



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 managers”) 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 results of the survey were compiled into two lists, comprised of 77 (77 in the previous survey) and 100 (94 in the previous survey) companies selected for creating excellent integrated reports and most-improved integrated reports, respectively, as shown on page 2 herein.

The following companies were nominated by many respondents as publishers of excellent integrated reports. In terms of most-improved integrated reports, a wide range of companies were nominated, but there was no company nominated by more than two external asset managers as shown in the chart, “Distribution of Nominated Companies based on the Number of Nominations by External Asset Managers.”

In this survey, we also requested the external asset managers to point out up to three items which they consider particularly important or for which they expect further detailed descriptions in the integrated report. This request was made so that the answers will be of assistance to companies creating or considering to start publishing an integrated report. The results are shown on page 5 onward.

【Companies nominated by four or more external asset managers for their excellent integrated reports】 (number of external asset managers)

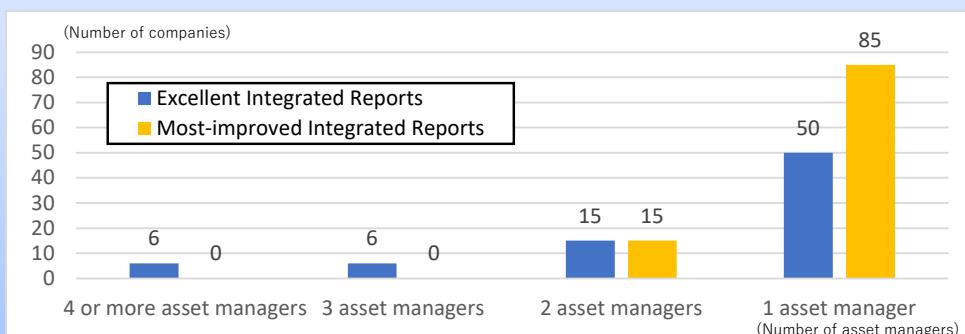
- ✧ Hitachi, Ltd. (5)
- ✧ RICOH COMPANY, LTD. (5)
- ✧ Mitsubishi UFJ Financial Group, Inc. (5)
- ✧ Tokio Marine Holdings, Inc. (5)
- ✧ OMRON Corporation (4)
- ✧ ITOCHU Corporation (4)

【Companies nominated by four or more external asset managers for their most-improved integrated reports】 (number of external asset managers)

- ✧ Not applicable.

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 also nominated if it is considered by an external asset manager that information disclosure has been 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



【Companies selected by GPIF's external asset managers for excellent integrated reports】

