainability as illustrated in the PDCA statement based on non-financial KPI is highly regarded.
- The CEO’s message is worth reading, as it contains the company’s long-term vision. Segment information such as ROA by business segment, a key indicator for a general trading company, has been prepared satisfactorily. The disclosure of “Net Profit (Loss) by Major Group Companies” is of great interest.

○ Mitsui Chemicals, Inc.

- The report is comprehensive and has been completed to a high degree of perfection, containing descriptions accompanied by specific numbers on pages detailing the long-term business plan, CEO and CFO messages and the introduction of businesses, as well as remarks from some third parties.
- Financial and non-financial information by business are stated in an integrated manner, and the information is convincing in showing how a competitive advantage has been gained as a result.
- In the message from the long-term oriented top management, the direction and concept can be well understood by investors. The descriptions of KPI using the Blue Value and Rose Value clearly show that the company endeavors to contribute to the environment and society through its businesses.

○ **MARUI GROUP CO., LTD.**

- Detailed explanations are provided in the form of Q&A based on the results of repeated discussions with various stakeholders. At the same time, the report suggests that future directions for reaching goals, purposes and methods for creating value are well organized and sophisticated, of which the company seems to be confident.
- The report demonstrates future directions for reaching goals by disclosing main KPIs in the business results section and from the medium-term point of view while describing a story of transforming earnings structure through the innovation and development of business models from long-term perspectives.
- The report clearly conveys the company's messages to investors by providing explanations including business models, strategies for optimal capital and specific human resources investment, all of which are free of ambiguity while reflecting creativity.

○ **SUMITOMO CHEMICAL COMPANY, LIMITED**

- Unique disclosure of information such as "One Year at Sumitomo Chemical" and SWOT Analyses of the major businesses is of great interest. Value creation models for a wide range of business fields, systems for providing added value, relationships with stakeholders, etc. are summarized briefly.
- As for greenhouse gas (GHG) reductions, the company acquired approval from the Science Based Targets initiative (SBTi) as the first company in the world among diversified chemical companies, and announced its medium- to long-term targets. In response to the TCFD recommendation, the company disclosed quantitative impacts on earnings when carbon pricing was introduced.
- The company's sincere attitudes toward disclosing actual situations in detail give us a positive impression of a corporate culture that values trust and confidence. The ESG strategy, particularly verification by third parties, etc. should be promoted more.

○ **Kao Corporation**

- The president's management stance to strive to achieve sustainable income growth is widespread through the entire report by positively promoting not only financial activities but also non-financial activities centering on ESG. The content is also summarized concisely and is clearly understandable.
- The report as a whole is completed to a high degree of perfection, with clear descriptions on the initiatives of the company's ESG strategy, "Kirei Lifestyle Plan," as well as the ESG governance system, and specific matters deliberated by the Board of Directors.
- The company's efforts can be monitored with reported annual data concerning water usage and CO2 emissions.

○ **MITSUI & CO., LTD.**

- The report comprehensively discloses both financial and non-financial information by indicating the company's strengths based on its own analysis concerning what is required to further reinforce the business foundation that has been cultivated through repeated challenges and innovation. The messages from the CEO and CFO are also clearly stated, marking the report as strongly adhering to the improvement of corporate value.
- Amid diversified businesses, the report clearly explains the company's initiatives for portfolio management and risk management. The risks and opportunities of materiality issues have been identified to clarify the linkage to each business.
- The systems and activity reports of the Board of Directors and several committees are described in detail. The explanation on the directors' remuneration system is also excellent.

○ **MS&AD Insurance Group Holdings, Inc.**

- The report is excellent in terms of quantitative disclosure associated with the effectiveness of the Board of Directors such as the number of agendas and the trend of the average time taken to deliberate each one, in addition to the World Map of Natural Catastrophes, which is a unique information disclosure initiative that we cannot find with any other companies.

- The report is edited in a reader-oriented manner by providing information concerning the management environment such as the environment surrounding industries and explanations of technical terms.
- The CEO's message leads the entire composition of the report. The company's ideal structure is clearly stated and pursued by backcasting, which leads to reader satisfaction.

[Key remarks on the “most-improved integrated reports” nominated by four or more external asset managers]

○ MinebeaMitsumi Inc.

