



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."

This year, GPIF requested external asset managers to each nominate up to 10 companies, and the result of the survey was compiled into two lists, comprised of 77 (71 in the previous survey) and 94 (91 in the previous survey) companies selected for having created excellent integrated reports and most-improved integrated reports, respectively, as shown on page 6 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)

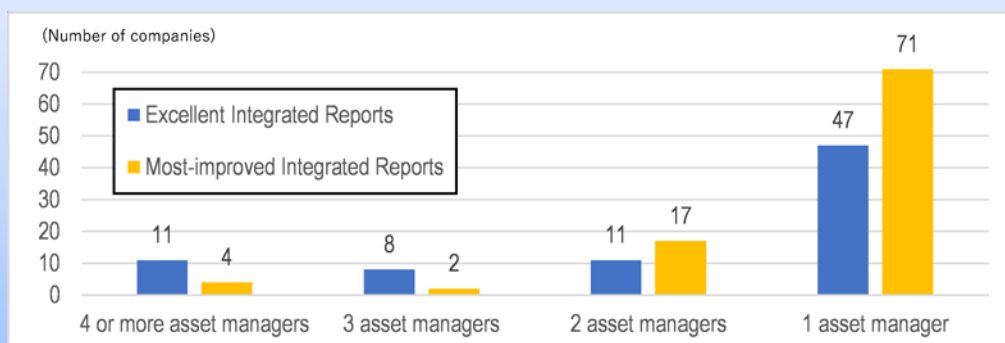
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|---------------------------------------|--|
| ◇ ITOCHU Corporation (6) | ◇ Mitsubishi Chemical Holdings Corporation (4) |
| ◇ Hitachi, Ltd. (5) | ◇ Kao Corporation (4) |
| ◇ Tokio Marine Holdings, Inc. (5) | ◇ OMRON Corporation (4) |
| ◇ Kirin Holdings Company, Limited (4) | ◇ RICOH COMPANY, LIMITED. (4) |
| ◇ FUJI OIL HOLDINGS INC. (4) | ◇ MARUI GROUP CO., LTD. (4) |
| ◇ Mitsui Chemicals, Inc. (4) | |

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

- | | |
|--|------------------------------------|
| ◇ NIPPON PAINT HOLDINGS CO., LTD. (6) | ◇ Ajinomoto Co., Inc. (4) |
| ◇ DAITO TRUST CONSTRUCTION CO., LTD. (4) | ◇ Mizuho Financial Group, Inc. (4) |

Note: As the definition of an integrated report depends on the 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]

○ ITOCHU Corporation

- As with the Company’s past integrated reports, the CEO’s message is impressive, and their awareness of issues under the COVID-19 environment and the concept of sustainability are clearly stated.
- The capital-linked non-financial information, such as a report on the status of establishing governance systems of listed subsidiaries, and the business opportunities and risks based on PEST analysis focusing on macro environment factors, is unique and highly regarded.
- The detailed description of risk management in the investment decision-making process, which is important for a general trading company, provides greater peace of mind. The information is not only highly comprehensive, but also theoretically summarizes the measures for the improvement of corporate value by business.
- In April 2020, the Company revised its corporate philosophy to “Sampo-Yoshi,” meaning “Good for three sides: the seller, the buyer and society.” The outline of the ways to secure short-, medium- and long-term growth is clearly illustrated from its original viewpoint by closely connecting the corporate philosophy to various financial and non-financial fields.

○ Hitachi, Ltd.

- The integrated report focuses on the social innovation business, a focus of the Company’s efforts. By reviewing the results and issues of the past measures taken, the report explains the strategies to achieve the Company’s ideal for the future in the form of stories of value creation by business sector. Thereby, we can easily understand the Company’s future management policy.
- The entire integrated report shows a high degree of depth, featuring easy-to-understand explanations of financial and non-financial targets, the system supporting sustainable growth, capital allocation strategy and innovation. Regarding TCFD recommendation, the disclosure of opportunities and risks by section can be highly evaluated.
- We highly regard the reorganization of the business portfolio toward the achievement of target ROIC by sector, express disclosure of cash in/out including M&A in terms of capital allocation, execution and separation of management, and full-scale efforts for global diversity by means of proactively hiring directors of non-Japanese nationality.

