



Excellent TCFD Disclosure Selected by GPIF's Asset Managers Entrusted with Domestic Equity Investments

The Government Pension Investment Fund (GPIF) asked its 13 external asset managers who are entrusted with domestic equity investment (hereinafter, “external asset managers”) to nominate candidates for excellent TCFD disclosure.

GPIF asked external asset managers to nominate up to five companies that provided excellent TCFD disclosure, and also to each nominate up to three companies that provided excellent disclosure of the four items (governance, strategy, risk management, and metrics and targets).

As a result, 29 companies listed below were nominated for providing excellent TCFD disclosure. Among them, the following companies received high evaluations from many respondents as publishers of excellent TCFD disclosure.

[Companies nominated by four or more external asset managers for their excellent TCFD disclosure]

- ✧ Hitachi, Ltd. (8)
- ✧ ITOCHU Corporation (4)
- ✧ Kirin Holdings Company, Limited (6)
- ✧ Mitsui O.S.K. Lines, Ltd. (4)
- ✧ Mitsubishi UFJ Financial Group, Inc. (5)

[Companies selected by GPIF's external asset managers for excellent TCFD disclosure]

Code	Company name	Number of nominations	Code	Company name	Number of nominations
2502	Asahi Group Holdings, Ltd.	3	7272	Yamaha Motor Co., Ltd.	2
2503	Kirin Holdings Company, Limited	6	7751	Canon Inc.	1
2607	Fuji Oil Holdings Inc.	1	7752	Ricoh Company, Ltd.	2
2768	Sojitz Corporation	1	8001	ITOCHU Corporation	4
2802	Ajinomoto Co., Inc.	2	8002	Marubeni Corporation	1
4183	Mitsui Chemicals, Inc.	1	8031	Mitsui & Co., Ltd.	2
4204	Sekisui Chemical Co., Ltd.	2	8058	Mitsubishi Corporation	1
4307	Nomura Research Institute, Ltd.	3	8306	Mitsubishi UFJ Financial Group, Inc.	5
4519	Chugai Pharmaceutical Co., Ltd.	1	8316	Sumitomo Mitsui Financial Group, Inc.	2
5411	JFE Holdings, Inc.	1	8411	Mizuho Financial Group, Inc.	2
6501	Hitachi, Ltd.	8	8601	Daiwa Securities Group Inc.	1
6645	OMRON Corporation	1	9104	Mitsui O.S.K. Lines, Ltd.	4
6752	Panasonic Holdings Corporation	1	9201	Japan Airlines Co., Ltd.	1
6902	DENSO Corporation	1	9434	SoftBank Corp.	1
7012	Kawasaki Heavy Industries, Ltd.	1			

Note: The above list comprises companies whose TCFD disclosure was selected by external asset managers as excellent TCFD disclosure. Listed in order of securities code. The companies highlighted in blue were nominated by two or more external asset managers.

The number of companies whose TCFD disclosure was selected as excellent on the four disclosure items reached 59, as listed below. GPIF also asked its external asset managers who are entrusted with foreign equity investment to nominate excellent TCFD disclosure, the result of which has been found on GPIF’s website.

(https://www.gpif.go.jp/en/investment/202403_excellent_TCFD_disclosure_en.pdf)

[Companies selected by GPIF’s external asset managers for excellent disclosure of each four TCFD disclosure]

