



SX Brand 2026

SX Brands 2026 Report

May 2026

01	SX Brands 2026 Overview	3
02	Analysis of applicant companies	9
03	Selected Companies	31
	○ <u>ASICS Corporation</u>	34
	○ <u>Ajinomoto Co., Inc.</u>	37
	○ <u>Eisai Co., Ltd.</u>	40
	○ <u>SWCC Corporation</u>	43
	○ <u>SoftBank Corp.</u>	46
	○ <u>Daiichi Sankyo Co., Ltd.</u>	49
	○ <u>TDK Corporation</u>	52
	○ <u>Tokyo Ohka Kogyo Co., Ltd.</u>	55
	○ <u>Tokio Marine Holdings Inc.</u>	58
	○ <u>Tokyo Gas Co., Ltd.</u>	61
	○ <u>Nichirei Corporation</u>	64
	○ <u>Hitachi, Ltd.</u>	67
	○ <u>Murata Manufacturing Co., Ltd.</u>	70
	○ <u>Resona Holdings, Inc.</u>	73
	○ <u>Resonac Holdings Corporation</u>	76
04	SX Nominated Companies	79
	○ <u>Kioxia Holdings Corporation</u>	81
	○ <u>MITSUI-SOKO HOLDINGS Co., Ltd.</u>	82
Note	SX Brands 2026 Offering Overview	83

1. SX Brands 2026 Overview

Purpose and Intended Readers of the SX Brands 2026 Report

- The SX Brands 2026 Report has the following three objectives:
 1. Provide specific case studies that lead to the implementation of corporate SX initiatives.
 2. Promote understanding of the contents of the Ito Review and Guidance for Collaborative Value Creation
 3. Show how Japan's leading companies' initiatives, and provide companies with an understanding of their positions, and encourage investors to evaluate Japanese stocks.

Expected use cases



Reader

This report is intended for all readers of the Ito Report, but especially for managers, directors, investors, as well as those in charge of corporate planning and sustainability promotion, analysts, evaluation agencies, etc.

Purpose of the "SX Brand 2026"

- In the "SX Brand 2026", advanced companies that have **enhanced their ability to sustainably generate growth resources and improve corporate value through SX were selected and awarded as "SX Brands 2026". The selection results are contained in this report.**
- **"SX" or "Sustainability Transformation" refers to a company transforming its management and business, being aware of capital efficiency through constructive dialogue with investors and shareholders, to sustainably generate growth capital and increase its corporate value** (improvement of "corporate sustainability"), based on **medium- to long-term risks and business opportunities arising from social sustainability issues** (synchronization with "social sustainability").
**It is different from so-called "social contribution activities", which have little direct relationship with corporate value creation through business.*
- "Sustainability issues of the society" are becoming even more complex, with international rules and environment related to diversifying social issues such as **climate change and human rights are changing, and economic security-related issues such as supply chain risks and cybersecurity are emerging.**
- Based on the **risks and business opportunities arising from these sustainability issues of the society,** it is expected that various entities in the investment chain of each company, such as management, internal business divisions, investors, and business partners, **discuss the ideal business portfolio and growth investment over a long-term time horizon, engage in constructive dialogue, and co-create and execute the company's value creation story.**
- The SX Brand, by presenting the selected companies as **"symbols of Japanese companies promoting value creation management", will serve as an opportunity to encourage domestic and foreign investors to re-evaluate Japanese companies,** and through the dissemination of the messages sent in the Ministry of Economy, Trade and Industry's "Ito Review" series in the form of case studies, The purpose of this is to **encourage all Japanese companies to implement management and business transformations for long-term and sustainable improvement of corporate value.**

Background of "SX Brands"

(METI's "Ito Review" series and "Guidance for Collaborative Value Creation")

- The return on equity (ROE) of Japanese companies has improved to a certain extent, but it still lags behind Western companies.
In addition, the percentage of companies with a price-to-book ratio (PBR) of less than 1 is at a very high level compared to Europe and the United States
- Since 2014, METI has consistently advocated the importance of improving corporate sustainability (long-term, sustainable corporate value) through the "Ito Review" series, and the importance of constructive dialogue, engagement, and disclosure among investors and others to achieve this, along with the importance of ESG perspectives. In addition, as a practical framework (guidance) for SX management, the "Guidance for Collaborative Value Creation" has been published
- In particular, the 2022 supplement "Ito Report 3.0" emphasizes the importance of "SX" for long-term and sustainable value creation for companies, in light of the increasing importance of synchronizing corporate sustainability with the sustainability of society. At the same time, the Guidance for Collaborative Value Creation was revised as a framework for realizing SX and published as the "Guidance for Collaborative Value Creation".

[Reference] "Ito Review" series and "Guidance for Collaborative Value Creation 2.0"

Ito Review (2014)

https://www.meti.go.jp/policy/economy/keiei_innovation/kigyoukaikai/ito_review_released_august2014_en.pdf

Ito Review 2.0 (2017, expanded edition, Japanese)

https://www.meti.go.jp/policy/economy/keiei_innovation/kigyoukaikai/pdf/itoreport2.0.pdf

Ito Review 3.0 (2022, expanded edition)

https://www.meti.go.jp/policy/economy/keiei_innovation/kigyoukaikai/ito_review_3.0_sx_edition_released_august2022_en.pdf

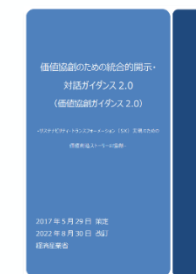
Guidance for Collaborative Value Creation 2.0 (Revised 2022)

https://www.meti.go.jp/policy/economy/keiei_innovation/kigyoukaikai/guidance_for_collaborative_value_creation_2.0_en.pdf

"Ito Review" series (theory)



"Guidance for Collaborative Value Creation 2.0" (Practical Framework)

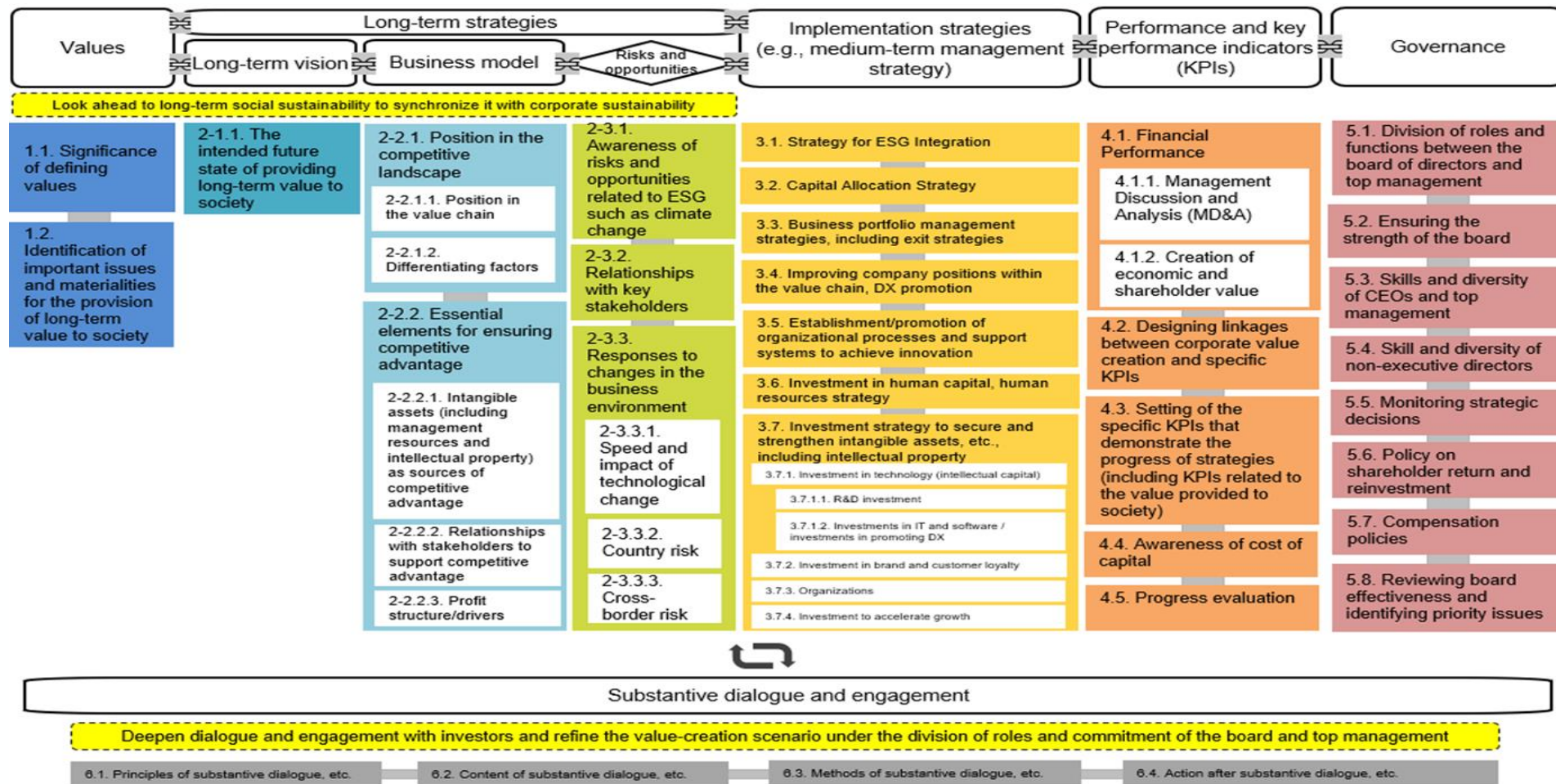


(Reference) "Guidance for Collaborative Value Creation" as a "practical framework"

- In order to promote sustainable corporate value creation management, which was raised in the "Ito Report" (2014), the "Guidance for Collaborative Value Creation" was formulated and published in 2017 as a framework for companies to effectively disclose information and engage in constructive dialogue with investors.

The "Value Co-Creation Guidance 2.0" (2022) clarifies the elements of SX.

〈Overall view of the Value Co-creation Guidance 2.0〉



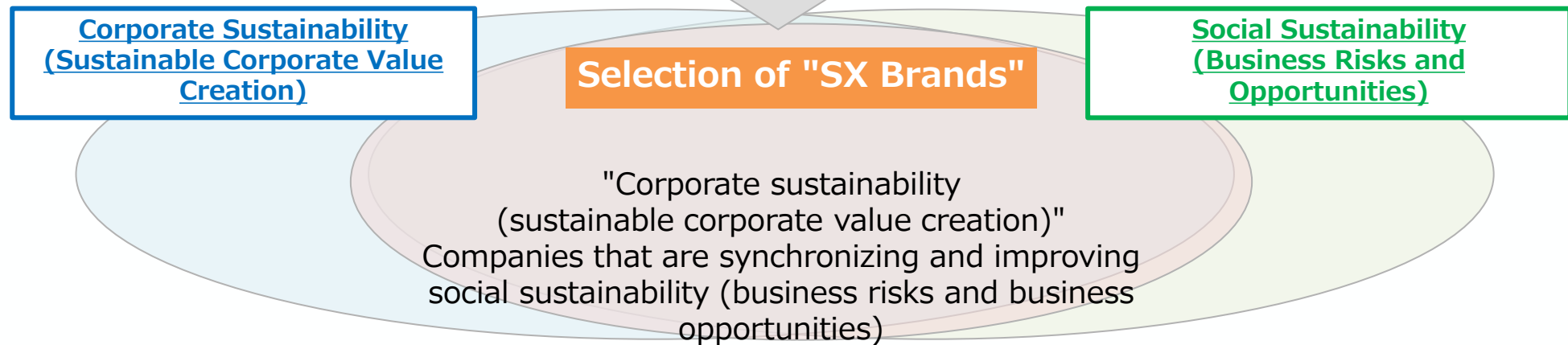
Selection of "SX Brands"

- For SX Brands, based on the background of P.6, a group of advanced companies that enhance their ability to generate sustainable growth resources through SX and improve corporate value were selected.
- Since these companies are considered to be able to generate returns that exceed the cost of shareholders' equity in the medium to long term, SX Brands were selected from companies with a PBR of 1 or higher.

〈Selection of SX Brands〉

Eligible Applicants: All companies listed on the Tokyo Stock Exchange
< Approximately 3,900 companies >

- Selection based on multiple-choice items based on the Guidance for Collaborative Value Creation 2.0
- Screening of value creation stories based on descriptive items
- PBR of 1 or more is a mandatory requirement



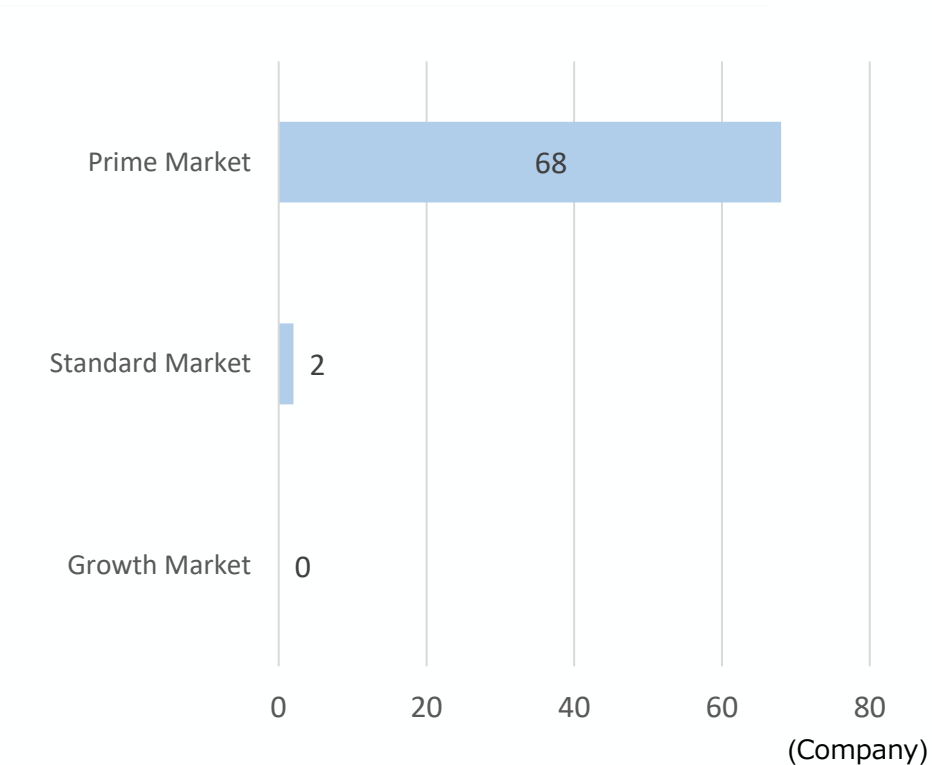
Presenting the vision for Japanese companies, and expectation for more motivation for leading companies.

2. Analysis of applicant companies

Overview

- Most SX Brand companies are companies in the prime market, but there were also applications from the standard market.
- Regardless of market capitalization, a wide range of companies submitted applications for SX Brands.

Market segmentation of applicant companies



Market capitalization breakdown of applicant companies

Market Cap	Percentage of applications by market capitalization category (Number of applications/total number exceeding PBR 1)
More than 4 trillion yen	21.4%
1 trillion yen ~ 4 trillion yen	37.1%
500 billion yen ~ 1 trillion yen	18.6%
Less than 500 billion yen	22.9%

(1) Values and Long-term strategy

Characteristics of SX Brand Applicants/Companies that Passed the First Screening and Challenges of Japanese Companies

- Companies that passed the first round of screening are also advanced in setting their goals and business models through forecasting.
- On the other hand, there are still overall challenges in identifying backcasting perspectives and differentiating factors.