○ Tokio Marine Holdings, Inc.

- The description of Part 1 “The Story of Our Purpose” is superb. The Company’s raison d’être, strengths and aspiration are clearly but simply expressed, and take us to higher expectations for sustainable growth.
- The layout of the report is very well arranged to clearly convey the Company’s message, as illustrated in the introductory section where the Company’s strengths, such as its track record in M&A, are explained in the form of a Q&A. Furthermore, we highly regard the Company’s attitude toward providing information that investors want to know, such as details on the activities of each outside director and outside audit & supervisory board member, and the disclosure of employee survey results.
- This excellent integrated report clearly explains the roles that the Purpose plays for the Company’s business strategy and global management. The content of the message from the management and the conversation article by outside directors are also highly useful.

○ Kirin Holdings Company, Limited

- The report clarifies the policy of financial strategy aiming to maximize corporate value, and provides specific ROIC and EPS levels as financial KPIs. The description of corporate governance is highly transparent, even disclosing the calculation formula used for performance-linked compensation.
- In response to a shareholder proposal raising a doubt over the pharmaceutical business, the Company clearly explains the focus by stating “a special feature on the Company’s growth strategies in the Health Science domain applying our strengths in fermentation and biotechnology.” Their measures to instill the philosophy seem to be practical.
- In the explanation of the Value Creation Model, we highly regard the fact that the strengths of the

enterprise are clearly shown with figures, and that additional detailed information is provided as a Special Feature. The content suggests that the Company has fully taken into consideration the interest in the stock market in discussions with shareholders.

○ **FUJI OIL HOLDINGS INC.**

- The report receives a high evaluation because this food company with diversified procurement structures has disclosed its supply chain management in great detail, in terms of the analysis of importance and progress ratio of its sustainability strategy.
- The CFO describes the Company's financial strategy in detail, and the report illustrates short-term performance, a medium-term plan and long-term policies, which help us to evaluate the Company on a time axis.
- The explanations including ESG by each chief officer in the form of reporting are unique, and the messages lead to reader satisfaction.

○ **Mitsui Chemicals, Inc.**

- Financial and non-financial information is provided in an integrated form by business, and how they are linked to competitive advantage is clearly understandable.
- In particular, we highly evaluated the report for detailed descriptions concerning how ESG factors will be reflected in management and the easy-to-understand messages of both the CEO and CFO, which discussed the thinking of the upper management.
- For the purpose of achieving the Long-term Business Plan, the Company has set specific KPI based on the three axes of economy, environment and society. The axes of environment and society are visualized by a detailed description of the certification process of products and services provided and the establishment of KPI.

○ **Mitsubishi Chemical Holdings Corporation**

- The report breaks down and clearly explains the Company's diverse businesses by using the axis of "KAITEKI" management. In particular, the sustainability indices, MOS, are shown by specific coefficients, leading to reader satisfaction.
- The discussions concerning materiality have also been improved, which shows that the Company has fulfilled their strong accountability obligations by providing information on both sides of risk and opportunity, sustainability from the viewpoint of KPI, and more. Furthermore, the statement of "Risks assumed if we fail to address social issues" is of great interest.
- The SWOT analysis helps our understanding of the Company's business. We also highly regard "KAITEKI VISION 30," the financial and non-financial (ESG) descriptions based on backcasting, including its background, concept and ideals.

○ **Kao Corporation**

- The ESG Vision section clearly indicates the Kao actions and the target values for 2030. While promoting ESG management, the Company has completed this excellent report to improve corporate value by attempting to synchronize social value and economic value.
- The ESG perspective is taken into consideration in each value chain, which suggests that it has been well established in their corporate culture.
- The medium- to long-term targets are carefully explained from both financial and non-financial perspectives. We highly regard that palm oil supply chain management and a policy for plastic waste reduction were announced ahead of other companies in the same industry.

○ **OMRON Corporation**

- The management with high corporate philosophy has been promoted aiming to create social needs based on the SINIC Theory. We evaluate the idea of "unleashing" the corporate philosophy stated in the Message from the CEO to be superb. We confirmed that the management philosophy has reached a high level.
- The information provided in the integrated report is rich enough and of such great use to investment decision-making to an extent that we wonder if any problem could arise from such a generous

disclosure in terms of competition. This is a good example which shows that a company with unparalleled business models can be positive in disclosure.

