



## 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 67 (77 in the previous survey) and 95 (100 in the previous survey) companies selected for creating excellent integrated reports and most improved integrated reports, respectively, as shown on page 2.

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 four or more external asset managers as shown in the chart, “Distribution of Nominated Companies based on the Number of Nominations by External Asset Managers.”

And in this survey, in order to make integrated reports meaningful for both external asset managers and the issuers, we also requested external asset managers to answer how they are utilizing integrated reports. The in-depth answers are shown on page 6 and succeeding pages.

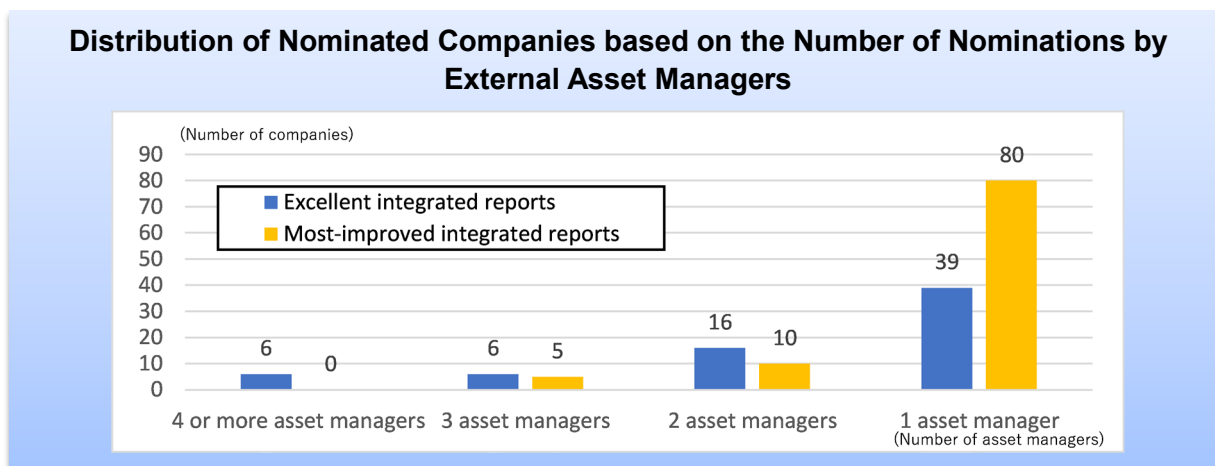
#### [Companies nominated by four or more external asset managers for their excellent integrated reports] (number of external asset managers)

- ✧ ITOCHU Corporation (7)
- ✧ Hitachi, Ltd. (6)
- ✧ OMRON Corporation (6)
- ✧ RICOH COMPANY, LTD. (6)
- ✧ Tokio Marine Holdings, Inc. (5)
- ✧ Ajinomoto Co., Inc. (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 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 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.