Code	Company name	Number of nominations				Code	Company name	Number of nominations			
		①	②	③	④			①	②	③	④
1332	Nissui Corporation	-	1	1	-	7203	Toyota Motor Corporation	-	-	-	1
1605	INPEX Corporation	-	-	1	-	7272	Yamaha Motor Co., Ltd.	-	1	-	1
1720	Tokyu Construction Co., Ltd.	-	-	-	1	7741	HOYA Corporation	1	-	-	-
1911	Sumitomo Forestry Co., Ltd.	1	-	-	-	7751	Canon Inc.	1	-	-	-
1928	Sekisui House, Ltd.	-	-	1	-	7752	Ricoh Company, Ltd.	2	-	2	-
2269	Meiji Holdings Co.,Ltd.	1	1	-	-	7911	TOPPAN Holdings Inc.	-	-	-	1
2502	Asahi Group Holdings, Ltd.	2	2	2	-	7912	Dai Nippon Printing Co., Ltd.	-	1	-	-
2503	Kirin Holdings Company, Limited	4	3	3	3	7951	Yamaha Corporation	-	-	1	1
2607	Fuji Oil Holdings Inc.	1	1	1	-	8001	ITOCHU Corporation	2	2	3	1
2802	Ajinomoto Co., Inc.	2	-	-	1	8002	Marubeni Corporation	-	1	-	-
3003	Hulic Co., Ltd.	-	1	-	-	8031	Mitsui & Co., Ltd.	-	-	-	1
3382	Seven & i Holdings Co., Ltd.	1	1	-	-	8035	Tokyo Electron Limited	-	-	-	1
3436	SUMCO Corporation	-	1	-	-	8058	Mitsubishi Corporation	2	1	2	3
4043	Tokuyama Corporation	1	-	-	-	8306	Mitsubishi UFJ Financial Group, Inc.	1	1	1	3
4091	Nippon Sanso Holdings Corporation	-	-	-	1	8316	Sumitomo Mitsui Financial Group, Inc.	4	-	2	1
4204	Sekisui Chemical Co., Ltd.	-	3	1	2	8411	Mizuho Financial Group, Inc.	3	2	4	1
4519	Chugai Pharmaceutical Co., Ltd.	1	1	1	-	8601	Daiwa Securities Group Inc.	1	1	-	-
4921	FANCL Corporation	-	-	1	-	8725	MS&AD Insurance Group Holdings, Inc.	-	-	1	-
5201	AGC Inc.	-	1	-	-	8750	Dai-ichi Life Holdings, Inc.	-	-	1	-
6361	Ebara Corporation	-	1	-	1	8766	Tokio Marine Holdings, Inc.	-	-	-	1
6367	Daikin Industries, Ltd.	-	-	1	-	8919	KATITAS Co., Ltd.	-	1	-	-
6479	MinebeaMitsumi Inc.	1	-	-	-	9020	East Japan Railway Company	-	2	-	-
6501	Hitachi, Ltd.	2	1	2	1	9101	Nippon Yusen Kabushiki Kaisha	-	-	1	-
6645	OMRON Corporation	-	1	-	-	9104	Mitsui O.S.K. Lines, Ltd.	-	3	2	1
6724	Seiko Epson Corporation	-	1	-	-	9201	Japan Airlines Co., Ltd.	1	-	-	2
6752	Panasonic Holdings Corporation	-	1	1	1	9202	ANA Holdings Inc	1	-	-	-
6758	Sony Group Corporation	-	-	-	2	9508	Kyushu Electric Power Company, Incorporated	-	-	-	1
6902	DENSO Corporation	-	-	-	1	9513	Electric Power Development Co., Ltd.	1	-	-	-
6981	Murata Manufacturing Co., Ltd.	-	-	-	1	9613	NTT DATA Group Corporation	-	2	-	-
7011	Mitsubishi Heavy Industries, Ltd.	-	-	-	1						

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

○ Hitachi, Ltd.

- The descriptions in each item are in line with the TCFD Recommendations and the Practical guide, and the level of the initiatives is also high. The statement is clear to readers.
- The Company’s strategies by segment are disclosed in the form of a matrix, based on the business environment, risks and opportunities under the 1.5°C and 4°C scenarios, as well as and market environment recognition based on factors other than environment (not dependent on the 1.5°C and 4°C scenarios). The Company clearly states that resilience is secured at a high level in each scenario.
- High resilience is indicated as a result of conducting 1.5°C and 4.0°C scenario analyses by principal business, together with consideration of the factors other than the environment. This shows that the green strategy promotion system has been established by multiple sustainability-related meeting bodies.
- Overall, the contribution to decarbonization and the links to the company’s own businesses are disclosed in an easy-to-understand manner. The detailed statement on the decarbonization business opportunities and

contribution to reduction of carbon emissions indicates the company's commitment to decarbonization through businesses. We highly evaluate the Company's establishment of the internal carbon pricing system and also its investment in decarbonization.

- High quality disclosure can be seen concerning climate change and related environmental themes beyond the framework of TCFD recommendations. Important points are disclosed to investors in an easy-to-understand manner amid businesses spreading across multiple domains.
- We highly evaluate the disclosure of all four TCFD items such as specific goals, detailed setting, and case examples which can be easily conveyed to readers.
- Sustainability governance, particularly compensation governance, has high effectiveness. Further, the disclosure expressly declares that the whole value chain owns resilience at a high level through a transition plan and scenario analysis. By proactively disclosing the contribution to reduction goals and achievements, the Company indicates the remaining room for contributions and the size of business opportunities.
- The disclosure of the Company's responses to the four TCFD factors of "governance," "strategy," "risk management" and "metrics and targets" to the current status is well balanced. In particular, the disclosure of the actual results of the reduction of GHG emissions and the reduction goals is highly evaluated for its readability.