- The description on sustainable growth has been improved by adding materiality to value creation. Furthermore, the relationship between SDGs and long-term performance growth has become more specific by stating “Creating solutions to social issues” in each business segment.
- The President's impassioned message conveys the company's concept of corporate governance that should be “substantially materialized” based on what the company emphasizes in its M&A strategy that has led the aforementioned growth.
- This is the second issue of the company's integrated report. While the previous issue remained no more than an annual report focusing on business strategy, this year's issue has identified and transmitted materiality through the President's message. Financial and non-financial information have also been improved by including financial strategy, stated by the CFO.

○ FUJI OIL HOLDINGS INC.

- Continuous efforts and improvements have been noted in the disclosure stance, such as descriptions of the reduction in cross-shareholdings and clarification of the cross-shareholding policy as well as issues requiring improvement, at the Board of Directors. The outline of the value creation process has been clarified by presenting challenges and countermeasures in the company and in each business.
- The company's initiatives have been strengthened, as seen in reflecting views provided by stakeholders when ESG management priority themes were identified, in addition to improved disclosure on the company's efforts toward sustainable procurement.
- We can well understand that ESG management has been widespread and executed within the company. The company's backcasting way of thinking and sincere attitude concerning solutions to social issues are highly regarded.

[Companies selected by GPIF's external asset managers for excellent integrated reports]

Code	Company name	Code	Company name	Code	Company name
1605	INPEX CORPORATION	4523	Eisai Co., Ltd.	7752	Ricoh Co., Ltd.
1812	KAJIMA CORPORATION	4902	KONICA MINOLTA, INC.	7912	Dai Nippon Printing Co., Ltd.
1878	Daito Trust Construction Co., Ltd.	5108	Bridgestone Corporation	7947	FP Corporation
1925	DAIWA HOUSE INDUSTRY CO., LTD.	5201	AGC Inc.	7951	Yamaha Corporation
1928	Sekisui House, Ltd.	5411	JFE Holdings, Inc.	7956	Pigeon Corporation
2502	Asahi Group Holdings, Ltd.	6098	Recruit Holdings Co., Ltd.	8001	ITOCHU Corporation
2503	Kirin Holdings Company, Limited	6268	Nabtesco Corporation	8031	MITSUI & CO., LTD.
2593	ITO EN, LTD.	6326	Kubota Corporation	8053	Sumitomo Corporation
2768	Sojitz Corporation	6361	EBARA CORPORATION	8056	Nihon Unisys, Ltd.
2802	Ajinomoto Co., Inc.	6367	DAIKIN INDUSTRIES, LTD.	8058	Mitsubishi Corporation
2811	KAGOME CO., LTD.	6471	NSK Ltd.	8252	MARUI GROUP CO., LTD.
3086	J. FRONT RETAILING Co., Ltd.	6479	MinebeaMitsumi Inc.	8303	Shinsei Bank, Limited
3231	Nomura Real Estate Holdings, Inc.	6501	Hitachi, Ltd.	8306	Mitsubishi UFJ Financial Group, Inc.
3289	Tokyu Fudosan Holdings Corporation	6645	OMRON Corporation	8354	Fukuoka Financial Group, Inc.
4005	SUMITOMO CHEMICAL COMPANY, LIMITED	6701	NEC Corporation	8591	ORIX Corporation
4183	Mitsui Chemicals, Inc.	6724	SEIKO EPSON CORPORATION	8604	Nomura Holdings, Inc.
4186	TOKYO OHKA KOGYO CO., LTD.	6758	Sony Corporation	8725	MS&AD Insurance Group Holdings, Inc.
4188	Mitsubishi Chemical Holdings Corporation	6841	Yokogawa Electric Corporation	8766	Tokio Marine Holdings, Inc.
4204	SEKISUI CHEMICAL CO., LTD.	6856	HORIBA, Ltd.	9101	Nippon Yusen Kabushiki Kaisha
4307	Nomura Research Institute, Ltd.	6857	ADVANTEST CORPORATION	9202	ANA HOLDINGS INC.
4452	Kao Corporation	6869	SYSEMEX CORPORATION	9501	Tokyo Electric Power Company Holdings, Inc.
4506	Sumitomo Dainippon Pharma Co., Ltd.	6902	DENSO CORPORATION	9531	Tokyo Gas Co., Ltd.
4508	Mitsubishi Tanabe Pharma Corporation	6963	ROHM Co., Ltd.	9697	CAPCOM CO., LTD.
4519	CHUGAI PHARMACEUTICAL CO., LTD.	7011	MITSUBISHI HEAVY INDUSTRIES, LTD.		