Code	Company name	Number of nominations	Code	Company name	Number of nominations	Code	Company name	Number of nominations
1925	DAIWA HOUSE INDUSTRY CO., LTD.	2	4612	NIPPON PAINT HOLDINGS CO., LTD.	1	6981	Murata Manufacturing Co., Ltd.	1
1928	Sekisui House, Ltd.	1	4751	CyberAgent, Inc.	1	6997	NIPPON CHEMI-CON CORPORATION	1
2181	PERSOL HOLDINGS CO., LTD.	1	4902	KONICA MINOLTA, INC.	1	7272	Yamaha Motor Co., Ltd.	2
2502	Asahi Group Holdings, Ltd.	1	4911	Shiseido Company, Limited	1	7752	RICOH COMPANY, LTD.	5
2503	Kirin Holdings Company, Limited	1	4967	KOBAYASHI PHARMACEUTICAL CO., LTD.	1	7905	DAIKEN CORPORATION	1
2607	FUJI OIL HOLDINGS INC.	2	5201	AGC Inc.	1	7951	YAMAHA CORPORATION	2
2768	Sojitz Corporation	2	5401	NIPPON STEEL CORPORATION	1	8001	ITOCHU Corporation	4
2802	Ajinomoto Co., Inc.	3	5411	JFE Holdings, Inc.	1	8012	NAGASE & CO., LTD.	1
2871	NICHIREI CORPORATION	1	6005	MIURA CO., LTD.	1	8015	TOYOTA TSUSHO CORPORATION	1
3086	J. FRONT RETAILING CO., LTD.	2	6098	Recruit Holdings Co., Ltd.	3	8031	mitsui & CO., LTD.	1
3407	ASAHI KASEI CORPORATION	2	6268	Nabtesco Corporation	2	8035	Tokyo Electron Limited	1
3880	Daio Paper Corporation	1	6301	KOMATSU LTD.	1	8058	Mitsubishi Corporation	1
4005	SUMITOMO CHEMICAL COMPANY, LIMITED	1	6361	EBARA CORPORATION	3	8113	Unicharm Corporation	1
4021	Nissan Chemical Corporation	1	6367	DAIKIN INDUSTRIES, LTD.	1	8252	MARUI GROUP CO., LTD.	2
4063	Shin-Etsu Chemical Co., Ltd.	1	6457	GLORY LTD.	1	8306	Mitsubishi UFJ Financial Group, Inc.	5
4183	Mitsui Chemicals, Inc.	2	6471	NSK Ltd.	1	8309	Sumitomo Mitsui Trust Holdings, Inc.	1
4188	Mitsubishi Chemical Holdings Corporation	1	6479	MINEBEA MITSUMI Inc.	2	8591	ORIX CORPORATION	2
4204	Sekisui Chemical Co., Ltd.	1	6501	Hitachi, Ltd.	5	8601	Daiwa Securities Group Inc.	1
4307	Nomura Research Institute, Ltd.	3	6645	OMRON Corporation	4	8725	MS&A Insurance Group Holdings, Inc.	1
4452	Kao Corporation	2	6674	GS Yuasa Corporation	1	8766	Tokio Marine Holdings, Inc.	5
4506	Sumitomo Dainippon Pharma Co., Ltd.	1	6702	FUJITSU LIMITED	1	9020	East Japan Railway Company	1
4507	Shionogi & Co., Ltd.	2	6724	SEIKO EPSON CORPORATION	1	9086	Hitachi Transport System, Ltd.	1
4523	Eisai Co., Ltd.	1	6758	SONY GROUP CORPORATION	3	9101	Nippon Yusen Kabushiki Kaisha	3
4536	SANTEN PHARMACEUTICAL CO., LTD.	1	6762	TDK CORPORATION	1	9433	KDDI CORPORATION	1
4544	H.U. Group Holdings, Inc.	1	6841	Yokogawa Electric Corporation	1	9531	TOKYO GAS CO., LTD.	1
4568	DAIICHI SANKYO COMPANY, LIMITED	1	6902	DENSO CORPORATION	2			