Percentage of companies that are fully engaged in the content of the questions

			All applicants	Companies passed the first screening	SX Brand
Efforts seen by many Japanese companies	Identifying material issues	✓ All companies have identified material issues	100.0%	100.0%	100.0%
		Question 1-1 Identifying material issues			
Efforts seen in some companies	Goal-setting (Forecasting)	✓ About 90% of companies passed the first screening have established a vision that leverages their strengths	74.3%	87.5%	93.3%
		Question 1-7 Setting its future goal through forecasting			
	Setting up a business model	✓ Business model is set based on future goals, mainly for companies that passed the first screening	57.1%	80.0%	80.0%
		Question 1-8 setting its business model based on its goal.			
Future challenges for many companies	Identifying differentiating factors	✓ About 20% of all applicant companies have clearly defined their positioning and differentiating factors.	22.9%	32.5%	40.0%
		Question 1-11 Identifying its differentiating factors from other competition and its sustainability, analyzing its positioning in the market.			
	Setting the desired figure (backcasting)	✓ Only less than 30% of SX Brand companies have set goals based on backcasting from both social changes and the positioning of the company.	14.3%	20.0%	26.7%
		Questions 1-6 Considering both social changes and its positioning with a backcasting perspective.			

(2) Implementation Strategies

Characteristics of SX Brand Applicants and Companies that Passed the First Screening and Challenges of Japanese Companies

- Many companies are investing in human capital and intangible asset strategy construction and human capital management.
- On the other hand, about half of the companies are involved in both innovation promotion and support systems, as well as in the formation of rules.

Percentage of companies that are fully engaged in the content of the questions

			All applicants	Companies passed the first screening	SX Brand
Efforts seen by many Japanese companies	Building a human resources strategy and investing in human capital	<p>✓ Nearly all companies are building their talent strategies and investing in human capital, including wage increases</p> <p>Question 2-6 Building a talent strategy and investing in human capital, including wage increases</p>	90.0%	97.5%	100.0%
	Developing a strategy to secure and strengthen intangible assets, etc.	<p>✓ Many companies are building investment strategies to secure and strengthen intangible assets, including intellectual property</p> <p>Question 2-9 Developing an investment strategy aimed at securing and strengthening intangible assets, including intellectual property</p>	82.9%	95.0%	100.0%
Efforts seen in some companies	Value Chain Reform	<p>✓ Approximately 90% of the companies that passed the first round of screening are implementing value chain reforms in collaboration with new companies beyond existing business areas</p> <p>Question 2-4 Developing an investment strategy aimed at securing and strengthening intangible assets, including intellectual property</p>	78.6%	87.5%	93.3%
Future challenges for many companies	Driving innovation	<p>✓ Companies that have established both promotion and support systems are less than 60% of companies that have passed the first round of screening</p> <p>Question 2-5 Establish both an organizational promotion system and a support system and creating innovation</p>	54.3%	65.0%	60.0%
	Portfolio Strategy	<p>✓ Less than 40% of companies are building long-term business portfolio strategies through ROIC analysis and other means.</p> <p>Question 2-2 Building a long-term business portfolio strategy through ROIC analysis and other means.</p>	38.6%	50.0%	46.7%

(3) KPIs

Characteristics of SX Brand Applicants and Companies that Passed the First Screening and Challenges of Japanese Companies

- Many companies are setting their own KPIs, disclosing the basis for setting them, and reviewing their strategies based on MD&A.
- On the other hand, very few companies quantitatively disclose their perception of the cost of capital in their business segments.

Percentage of companies that are fully engaged in the content of the questions

			All applicants	Companies passed the first screening	SX Brand
Efforts seen by many Japanese companies	Review strategy and set KPIs based on MD&A	<p>✓ Almost all companies are reviewing flexible strategies and setting KPIs based on the results of analysis of their financial situation and other factors</p> <p>Question 3-2 Based on the results of MD&A (Financial and Business Performance Analysis), reviewing strategies, etc.</p>	95.7%	100.0%	100.0%
	Efforts seen in some companies	Value creation KPIs and unique KPI settings	<p>✓ Many companies set value creation KPIs or their own KPIs.</p> <p>Question 3-1 Align their company's unique KPIs to realize their values creation story Consistent settings</p>	88.6%	97.5%
Your own KPIs Disclosure of Rationale		<p>✓ Many companies explain the rationale for setting their own KPIs</p> <p>Question 3-3 Including the criteria for setting KPI figures, about the basis for setting Explaining</p>	85.7%	97.5%	100.0%
Future challenges for many companies		Linkage between mechanisms to motivate executives and KPIs	<p>✓ Approximately 90% of companies passed the first round of screening link their KPIs with initiatives and mechanisms (executive compensation, etc.) to motivate executives</p> <p>Question 3-15 Linking the creation of initiatives and mechanisms to motivate executives with KPIs</p>	75.7%	90.0%
	Disclosure of awareness of the cost of capital of the business segment	<p>✓ Only 10% of all applicants were able to confirm that they disclosed their awareness of the cost of capital in key business segments.</p> <p>Question 3-4 Quantitatively discloses perceptions of capital costs in key business segments</p>	10.0%	15.0%	26.7%

(4) Governance

Characteristics of SX Brand Applicants and Companies that Passed the First Screening and Challenges of Japanese Companies

- Many companies are working on the appointment of executives based on skill requirements and supervision by outside directors.
- On the other hand, there are still strong challenges in formulating succession plans for managers and improving financial literacy.

Percentage of companies that are fully engaged in the content of the questions

			All applicants	Companies passed the first screening	SX Brand
Efforts seen by many Japanese companies	Participation in the supervision of outside directors	<p>✓ In almost all companies, outside directors and others appropriately supervise and evaluate the strategic decision-making of the management team responsible for business execution</p> <p>Question 3-13 Directors and outside directors appropriately supervise and evaluate the strategic decision-making of management.</p>	98.6%	97.5%	100.0%
	Appointment and dismissal of officers based on skill requirements	<p>✓ In order to realize the vision that many companies are aiming for, we identify the skills required of executives and management, and appoint and dismiss them based on these skills.</p> <p>Question 3-11 Identify the skills required for the desired figure, and appoint and dismiss based on that.</p>	80.0%	87.5%	86.7%
Efforts seen in some companies	Clarifying the position of governance	<p>✓ More than 70% of companies that pass the first round of screening have positioned and clearly stated their governance system within their value creation story</p> <p>Question 3-6 The position of governance systems in the company's value creation story is clarified.</p>	68.6%	72.5%	80.0%
Future challenges for many companies	Formulation of succession plan for management	<p>✓ About 30% of companies have clarified the qualifications of managers and even formulated succession plans to appoint and develop managers</p> <p>Question 3-10 To clarify the qualifications of managers, and to select and train A succession plan has been formulated</p>	34.3%	50.0%	53.3%
	Improving the financial literacy of directors	<p>✓ Less than 20% of companies are making efforts to improve the financial literacy of directors</p> <p>Question 3-17 Initiatives to improve the financial literacy of directors</p>	18.6%	25.0%	26.7%

(5) Substantive dialogue and engagement

Characteristics of SX Brand Applicants and Companies that Passed the First Screening and Challenges of Japanese Companies

- Many companies are devising agenda design, utilizing KPIs, and participating outside directors in investor dialogue.
- On the other hand, the formation of a virtuous cycle in which the suggestions of investor dialogue are reflected in management improvement remains a challenge.

Percentage of companies that are fully engaged in the content of the questions

			All applicants	Companies passed the first screening	SX Brand
Efforts seen by many Japanese companies	Setting up a conversation agenda	<p>✓ Almost all companies have set an agenda for dialogue according to their importance, taking into account the business environment and investor attributes</p> <p>Question 4-5 Taking into account the business environment and investor attributes, etc., and having already established a dialogue agenda based on priority.</p>	97.1%	100.0%	100.0%
	Disclosure of KPI achievement status	<p>✓ Almost all companies evaluate progress and results based on KPIs and disclose the status of their achievements to investors</p> <p>Question 4-6 Evaluating the progress and results of the strategies based on KPIs and KPIs, and showing investors the status of achievement in dialogue.</p>	97.1%	100.0%	100.0%
Efforts seen in some companies	Individual Dialogue with Outside Directors and Other Persons	<p>✓ In all companies, management participates in dialogue with investors, but about 60% of companies have outside directors engaging in individual dialogue</p> <p>Question 4-4 Management including the president and outside directors are engaged in individual dialogue with investors.</p>	57.1%	62.5%	73.3%
Future challenges for many companies	Reflection of suggestions obtained from dialogue and other initiatives	<p>✓ Only a little over 40% of all companies that practice dialogue with investors and the formation of a virtuous cycle of management improvement based on it</p> <p>Question 4-8 By seeking advice from investors on the progress and results of our efforts and reflecting them in further future efforts, we are practicing the formation of a virtuous cycle of dialogue and management improvement based on these efforts.</p>	44.3%	57.5%	60.0%

Model Cases

- In this case study, we introduce examples of companies selected for SX Brand 2026, along with evaluation points.

Question number	Main Items	Question content	Companies
1	Questions 1-6 Values and Long-term Strategy	When setting the vision you are aiming for, do you consider the company's positioning in the future market in anticipation of the expected social changes in the short and medium to long term, and what kind of efforts are needed to achieve it (backcasting)?	Murata Manufacturing Co., Ltd.
2	Question 1-7 Values and Long-term Strategy	When setting the vision of the company, do you analyze your company's competitive advantages and strengths and consider how to strengthen and sustain them for the future (forecasting)?	Ajinomoto Co., Inc.
3	Questions 1-8 Values and Long-term Strategy	Based on your goals, have you set a business model (including transformation) that will serve as the foundation for long-term and sustainable corporate value?	Tokio Marine Holdings Inc. Murata Manufacturing Co., Ltd.
4	Question 1-11 Values and Long-term Strategy	Based on your goals, do you analyze your company's position in the market power map and identify factors that differentiate you from other companies and their sustainability?	TDK Corporation
5	Question 2-2 Execution strategy	Have you formulated a long-term business portfolio image to achieve your goals through ROIC analysis and other means, and have you built a strategy to realize the portfolio?	TDK Corporation
6	Question 2-6 Execution strategy	Are you building a human resources strategy and investing in human capital, including wage increases, to achieve your goals?	SoftBank Corp.
7	Question 3-1 KPIs and Governance	Do you set KPIs related to the company's overall value creation (ROE, ROIC, etc.) and company-specific KPIs (KPIs related to financial value, KPIs related to the value provided to society, etc.). Also, are KPIs set in a consistent manner to realize the value creation story of the organization as a whole?	Hitachi, Ltd.
8	Question 3-4 KPIs and Governance	Do you disclose your perception of the cost of capital and the cost of capital by key business segments?	Ajinomoto Co., Inc. Tokyo Gas Co., Ltd.
9	Question 3-13 KPIs and Governance	Do directors, especially outside directors, appropriately supervise and evaluate (monitor) the strategic decision-making of the management team responsible for business execution?	Eisai Co., Ltd.
10	Question 4-6 Substantive dialogue Engagement	Do you evaluate the progress and results of the strategy based on the KPIs you have set, and show investors the status of achievement in the dialogue?	Murata Manufacturing Co., Ltd.
11	Question 4-7 Substantive dialogue Engagement	Based on the suggestions obtained through dialogue, etc., do you review important issues, strategies, KPIs, governance systems, etc., and make efforts to improve them as necessary?	Nichirei Corporation

How to read the material

Model Cases

Model Case 1 **Question 1-6: Values and Long-term Strategy** **Murata Manufacturing Co., Ltd.**

When setting the vision of the company, has the company ① **anticipated short-term and medium- to long-term societal changes**, ② **the company's positioning in the future market**, and ③ **examined from a backcasting perspective** what initiatives will be required to achieve that positioning?

① Evaluation point
The company captures changes in the business environment and business opportunities until 2030

② Evaluation point
The company has assumed the positioning that the company should aim for in 2030 (e.g., standard product business: maintaining a competitive advantage that is not inferior to competitors, etc.)

③ Evaluation point
The company has formulated a medium-term management plan from the perspective of **backcasting**,

Source: Murata Manufacturing Co., Ltd. Murata value report 2025

18

Contents

Introducing examples of companies that are fully committed to the content of the questions, along with evaluation points

- ① Question number and company name on the SX questionnaire**
- ② Ask questions**
*Mainly for questions with a low percentage of applicants who are fully engaged
- ③ Evaluation points**
- ④ Examples of corporate disclosures**

When setting the vision of the company, has the company ① **anticipated short-term and medium- to long-term societal changes**, ② **the company's positioning in the future market**, and ③ **examined from a backcasting perspective** what initiatives will be required to achieve that positioning?

① Evaluation point

The company captures changes in the business environment and business opportunities until 2030

② Evaluation point

The company has assumed the positioning that the company should aim for in 2030 (e.g., standard product business: maintaining a competitive advantage that is not inferior to competitors, etc.)

③ Evaluation point

The company has formulated a medium-term management plan from the perspective of **backcasting**,

Inside Vision 2030

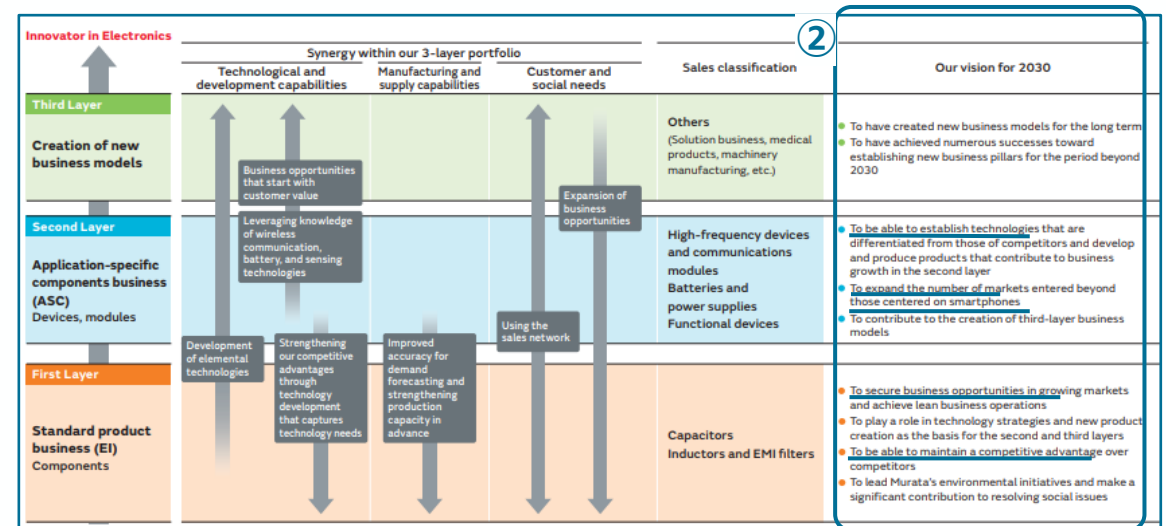
As we look toward 2030, we expect significant shifts in the business environment. In response, Murata will broaden its value delivery beyond customer-focused innovation to include innovation that addresses social challenges—actively creating value as an Innovator in Electronics. To guide this shift, we formulated Vision 2030, which defines Murata's unique contributions to the sustainability of both society and business. By helping to build a more prosperous society through Murata's innovations, we aim to remain the best choice for customers and communities alike—our vision as the Global No. 1 Component & Module Supplier.



③

Medium-Term Direction 2027 Positioning

Announced in November 2024, Murata's Medium-Term Direction 2027 represents "three years of increased clarity" on our journey to Vision 2030. As AI accelerates the digital twin era and transforms the electronics landscape, these three years will be pivotal. We are committed to advancing concrete initiatives that turn our long-term vision into reality.



When setting the vision of the company, has the company's ① **competitive advantages and strengths** been analyzed, and ② **how to strengthen and sustain** them for the future been considered (forecasting)?

① **Evaluation point**
The company's strength ("AminoScience") is connected to its vision for the future.

② **Evaluation point**
 The company's strength ("AminoScience") is analyzed to identify points for **future strengthening (growth areas)**.

① **What is "AminoScience?"**

"AminoScience" is a collective term for the various materials, functions, technologies, and services derived from the research and implementation processes that rigorously focus on unlocking the power of amino acids. Furthermore, it also denotes the Ajinomoto Group's unique scientific approach to connect these functions to the resolving social issues and contributing to well-being.