- In the Message from the Chairman section, the Chair looked back and talked about the involvement of the Board of Directors in the process of transfer of one of the Company's main businesses, the Automotive Electronic Components Business. This demonstrates that the Board of Directors works effectively.

○ **RICOH COMPANY, LIMITED.**

- The report provides abundant information disclosure based on a TCFD framework and concerning diversity. Furthermore, responses to the COVID-19 pandemic are introduced in the special feature section, which indicates the Company's strategy to increase corporate value through countermeasures against crises.
- Vision for 2036, the medium-term strategy and short-term information are balanced well, and they serve as useful tools to further our understanding of the Company, which is proceeding with a transformation into a digital services company. Furthermore, a list of disclosure information including ESG information is provided for easy accesses to data other than the integrated report.
- In the Risks and Actions section, the Company also mentions the impact on its growth strategy, which would be a good reference for other companies.

○ **MARUI GROUP CO., LTD.**

- Regarding the Company's "Co-creation Management," a full range of information is provided on initiatives for business and investments, sustainability, corporate culture and governance.
- Each part of the content explaining the value creation process is unique and very persuasive, and a strong awareness of this uniqueness as a company for consumers leads to the strength of its business model.
- The breakdown of investments and value sought by stakeholders are illustrated using radar charts. In particular, we highly evaluate the content of disclosure concerning stakeholders, as it has reached a high level.

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

○ **NIPPON PAINT HOLDINGS CO., LTD.**

- The content of the overall report has improved, and it was well received that the Company has newly disclosed the SASB Index although it was not further described in the report.
- The corporate value creation process is explained well through the report, including the management philosophy shared in the Message from the CEO section and the discussions with Outside Directors aimed at the maximization of shareholder value (MSV). The report has improved dramatically compared to those from up to the previous year.
- Since the M&A with Wuthelam, the descriptions concerning the maximization of the shareholder value model and the identification process of materiality have increased, and the content has been improved to include descriptions with a story line of value creation.
- As the overseas businesses expanded, the Company reviewed materiality. Specific processes and matrices are illustrated in detail, adding explanations of SDGs relating to each materiality, making the content easy to understand.

○ **DAITO TRUST CONSTRUCTION CO., LTD.**

- This report is very understandable since it explains the business environment surrounding the Company, as well as issues and actions taken in response, by using specific data and figures. The integrated report for 2020 has improved, and is more comprehensive. The structure of the report has also been improved to make it easy to search for information.
- The CEO message conveys a clear awareness of the problems caused by the COVID-19 pandemic,

and other issues concerning the materialization of the management targets and responses to the trends of regulations. We highly regarded the positive attitude of such information disclosure.

- The Company's business models are explained after appropriately providing information which draws attention such as compliance issues and loan problems with apartment houses.

○ Ajinomoto Co., Inc.

- Although the business strategy and the ESG items as the management base to support it were separated in the 2019 version, the ESG factors are included in the business strategy in the 2020 version. By implementing a backcasting method based on the Company's idea of the future, more detailed non-financial targets and KPI have been established than in the previous year.
- The corporate vision for 2030 was set to become a "solution-providing group of companies for food and health issues," and the initiatives and outcomes are explained in an easy-to-understand manner. Furthermore, the "Enhancing Human Capital" section discloses detailed initiatives from the viewpoint of employees as important stakeholders, and the report indicates quantitative target values for 2030.
- The message from the President and CEO clearly conveys the intent to enhance investments in non-tangible assets for the purpose of achieving the vision for 2030 to become a "solution-providing group of companies for food and health issues." Also, the descriptions concerning non-financial initiatives such as corporate culture reforms, the transformation of business models and operations, and the enhancement of human capital have been improved significantly.

○ Mizuho Financial Group, Inc.