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	Number of nominations	Code	Company name	Number of nominations	Code	Company name	Number of nominations
1812	KAJIMA CORPORATION	1	4901	FUJIFILM Holdings Corporation	1	7381	Hokkoku Financial Holdings, Inc.	1
1925	DAIWA HOUSE INDUSTRY CO., LTD.	1	4911	Shiseido Company, Limited	1	7518	Net One Systems Co., Ltd.	1
1928	Sekisui House, Ltd.	2	4927	POLA ORBIS HOLDINGS INC.	1	7701	Shimadzu Corporation	1
1954	Nippon Koei Co., Ltd.	1	5019	Idemitsu Kosan Co., Ltd.	1	7733	OLYMPUS CORPORATION	1
1963	JGC HOLDINGS CORPORATION	2	5108	BRIDGESTONE CORPORATION	2	7735	SCREEN Holdings Co., Ltd.	2
2201	Morinaga & Co., Ltd.	1	5201	AGC Inc.	1	7741	HOYA CORPORATION	1
2269	Meiji Holdings Co., Ltd.	1	5233	TAIHEIYO CEMENT CORPORATION	1	7752	RICOH COMPANY, LTD.	1
2282	NH Foods Ltd.	1	5401	NIPPON STEEL CORPORATION	1	7912	Dai Nippon Printing Co., Ltd.	1
2602	The Nisshin Oil Group, Ltd.	1	5406	Kobe Steel, Ltd.	1	8031	mitsui & CO., LTD.	1
2607	FUJI OIL HOLDINGS INC.	2	5411	JFE Holdings, Inc.	2	8056	Nihon Unisys, Ltd.	1
2768	Sojitz Corporation	1	5631	THE JAPAN STEEL WORKS, LTD.	2	8058	Mitsubishi Corporation	1
2811	KAGOME CO., LTD.	1	5741	UACJ Corporation	1	8113	Unicharm Corporation	1
2874	YOKOREI CO., LTD.	1	5947	RINNAI CORPORATION	1	8242	H2O RETAILING CORPORATION	1
3099	Isetan Mitsukoshi Holdings Ltd.	1	6005	MIURA CO., LTD.	1	8283	PALTAC CORPORATION	1
3116	TOYOTA BOSHOKU CORPORATION	1	6201	TOYOTA INDUSTRIES CORPORATION	1	8306	Mitsubishi UFJ Financial Group, Inc.	2
3289	Tokyu Fudosan Holdings Corporation	1	6361	EBARA CORPORATION	2	8316	Sumitomo Mitsui Financial Group, Inc.	1
3382	Seven & i Holdings Co., Ltd.	1	6367	DAIKIN INDUSTRIES, LTD.	1	8591	ORIX CORPORATION	1
3626	TIS Inc.	1	6407	CKD Corporation	1	8601	Daiwa Securities Group Inc.	2
4061	Denka Company Limited	1	6479	MINEBEA MITSUMI Inc.	1	8630	Sompo Holdings, Inc.	1
4091	NIPPON SANSO HOLDINGS CORPORATION	1	6501	Hitachi, Ltd.	1	8830	Sumitomo Realty & Development Co., Ltd.	1
4182	MITSUBISHI GAS CHEMICAL COMPANY, INC.	1	6506	YASKAWA Electric Corporation	1	9005	TOKYU CORPORATION	1
4202	Daicel Corporation	1	6508	MEIDENSHA CORPORATION	1	9024	SEIBU HOLDINGS INC.	1
4204	Sekisui Chemical Co., Ltd.	1	6702	FUJITSU LIMITED	1	9104	Mitsui O.S.K. Lines, Ltd.	1
4206	Aica Kogyo Company, Limited	1	6724	SEIKO EPSON CORPORATION	1	9142	Kyushu Railway Company	1
4324	DENTSU GROUP INC.	1	6758	SONY GROUP CORPORATION	1	9201	Japan Airlines Co., Ltd.	1
4403	NOF CORPORATION	1	6841	Yokogawa Electric Corporation	1	9301	Mitsubishi Logistics Corporation	1
4443	Sansan, Inc.	1	6925	USHIO INC.	2	9432	NIPPON TELEGRAPH AND TELEPHONE CORPORATION	1
4506	Sumitomo Dainippon Pharma Co., Ltd.	1	6963	ROHM COMPANY LIMITED	2	9501	Tokyo Electric Power Company Holdings, Incorporated	1
4516	Nippon Shinyaku Co., Ltd.	1	6981	Murata Manufacturing Co., Ltd.	1	9508	Kyushu Electric Power Company, Incorporated	2
4536	SANTEN PHARMACEUTICAL CO., LTD.	1	7004	Hitachi Zosen Corporation	1	9513	Electric Power Development Co., Ltd.	1
4568	DAIICHI SANKYO COMPANY, LIMITED	1	7202	ISUZU MOTORS LIMITED	2	9735	SECOM CO., LTD.	1
4612	NIPPON PAINT HOLDINGS CO., LTD.	2	7259	AISIN CORPORATION	1	9793	Daiseiki Co., Ltd.	1
4689	Z Holdings Corporation	1	7272	Yamaha Motor Co., Ltd.	1	9843	Nitori Holdings Co., Ltd.	1
4849	en Japan Inc.	1						

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.

【Remarks on the “excellent integrated reports” nominated by four or more external asset managers】

○ Hitachi, Ltd.

- The integrated report clearly describes the commitment of the top management, explaining the company's policy to step forward with expanding corporate value by broadening the Lumada business and strengthening their business portfolio. The report also discloses specific items regarding the environment and social components of ESG.
- The target ROIC (under the Medium-term Plan) and the actual status are clearly indicated by business sector. We highly evaluate the page on which the COO described the Lumada business strategy. The financial and non-financial KPIs are clearly explained, based on which a story of expanding corporate value is created from both points of view.
- The story of improvement of corporate value is clearly described, and the circulation of input and output is also represented in an easy-to-understand manner. The clear description about how the Lumada business—one of the pillars of the company's strategy—and the initiatives as the base of the strategy are linked to ESG is also clear enough to understand. Furthermore, the explanation of the relationship between the past medium-term management plans and the Lumada business helps in-depth understanding.
- The value creation process is clearly described, and at the same time, is associated with each relevant business strategy. The descriptions of factors such as environment, human resources and governance are also well-balanced. The information on the background of the review of the business portfolio, cash allocation and financial matters including growth investments has increased.
- The integrated report summarizes the company's complicated business structure, focusing on social innovation in an easy-to-understand manner. In the section concerning the promotion of capital cost-conscious ROIC management, some examples of principal actions taken to improve profitability are shown for easy understanding.