## [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
1803	SHIMIZU CORPORATION	1	5411	JFE Holdings, Inc.	2	8001	ITOCHU Corporation	7
1925	DAWA HOUSE INDUSTRY CO., LTD.	1	6098	Recruit Holdings Co., Ltd.	2	8015	Toyota Tsusho Corporation	1
1928	Sekisui House, Ltd.	3	6301	Komatsu Ltd.	1	8031	MITSUI & CO., LTD.	1
2269	Meiji Holdings Co., Ltd.	1	6361	EBARA CORPORATION	2	8035	Tokyo Electron Ltd.	2
2502	Asahi Group Holdings, Ltd.	3	6367	DAIKIN INDUSTRIES, LTD.	2	8053	SUMITOMO CORPORATION	1
2503	Kirin Holdings Company, Limited	3	6370	Kurita Water Industries Ltd.	1	8058	Mitsubishi Corporation	1
2802	Ajinomoto Co., Inc.	4	6479	MINEBEA MITSUMI Inc.	2	8113	UNICHARM CORPORATION	1
3086	J. FRONT RETAILING Co., Ltd.	2	6501	Hitachi, Ltd.	6	8306	Mitsubishi UFJ Financial Group, Inc.	3
3289	Tokyu Fudosan Holdings Corporation	1	6645	OMRON Corporation	6	8411	Mizuho Financial Group, Inc.	1
4004	Resonac Holdings Corporation	1	6702	Fujitsu Limited	2	8591	ORIX Corporation	2
4183	Mitsui Chemicals, Inc.	3	6724	Seiko Epson Corporation	1	8601	Daiwa Securities Group Inc.	1
4443	Sansan, Inc.	1	6758	Sony Group Corporation	2	8630	Sompo Holdings, Inc.	2
4452	Kao Corporation	1	6841	Yokogawa Electric Corporation	1	8725	MS&AD Insurance Group Holdings, Inc.	3
4502	Takeda Pharmaceutical Company Limited	1	6925	USHIO INC.	1	8766	Tokio Marine Holdings, Inc.	5
4507	Shionogi & Co., Ltd.	1	6981	Murata Manufacturing Co., Ltd.	1	9086	Hitachi Transport System, Ltd.	1
4519	CHUGAI PHARMACEUTICAL CO., LTD.	1	7259	AISIN CORPORATION	1	9104	Mitsui O.S.K. Lines, Ltd.	1
4612	NIPPON PAINT HOLDINGS CO., LTD.	2	7270	SUBARU CORPORATION	1	9202	ANA HOLDINGS INC.	1
4613	KANSAI PAINT CO.,LTD.	1	7272	Yamaha Motor Co., Ltd.	1	9508	Kyushu Electric Power Company, Incorporated	1
4661	Oriental Land Co., Ltd.	1	7735	SCREEN Holdings Co., Ltd.	1	9513	Electric Power Development Co., Ltd.	1
4911	Shiseido Company, Limited	2	7741	HOYA CORPORATION	2	9531	TOKYO GAS CO., LTD.	1
5076	INFRONEER Holdings Inc.	1	7752	RICOH COMPANY,LTD.	6	9613	NTT DATA Corporation	2
5201	AGC Inc.	1	7951	Yamaha Corporation	2	9682	DTS CORPORATION	1
5401	NIPPON STEEL CORPORATION	1						