○ Kirin Holdings Company, Limited

- The descriptions in each item are in line with the TCFD Recommendations and the Practical guide, and the level of initiatives are also high, which makes it extremely easy to understand. The integrated information disclosure is sought by using the TNFD framework, which is also evaluated highly.
- The Company has built strategies based on risk-emerging periods: short, medium and long terms, providing a positive impression. In particular, the thorough responses to climate change, which is recognized in the environmental challenges related to each other, reached an unexpectedly high level, and are evaluated highly to be expected as an exemplary way.
- Overall, the Company's disclosure is of high quality, and we can see that various ideas are taken into disclosure every year. It gives the impression that an integrated disclosure including climate change and natural capital has been in progress since last year. As to climate change, the Company calculates risks and opportunities—which seem difficult to be calculated—by country and major agricultural product, which is worth evaluation.
- The balance between the environmental viewpoint and business one is strongly focused in all factors. Financial impact is described in detail, by which makes it easy to evaluate the influence on future corporate value. The consideration of the relation between climate change and natural capital has further evolved since last year.
- Disclosure of all four TCFD factors is worth evaluated. In the disclosure of the impact evaluation result, a detailed analysis of the impact on finance is provided. Financial and non-financial information has shown a clear connection.
- The attitude to explain by overlooking and correlating climate change and the risk of degradation in natural capital is appreciated.

○ Mitsubishi UFJ Financial Group, Inc.

- The disclosure not only comprehensive, taking into consideration a wide range of scope by its business partners, but also describes in detail the policy on the initiatives for addressing high-emitting sectors, which makes the disclosure well-modulated. It included appropriate references to the responses to climate change as an asset manager, which gives a sense of mission as the largest domestic financial group.
- The useful disclosure for investors, for its future action plans, in addition to the status of specific initiatives and progress in disclosure. Their way of thinking regarding how business opportunities arising from the transition should be considered is clearly indicated.

- We evaluate the climate change governance from both sides of supervision and execution functions highly. The risk management system is described in detail. We can see that the Company uses its Transition Whitepaper for engagement with customers, which is conducted based on their understanding of the needs and challenges presented by each project. The enhanced ESG initiatives and the evolution of sustainability management are reflected in the director's bonuses and stock compensations. This year, the Company published the Asia Transition Whitepaper, in which in-depth consideration on climate change risks was conducted involving local commercial banks within the Group. Such activities were highly rated, and the Company's presence in Asia has been improved after making a keynote speech at the request of the Thai Government at the Thai pavilion of the COP28 Conference.
- Disclosure of all four TCFD factors is worth evaluated. For example, the disclosure of specific case examples, calculation methods, detailed analyses, and indications of progress are highly evaluated.
- The correlation among each pillar of the TCFD disclosure has been improved due to the progress of organized sophistication in many aspects, such as a declaration of carbon neutrality and the strengthening of the sustainability promotion system. Additionally, there has been improvement in the disclosure of metrics and targets and the actual results. The roadmap toward the declaration of carbon neutrality is clearly indicated, making the whole picture and timeline of the activity easy to understand.

○ ITOCHU Corporation

- In its investment management, climate change risk management is integrated into the overall risk management as a major risk, which is worth evaluated. The Board of Directors are involved in this process, meaning that the governance system is secured. In the climate change-related risks and opportunity analyses, the scope of scenario analysis has expanded every year, and the analysis has improved.
- Information on each of the four pillars of TCFD disclosure is substantial. While analyses and the setting of metrics and targets in each business are conducted at a high level, the governance structure to address climate change issues is also clear, suggesting its effectiveness. Overall, the disclosure is made from the investors' viewpoint, which makes it very useful.
- Despite the difficulty of disclosure due to the nature of the business of a trading company, in-depth analyses are worth evaluated. The attitude to disclose from various aspects, such as scenario analysis, time frame, action plans and case examples, is highly rated.
- The visibility of the governance is high. The scenario analyses are conducted in a reasonable and effective manner by using the Company's unique financial model that is based on the degrees of impact after narrowing down subjects from a wide range of business. With a transition plan also being formulated, the disclosure clearly demonstrates that they are able to conduct resilient business management. Climate change risk is integrated to a high degree into the risk management structure of the whole company. Content such as the disclosure of an action plan for the cleantech business is also evaluated to such an extent that expectations for the mitigation of climate change risk and business growth will rise.

○ Mitsui O.S.K. Lines, Ltd.

- Through the three scenario analyses of 2.6°C, well-below 2°C, and 1.5°C, the Company has verified that the transition plan described in "the Environmental Vision 2.2" can demonstrate sufficient resilience in any of those scenarios, serving as an appropriate mitigation measure.
- In addition to detailed risk analysis, a transition plan to secure implementation of transition toward a low-carbon society has been disclosed. Information which can help investors make decisions is well organized, including simultaneous disclosure of investment plans for the replacement of assets held by the Company.
- A milestone is indicated for each action plan toward the reduction of GHG emissions, which is also integrated

into management plans as risks and opportunities. The Company introduced ICP(Internal Carbon Pricing) in order to be effectively utilized in investment decision-making, and the Executive Committee periodically monitors the impact on the balance sheets. The comprehensive evaluation was made based on those points.

- The future demand forecast is being analyzed based on even more realistic scenarios, so plans have been formulated corresponding to such forecast.