○ RICOH COMPANY, LTD.

- Starting from the company's founding principles of the Spirit of Three Loves of “love your neighbor, love your country and love your work”, the integrated report describes in a consistent form the specific vision to realize improvement of customers' productivity and efficiency and support their future creative works as a digital services company. Also, there is a great deal of quantitative information, which makes the report convincing.
- The Medium-term Management Plan describes the company's ideal future specifically and in detail. The company's history of efforts and in-depth analyses on sustainability which are deeply rooted in the company can be fully understood when the report is read together with the TCFD report.
- The growth story is described extremely simply and clearly. Furthermore, the integrated report demonstrates the company's proactive attitude toward disclosure as often seen in their in-depth disclosure of information associated with climate change.
- The value creation process to become a digital services company, the identification of materiality, and the KPI are clearly explained and easy to understand. The report also provides detailed quantitative information, such as achievements related to opportunities to act against climate change.
- The business strategy is explained in association with ESG issues for easy understanding of the value creation process, which also leads to the portfolio management strategy. In addition, all ESG items that investors expect for disclosure are included in the report.

○ Mitsubishi UFJ Financial Group, Inc.

- By clarifying their purpose and disseminating it across the company, the company's thinking can be felt through the entire report, particularly in the CEO message. Above all, the CEO message gives us a favorable impression in terms of his attitude toward sharing investors' viewpoints in detecting issues, indicating future directions to be taken.
- The closing remark of the CEO message was impressive: “A year from now, we hope to hear people attest that MUFG has changed.” The structure of the message in which the top management recognizes

issues in his own words and sincerely explains specific efforts to tackle those issues in the subsequent content is superb.

- The message of the top management expresses, without reserve, how the purpose was defined and his awareness of the issues. Special care is paid to readability, as observed in the section of “A Guide to Quickly Understanding Where MUFG Is Now,” in which seven key words and their locations of detailed description for reference are indicated.
- In the CEO message, the awareness of issues for the improvement of ROE stands out and is impressive. Particularly, based on reflecting how the company failed to achieve the target ROE for two consecutive years, the direction to improve the ROE using three drivers consisting of profits, expenses and RWA (risk-weighted assets) rather than depending only on growth of profit was described clearly. The TCFD-related information disclosure was also improved.
- The CEO’s powerful message consistently appears throughout the integrated report, representing the company-wide efforts for the improvement of financial and non-financial value. We have high hopes for the CEO’s message, “A year from now, we hope to hear people attest that MUFG has changed.”

○ **Tokio Marine Holdings, Inc.**

- With the purpose as the starting point, the company’s value creation story and the Medium-term Management Plan are described in a highly persuasive manner. Full of enthusiasm and confidence, the text appears to have the power to move stakeholders’ minds.
- It is clearly described that efforts will be focused towards the sustainable expansion of corporate value and strengthening of global competitiveness through integrated group management by the Global Management Team and purpose-focused management. We can understand the sophisticated risk management from the CFO’s message and the Medium-term Management Plan.
- Following the previous year’s version in which significant changes were made to the composition, the focus is placed on the long-term perspectives. Messages are clear and very convincing. It is highly legible despite a large volume of information.
- The direction of business management is indicated as mainly in line with the purpose, which has not changed since the establishment of the company, as well as the strengths and managerial resources gained through doing business, and based on the business environment surrounding the company and the recognized issues. The business strategy and policy toward the improvement of corporate value are convincing.
- The report explains the company’s reasons as a story of purpose, and indicates that value added is generated through business models in the value creation approaches. The link between the past, present and future is clearly described in an easy-to-understand manner.