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
1332	Nissui Corporation	1	4902	KONICA MINOLTA, INC.	1	7951	Yamaha Corporation	1
1808	HASEKO Corporation	1	4917	MANDOM CORPORATION	1	8015	Toyota Tsusho Corporation	1
1878	Daito Trust Construction Co., Ltd.	1	4980	Dexerials Corporation	1	8053	SUMITOMO CORPORATION	1
1963	JGC HOLDINGS CORPORATION	1	5019	Idemitsu Kosan Co.,Ltd.	1	8058	Mitsubishi Corporation	1
2502	Asahi Group Holdings, Ltd.	1	5076	INFRONEER Holdings Inc.	1	8111	GOLDWIN INC.	1
2503	Kirin Holdings Company, Limited	1	5108	BRIDGESTONE CORPORATION	3	8113	UNICHARM CORPORATION	1
2768	Sojitz Corporation	2	5201	AGC Inc.	1	8132	SINANEN HOLDINGS CO., LTD.	1
2802	Ajinomoto Co., Inc.	1	5332	TOTO LTD.	1	8174	NIPPON GAS CO., LTD.	2
3036	ALCONIX CORPORATION	1	5741	UACJ Corporation	1	8283	PALTAC CORPORATION	1
3099	Isetan Mitsukoshi Holdings Ltd.	3	5803	Fujikura Ltd.	1	8309	Sumitomo Mitsui Trust Holdings, Inc.	1
3231	Nomura Real Estate Holdings, Inc.	3	5929	Sanwa Holdings Corporation	2	8316	Sumitomo Mitsui Financial Group, Inc.	1
3382	Seven & i Holdings Co., Ltd.	1	6098	Recruit Holdings Co., Ltd.	1	8331	The Chiba Bank, Ltd.	1
3407	Asahi Kasei Corp.	1	6141	DMG MORI CO., LTD.	1	8354	Fukuoka Financial Group, Inc.	1
3591	Wacoal Holdings Corp.	2	6301	Komatsu Ltd.	1	8439	Tokyo Century Corporation	1
4004	Resonac Holdings Corporation	1	6367	DAIKIN INDUSTRIES, LTD.	1	8630	Sompo Holdings, Inc.	1
4021	Nissan Chemical Corporation	1	6407	CKD Corporation	1	8818	Keihanshin Building Co., Ltd.	1
4091	NIPPON SANSO HOLDINGS CORPORATION	1	6465	HOSHIZAKI CORPORATION	1	9042	Hankyu Hanshin Holdings, Inc.	1
4208	UBE Corporation	1	6479	MINEBEA MITSUMI Inc.	1	9044	Nankai Electric Railway Co., Ltd.	2
4307	Nomura Research Institute, Ltd.	1	6504	FUJI ELECTRIC CO., LTD.	1	9101	Nippon Yusen Kabushiki Kaisha	1
4324	Dentsu Group Inc.	1	6702	Fujitsu Limited	1	9104	Mitsui O.S.K. Lines, Ltd.	1
4385	Mercari, Inc.	1	6724	Seiko Epson Corporation	1	9142	Kyushu Railway Company	2
4443	Sansan, Inc.	2	6770	ALPS ALPINE CO., LTD.	2	9302	MITSUI-SOKO HOLDINGS Co., Ltd.	1
4503	Astellas Pharma Inc.	3	6902	DENSO CORPORATION	1	9401	TBS HOLDINGS, INC.	1
4527	ROHTO Pharmaceutical Co., Ltd.	1	6963	ROHM Co., Ltd.	1	9434	SoftBank Corp.	1
4528	ONO PHARMACEUTICAL CO., LTD.	1	6976	TAIYO YUDEN CO., LTD.	1	9508	Kyushu Electric Power Company, Incorporated	2
4540	TSUMURA & CO.	1	7012	Kawasaki Heavy Industries, Ltd.	1	9513	Electric Power Development Co., Ltd.	1
4578	Otsuka Holdings Co., Ltd.	1	7186	Concordia Financial Group, Ltd.	1	9613	NTT DATA Corporation	1
4612	NIPPON PAINT HOLDINGS CO., LTD.	1	7267	Honda Motor Co., Ltd.	1	9682	DTS CORPORATION	1
4613	KANSAI PAINT CO.,LTD.	1	7270	SUBARU CORPORATION	1	9697	CAPCOM CO., LTD.	1
4661	Oriental Land Co., Ltd.	1	7272	Yamaha Motor Co., Ltd.	2	9757	Funai Soken Holdings Inc.	1
4816	TOEI ANIMATION CO., LTD.	1	7747	ASAHI INTECC CO., LTD.	1	9843	Nitori Holdings Co., Ltd.	3
4901	FUJIFILM Holdings Corporation	1	7936	ASICS Corporation	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]**

### **○ ITOCHU Corporation**

- The flow of the explanations is excellent, starting from the messages from the CEO and COO, the business strategy and ESG strategy is in line with the enterprise value calculation formula. The initiatives and discussions at the Women’s Advancement Committee are extremely interesting.
- The pages are well organized in an easy-to-understand manner for investors, providing explanations concerning each component of the corporate value calculation formula, i.e. Corporate value = Created value / (Cost of capital - Growth rate). The leadership and other activities of the female Outside Directors in the promotion of women’s advancement provides us with useful information.
- The report is highly evaluated from the viewpoint of easily understandable descriptions on the reality of the Company with detailed analyses from both financial and non-financial aspects of each of the Company’s diverse businesses. Various efforts, such as explanation of key points, are made in the introduction of the report to help readers deeply understand.
- The consistent structure is secured by effectively using diagrams which depict the improvement of corporate value. A page titled “Key Points of Annual Report 2022” was newly added from the current fiscal year, refining it as a dialogue tool.
- An explanation of the overall management strategy was given by the Chairman & CEO, and in-depth explanations focused on particular areas of responsibility were provided by each officer. The uncertain business environment and the overall trend of ESG practices are analyzed by using the PEST analysis method. The initiatives for improvement in areas such as human rights, women’s advancement and human resources strategy are also disclosed in an easy-to-understand manner.
- Many specific cases are well explained concerning “Realizing business transformation by shifting to a market-oriented perspective” and “Enhancing contribution to, and engagement with, the SDGs through business activities,” which are the basic policies of the Medium-term Management Plan. It is easily understood that the Company focuses on the sustainable improvement of corporate value by way of transformation of business models.
- The report transmits the powerful will of the management toward the improvement of corporate value. The relationship between corporate value and materiality is explained very clearly. Overall, the responses to individual ESG issues are also at high levels.