- Compared with the report of the previous year, the descriptions have been changed in a manner that displays an awareness of Mizuho's "vision for the future." The Company skillfully analyzes the changes in the industrial structure within the banking business by coordinating the post-pandemic society, digital transformation, international and different types of industries.
- With the improvement of information disclosure concerning the chain of command and supervision function in the sustainability promotion structure, the disclosure of achievements regarding KPI and targets of sustainability has increased.
- The Group has been leading in promoting the TCFD framework among the major banks. The report concisely summarizes the key points of the internal efforts for governance, strategy, risk management, indicators and goals of which the disclosure is required under the TCFD framework.

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

Code	Company name	Code	Company name	Code	Company name
1812	KAJIMA CORPORATION	4523	Eisai Co., Ltd.	6965	HAMAMATSU PHOTONICS K.K.
1925	DAIWA HOUSE INDUSTRY CO., LTD.	4536	SANTEN PHARMACEUTICAL CO., LTD.	7752	RICOH COMPANY, LIMITED.
1928	Sekisui House, Ltd.	4568	DAIICHI SANKYO COMPANY, LIMITED	7951	YAMAHA CORPORATION
1963	JGC HOLDINGS CORPORATION	4612	NIPPON PAINT HOLDINGS CO., LTD.	7956	PIGEON CORPORATION
2267	YAKULT HONSHA CO., LTD.	4901	FUJIFILM Holdings Corporation	8001	ITOCHU Corporation
2269	Meiji Holdings Co., Ltd.	4902	KONICA MINOLTA, INC.	8031	mitsui & CO., LTD.
2282	NH Foods Ltd.	5020	ENEOS Holdings, Inc.	8053	SUMITOMO CORPORATION
2502	Asahi Group Holdings, Ltd.	5332	TOTO LTD.	8113	Unicharm Corporation
2503	Kirin Holdings Company, Limited	5401	NIPPON STEEL CORPORATION	8252	MARUI GROUP CO., LTD.
2607	FUJI OIL HOLDINGS INC.	5411	JFE Holdings, Inc.	8303	Shinsei Bank, Limited
2802	Ajinomoto Co., Inc.	6005	MIURA CO., LTD.	8306	Mitsubishi UFJ Financial Group, Inc.
3086	J. FRONT RETAILING CO., LTD.	6098	Recruit Holdings Co., Ltd.	8308	Resona Holdings, Inc.
3116	TOYOTA BOSHOKU CORPORATION	6104	SHIBAURA MACHINE CO., LTD.	8309	Sumitomo Mitsui Trust Holdings, Inc.
3401	TEIJIN LIMITED	6268	Nabtesco Corporation	8591	ORIX CORPORATION
3407	ASAHI KASEI CORPORATION	6361	EBARA CORPORATION	8601	Daiwa Securities Group Inc.
3626	TIS Inc.	6471	NSK Ltd.	8630	Sompo Holdings, Inc.
4005	SUMITOMO CHEMICAL COMPANY, LIMITED	6479	MINEBEA MITSUMI Inc.	8725	MS&AD Insurance Group Holdings, Inc.
4021	Nissan Chemical Corporation	6501	Hitachi, Ltd.	8750	Dai-ichi Life Holdings, Inc.
4183	Mitsui Chemicals, Inc.	6645	OMRON Corporation	8766	Tokio Marine Holdings, Inc.
4186	TOKYO OHKA KOGYO CO., LTD.	6674	GS Yuasa Corporation	8802	Mitsubishi Estate Company, Limited
4188	Mitsubishi Chemical Holdings Corporation	6701	NEC Corporation	9020	East Japan Railway Company
4204	Sekisui Chemical Co., Ltd.	6702	FUJITSU LIMITED	9101	Nippon Yusen Kabushiki Kaisha
4307	Nomura Research Institute, Ltd.	6758	SONY CORPORATION	9201	Japan Airlines Co., Ltd.
4452	Kao Corporation	6770	ALPS ALPINE CO., LTD.	9613	NTT DATA CORPORATION
4507	Shionogi & Co., Ltd.	6869	SYSMEX CORPORATION	9719	SCSK Corporation
4519	CHUGAI PHARMACEUTICAL CO., LTD.	6963	ROHM COMPANY LIMITED		