"AminoScience" is one of the sources of the Ajinomoto Group's competitive advantage not easily imitated by other companies.

ASV (Ajinomoto Group Creating Shared Value) is about co-creating social and economic value through business. It is the Ajinomoto Group's basic philosophy for realizing our "vision for the future" and Purpose. How do Ajinomoto Group members around the world understand and work towards ASV?

Business development based on "AminoScience"

Value Creation	Functions of amino acids Flavoring function Create delicious meals Nutrition function Deliver nutrition Physiological function Support physical health Reactivity Create new functions	Ajinomoto Group's business activities Food Products business Businesses that apply "AminoScience" to Seasonings and Foods and Frozen Foods.	Bio & Fine Chemicals business Businesses that apply "AminoScience" to Healthcare and Others
----------------	---	--	---

② **Co-creating value in four focused growth areas with "AminoScience"**

"AminoScience" is the source of the Ajinomoto Group's unique strengths and competitiveness. We can co-create greater social and economic value in four focused growth areas: Healthcare, Food & Wellness, ICT, and Green.

Evolving our business portfolio in areas of high social value.

The Ajinomoto Group has achieved growth for over 100 years by diversifying its business and expanding globally through innovation driven by "AminoScience." In order to achieve the dramatic growth targeted by its purpose-driven management by medium-term ASV initiatives, we set four focused growth areas - Healthcare, Food & Wellness, ICT, and Green - as our basic policy, leveraging "AminoScience" and focusing on areas with high market-growth potential and high social value that the Ajinomoto Group can create. In setting these goals, we backcasted from where we want to be in 2030 and created a roadmap to achieve them. First, we drew a PoF (Picture of the Future) of what human beings, society, and the planet will look like with the participation of future generations of employees and key managerial positions who will play a central role in the company. We then organized the social value that we will be able to create with "AminoScience" in the future. The four focused growth areas are areas where we can solve social issues, create value through business operation unique to the Ajinomoto Group that contributes well-being, increase our corporate value through ASV (Ajinomoto Group Creating Shared Value), and realize our "Purpose." We will evolve our business portfolio by steadily promoting the creation of new businesses and organic growth through business model transformation in these four focused growth areas, both by forecasting from existing businesses and backcasting from our vision.

Healthcare

Contributing to advance treatment and prevention and to help extend healthy life expectancy.

With "AminoScience" providing a deeper understanding of the human body, we will contribute in a wide range of areas, from providing solutions for advanced medical modalities to extending healthy life expectancy.

Food & Wellness

Contributing to well-being and self-fulfillment through food.

We combine a new business model that utilizes "AminoScience" with an existing business model that evolves through orchestration. We contribute to well-being in everyday life by empathizing with the perspectives of each individual consumer.

ICT

Contributing to advance semiconductors for a smart society

By utilizing "AminoScience", we will contribute to the evolution of semiconductors with faster speed and lower environmental impact, as well as to the realization of a smart society, including AI, autonomous driving, and photonics-electronics fusion.

Green

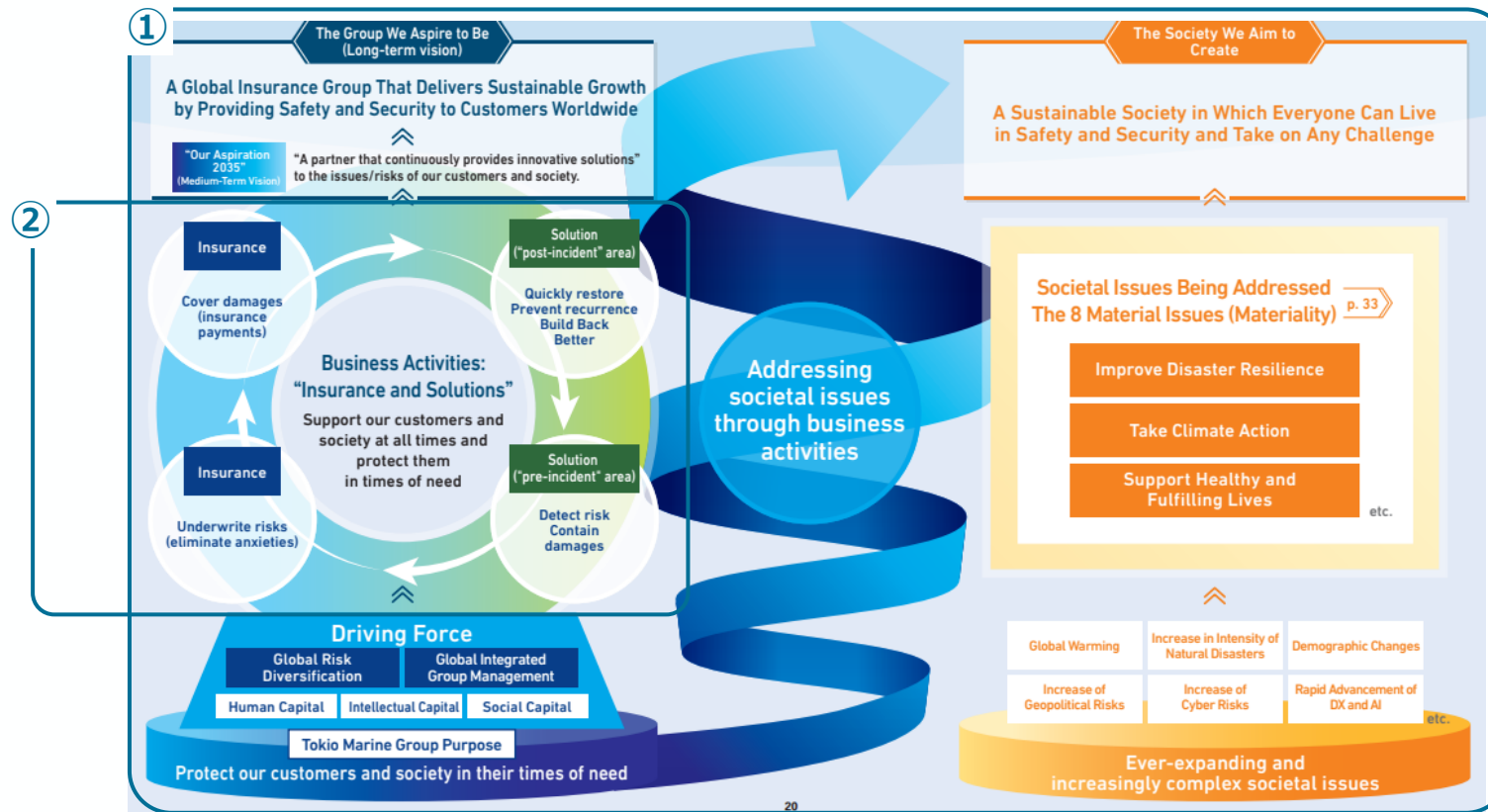
Contributing to society and the planet with an eye to the future through sustainable environmental issues.

We aim to address pressing environmental issues by reducing the environmental impact through "AminoScience", creating a positive impact, and contributing to the provision of sustainable food and the realization of a biocycle.

Based on your ①goals, have you set a ②business model (including transformation) that will serve as the foundation for long-term and sustainable corporate value?

① Evaluation point

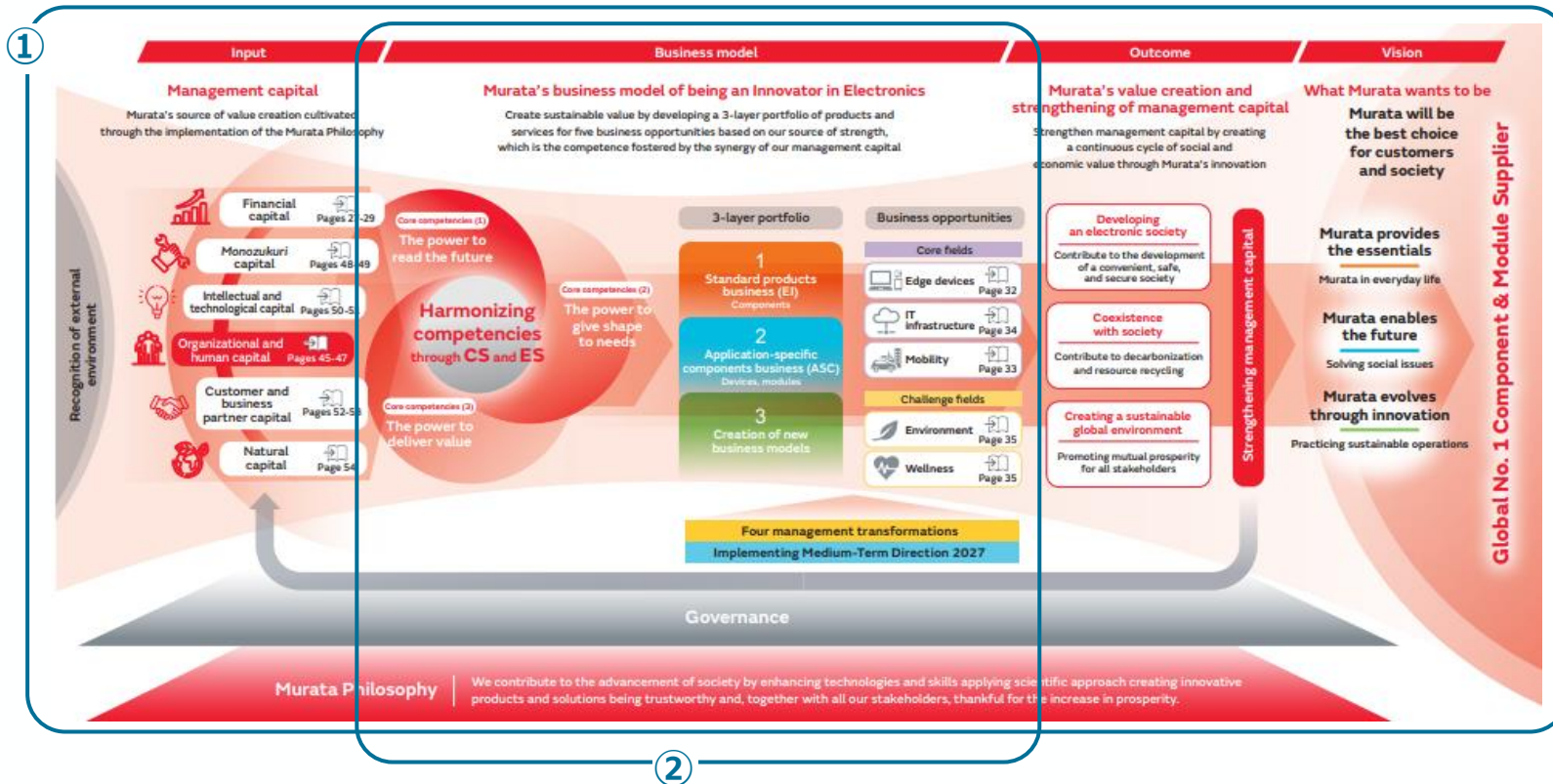
② In the value creation story, the vision is depicted, and a business model is set to create a business that leads to it



Based on your ①goals, have you set a ②business model (including transformation) that will serve as the foundation for long-term and sustainable corporate value?

① Evaluation point

② In the value creation story, the vision is depicted, and a business model is set to create a business that leads to it



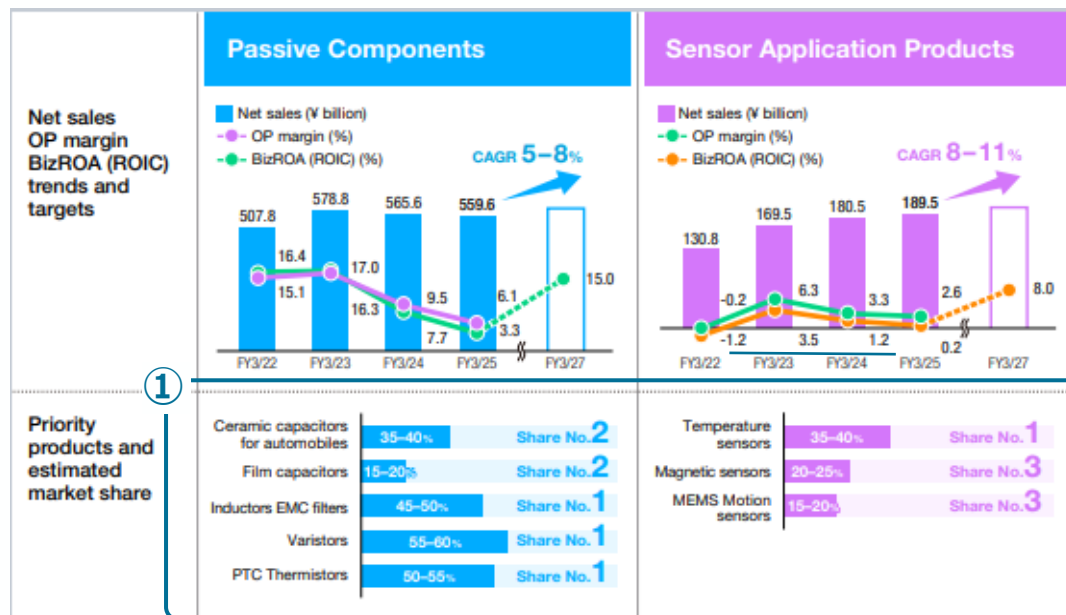
Based on the goals that are set, has ① the company's position in the market power map been analyzed, and ② differentiating factors from other companies and their sustainability been identified?

① Evaluation point

As a market power map with other companies, the market share by the company's key products is described, which shows the entry status of other companies.

② Evaluation point

In order to show the company's position compared to other companies, **the factors that differentiate it from other companies** are described



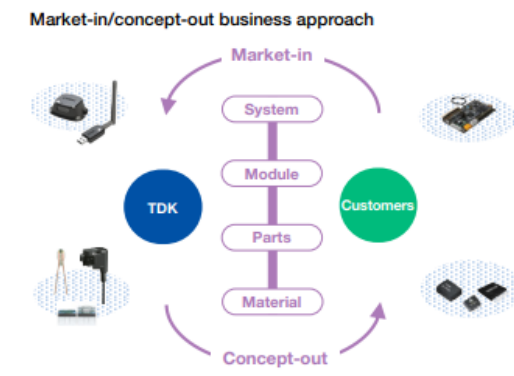
②

Maximize free cash flow (FCF) generation

- Strive to enhance customer value through distinctive product development and high-level manufacturing capabilities.
- Development capabilities**
- Capability to propose distinctive magnetic application products cultivated as the premier independent manufacturer of magnetic heads for recording devices.
 - TMR product development capability derived from long accumulated magnetic and thin-film technologies.
 - Composite product development capability combining MEMS and magnetic sensors.
 - IC design capabilities to satisfy customer needs by ICsense and InvenSense.
 - Product development capabilities by combining sensors and software.
- Manufacturing capabilities**
- Our unique production methods, materials and process technologies.
 - Leading market share temperature sensors that satisfy automotive quality requirements.
 - Expansion of vertically integrated production system for magnetic sensors (TMR, Hall).

Increase the expected growth rate

- Establish a "market-in" business approach, which captures market/customer needs to achieve "first-to-market," and a "concept-out" approach, which provides solutions based on concepts.



② Has a long-term business portfolio image been developed to achieve the goals through ① ROIC analysis and other means, and ③ has a strategy been formed to realize the portfolio?

① Evaluation point
ROIC analysis: Portfolio criteria are developed using a two-axis table: "Biz ROA" (ROIC) and "Business Potential"

② Evaluation point
Long-term business portfolio: The business expansion strategy for each segment in the future (direction of growth potential and capital efficiency improvement) is indicated.

③ Evaluation point
Strategy: There is an integrated management process to evaluate each business and optimize overall performance, with clear policies.

the scope of monitoring to include other businesses in target domains. We will engage in these activities to promote proactive business portfolio management.