### **○ Hitachi, Ltd.**

- The content of the report successfully increases confidence in the current Mid-term Plan 2024 and President Kojima by looking back on the Mid-term Management Plans and the sustainability management policies starting in the first half of the 2000s. The disclosure of governance provides a good example to other companies in terms of consciousness of its effectiveness.
- The explanations of each strategy based on the axes, such as digital, green, innovation and human resources, are excellent in view of clarifying the company-wide business development. In addition, as far as governance is concerned, useful information for minority shareholders is provided, such as the status of operation and the content of discussions of the Board of Directors.
- The disclosure of a substantial amount of comprehensive information is highly evaluated. In particular, in the Mid-term Management Plan, the reflection can not only be easily understood but also the key discussions on digital, green and DX under the current management plan are disclosed in detail, which is very useful for investors. Furthermore, the policy of the human resources strategies conforming with the Company’s management strategies is clearly stated. The disclosure of such policies is a model for other companies and highly evaluated.
- From both financial and non-financial perspectives, the Company’s management resources are classified based on six axes, and the backgrounds of the business transformation to respond to changes in market environment and long-term global changes as well as portfolio transformation are explained, which is highly evaluated.
- Although the Company engages in complicated businesses, the value creation story is summarized in an understandable manner, centering on DX and GX. The connection of ESG-related items, such as the reduction of CO2 emissions and digital human resources strategies, with the relevant businesses is highly

evaluated.

- The goals and results of ROIC by business and the progress can be viewed in a table. The content is excellent, providing us with a systematic and full view of ESG and the Company's strategies, including consideration for shareholder value such as capital cost and allocation and the setting of materiality taking into consideration the stakeholders.

#### ○ OMRON Corporation

- The investment in human capital is remarkably described in detail. The explanation on the concept of human creativity is very informative.
- The Company's spirit of innovation is well demonstrated by showing in detail the concept of human creativity together with the introduction of TOGA, in addition to the CEO message emphasizing the long-term vision and transformation, and the explanation by the CFO of ROIC management.
- The understandable explanations on how KPIs are set and how the capital allocation strategy is implemented under ROIC management are highly evaluated.
- The Company's way of thinking to improve corporate value by the initiatives for its material sustainability issues is convincing. The issues to be addressed by the Company are fully explained through the comments of, and dialogues with, the Outside Directors and the Outside Auditors, which is also highly evaluated.
- The human resources strategy based on a long-term perspective is explained in detail, and "Human Creativity" has been established as an indicator to measure the effect quantitatively. Specific goals and the concept are also stated, thereby allowing us to easily understand the connection with the improvement of corporate value.
- By linking each initiative of the execution strategy for realizing the vision to the "five key sustainability issues," specific KPIs are described in detail. The explanation of governance is also enriched together with the interviews with outside officers, etc., which helps us understand its effectiveness.