○ **OMRON Corporation**

- The content of the interviews of the CEO and CFO is intensive and well worth reading, and the composition of the story of corporate value creation is also sufficiently clear. The disclosure of governance has been improved together with the company’s concept concerning organizational structure and systems.
- The concept of linking the initiatives for sustainability to business value is clear enough to understand. Furthermore, we highly evaluate that such a concept is explained using not only a medium- to long-term policy but also short-term concrete measures and a story to attain growth.
- The report elaborates the company’s unique efforts for the implementation of the corporate philosophy, and makes it easy to understand that such efforts contribute to the improvement of corporate value. Furthermore, the direction of the long-term vision that will start in the next fiscal year is clearly discussed.
- The target for each materiality is superbly consistent with the business strategy of the Medium-term Management Plan. And the concept of ROIC-based portfolio management is also discussed in detail.

○ **ITOCHU Corporation**

- The story of value creation is transmitted from a viewpoint different from the conventional one to pursue greater reader satisfaction. We highly regard that the report was created for anyone to read easily, assuming a wide range of stakeholders as readers.

- We highly evaluate that corporate value is explained using a diagram. This is an ideal integrated report mentioning not only governance of subsidiaries but also the top management’s powerful messages and commitment to management.
- Various issues including the business strategy, cash allocation and sustainability are discussed by associating them with the calculation formula of corporate value. After reading through the report, we found it highly consistent, having a story and being fully complete. The information has been reorganized based on a calculation formula of corporate value. The company’s corporate mission “*Sampo-yoshi*” has been developed into a viewpoint towards stakeholder-oriented management. Wide-ranging and complicated businesses are described in a succinct manner and in an effective at-a-glance form. The report was elaborated on by the Chairman himself, and the company made practical use of it by distributing it to the management teams of the company’s investees.
- The description of the long-term vision, value creation process, business models and materiality has a story nature, and the connection with strengths and invested capital is also clear. We highly evaluate the report as a tool for dialogue with investors, in consideration of its composition, which shows an awareness of improvement of corporate value.

【Remarks on the “most-improved integrated reports” nominated by four or more external asset managers】

Not applicable.

【Items which external asset managers consider particularly important or for which they expect further detailed descriptions in the integrated reports】

Item	Specific content and reason
Message from the Top Management	The message should be expressed by the top management’s own words, and consistent with the content discussed at ordinary briefing meetings. The concept concerning corporate value and sustainability must be clearly explained as a message to stakeholders.
	Amidst an age of changes, the message from the top management is expected to further increase in importance.
	We ask that the message from the top management include powerful and realistic comments on the management philosophy and the background of managerial decisions that only the CEO can provide, and not be limited to the introduction of the initiatives achieved during the current fiscal year.
	Content: The company’s direction from long-term perspectives, recognized issues, management philosophy, purpose, and the President’s enthusiastic message concerning a long-term vision and sustainable growth strategy, as well as their powerful will towards the achievement of goals. Reason: The top management’s message on the company’s vision and materiality expressed in his/her own words and with enthusiasm directly links to the company’s actual conditions and motivations. We emphasize this point in order to judge whether the top management is serious or just making formal responses.
	The importance of each item varies depending on the situation around the company. Through the message from the top management, investors can recognize companies’ potential and issues in order of priority. Therefore, we want the company to express its uniqueness with this item.
Message from the Top Management (on management philosophy, etc.)	<ul style="list-style-type: none"> • Displays the enthusiastic message from the top management aiming to improve medium- to long-term corporate value. • Issues recognized and initiatives for the “ideal future” are indicated, and “sustainability” and “CSV management” are specifically mentioned.