Increasing the expected growth rate

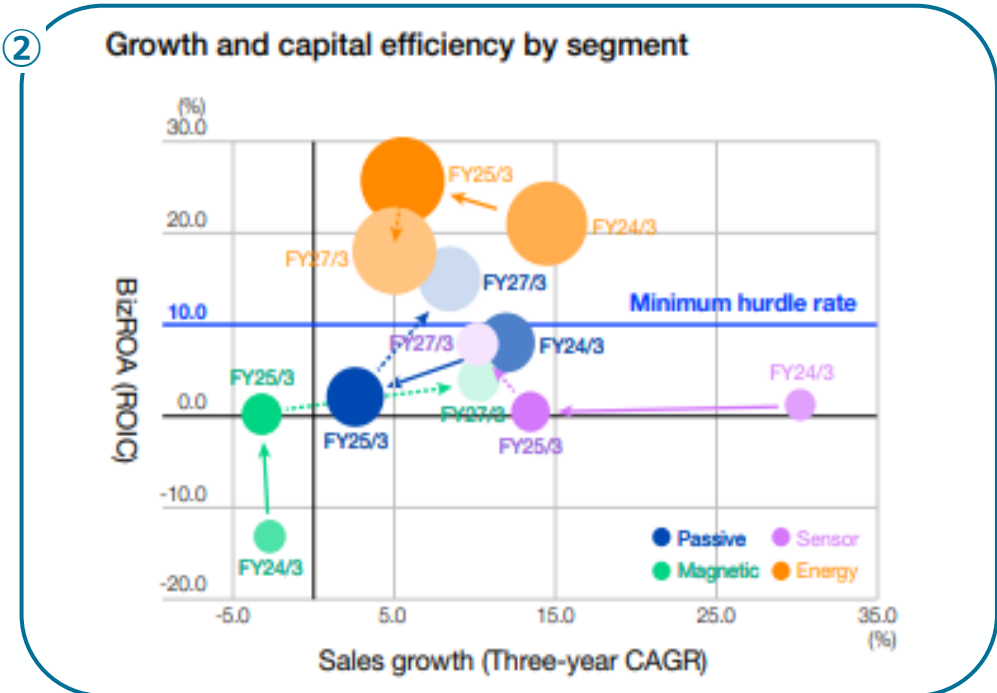
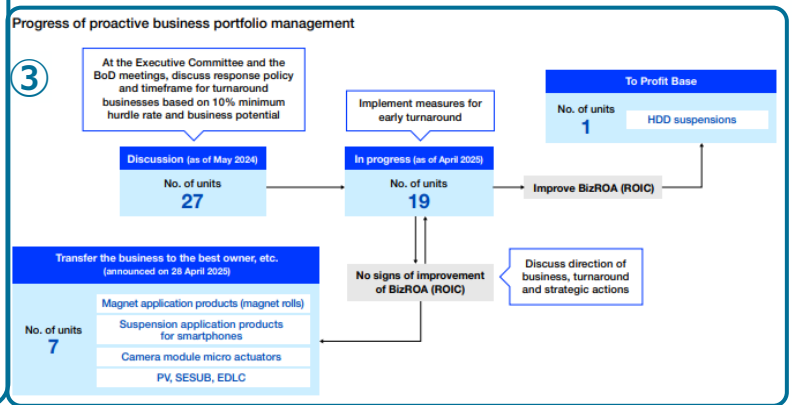
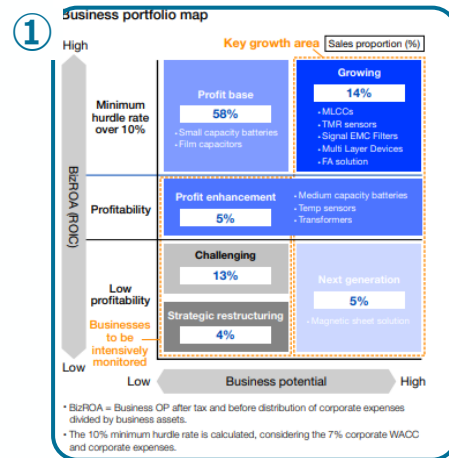
Another variable in the corporate value equation is the expected growth rate. In terms of improving PER, I think we can increase our growth potential by evolving the Ferrite Tree, which we will achieve by strengthening pre-financial capital. A driving force in strengthening our pre-financial capital is TDK's unique corporate culture, the concept of functional equality, an approach that we have embraced for many years. At

TDK, everyone is equal and is enabled to freely exchange opinions while maintaining mutual respect. This is true regardless of role, position, or the function of one's respective department, including all of our business, development, and corporate divisions. When evaluating medium and long-term growth scenarios aimed at evolving the Ferrite Tree, we expand discussions beyond relevant business to include members from various divisions such as corporate planning and finance and accounting. This organizational culture of promoting the free exchange of opinions by everyone regardless of departmental boundaries or position is the true driving force of value creation in TDK. I believe this is what gives us the flexible response capabilities necessary to turn around businesses to be intensively monitored.

Q3 How will you use the cash generated? Are there plans to allocate cash towards share buybacks?

A3 In addition to capital expenditures, we will allocate cash dynamically towards strategic investments and enhancing shareholder returns.

How we will use cash is as indicated in the capital allocation chart. However, as we significantly outperformed assumed FCF levels for FY March 2025, we are projecting an upward swing of roughly ¥250.0 billion compared to initial plans for operating cash flow for the cumulative three-year period of this Medium-term Plan. Of that ¥250.0 billion, we are considering allocating ¥100 billion towards capital



① Has a human resources strategy been developed and ② investment conducted in human capital, including wage increases, to achieve the set goals?

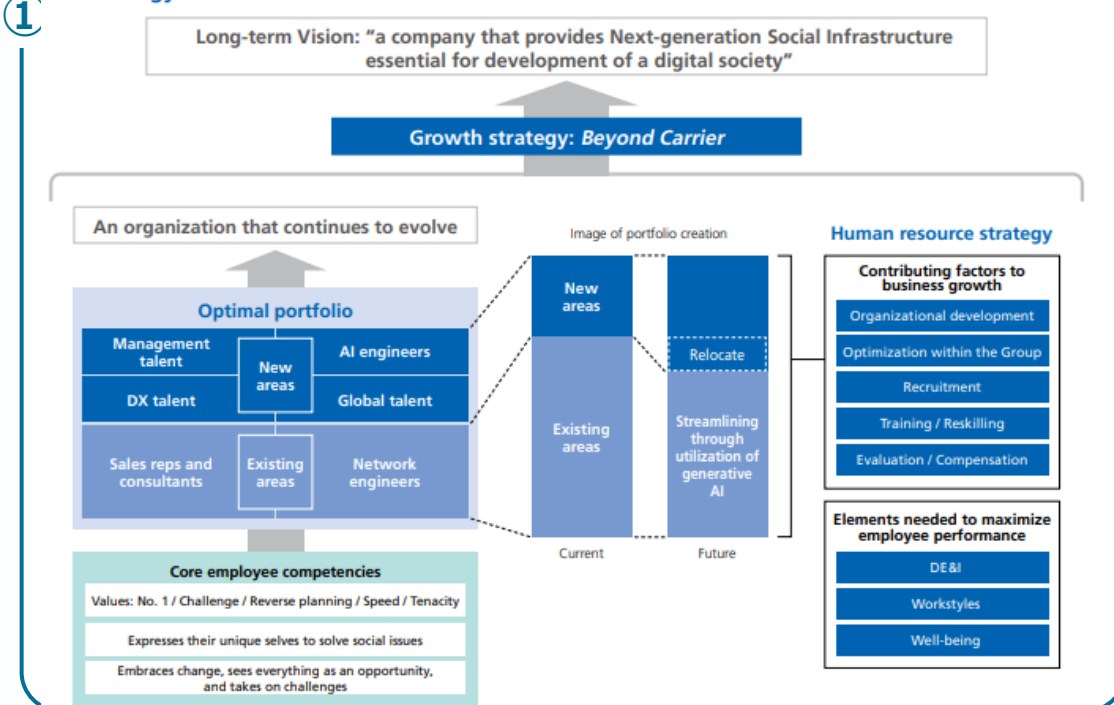
① Evaluation point

After identifying the current state of the talent portfolio and what it should aim for, **the human resources strategy is systematically constructed**

② Evaluation point

Wage increases included in investment in human capital

① HR strategy overview



② Stakeholder Engagement Policy

- To achieve a sustainable society and promote sustainable growth, we will contribute to the long-term and continuous enhancement of value for our stakeholders and build good relationships with them, including customers, suppliers, shareholders, investors, and local communities.
- Through engagement with our stakeholders, we recognize the challenges that stakeholders face and their expectations of our Company. We respond sincerely and maintain appropriate and continuous dialogue.
- To reflect the voices of our stakeholders in the corporate activities and business of our Group, we will establish optimal points of contact and create a structure to provide feedback to management.

Local Community Policy

Based on our Stakeholder Engagement Policy, we recognize that the potential and unique views and needs of various stakeholders enrich our corporate activities. We recognize local communities-including municipalities, NPOs/NGOs, educational institutions, schools, and residents-as important stakeholders. Through engagement with local communities, we aim to identify social issues and expectations towards our Company. By building trust and collaborative relationships, we strive to maximize social value.

In implementing engagement, we will establish a structure centered on our social contribution, sales, and technical departments, under the supervision of the Board of Directors and senior management. This structure will address the needs of local community members, including local stakeholders and vulnerable stakeholders who are more susceptible to negative social and economic impacts. We will respond sincerely to their requests by providing timely and regular feedback within the Company, and strive for appropriate and continuous communication.

Have ①KPIs related to the company's overall value creation (ROE, ROIC, etc.) and ②company-specific KPIs (KPIs related to financial value, KPIs related to the value provided to society, etc.) been set? Are KPIs ③set in a consistent manner to realize the value creation story of the organization as a whole?

①

Evaluation point
KPI related to value creation (ROIC) are indicated in the medium-term management plan.

② ③

Evaluation point
The sustainability strategy "PLEDGES" for sustainable business growth and providing value to society, has been set, with the aspiration for each sustainability theme
In this strategy, the company's unique KPIs are set in a way that is consistent with the company's vision

①

Enhancing sustainable growth

Social innovation has long been at the heart of our business, as we combine our products with information technology and operational technology to drive impact for society. Guided by our Inspire 2027 vision, we strive to evolve our position as a digital-centric company — leveraging that position to future-proof our financial performance and tie it to sustainable progress. To support us in this endeavor, we have established a series of targets aimed at increasing corporate value through sustainable growth.

Financial KPIs targeted in Inspire 2027

Revenues CAGR
7-9%

Adj. EBITA margin
13-15%

Cash flow conversion
Over 90%

ROIC
12-13%

Lumada Revenue ratio
50%

Adj. EBITA margin
18%

② ③

PLEDGES

Strategic pillars	Aspirations	Included themes	FY2027 KPI/target
Planet	Lead green transformation (GX) globally to achieve decarbonization	Decarbonization	GHG emissions reduction rate at business sites (factories and offices)* (compared to FY2019) 75%
			Number of procurement partners that set GHG reduction plans and targets 700 procurement partners
			Reduction in GHG emissions intensity rate through products and services** (compared to FY2022) 40%
		Circular economy	Application rate of environmental conscious design for new product development 100%
			Waste landfill rate** 2%
			Effective utilization rate of plastic waste** 92.5%
Leadership	Lead transformation with people who can boldly take on societal issues and pave the way for a brighter future	Human capital acquisition and development, individual leadership	Reduction rate in water use per unit** (compared to FY2019) 8%
			Reduction rate of water usage at manufacturing sites located in water-stressed areas 1%
			Number of global leaders who realize growth strategy 1,000 people
Empowerment	Build a culture that praises learning and encourages challenges and growth	Employee engagement, organizational culture	Number of generative AI professional talents 50,000 people
			Employee growth mindset score 70 points
			Employee engagement score 80 points**
			Number of people who receive allotment of Restricted Stock Unit 1,500 people
Diverse perspectives	Drive innovation by maximizing capabilities and performance of diverse talents	Inclusive workplace and opportunities for all	Number of people eligible for Employee Stock Purchase Plan globally 150,000 people
			Realize innovative ideas through the new "Make a Difference!" program**

Strategic pillars	Aspirations	Included themes	FY2027 KPI/target
Governance	Build a resilient foundation with safety and ethics as a priority	Business ethics and compliance	Ethical culture and compliance perceptions assessment score 85 points**
		Health and safety	Total recordable injury frequency rate** 0.1 or lower
			Number of fatal incidents 0
		Quality and product safety	Executive participation rate (including Hitachi executives and business site senior management) in review sessions for product-related incidents (OCHIBO-HIROI) 100%
		Information security	Ensure and enhance information security by implementing measures based on the annual cybersecurity score monitoring**
Engagement	Build a sustainable value chain along with stakeholders	AI governance	Implement risk management for applying AI to products, services, and systems
		Risk management	Strengthen process and talent of our global operation to foster effective risk management for growth
		Sustainable procurement	Number of procurement partners taking action on environment and human rights (compared to FY2024) 1.5 times (6,000+ procurement partners)
Sustainability for all	Accelerate value delivery to society and Hitachi's sustainable growth through PLEDGE	Human rights	Work to remediate the specific human rights risks identified
		Delivering value to society	Avoided emissions from the use of products and services per year (FY2025-FY2027 average) 100 million tons/year
			Revenue of products, services, and solutions contributing to GX per year (FY2025-FY2027 average) 4.6 trillion JPY/year

*1 All manufacturing sites and non-manufacturing sites in categories A and B are covered
*2 Per gross profit
*3 All manufacturing sites
*4 Ambitious target of 80 points is set, which exceeds global competitors (base target is 75 points)
*5 A program to support bottom-up idea proposals and implementation aimed at Hitachi Group employees
*6 At or above the benchmark score established for similarly situated companies utilizing external institute's (Ethisphere) ethical culture and compliance perceptions assessment
*7 Number of recordable injuries per 200,000 work hours
*8 Based on METI Cyber Security Management Guidelines created with reference to globally recognized standards (ISO/IEC 27000 series) and frameworks (NIST Cybersecurity Framework, etc.)

Have the perception of the cost of capital and ①the cost of capital by key business segments been disclosed?

① Evaluation point
The cost of capital for each business segment is quantitatively explained using WACC (Weighted Average Cost of Capital).

Segment	Organic growth		Business profit		① ROIC				EBITDA margin							
	Vs. prev. year		CAGR		Vs. prev. year		CAGR									
	FY22 actual (sales)	FY23 actual	FY24 actual	FY25 plan (FY23-25)	FY22 actual (BP)	FY23 actual	FY24 actual	FY25 plan (FY23-25)	FY22 actual	FY23 actual	FY24 actual	FY25 plan	FY22 actual	FY23 actual	FY24 actual	FY25 plan
Seasonings and Foods	Sauce & Seasonings															
	Quick Nourishment															
	Solution & Ingredients															
	¥775.0 billion	5.5%	4.1%	5%	¥84.8 billion	31.5%	2.2%	12%	14.9%	16.7%	17.6%	16%	14.9%	17.3%	17.1%	16%
									1.0%	15.0%	17.6%	16%				
									WACC 7%							
Frozen Foods	Frozen Foods															
		¥267.2 billion	0.6%	-0.9%	3%	¥2.0 billion	¥9.5 billion	¥8.0 billion	¥10.0 billion or more	3.3%	4.4%	2.4%	5%	5.5%	8.3%	7.7%
									0.7%	*3.4%	*3.2%					
									WACC 5%							
Healthcare and Others	Bio-Pharma Services & Ingredients															
	Functional Materials (electronic materials and others)															
	Others															
	¥299.6 billion	-6.8%	6.8%	8%	¥48.6 billion	-49.9%	30.4%	13%	4.2%	-0.9%			21.8%	15.0%	17.3%	27%
									2.6%	*6.0%	**1.7%	18%				
									*6.8%	*9.7%						
									WACC 7%							
Total																
	¥1,359.1 billion	1.7%	3.7%	5%	¥135.3 billion	9.1%	7.9%	15% or more	9.9%	8.7%	6.7%	13%	15.2%	15.7%	16.1%	17%
									*8.7%	**7.8%						
									*8.7%	*9.8%						
									WACC 6%							

* Excluding the profit from sales of non-current assets and impairment losses and the impact of the Forge acquisition
 **Excluding the impact of the Forge acquisition

Have the perception of the cost of capital and ①the cost of capital by key business segments been disclosed?