#### ○ RICOH COMPANY, LTD.

- An excellent integrated report in all aspects. The report is an ingenious disclosure, including explanations of the value creation process and the time allocation of the agenda by item category at Board of Directors meetings, etc.
- The content is highly integrated to the level that we can understand that the basic policy of the Medium-term Management Plan is supported by human resources and digital strategies. In the overview by business unit, several specific cases are presented, from which we can deeply understand the actual business status.
- As for each item of the Company's value creation process, the ingenuity to clarify the background and specific cases as supplement information is highly evaluated. Furthermore, it is a unique effort to clearly present the characteristics of governance from the viewpoint of the Company's Board culture.
- In the Outside Director Dialogue between the lead outside director and the Board of Directors Chairperson, their stances on issues and changes in the formulation method of the Medium-term Management Plan, etc. are shared specifically. We can understand that the discussions at the Board of Directors' meetings are constructive.
- All the ESG issues required to be disclosed are covered, and each item is discussed at an extremely high level. The description on governance, in particular, is characterized by clearly presenting the evaluation process and the items for the CEO and Directors. It is also convincing to separately describe each risk inherent to business operation in terms of the level of impact and urgency.
- The report is unique in terms of the high level of enthusiasm to position ESG as "future finances." Governance and risk management are described in detail while the roadmap for decarbonization and GHG emissions reduction, including Scope 3, is clearly indicated.

#### ○ Tokio Marine Holdings, Inc.

- The report is unique in terms of its characteristic editing to tell the Purpose Story. Another focus is placed on climate change, and the TCFD-related Scenario Analysis is excellent.
- A creative structure is observed with the Purpose Story as the axis. The descriptions on the awareness of problems in the Group's unified management and the initiatives for sustainability have been also enriched further. In particular, the TCFD-related Scenario Analysis of physical risks goes into details.
- The Company's messages are effectively shared with readers by repeatedly presenting the financial and non-financial KPIs throughout the entire report. And the CFO's message, providing a clear review across several

periods, is highly evaluated.

- With the bold page layout and the association with sustainability management (non-financial information), the Purpose Story is described in a way that allows readers to understand better.
- A specific example is shown that the acquisition of highly motivated human resources with superior expertise and knowledge is the greatest achievement of their M&A activities. It is well understood that the strengthening of investment in human capital leads to higher corporate value.

○ **Ajinomoto Co., Inc.**

- The message of the new President, stating the medium-term indicator management and “Speed Up x Scale Up,” is clear enough and gives us a favorable impression. Furthermore, the description concerning human assets has become more detailed than before, and the inclusion of independent analyses makes the disclosure more informative and thought-provoking, which is highly evaluated.
- It is highly evaluated that the calculation formula of corporate value is applied to the Company’s businesses with explanations, making it easy to understand. In particular, the page concerning the effect of investment in human assets well represents human capital which will draw attention in the future.
- The CEO’s message is extraordinary. Since the tasks of the CEO are described clearly and with enthusiasm, his thoughts are shared with the readers, leaving us with high expectations for future management. The entire structure is framed around the Purpose Story.
- Holding ASV management, the Company explains in detail its initiatives for intangible assets which are considered as important for maximizing corporate value. On the governance page, the selection process for the president, organizational design, and the Executive Committee are explained specifically, which is highly evaluated.