Item	Specific content and reason
Message from the Top Management / Remarks from or interview with Outside Directors	To confirm the awareness of the top management concerning the company's present status and future outlook. To use as a reference for the evaluation of effectiveness of governance, such as the leadership of the management team and effectiveness of the Board of Directors.
Interview with Outside Directors	<p>Content: Suggestions for the recognition of issues facing the company, commitment to management, roles played in various committees, and evaluation of effectiveness of the Board of Directors. (I request that the description be as clear as expressed by the meaning of the word exactly "effectiveness." I pay much attention particularly to matters pointed out by Outside Directors and the action plans to respond to those matters.)</p> <p>Reason: The remarks of Outside Directors will help evaluate the effectiveness of the Board of Directors in addition to confirming whether or not the relevant Outside Directors recognize the issue. (In the case of non-disclosure, such passive attitudes will be also subject to evaluation.)</p>
Value creation process	<p>Content: Clarify social issues in expectation of megatrends, and explain what social benefits will be created to link to business growth by addressing such social issues.</p> <p>Reason: The company's global perspectives and forward-looking strategy can be confirmed if the report refers to megatrends. We can observe some companies beginning to discuss their way of thinking as above concerning the market in 2050 (or thereafter, if necessary).</p>
Value creation process /Business models	A story flow is required to give us answers to the following questions: What kind of business model is being built in order to attain the medium- to long-term visions? What kind of resources are being used (input) for such a purpose? Why is it possible at your company?
	We understand that these items are the key information of an integrated report. It is important to effectively transmit the company's way of thinking and message concerning these items to investors. We believe it is critical for the company to show the long-term process of generating added value from a forward-looking point of view, and to not limit themselves to reporting their philosophy and achievements.
	These items are important for stakeholders to further their understanding of the improvement of the company's sustainable value. We expect that the purpose, the company's ideal future, and materiality determined based on these, KPIs, medium-term plan, and other items will be put into words with connectivity and the flow of a story.
Presentation of value creation process (toward the improvement of sustainable corporate value)	<ul style="list-style-type: none"> • A sustainable and convincing value creation process is clearly indicated after presenting an ideal future based on the medium- to long-term market sense. • In presenting the value creation process, (management) resources are analyzed objectively, and materiality is also added.
Value creation process for realizing the corporate philosophy	<ul style="list-style-type: none"> • We would like to know how the company creates value by organically connecting all capital in order to realize the corporate philosophy. • To that end, we request that invested capital, business models and the outcome be described briefly based on the company's unique characteristics.

Item	Specific content and reason
Management philosophy, materiality, value creation process	We value the strengths of the management philosophy (purpose, vision, mission, etc.) of the company as an organization with a history, the consistency and integrity of the three items, and whether there is a story that has the power to move stakeholders, including employees and major business partners who assume the role of improving corporate value.
Corporate philosophy / Vision / History	To understand what kind of value the management of the company is based on, and what successes and failures the company has experienced through various ages, and as a result of that, how the company has ultimately arrived at the present vision and business portfolio.
Corporate governance	The company's ideal governance and principal discussions conducted by the Board of Directors in the current fiscal year should be described by the Chairperson of the Board of Directors, and the impression of the company should be stated by Outside Directors.
	For the purpose of improving sustainable corporate value, we would like the company to clearly describe the following: 1) Enhancement of the Board of Directors' structure, 2) Selection of skills, 3) Activities of Outside Directors as representatives of shareholders, 4) Building same-boat systems with shareholders, and 5) Persuasive evaluation of effectiveness.
	It is desirable to disclose the details of the company's governance designs, including a diagram of the committee system relating to environment (E) and society (S), as well as the evaluation of its effectiveness. It is not always necessary to have those committees, but it is more desirable if we can confirm that verification was implemented in terms of the company's ideal governance system and efforts to attain it and make improvements, etc.
	While descriptions concerning the Board of Directors, including newly appointed outside directors, have been improved, it is desirable to devise a way to disclose the real aspects of the Board of Directors, such as actual discussions conducted and issues that exceed the disclosure of external form standards.
	We would like to know if the content is in line with the revised Corporate Governance Code. We would also like to see a skills matrix of the Board of Directors, etc.
Financial strategy discussed by the CFO	It is important to discuss financial strategy, including capital costs and capital efficiency. We believe that it is necessary for the company to give us a clear message concerning the ideal balance sheets and the generating capability of, as well as the policy to utilize, cash flows.
Capital cost-conscious medium- to long-term financial strategy	We believe that it is important to decide how funds should be procured and allocated in order to achieve medium- to long-term management goals. We request that the company explain its financial strategy taking capital costs into consideration.
Capital policy	Clear capital policy. To understand capital structure, balance between capital cost, investments and return.
Integration of financial and non-financial information (non-financial information that may have financial value in the future, and its story)	Long-term investors value non-financial information. We expect that the company will consider non-financial information as "something that can bring future financial value and corporate value," and show us a story of the improvement of corporate value by combining it with financial information as the management results to date.