① Evaluation point

The cost of capital for each business segment is quantitatively explained using WACC (Weighted Average Cost of Capital).

Implement portfolio management using resource allocation based on ROIC

(¥ Bn)	FY2025 forecast		FY2028 plan		3- yr WACC
	Invested capital	ROIC*	Invested capital	ROIC*	① WACC**
Energy (Gas & Electricity)	1,400	4.5%	1,300	6.0%	3.0%
Solutions	250	1.0%	410	5.0%	4.0%
Overseas (Parentheses: upstream only)	830	6.5% (11.5%)	900	7.0% (9.0%)	8.0% (8.5%)
Urban Development (Includes profits from sale of real estate)	280	8.5%	310	8.0%	4.0%
Company-wide	2,960	4.0%	3,020	5.0%	3.5%

*Method of calculating ROIC

- **ROIC:** Segment NOPAT \div invested capital
 - **NOPAT:** Segment profit – corporate taxes, etc. (adjustments listed in financial statements are not allocated in the calculation of segment ROIC)
 - **Invested capital:** Shareholder Equity + Interest-bearing Debt
(The total of each segment's invested capital may not equal the company-wide total. Excludes effects of application of the new lease accounting standards)
- **Calculation of company-wide Invested Capital and ROIC includes adjustments listed in financial statements**
- FY2025 forecast excludes time-lag and amortization of actuarial differences, reflecting tax relief from NOL carryforwards in N. A. business
- Assets of TG United Kingdom were excluded from the Overseas ROIC calculation

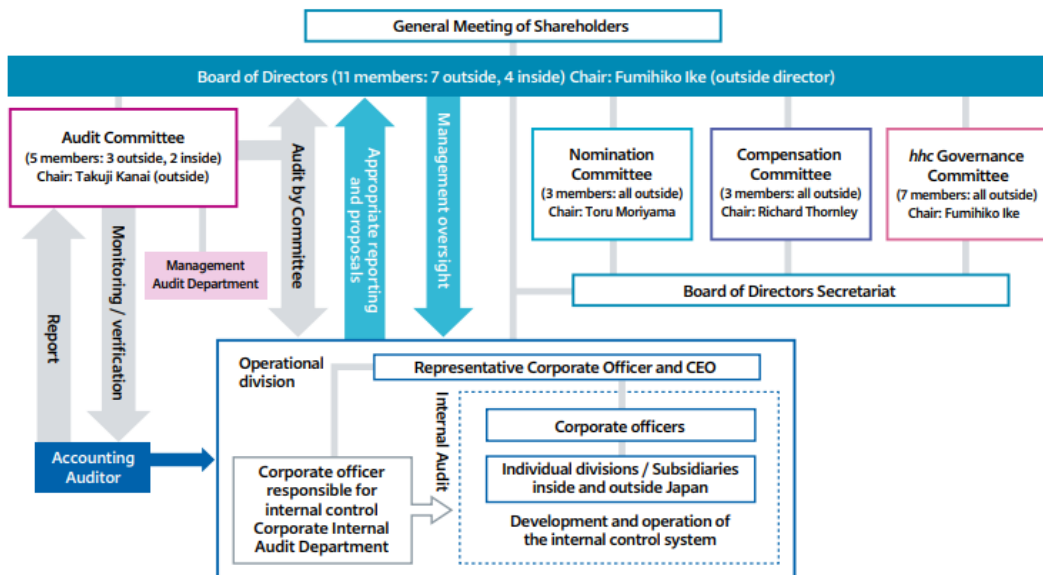
**WACC may fluctuate depending on the financing environment (interest rates, etc)

Do directors, especially outside directors, appropriately supervise and evaluate (monitor) the strategic decision-making of the management team responsible for business execution?

1 Evaluation point
1 A system has been established to appropriately supervise and evaluate the strategic decision-making of the management team responsible for business execution (adoption of companies with nomination committees, etc., composition of committees centered on outside directors, appointment of outside directors as chairman of the board of directors, etc.)

Features of Eisai's Corporate Governance

Corporate Governance System (As of June 18, 2025)



Source: Eisai Value Creation Report 2025

1 Clear Separation of the Functions between Oversight of Management and the Execution of Business

Eisai fully leverages its system of being a company with a nomination committee, etc., with the Board of Directors entrusting a large portion of the decision-making authority over business execution to corporate officers to the extent permitted by laws and regulations in order to devote its attention to the oversight of management.

This enables prompt, flexible decision-making and business execution by corporate officers even in environments undergoing turbulent changes. Additionally, in order to achieve a clear separation between the oversight of management and the execution of business, Eisai has established that the Chair of the Company's Board of Directors be an outside director and that the Representative Corporate Officer and CEO shall be the only individual to concurrently serve as a corporate officer and a director.

hhc Governance Committee (7 members, 7 outside directors, for a term of one year)

* The hhc Governance Committee shall be composed of all of the Outside Directors.

* The hhc Governance Committee shall engage in proactive dialogue with the Company's stakeholders and use the insights gained to enhance discussions by the Board.

* The hhc Governance Committee shall share information about the succession plan for a future Representative Corporate Officer and CEO proposed by the Representative Corporate Officer and CEO, and provide relevant advice. The hhc Governance Committee shall reasonably ensure impartiality in the selection of the CEO by the Board by having Outside Directors take part in the process.

* The hhc Governance Committee shall evaluate the effectiveness of the supervision function of the management of the Board every year. If there are issues related to the operation of the Board, etc., the hhc Governance Committee may make proposals to the Board for addressing such issues.

* The hhc Governance Committee is held to discuss a broad range of matters related to the Company's corporate governance and business, and thereby strive for continued enhancement of corporate governance.

* The matters discussed at the hhc Governance Committee shall be reported to the Board or notified to the Corporate Officers as necessary.

① Have progress and achievements been evaluated against the set strategy using the selected KPIs, and shown to ② investors through engagement?

① Evaluation point

KPIs have been set, with goals and achievements described alongside, making it possible to check progress

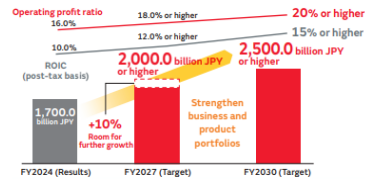
② Evaluation point

Efforts on KPI-setting has been discussed in the engagement with investors.

① Management Targets

Under Medium-Term Direction 2027, Murata has established both economic and social value targets as company-wide management goals. These targets were defined through backcasting from the long-term objectives needed to realize Vision 2030. Moving forward, we will intensify efforts to create a virtuous cycle of economic and social value.

	FY2027	FY2030
Economic Value Targets		
Revenue	2,000.0 billion JPY or higher	2,500.0 billion JPY or higher
Operating profit ratio	18% or higher	20% or higher
ROIC(post-tax basis) ¹	12% or higher	15% or higher



Social value targets

	FY2021 results	FY2022 results	FY2023 results	FY2024 results	Medium-Term Direction 2024 targets	
Environment	Amount of GHG emissions (Scope 1 + 2) (1.40 million t-CO ₂ e)	12.7% reduction (1.40 million t-CO ₂ e)	16.4% reduction (1.34 million t-CO ₂ e)	34.6% reduction (1.05 million t-CO ₂ e)	vs. fiscal 2019 35% reduction (1.04 million t-CO ₂ e)	vs. fiscal 2019 20% reduction (1.28 million t-CO ₂ e or less)
	Renewable energy implementation rate	21.3%	23.7%	36.5%	39.2%	25%
	Rate of use of sustainable resources ¹	Approx. 15% ¹	Approx. 15% ¹	Approx. 15% ¹	Approx. 15% ¹	1% improvement from fiscal 2021 results
Diversity	Resource recycling rate ²	36.0%	36.0%	39.6%	40.3%	5% improvement from fiscal 2021 results
	Percentage of overseas employees ³ in administrative departments with experience working at other sites	3.0%	5.3%	6.2%	7.8%	7%
Employee satisfaction (ES)	Positive employee engagement response rate	68%	—	66%	67%	70% or higher

	FY2027	FY2030	FY2035	FY2040	FY2050
Social value targets	Amount of GHG ¹ emissions (vs. FY2019)	Scope 1 and 2 -39% Scope 3 Data refinement	Scope 1 and 2 -46% Scope 3 -27.5%	Scope 1 and 2 CN Scope 3 CN	
	Renewable energy implementation rate	55%	75%	100%	
	Rate of use of sustainable resources ²	16%	25%	100%	
	Resource recycling rate ³	41%	50%	100%	
Diversity	Number of people with global experience ⁴	1,500 people accumulated in 3 years	3,000 people accumulated in 6 years		
	Ratio of women in managerial positions ⁵	7%	10%		
Employee satisfaction (ES)	Positive employee engagement response rate	71% or higher	76% or higher		

Initiatives aligned with our social value targets
 Pages 45-47: Organizational and Human Capital
 Page 54: Natural Capital

Main dialogue themes

Business performance	<ul style="list-style-type: none"> Demand forecast by end-market Product price trends Enhancing corporate value through the introduction of employee RS Assumptions and perspectives for earnings forecasts
Management strategy	<ul style="list-style-type: none"> Worldview and technology trends in 2030 Growth strategy toward 2030 Assumptions and strategies in the Medium-Term Direction 2027 Progress of mid-term direction Portfolio management M&A approach
Business strategy	<ul style="list-style-type: none"> Competitive environment and growth strategy for components (layer-1) Growth strategy for devices and modules (layer-2) Restructuring of low-profit businesses Progress toward profitability in the battery business Future prospects for technologies acquired through M&A New business (layer-3)
ESG/Sustainability	<ul style="list-style-type: none"> Advancing the timeline for achieving RE100 Initiatives for Climate Change Measures (Advancing Scope Targets) Environmental contribution through products Women's empowerment initiatives Approach to human rights (Labor rights, human rights in the supply chain) The Appointment of Our First Outside Director as Chairman of the Board of Directors Corporate governance
Financial strategy	<ul style="list-style-type: none"> Capital allocation policy (Progress on Strategic Investment) Secondary Offering of Shares in Overseas Markets Shareholder return policy (including the concept of share buyback)

Based on the suggestions obtained through dialogue, etc., have important issues, strategies, KPIs, governance systems, etc., been **①reviewed**, and **②efforts to improve them made as necessary**?

① Evaluation point
Important issues in response to opinions and requests obtained through dialogue **are reviewed**

② Evaluation point
Opinions and requests obtained through dialogue **are reflected in management strategies**

① 6 Toward Constructive Dialogue with Shareholders and Investors

We will continue to strengthen our IR activities. In particular we have been promoting to create opportunities for dialogue with our management and enhancing information disclosure. We reflect the insights gained through discussions with investors in our management. In the previous medium-term plan, we disclosed trends in ROIC (return on invested capital, turnover of assets) by segment. We have been setting up opportunities for dialogue between Outside Directors and capital markets to ensure a better grasp of the state of our governance. We also have been organizing facility tours to food factories and refrigerated warehouses and holding business briefings for major segments to make our business thoroughly understood.

Strengthening relationships with overseas investors is also an important issue. We have developed an investor targeting list to increase opportunities for strategic dialogue. In FY2025 (the fiscal year ended March 31, 2025), we held 80 meetings with overseas institutional investors, 11 meetings increased from the previous year. We aim to increase to 100 meetings in FY2026.

In our IR activities, we recognize that we further need to communicate a clear overseas growth story and explain the link between intangible assets, such as human capital and intellectual capital, and corporate value enhancement. We will continue to strive to ensure that Nichirei's corporate value is appropriately evaluated in the market through constructive dialogue with domestic and overseas investors and feedback to management.

Engage in Dialogue and Disclose Information

Overview of investors with whom we held dialogue		FY2024	FY2025
Analysts and institutional investors	One-on-one meetings	Approx. 190	Approx. 220 <small>(incl. 63 meetings by a Director in charge of IR)</small>
	Small meetings	4	4
	Overseas IR activities	3	3
	Financial results briefings (incl. telephone conferences)	4	4
	Conferences held by securities companies	3	3
Individual investors	Briefings for individual investors	1	2

Dialogue topics

New medium-term business plan, medium- to long-term strategies, capital policy and shareholder returns, business portfolio management, capital expenditures, strengthening profitability, and overseas growth

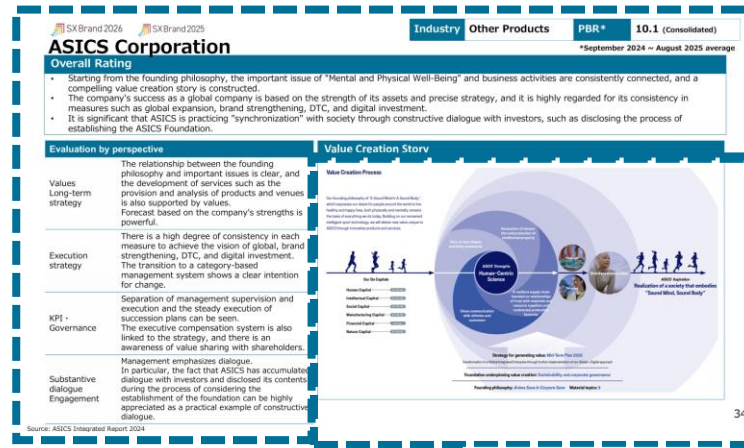
② Reflection in management strategies and measures (Details incorporated based on dialogue)
Expanded disclosure in financial results briefing materials (Breakdown of sales growth by unit price and volume in the processed foods business, net sales by function in the temperature-controlled logistics business in Europe, etc.)