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

○ **Not applicable.**

**[How do external asset managers use integrated reports for corporate analysis or dialogue with the issuer? (\*)]**

Category	Comments of external asset managers
Preparation/use for dialogue	<ul style="list-style-type: none"> <li>• As a responsible institutional investor, we promote stewardship activities based on the three pillars consisting of engagement, exercise of voting rights and consideration of ESG in the decision making of investment. We use integrated reports in these activities. For example, we position engagement as “an opportunity to ask companies for the best practices,” and express our opinions that will contribute to the improvement of their corporate value on a medium- to long-term basis. For engagement, we check the relevant company’s business models and the strengths of management capital, and identify ESG issues by appropriately recognizing the actual managerial conditions and business performance in comparison with long-term visions and medium-term management plans. Based on that, it is vital to check whether the company’s medium- to long-term value creation story has substantiality. From these perspectives, we consider that an integrated report is a useful tool as a source of information that combines financial and non-financial information from medium- to long-term viewpoints.</li> <li>• We use integrated reports effectively in order to check in the engagement the following points: (1) The purpose and long-term visions of the investee, and the identification of, and actions to take (including the progress of) against, the materiality for the realization thereof; (2) Convincing nature of the value creation process for medium- to long-term improvement of corporate value including the governance system as the base thereof; and (3) How they link the non-financial information to financial information.</li> <li>• We use the report proactively to realize constructive dialogues with investees (analysts, ESG specialists and asset managers). We directly inform the investees of the evaluation points including excellent points, improved matters and the reason for such evaluations. Meanwhile, we convey our comments to the issuers concerning matters that are missing, delayed or something we expect to be improved, which may lead to their constructive internal discussions.</li> <li>• Among SMEs we communicate with, there are many of them which continue to have limited resources to allocate to IR activities. In such a case, we also inform them of key points of advanced cases of large companies for reference.</li> <li>• We evaluate clear information disclosure from the company side, and use the disclosed information as important input. We would also like to conduct engagement with many companies concerning the ideal approach to, and the quality of, information disclosure in the integrated report.</li> <li>• We use integrated reports as a tool for communication with companies to deepen our mutual understanding by confirming and organizing the points for discussion in advance, and by discussing the content of the report in the dialogue.</li> <li>• When we discuss ESG issues, we prepare questions by using integrated reports and corporate governance reports, and share such questions in advance with the asset management section. Furthermore, before conducting engagement with top management, we check the top interview articles in the integrated report.</li> <li>• To companies who have never issued an integrated report to date, or whose report is of low quality and their stock prices remain sluggish, we urge them to improve disclosure while presenting best practices by conveying through dialogue that the improvement of integrated reports will lead to an increase in corporate value through the emergence of non-financial value.</li> <li>• We discuss the status of disclosure, future actions to take and other matters upon confirming necessary non-financial information provided in the integrated report, taking into consideration the characteristics of the relevant company and its industry.</li> <li>• If requested by a company, we conduct “a dialogue using an integrated report,” discussing appropriate information disclosure and points to be improved.</li> <li>• In dialogue and engagement, we ask companies partly by using evaluations made by AI to improve their integrated reports to explain the companies’ growth story in a more understandable manner. We also ask them to enrich the descriptions and disclosure on the initiatives for environmental issues such as climate change, and responses to human rights issues in supply chains, and in-depth disclosure on human capital.</li> </ul>

Category	Comments of external asset managers
Confirmation of commitment and effectiveness	<ul style="list-style-type: none"> <li>• We carefully check the report, paying attention to the following points: (1) Sense of purpose in terms of channels through which each measure is taken (sales, expenses or valuation); (2) Whether or not appropriate KPIs are set; and (3) Whether or not the actual promoter is clarified.</li> <li>• In addition, we also use the report to understand the attitudes of management towards Environmental and Social issues, in particular, as well as their quantitative figures, and from the viewpoint of engagement to urge the improvement thereof.</li> <li>• We use the report to understand the business models, confirm the top management's commitment to sustainability and creation of corporate value, confirm the top management's awareness of issues and the outside directors' view points, collect ESG information, and perceive the corporate culture from the content and layout of the report. Then, we enter into a dialogue.</li> <li>• We believe that, in preparing an integrated report, the Company shows whether or not it has a strong commitment to information disclosure and what kind of message they intend to convey to shareholders by creating the report, rather than issuing it from necessity. We also believe that we will know the top management's commitment to information disclosure and their understanding of management issues through confirming that the message of top management is in conformity with what we hear in the ordinary opportunities of engagement, and whether the message is delivered with the top management's own words.</li> <li>• While the number of companies including messages from outside directors is increasing, few of them mention initiatives for capital cost and cross-shareholding policy (including the cases where the company's shares are cross held). Therefore, if stronger commitment of the Board of Directors to governance and capital policy is necessary, we convey our opinions in our dialogue.</li> <li>• We use the report mainly as a reference for non-financial information and qualitative information not included in the statutory disclosure materials such as the Securities Report, and to gain a better overview of the company by integrating that information and financial information. For example, we check the top management's recognition concerning the company's present status and future outlook through the Top Message. We also make reference to the report to evaluate the effectiveness of governance such as management's leadership and effectiveness of the Board of Directors through the comments of outside directors.</li> <li>• We also check the degree of penetration of values, implementation of corporate strategies and effectiveness of governance (including sustainability) in the corporate activities (and check the KPIs, comments of management and employees, and the actual status of implementation of various specific measures). Although it takes time to carefully read a report, we believe it is important to do so to better evaluate the corporate value.</li> <li>• We use the report to check the orientation of the top management in the fundamental analysis and the medium- to long term plan of the company who we conduct dialogue with.</li> <li>• We pay particular attention to the pages of Top Message and round-table talks of outside directors, etc., and request the company to make the content give readers an image of the medium- to long-term outlook of the company and the effectiveness of the Board of Directors. In addition, we also interview about the reactions of the management team to the points made by outside directors, and check how such points are being adopted to the management.</li> </ul>
Understanding of business models and value creation stories	<ul style="list-style-type: none"> <li>• We use integrated reports to collect information for our daily company analysis and investment decision-making, and as materials for analysis based on our independent ESG evaluation axis. In recent years, we have the impression that integrated reports of many large-scale companies have evolved to a one-stop information source connecting financial and non-financial information with corporate strategies. As a result, there are many cases in which the report is the first information source we look at to understand the company.</li> <li>• We use the report to know what sense of value the company's operation is based on by confirming their corporate philosophy, visions and history. Concurrently, we check how the company has reached the current visions and business portfolio as a result of what kind of successes and failures experienced through various times.</li> </ul>