Item	Specific content and reason
MD&A-type financial analysis and capital efficiency	An integrated report is one of the most important tools to comprehensively judge corporate value. We would like to ask for proactive efforts for further in-depth disclosure associated with financial strategy and capital policy concurrently with the strengthening of ESG.
The company's materiality	To identify materiality in consideration of the company's unique business operations. To set evaluation indices and target values. Finally, to implement monitoring of the actual results. It is desirable to disclose the establishment of systems, including the functions of monitoring by the Board of Directors.
The company's materiality / Medium-term Management Plan	To confirm the important factors for the company's sustainable growth. Also, to confirm the connection between the background of and thinking regarding why they are important, and specific actions pertaining to those items.
Identification of materiality and establishment of medium- to long-term KPI	We particularly value this item because it leads to initiatives for the individual ESG themes in the engagement with investors. We expect continued improvement and strengthening of this item.
Medium-term Management Plan	We give high evaluation if the company sets numerical targets for not only net sales and profits, but also balance sheets, including the profitability of capital, dividend plan and cash allocation. This will draw much more attention considering a possibility of attracting the investment appetite of other investors. From the viewpoint of a one-stop feature, we believe that it is meaningful that the Medium-term Management Plan is shown again in the integrated report in addition to its separate announcement. We hope that the company will explain its future direction from the medium- to long-term (5- to 10-year) perspectives.
	Is the medium-term management plan discussed from both perspectives of financial and non-financial information?
Management strategy / Medium-term Management Plan / Description of businesses	To check the effectiveness of the items by confirming whether the company applied the items to specific strategies and measurements, including numerical targets, to realize the value creation story.
Connectivity between management strategy and sustainability activities	<ul style="list-style-type: none"> • Earning power and sustainability of value creation are important. We believe that initiatives for sustainability are important when we consider sustainable business. • It would be easy to understand if the company's materiality was organized and initiatives associated with the management strategy were described in the report.
Explanation of CSR / ESG management (CSV management)	<ul style="list-style-type: none"> • The report explains the company's commitment to implementation of CSR/ESG management (CSV management), its promotion system and check by the person in charge using a PDCA cycle. • "Materiality" from a viewpoint of considering the improvement of corporate value and the order of priority is identified, and is disclosed together with the process of identification.

Item	Specific content and reason
Initiatives for sustainability	We believe that it is now an essential initiative for a company in all economic activities to consider medium- to long-term sustainability that involves ESG factors. In order to confirm the company's attitude, we evaluate such initiatives to identify risks and capture business opportunities while considering the changes of external environment and the relationships with stakeholders, and by effectively using all available capital.
	In the midst of the global movement toward carbon neutrality by 2050 and the heightened interest of the capital markets, we would like the company to disclose as much information as possible on specific plans and goals toward the reduction of GHG emissions. If possible, we request that the company disclose at an early stage the current specific values of Scope 1-3 and the target values of reduction, respectively. The report should also include the measurement and the target reduction of GHG emissions, whether the company has joined the TCFD, specific carbon reduction measures including supply chains, etc., and initiatives for raw material traceability based on the characteristics of the industry such as rare minerals, palm oil, and cacao, etc.
Competitive advantage	We would like the company to fully explain its competitive advantage as the source of income, in the integrated report which is an arbitrary disclosure material.
External environmental analysis / Competitive advantage	We would like the company to explain the output of what competitive edge arises from the use of resources, including non-financial ones. For instance, the disclosure should include not only the number of patents owned and the content and frequency of employee trainings, but also what kind of differentiation the company has gained, or wishes to gain from them.
Concept of non-financial capital and strengthening of information disclosure of the details of initiatives	We strongly recognize that the significance of "non-financial capital" has been increasing when conducting long-term investments. In particular, we expect that disclosure will include more information on natural capital and human capital.
Data-related (Financial and non-financial)	In the financial aspect, it would be very useful if sales, profits, profitability and capital efficiency by business segment were shown in an at-a-glance form on a long-term basis. Particularly, it would be helpful in tracing the company's long-term business trends and the causes of changes if the information is shown in a longer span, say, for 10 to 20 years, which is longer than the standard format of the Securities Report. In terms of non-financial aspects, we would like numerical information to be disclosed in terms of the initiatives for KPI and ESG, of which we need to keep track from the perspectives of the business characteristics.
Engagement with employees	Concerning employees, one of the most important stakeholders in "S," we would like the company to disclose what kind of engagement the company has conducted, and other information including the results of employees' surveys.