3. Selected Companies

How to read the material

Page Structure

Company Profile
(Page 1)



1 Overall Rating and Evaluation by Perspective
SX Brand Evaluation Committee (hereinafter referred to as the "Evaluation Committee"). Describe the contents of the evaluation as an overall evaluation and evaluation by perspective ((1) values and long-term strategy, (2) implementation strategy, (3) KPI and governance, (4) substantive dialogue and engagement)

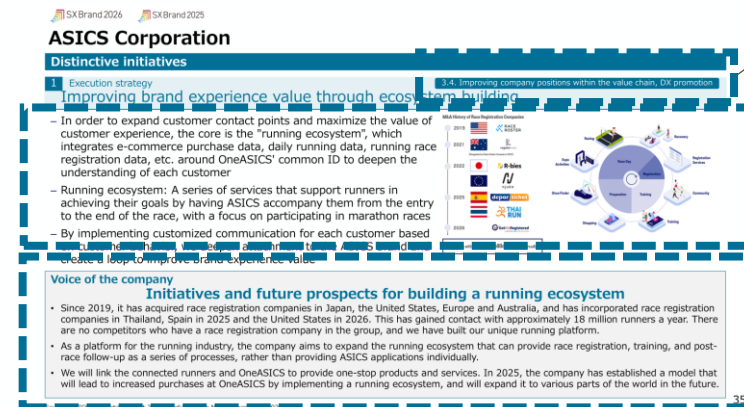
2 Value Creation Story
As a way for companies to create value in the medium to long term, excerpts from disclosure materials

3 Value Co-Creation Guidance Applicable Parts
In the "Value Co-creation Guidance 2.0", paragraph numbers related to each initiative

4 Introduction of distinctive initiatives
Focusing on the content that was highly evaluated by the evaluation committee, we introduce the characteristic considerations and initiatives of each company

5 Voice of the company
Comments from companies on the triggers and review processes related to each initiative are included
* Regardless of the content of the evaluation by the evaluation committee

Introduction of Initiatives
(Pages 2 and 3)



List of companies (in Japanese alphabetical order)

Company Name	Pages
ASICS Corporation* ²	34
Ajinomoto Co., Inc.* ^{1,2}	37
Eisai Co., Ltd.	40
SWCC Corporation	43
SoftBank Corp.* ²	46
Daiichi Sankyo Co., Ltd.* ^{1,2}	49
TDK Corporation* ²	52
Tokyo Ohka Kogyo Co., Ltd.* ¹	55
Tokio Marine Holdings Inc.	58
Tokyo Gas Co., Ltd.	61
Nichirei Corporation* ²	64
Hitachi, Ltd.* ¹	67
Murata Manufacturing Co., Ltd.	70
Resona Holdings, Inc.	73
Resonac Holdings Corporation* ²	76

*¹: SX Brand 2024 Selected Companies

*²: SX Brand 2025 Selected Companies

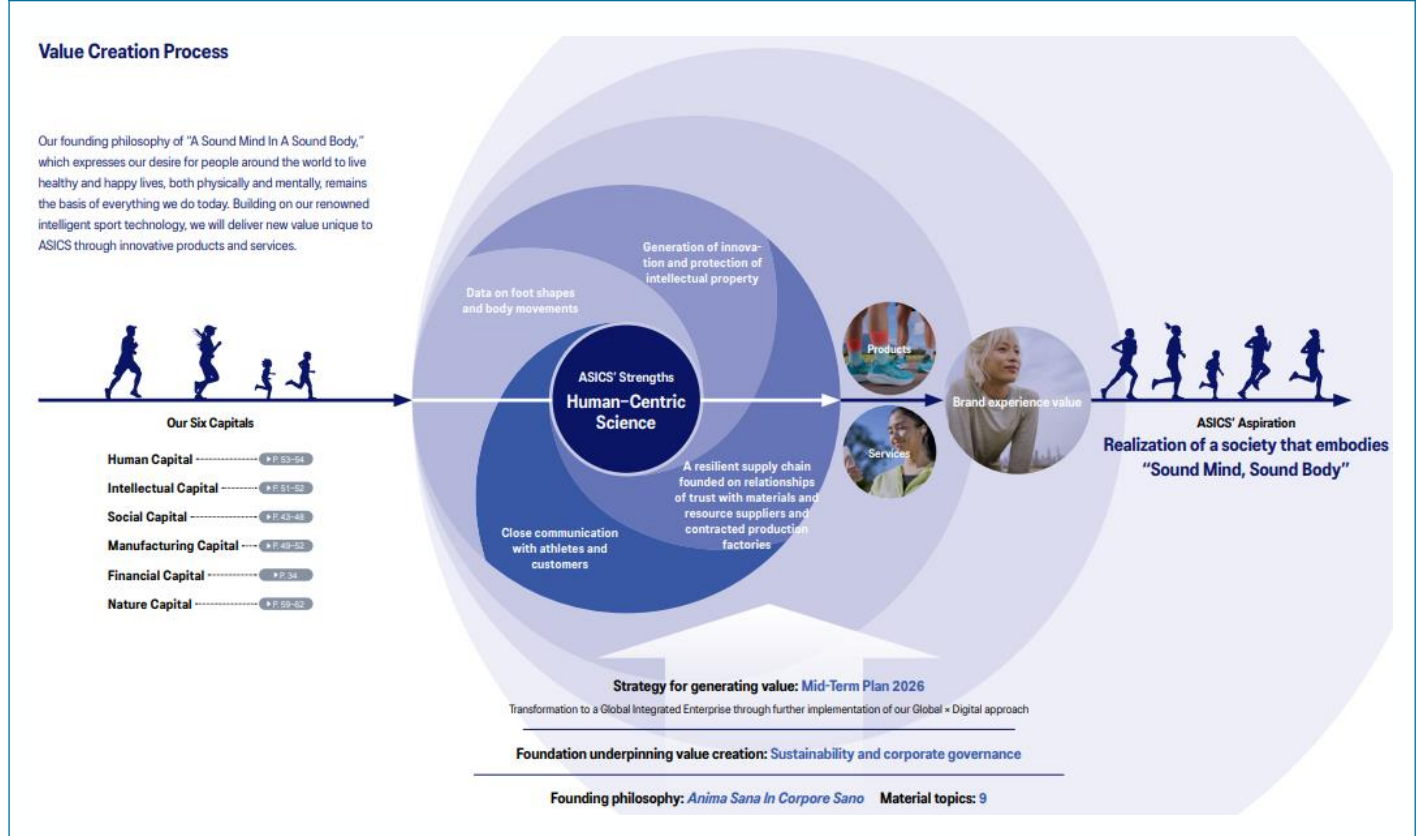
Overall Rating

- Starting from the founding philosophy, the important issue of "Mental and Physical Well-Being" and business activities are consistently connected, and a compelling value creation story is constructed.
- The company's success as a global company is based on the strength of its assets and precise strategy, and it is highly regarded for its consistency in measures such as global expansion, brand strengthening, DTC, and digital investment.
- It is significant that ASICS is practicing "synchronization" with society through constructive dialogue with investors, such as disclosing the process of establishing the ASICS Foundation.

Evaluation by perspective

Values Long-term strategy	The relationship between the founding philosophy and important issues is clear, and the development of services such as the provision and analysis of products and venues is also supported by values. Forecast based on the company's strengths is powerful.
Execution strategy	There is a high degree of consistency in each measure to achieve the vision of global, brand strengthening, DTC, and digital investment. The transition to a category-based management system shows a clear intention for change.
KPI · Governance	Separation of management supervision and execution and the steady execution of succession plans can be seen. The executive compensation system is also linked to the strategy, and there is an awareness of value sharing with shareholders.
Substantive dialogue Engagement	Management emphasizes dialogue. In particular, the fact that ASICS has accumulated dialogue with investors and disclosed its contents during the process of considering the establishment of the foundation can be highly appreciated as a practical example of constructive dialogue.

Value Creation Story



ASICS Corporation

Distinctive initiatives

1 Execution strategy

3.4. Improving company positions within the value chain, DX promotion

Improving brand experience value through ecosystem building

- In order to expand customer contact points and maximize the value of customer experience, the core is the "running ecosystem", which integrates e-commerce purchase data, daily running data, running race registration data, etc. around OneASICS' common ID to deepen the understanding of each customer
- Running ecosystem: A series of services that support runners in achieving their goals by having ASICS accompany them from the entry to the end of the race, with a focus on participating in marathon races
- By implementing customized communication for each customer based on customer behavior, we deepen attachment to the ASICS brand and create a loop to improve brand experience value

M&A History of Race Registration Companies



Engaging with around 18 million runners annually



Voice of the company

Initiatives and future prospects for building a running ecosystem

- Since 2019, it has acquired race registration companies in Japan, the United States, Europe and Australia, and has incorporated race registration companies in Thailand, Spain in 2025 and the United States in 2026. This has gained contact with approximately 18 million runners a year. There are no competitors who have a race registration company in the group, and we have built our unique running platform.
- As a platform for the running industry, the company aims to expand the running ecosystem that can provide race registration, training, and post-race follow-up as a series of processes, rather than providing ASICS applications individually.
- We will link the connected runners and OneASICS to provide one-stop products and services. In 2025, the company has established a model that will lead to increased purchases at OneASICS by implementing a running ecosystem, and will expand it to various parts of the world in the future.

ASICS Corporation

Distinctive initiatives

2 Execution strategy Incorporating Intellectual Property into Business Management

3.7. Investment strategy to secure and strengthen intangible assets, etc, including intellectual property.

- The ASICS and Onitsuka Tiger brand are the most important intellectual property, and in order to protect the brand, improve brand value, and enhance corporate value, it strategically leverages intellectual property into business management.
- In recent years, in order to secure a competitive advantage in the business, the company has incorporated the strategic acquisition and utilization of intellectual property into its management strategy by making strategic proposals for relevant departments through the use of IP landscapes
- The Intellectual Property Strategy Committee, which is responsible for promoting ASICS' intellectual property management, will enter its seventh year in 2026 as an important meeting body composed of senior executives, and has become established as a forum for comprehensively reviewing ASICS' intellectual property strategy and discussing current issues and future directions

Voice of the company

Efforts to protect "intellectual property" as a brand company

- ASICS, which accounts for more than 80% of overseas sales, has set a goal to transform into a Global Integrated Enterprise (GIE) in its Medium-Term Management Plan 2026, and the Intellectual Property Department is also promoting the creation of an organization that emphasizes globalization and diversity.
- By utilizing the diverse perspectives and expertise brought by these human resources, building a strong intellectual property portfolio and brand protection activities in accordance with the system, etc.

3 Substantive Dialogue and Engagement Expanding Two-Way Dialogue with Capital Markets

6.4. Action after substantive dialogue, etc

- Based on the content of the dialogue with investors, ASICS has addressed the issues in terms of capital policy and finance, including (1) accountability of cross-shareholdings to the capital markets, (2) ASICS' shareholder composition, and (3) the high capital costs.

Key Challenges in Implementing Capital Policies

Challenge 1	<p>Accountability for cross-shareholdings in the capital markets</p> <p>We are seeing institutional investors, proxy advisory firms, and listed companies, including financial institutions, begin to sell their cross-shareholdings. In light of this fact, during a meeting with an investor, we were questioned about our stance on cross-shareholdings. Upon responding, the investor remarked that there was no justification for our stance. We have thus become acutely aware of the intensifying pressure from the capital markets regarding cross-shareholdings and have begun taking steps to address this issue.</p>
Challenge 2	<p>ASICS' shareholder composition</p> <p>We analyzed the shareholder compositions of our industry peers and decided that, to keep up with global corporate governance standards, we needed to move away from our reliance on our base of silent and stable major shareholders who had long held the Company's shares. We need to increase the liquidity of our shares and attract shareholders who understand and support the ASICS brand and our medium- to long-term growth strategy.</p>
Challenge 3	<p>High capital costs</p> <p>Until now, ASICS' stock price has tended to surge following financial results announcements, resulting in high stock price volatility. Amid calls from the Tokyo Stock Exchange for companies to be more conscious of capital costs, we believe that optimizing our shareholder composition and improving the accuracy of our earnings forecasts will be necessary to maintain a low beta value, a theoretical variable in calculating the capital cost of equity.</p>

Voice of the company

"Head-on management" that faces the capital market head-on

- In 2024, we restructured our shareholder composition through the sale of all cross-shareholdings and the sale of shares, and chose to manage a strong company that fully faces the global capital market.
- In establishing the ASICS Foundation, we engaged with more than 100 companies, and with the approval of the general meeting of shareholders, we realized the establishment in 2025.

Ajinomoto Co., Inc.

Overall Rating

- Based on "AminoScience", the long-term strategy developed through forecasting and backcasting, as well as the implementation strategy for each field, are clearly explained.
- A key strength lies in the integration of purpose, strategies, governance, and KPIs under ASV, resulting in a consistent management system encompassing committee design, progress management, and IR disclosure.

Evaluation by perspective

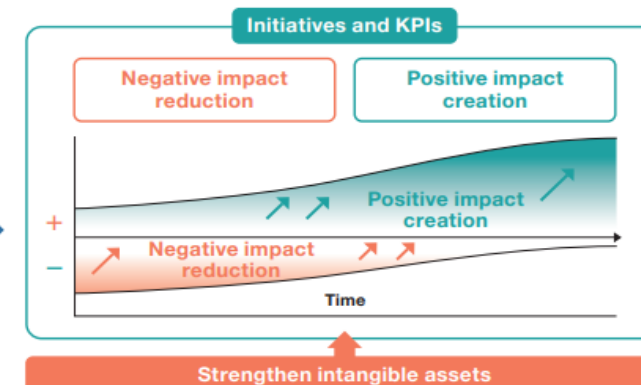
Values Long-term strategy	The purpose is concise as "contributing to the well-being of all human beings, our society and our planet with "AminoScience", and its strength is that it unites diversified businesses from food to biotechnology and electronic materials on a single axis.
Execution strategy	It is designed to link intensive investment in four focused growth areas with R&D, DX, and human resources measures to incorporate the concept into business results. In particular, the human resource strategy and technology asset strategy clearly explain the concrete measures and their intentions.
KPI · Governance	The company has clarified the progress management and supervision system for KPIs based on materiality, such as establishing a Sustainability Advisory Council under the Board of Directors and a Sustainability Committee and a Risk Management Committee on the executive side, focusing on ASV management.
Substantive dialogue Engagement	By participating in dialogues at important events such as the change of president, outside directors are able to conduct highly persuasive and reliable dialogues from the perspective of investors.

Value Creation Story



The six Material Themes being addressed by the Ajinomoto Group

- Achievement of a sustainable global environment
- Achievement of well-being through food
- Contribution to advanced medicine and prevention
- Contribution to the evolution of a Smart Society
- Respect for diverse values and human rights
- Reinforcement of our management foundation



Ajinomoto Co., Inc.


Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

Formulation of the desired image based on the perspective of backcasting and forecasting


- The four focused growth areas that can enhance corporate value and realize its "Purpose" through value creation through the Group's unique business and ASV (Ajinomoto Group Creating Shared Value) are Healthcare, Food & Wellness, ICT, and Green.
- In setting the domain, future generations of employees and key human resources who will play core roles in the company also participated, and the future of people, society, and the earth, as well as the desired state in 2030, were considered as a Picture of the Future (PoF). Based on this vision, the company created a roadmap to realize it. (From the perspective of backcasting)
- The four focused growth areas are set as areas with high social value that can be created through "AminoScience", the source of the Group's unique strengths and competitive advantages. (From the perspective of forecasting)



Healthcare

Contributing to advance treatment and prevention and to help extend healthy life expectancy.


With "AminoScience" providing a deeper understanding of the human body, we will contribute in a wide range of areas, from providing solutions for advanced medical modalities to extending healthy life expectancy.



Food & Wellness

Contributing to well-being and self-fulfillment through food.


We combine a new business model that utilizes "AminoScience" with an existing business model that evolves through orchestration. We contribute to well-being in everyday life by empathizing with the perspectives of each individual consumer.



ICT

Contributing to advance semiconductors for a smart society

By utilizing "AminoScience", we will contribute to the evolution of semiconductors with faster speed and lower environmental impact, as well as to the realization of a smart society, including AI, autonomous driving, and photonics-electronics fusion.



Green

Contributing to society and the planet with an eye to the future through sustainable environmental issues.

We aim to address pressing environmental issues by reducing the environmental impact through "AminoScience", creating a positive impact, and contributing to the provision of sustainable food and the realization of a biocycle.

Voice of the company Turning Solutions to Important Social Issues into Business Opportunities

- The 2030 vision "PoF" predicts the future based on medium- to long-term changes in the external environment (social issues, technological progress, etc.), and articulates the value the company aims to provide by leveraging its strengths.
- Since its founding, the company has a history of identifying difficult social issues with a medium- to long-term perspective and solving them in ways that lead to our economic value and growth.
- In this PoF study, the implementation was carried out as an effort to reconfirm what major social issues will appear in the future and whether future value creation can be realized, against the backdrop of management's recognition of the company's growth history.

Ajinomoto Co., Inc.