Category	Comments of external asset managers
Understanding of business models and value creation stories (continued)	<ul style="list-style-type: none"> <li>• We place importance on how the company has succeeded in linking the initiatives for reducing ESG risks to the creation of opportunities such as medium- to long-term business growth and increased profits. Although the disclosure of enriched data in the integrated reports is important, we check how the relevant data of each of ESG and sustainability have contributed to the bottom line and business opportunities of the company. For example, based on specific examples, we check ROI to know how much effect of reducing costs and diversifying supply risks can be expected by introducing alternative energies. How female advancement and diversity have an impact on the company's engagement and bottom line. To avoid inflexible analyses, we usually ask questions about qualitative matters (from a viewpoint of quality) based on quantitative data in the dialogue with the management. From the perspective of corporate valuation, we use the report to confirm that the business management is structured organically and reasonably based on important factors, such as external environment and internal factors, toward the creation of long-term corporate value.</li> <li>• As to the integrated report, which is a voluntary disclosure material, we place importance on it as a media to understand the management strategies stated by the top management and business models of each company (mechanisms to earn profit and source of creating profit).</li> </ul>
Confirmation and analysis of non-financial and ESG information	<ul style="list-style-type: none"> <li>• We use the report as material for corporate analysis and evaluation. The ESG scores of the company reflect the content of the report (overall review conducted once a year, updated on a monthly basis, the number of items is about 100), and it is one of the starting points of integration processes in asset management.</li> <li>• We use the report to understand the corporate value creation process, materiality, messages of top management, outside directors, etc., the status of the initiatives for ESG, and changes from the previous year, while conducting qualitative analysis centering on non-financial information.</li> <li>• We use the report to check the disclosure in accordance with the TCFD recommendations in the ESG section and that of human capital, and confirm the diversity of the Board of Directors in the governance section.</li> <li>• We believe that it is indispensable for us to recognize the sustainability (medium- to long-term sustainability) of the investees in the medium- to long-term corporate analysis, business forecast as well as the setting of agenda for dialogue. The important point for doing those things is gathering and analyzing ESG information (non-financial information) such as corporate philosophy and visions, the stability of the relationship with stakeholders, and governance. For the purpose of gathering ESG information, we believe it is important not only to conduct interviews but also to use the integrated report. We understand, through interviews and the integrated report, the relationship between various ESG information and corporate value, and the corporate value creation processes such as what kind of ESG information the management team considers as material (important) for corporate value. Then, we confirm the company's sustainability by selecting and analyzing the ESG factors that have impact on corporate value.</li> </ul>

\*The comments of each external asset manager are classified by type by GPIF.