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
1878	DAITO TRUST CONSTRUCTION CO., LTD.	4612	NIPPON PAINT HOLDINGS CO., LTD.	7994	OKAMURA CORPORATION
1925	DAIWA HOUSE INDUSTRY CO., LTD.	4665	DUSKIN CO., LTD.	8001	ITOCHU Corporation
1928	Sekisui House, Ltd.	4689	Z Holdings Corporation	8012	NAGASE & CO., LTD.
1979	Taikisha Ltd.	4739	ITOCHU Techno-Solutions Corporation	8031	mitsui & CO., LTD.
2181	PERSOL HOLDINGS CO., LTD.	4755	Rakuten, Inc.	8053	SUMITOMO CORPORATION
2269	Meiji Holdings Co., Ltd.	4901	FUJIFILM Holdings Corporation	8056	Nihon Unisys, Ltd.
2282	NH Foods Ltd.	4912	Lion Corporation	8058	Mitsubishi Corporation
2502	Asahi Group Holdings, Ltd.	4917	MANDOM CORPORATION	8113	UNICHARM CORPORATION
2503	Kirin Holdings Company, Limited	4922	KOSÉ Corporation	8252	MARUI GROUP CO., LTD.
2590	DyDo GROUP HOLDINGS, INC.	5020	ENEOS Holdings, Inc.	8283	PALTAC CORPORATION
2607	FUJI OIL HOLDINGS INC.	5401	NIPPON STEEL CORPORATION	8303	Shinsei Bank, Limited
2802	Ajinomoto Co., Inc.	5411	JFE Holdings, Inc.	8309	Sumitomo Mitsui Trust Holdings, Inc.
2811	KAGOME CO., LTD.	5713	Sumitomo Metal Mining Co., Ltd.	8316	Sumitomo Mitsui Financial Group, Inc.
3086	J. FRONT RETAILING CO., LTD.	5741	UACJ Corporation	8331	The Chiba Bank, Ltd.
3101	TOYOBO CO., LTD.	5801	Furukawa Electric Co., Ltd.	8363	The Hokkoku Bank, Ltd.
3231	Nomura Real Estate Holdings, Inc.	5947	RINNAI CORPORATION	8411	Mizuho Financial Group, Inc.
3289	Tokyu Fudosan Holdings Corporation	6005	MIURA CO., LTD.	8725	MS&AD Insurance Group Holdings, Inc.
3401	TEIJIN LIMITED	6301	KOMATSU LTD.	8766	Tokio Marine Holdings, Inc.
3407	ASAHI KASEI CORPORATION	6479	MINEBEA MITSUMI Inc.	9005	TOKYU CORPORATION
3591	WACOAL HOLDINGS CORP.	6645	OMRON Corporation	9062	NIPPON EXPRESS CO., LTD.
3941	Rengo Co., Ltd.	6770	ALPS ALPINE CO., LTD.	9101	Nippon Yusen Kabushiki Kaisha
4021	Nissan Chemical Corporation	6902	DENSO CORPORATION	9107	Kawasaki Kisen Kaisha, Ltd.
4063	Shin-Etsu Chemical Co., Ltd.	6952	CASIO COMPUTER CO., LTD.	9201	Japan Airlines Co., Ltd.
4091	NIPPON SANSO HOLDINGS CORPORATION	6971	KYOCERA CORPORATION	9202	ANA HOLDINGS INC.
4183	Mitsui Chemicals, Inc.	6988	NITTO DENKO CORPORATION	9302	mitsui-SOKO HOLDINGS Co., Ltd.
4186	TOKYO OHKA KOGYO CO., LTD.	7004	Hitachi Zosen Corporation	9503	The Kansai Electric Power Company, Incorporated
4204	Sekisui Chemical Co., Ltd.	7272	Yamaha Motor Co., Ltd.	9504	The Chugoku Electric Power Company, Incorporated
4208	Ube Industries, Ltd.	7532	Pan Pacific International Holdings Corporation	9513	Electric Power Development Co., Ltd.
4452	Kao Corporation	7701	Shimadzu Corporation	9531	TOKYO GAS CO., LTD.
4523	Eisai Co., Ltd.	7741	HOYA CORPORATION	9613	NTT DATA CORPORATION
4536	SANTEN PHARMACEUTICAL CO., LTD.	7912	Dai Nippon Printing Co., Ltd.	9843	Nitori Holdings Co., Ltd.
4540	TSUMURA & CO.				

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