Note: The above list is composed of companies whose integrated reports were selected by external asset managers as "excellent integrated reports." (Listed in order of securities code)
The companies highlighted in blue were nominated by two or more external asset managers.

[Companies selected by GPIF's external asset managers for most-improved integrated reports]

Code	Company name	Code	Company name	Code	Company name
1801	TAISEI CORPORATION	4681	Resorttrust, Inc.	7186	Concordia Financial Group, Ltd.
1963	JGC HOLDINGS CORPORATION	4901	FUJIFILM Holdings Corporation	7203	TOYOTA MOTOR CORPORATION
2269	Meiji Holdings Co., Ltd.	4911	Shiseido Company, Limited	7532	Pan Pacific International Holdings Corporation
2433	Hakuhodo DY Holdings Inc.	5021	Cosmo Energy Holdings Co., Ltd.	7733	Olympus Corporation
2503	Kirin Holdings Company, Limited	5201	AGC Inc.	7751	Canon Inc.
2590	DyDo GROUP HOLDINGS, INC.	5401	NIPPON STEEL CORPORATION	7752	Ricoh Co., Ltd.
2607	FUJI OIL HOLDINGS INC.	5411	JFE Holdings, Inc.	7951	Yamaha Corporation
2802	Ajinomoto Co., Inc.	5486	Hitachi Metals, Ltd.	7956	Pigeon Corporation
2811	KAGOME CO., LTD.	5803	Fujikura Ltd.	8001	ITOCHU Corporation
3086	J. FRONT RETAILING Co., Ltd.	5938	LIXIL Group Corporation	8015	Toyota Tsusho Corporation
3099	Isetan Mitsukoshi Holdings Ltd.	6098	Recruit Holdings Co., Ltd.	8053	Sumitomo Corporation
3231	Nomura Real Estate Holdings, Inc.	6268	Nabtesco Corporation	8056	Nihon Unisys, Ltd.
3289	Tokyu Fudosan Holdings Corporation	6301	Komatsu Ltd.	8058	Mitsubishi Corporation
3382	Seven & i Holdings Co., Ltd.	6305	Hitachi Construction Machinery Co., Ltd.	8113	Unicharm Corporation
3402	Toray Industries, Inc.	6361	EBARA CORPORATION	8303	Shinsei Bank, Limited
3591	Wacoal Holdings Corp.	6367	DAIKIN INDUSTRIES, LTD.	8316	Sumitomo Mitsui Financial Group, Inc.
3861	Oji Holdings Corporation	6370	Kurita Water Industries Ltd.	8334	The Gunma Bank, Ltd.
4005	SUMITOMO CHEMICAL COMPANY, LIMITED	6471	NSK Ltd.	8410	Seven Bank, Ltd.
4042	Tosoh Corporation	6479	MinebeaMitsumi Inc.	8591	ORIX Corporation
4091	TAIYO NIPPON SANSO CORPORATION	6501	Hitachi, Ltd.	8750	Dai-ichi Life Holdings, Inc.
4186	TOKYO OHKA KOGYO CO., LTD.	6632	JVCKENWOOD Corporation	9005	TOKYU CORPORATION
4188	Mitsubishi Chemical Holdings Corporation	6702	FUJITSU LIMITED	9101	Nippon Yusen Kabushiki Kaisha
4204	SEKISUI CHEMICAL CO., LTD.	6728	ULVAC, Inc.	9201	Japan Airlines Co., Ltd.
4208	Ube Industries, Ltd.	6758	Sony Corporation	9202	ANA HOLDINGS INC.
4324	DENTSU INC.	6762	TDK Corporation	9501	Tokyo Electric Power Company Holdings, Inc.
4502	Takeda Pharmaceutical Company Limited	6856	HORIBA, Ltd.	9502	Chubu Electric Power Co., Inc.
4507	SHIONOGI & CO., LTD.	6857	ADVANTEST CORPORATION	9513	Electric Power Development Co., Ltd.
4519	CHUGAI PHARMACEUTICAL CO., LTD.	6971	KYOCERA Corporation	9719	SCSK Corporation
4540	TSUMURA & CO.	6981	Murata Manufacturing Co., Ltd.	9735	SECOM CO., LTD.
4612	Nippon Paint Holdings Co., Ltd.	6988	Nitto Denko Corporation	9983	FAST RETAILING CO., LTD.
4613	Kansai Paint Co., Ltd.				

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