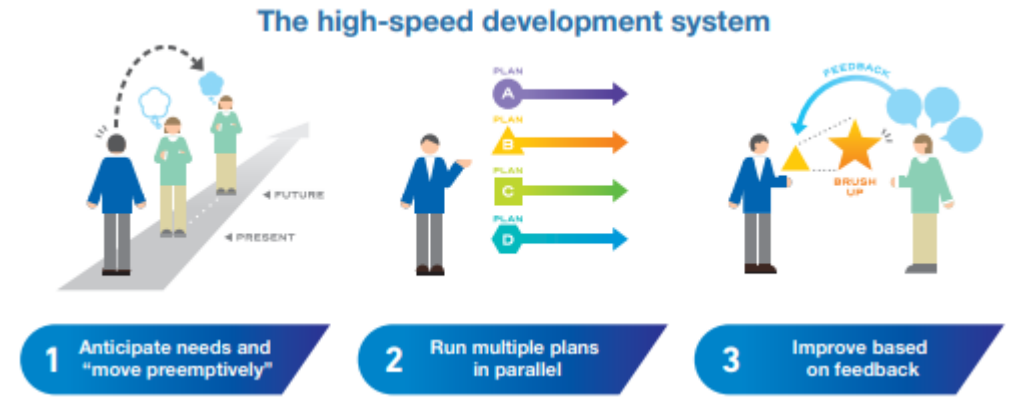
Distinctive initiatives

2 Execution strategy

3.5. Establishment/promotion of organizational processes and support systems to achieve innovation

Drive organizational processes to enable innovation

- In order to accelerate the evolution of ASV management, a process named "High-speed Development System" will be launched to advance initiatives in each field while predicting the future.
- By considering management resources as "time" in addition to people, goods, money, and information, and considering the time axis as a differentiating factor, the company responds with agility to today's rapidly changing market and customer environment.
- In order to realize the "High-speed Development System", it is important to continue the cycle of (1) "anticipating customer needs", (2) "rapidly developing multiple solutions in parallel", and (3) "continuously improving solutions based on feedback"



3 Execution strategy

3.6. Investment in human capital and human resource strategy

Involvement of the IP Department to Realize Innovation

- In order to meet the development speed required by the High-speed Development Systems, the Intellectual Property (IP) Department participates in development from the initial stage as a "trinity" with business divisions and research institutes.
- Previously, the utilization of new technologies as intellectual property was considered when they were developed. However, by involving the IP Department from the early stages of development, the company can clarify the priority strategies it aims to pursue and discuss patent portfolio construction policies based on them. This is done by considering technology and market trends, including white space analysis, at the stage of formulating business plans and research plans.

Voice of the company

Involving the IP Department from the Early Stages of Development

- Since the beginning of development, the system involving the IP Department has been shaped through repeated trial and error in the trinity.
- Although the proposals from the IP Department were not accepted by the business departments and research institutes from the beginning continuous consultation and information sharing enabled them to make proposals that suited the actual situation in the field. Repeated experiences in which the IP Department provided critical support gradually narrowed the distance between departments and made the trinity operation more solid.

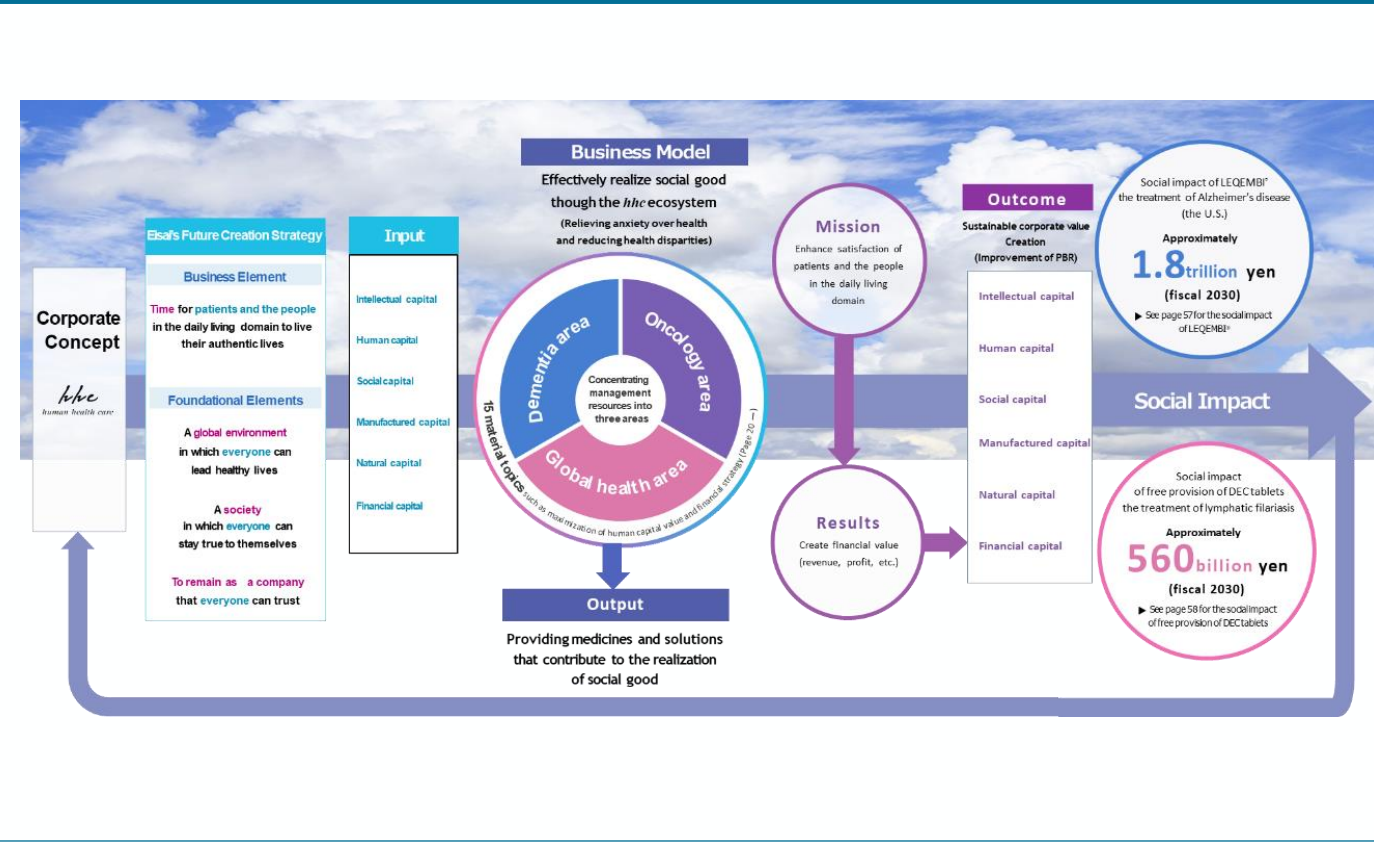
Overall Rating

- Starting from the Human Healthcare (*hhc*) philosophy, the long-term story is clear in identifying social issues such as dementia, oncology, and global health, and integrating social impact and financial value. The *hhc* ecosystem formation is incorporated into the business model, and a distinctive structure has been created.
- The medium-term plan and each strategy, which is a component of long-term goals, are systematic, and the KPIs that have been developed are also clear. The emphasis on substantive dialogue is also evident from the process that begins with the setting of an agenda in line with materiality, and the market is highly valued in combination with transparent capital policy.

Evaluation by perspective

Values Long-term strategy	The concept of value creation based on the philosophy is consistent, and the setting of important issues is also clear. As seen in the backcasting from the vision and social image aim, as well as the medium-term plan and materiality, the attitude of forward-casting by concentrating and strengthening comparatively advantaged areas is also clear.
Execution strategy	The individual strategies that support the medium-term plan, such as presenting human resource KPIs and investment efficiency concepts, and positioning DX as the core of value creation, are all clearly relevant and specific.
KPI · Governance	Long-term goals and KPIs for fiscal year 2030 have been set. KPIs are set with specific figures for the five material issues and are closely linked to the medium-term plan and business performance. Progress reviews are conducted annually and appropriate governance is in place.
Substantive dialogue Engagement	The agenda and responders of the investor dialogue are clarified, and the involvement of CEO/COO/CHRO, etc. is also indicated. The process of discussing the suggestions of dialogue at the board of directors meeting and reflecting them in measures is also organized.

Value Creation Story



Eisai Co., Ltd.

Distinctive initiatives

1 Values and Long-term Strategy

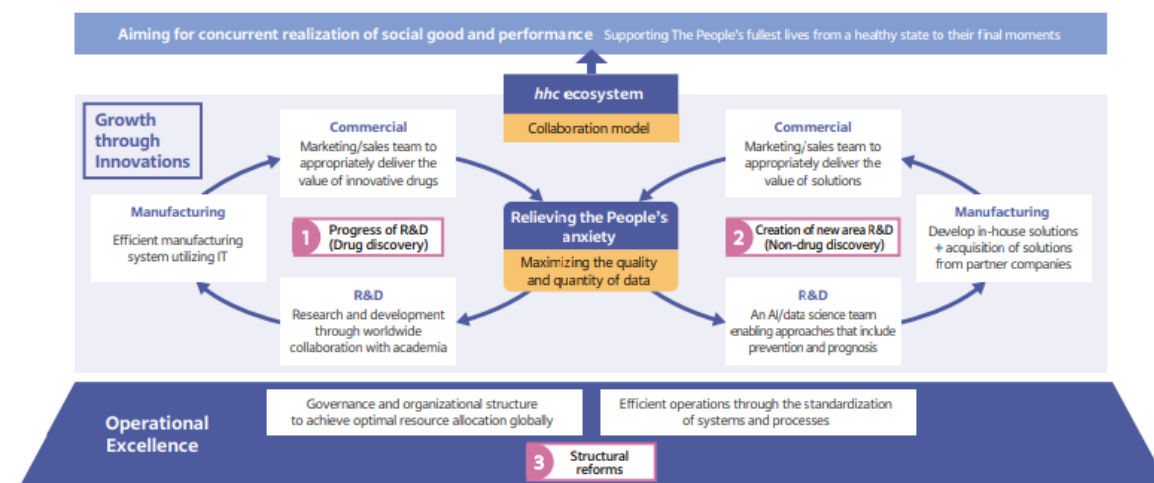
2-1.1. The intended future state of providing long-term value to society

Formulation of the future goal based on the perspective of backcasting and forecasting

- Using the corporate philosophy “*hhc*” as a compass, social issues such as dementia, oncology, and global health are identified. The company has built a strategy based on backcasting from the ideal state of "social good (relieving anxiety over health and reducing health disparities)" in 2030 and forecasting based on its strengths (knowledge in the field of dementia and oncology, etc.). The implementation of this strategy is guaranteed by the structure of the concept of Growth & Operation.
- In addition to strengths in "drug discovery R&D" (neurology and oncology fields), the company is developing "new area R&D" (everyday solutions) that go beyond the boundaries of medical care. The knowledge and data gained from these two R&Ds will be utilized to build a sustainable innovation creation cycle.
- On the other hand, in the Operation Strategy, the company carried out structural reforms such as standardizing business processes and optimizing organizational structures globally. It aims to increase efficiency, secure investment resources for the Growth strategy, and evolve into a stable revenue structure.
- The core of this strategy is to promote both "Growth," which maximizes earning power through innovation, and "Operation," which is thorough efficiency to generate resources, to achieve both contribution to society and sustainable improvement of corporate value.

Figure 1 Growth & Operation: Three Pillars for Medium- to Long-Term Growth

Aim to accelerate innovation creation and achieve sustainable growth through efficient operations



Voice of the company

Concretizing the perspective of backcasting and forecasting and incorporating it into strategy

- In formulating the ideal state, the social issue that was important was the area of dementia (Alzheimer's disease). The number of patients is expected to increase in the future, and it is necessary to build a "dementia ecosystem" as a solution for each stage of prevention, early diagnosis, treatment, and care. (Backcasting)
- We have more than 40 years of research experience in the field of dementia. With many years of accumulation since the earliest drug launch, we have established leadership in this field. (Forecasting)

Eisai Co., Ltd.

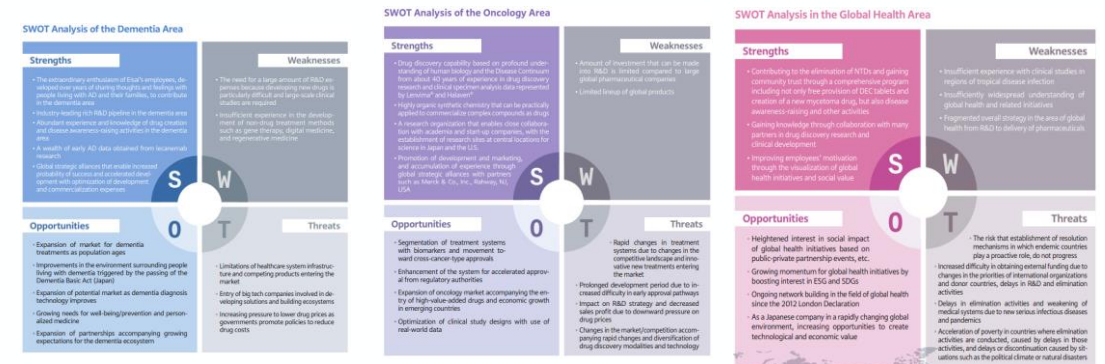
Distinctive initiatives

2 Values and Long-term Strategy

1.2. Identification of important issues and materialities for the provision of long-term value to society

Visualization of the company's strengths and weaknesses in relation to materiality

- SWOT analysis is conducted on the three areas corresponding to materiality, explaining the company's strengths and positioning, and reinforcing the perspective of forecasting. In addition, drug development involves risks and the possibility of failure is discussed, including weaknesses and threats.
- For each area, final goals, 2030 goals, 2025 goals, and KPIs have been set for each area, and we are implementing the perspectives of backcasting and forecasting, which were implemented in the long-term strategy, at the business level to strengthen the explanation.



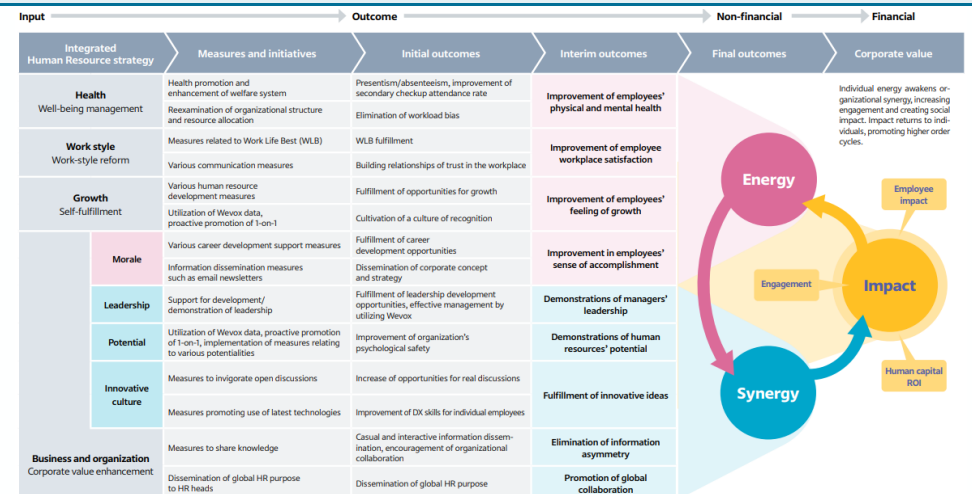
3 Execution strategy

Visualize various health measures and outcomes based on the Global HR Purpose and the path to improving corporate value

- The corporate philosophy is highly penetrated (95%) by implementing a joint initiative in which all employees, including top management, spend 1% of their business time with patients and consumers.
- What outcomes HR strategies and various measures ultimately lead to an increase in corporate value are explained. In addition, KPIs are linked to initial outcomes and progress is managed.

Voice of the Company
Adopts an executive compensation system that reflects KPIs such as human capital in addition to financial performance.

- We view labor costs, which are essential for sustainable growth, as an "investment" rather than a "cost," and set medium- to long-term KPIs such as improving employee engagement. In order to achieve KPIs, we are increasing effectiveness by linking them with executive compensation.



SWCC Corporation

Overall Rating

- The company's name change, the launch of a new management structure, the review of its core business portfolio, and ongoing transformations are visible, and the changes in the company due to structural reforms over the past 10 years are highly appreciated by the market. The emphasis on ROIC management, execution strategies for the growth stage, and expectations for the realization of sustainable value creation are considered high at present.

Evaluation by perspective

Values
Long-term strategy

The trend of improving management centered on ROIC and the view of moving from "Change" to the "Growth" phase are generally easy to understand.

Execution strategy

There is a sense of direction with the goal of shifting to a solution proposal type, which is consistent with DX solution provision and intellectual property strategy.

KPI · Governance

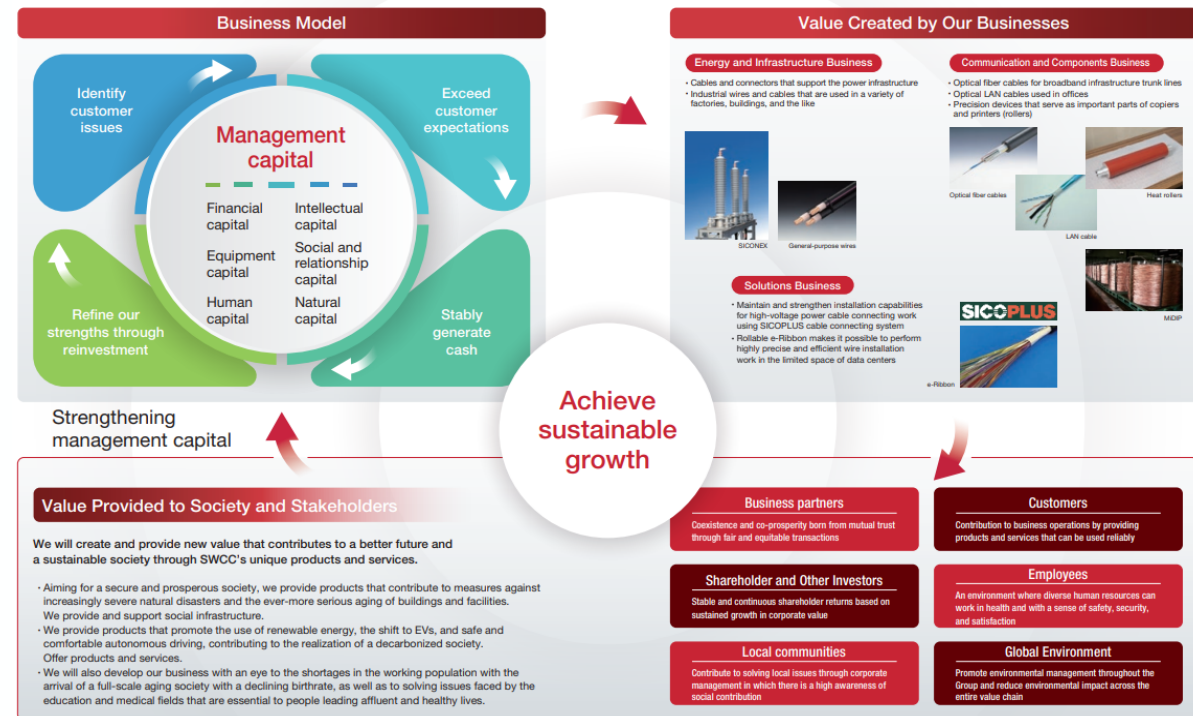
KPIs are thoroughly managed and monitored as appropriate. Materiality will also be reviewed in conjunction with the formulation of the next medium-term plan.

Substantive dialogue Engagement

The central agenda is to transition from structural reform to the growth phase, especially to improve capital efficiency and strengthen FCF creation capacity through further sophistication of ROIC management. Management and outside directors also actively participate in dialogue with investors.

Value Creation Story

SWCC Group's Value Creation Process



SWCC Corporation

Distinctive initiatives

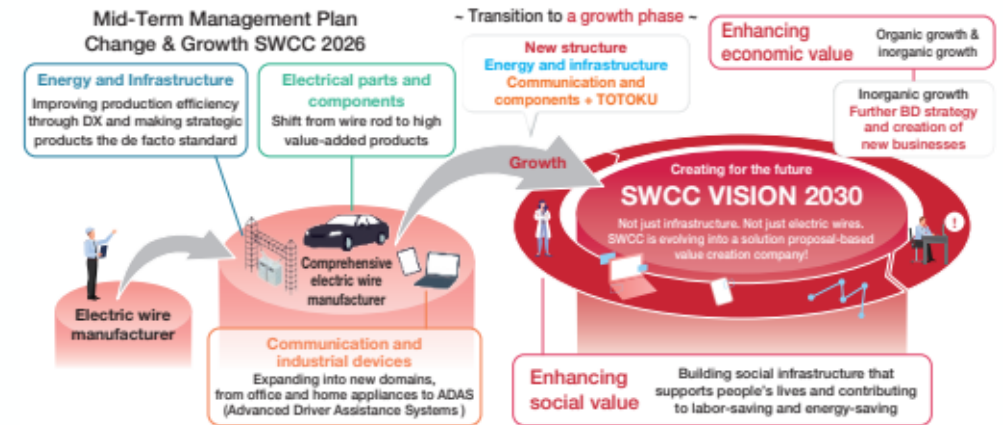
1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

Growth stories and portfolio management to realize the ideal state

- To realize VISION 2030, a clear growth story and highly executed portfolio management to support it are integrated.
- The company has positioned the conventional "energy infrastructure" as a basic business that generates stable profits, and draw a virtuous cycle model in which the cash generated here is reinvested in growth areas.
- As an investment destination, the company has made "telecommunications and components" a growth-driven business that captures the expansion of the data center and semiconductor markets, and is accelerating growth through concrete actions such as the acquisition of TOTOKU and investment in increasing production of SICONEX.
- In addition, the company is cultivating "solutions" that aim to solve power infrastructure issues as new businesses and building a pillar of future earnings. The ability to execute this strategy is guaranteed by portfolio management centered on ROIC.

SWCC VISION 2030 — Our desired state by 2030



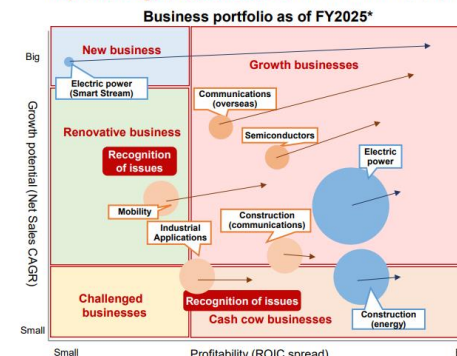
Voice of the company Honest ROIC management and portfolio management are the source of growth

- In 2018, under the leadership of the former president, in a sense of crisis when business performance was sluggish, we embarked on company-wide business structure reforms. In 2019, we introduced "ROIC management" as a yardstick for reform, and introduced the matrix of "ROIC spread (horizontal axis)" and "growth potential (vertical axis)" as a textbook, and plotted and managed all businesses.
- In the growth area, we will grow while securing ROIC spreads, and in the issues and exit areas, we will withdraw or reduce as a business with negative ROIC spreads and no growth potential. Through honest portfolio management, we have achieved growth while repeatedly taking on challenges and improvements.

Source: SWCC "SWCC Group Report Integrated Report 2025"
SWCC "Medium-term Management Plan Transformation for Growth SWCC 2030"

Strengthening Business Portfolio Management

We will focus on both capital efficiency and growth potential while **implementing structural reforms** to exceed the hurdle rates. **optimizing our business portfolio and Business portfolio management over the course of the Medium-term Management Plan**



Hurdle rate	Business portfolio management over the course of the Medium-term Management Plan
I. ROIC spread by business (ROIC - WACC): 3% or more II. Net sales CAGR: 3% or more	
Growth businesses	Strengthen growth investments to accelerate growth Electric power, communications (overseas), semiconductors
Cash cow businesses	Creation of stable cash flows Construction (energy), construction (communications)
Renovative business	Improved productivity through the enhancement of high value-added products Mobility → Progress in innovation will be assessed within two years.
Challenged businesses	Assess business turnaround and business retention Industrial Applications → Reform will be assessed within two years.
New business	Invest in new businesses to promote growth Electric power (Smart Stream)



SWCC Corporation

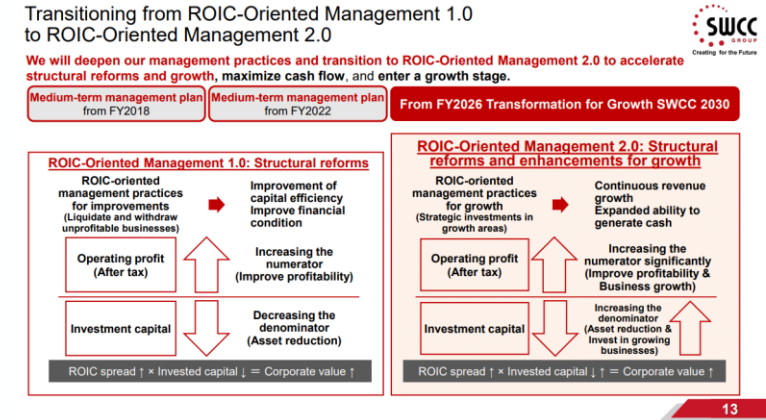
Distinctive initiatives

2 Execution strategy

Advancement of ROIC Management (ROIC Management 2.0)

- The company promotes "ROIC Management 2.0," which positions ROIC not only as an indicator of capital efficiency, but also as a strategic driver to accelerate portfolio transformation.
- The system instills the discipline of pursuing returns that exceed the cost of capital throughout the company, and at the same time supports bold management decisions to improve corporate value in the future.
- From the perspective of ROIC and market growth potential, the company will quickly implement "Change". The management resources created are dynamically allocated to "Growth" in areas where high growth is expected.

3.3. Business portfolio management strategies, including exit strategies



3 Execution strategy

Promoting new businesses to transform into a "solution-proposing manufacturer"

- Based on the deep knowledge in the field of power infrastructure cultivated over many years, the company is promoting the transformation into a "solution-proposing manufacturer" by combining digital technology. In areas where we can make use of our company's strengths, we plan to create a down-to-earth problem-solving business.

3.4. Improving company positions within the value chain, DX promotion

Voice of the company Fostering a new climate and accelerating new businesses

- The organization of the new business is organized as an independent department separate from the existing electric power division. New businesses require a medium- to long-term perspective, and the evaluation axis and budget frame are set separately. The youngest general manager in his 30s was selected as the head of the organization, and the members were mainly young people in their 20s to 30s, fostering a new culture.



Overall Rating

- The company has formulated a long-term strategy that coexists with backcasting from a society where AI and technology are developing, and forecasting based on infrastructure-related technologies, human resources, and know-how.
- The uniqueness of the long-term strategy can be evaluated in addition to building a strategy that goes beyond the scope of a mere career, as well as focusing on the enhancement of various types of capital.

Evaluation by perspective

Values
Long-term strategy

The company has formulated a long-term strategy that coexists with backcasting from a society where AI is developing and forecasting based on the company's strengths. The concept of "Beyond Carrier" is clear.

Execution strategy

The human resources strategy in line with business development in the telecommunications periphery is systematic and effective. The investment strategy with AI as a growth opportunity is also clear, and the issues and initiatives by six capital categories are organized.

KPI ·
Governance

It serves as an incentive to improve corporate value, such as setting non-financial KPIs linked to business and linking executive compensation to materiality and TSR.

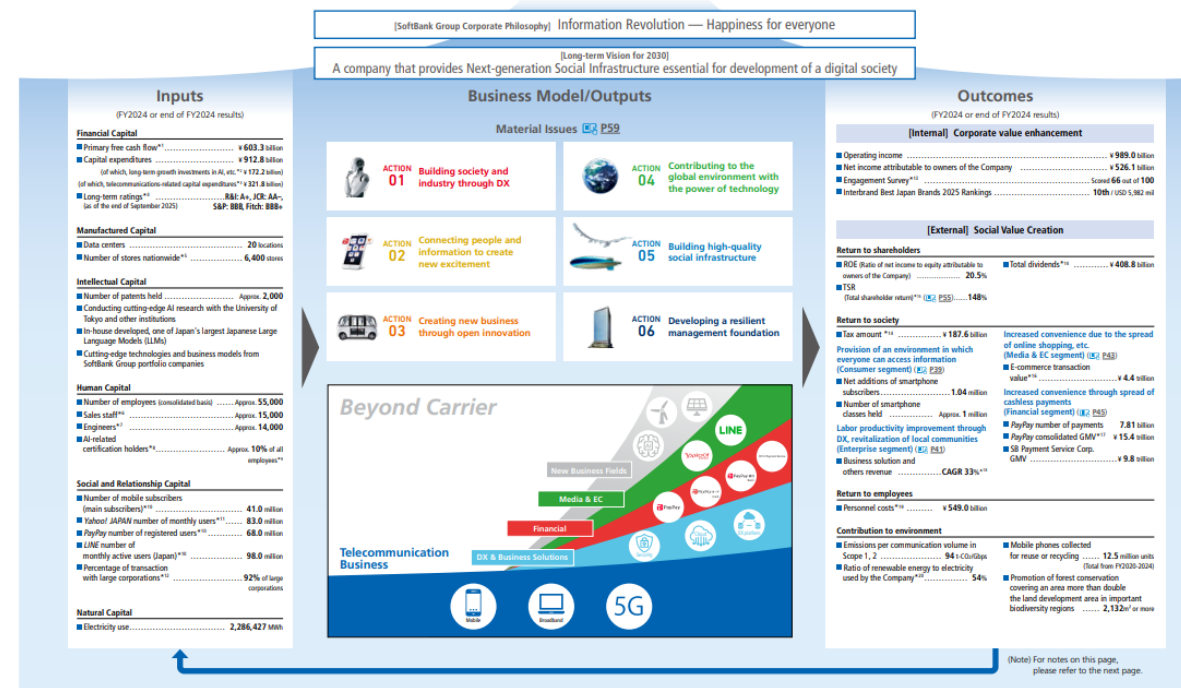
Substantive dialogue
Engagement

There is a mechanism for the representative director to respond to dialogue, to draw out the content of the dialogue in line with the purpose, and to reflect the content of the dialogue in the initiative.

Value Creation Story

Maximizing corporate value, centered on the Beyond Carrier strategy

We aim to maximize our corporate value by pursuing sustainable growth in our telecommunications business while going beyond just being a telecommunications carrier to actively roll out new businesses in the information and technology fields. By serving as a catalyst for digitalization across society and solving social issues, we aim to become the Corporate Group needed most by people around the world.



SoftBank Corp.

Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

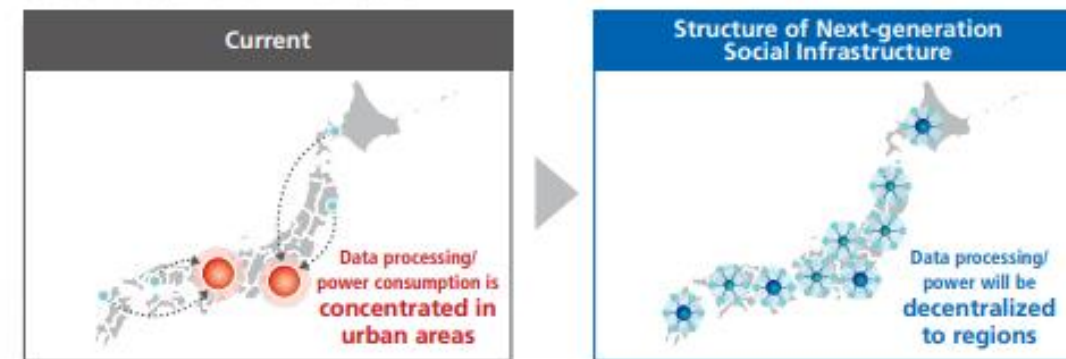
Formulation of a long-term vision for improving corporate value

- As a long-term vision, the company has formulated its aim to "provide Next-generation Social Infrastructure essential for the development of a digital society."
- In building Next-generation Social Infrastructure, the company is working on the development of sustainable and decentralized AI data centers that consume energy produced in each region at data centers in each region.
- By making full use of cutting-edge technologies such as AI and IoT, which are the company's strengths, the company reduces business risks and creates business opportunities at the same time.

Voice of the company
Creating social value through Next-generation Social Infrastructure and customer base

- As a "vision for 2030," we aim to provide Next-generation Social Infrastructure using digital technology and AI, envisioning the realization of a more prosperous society. The current state of forecasting is to accelerate new business models such as xIPF(cross Integrated Platform), distributed computing infrastructure, and generative AI in the business and investment fields to achieve the desired goal.
- The source of competitiveness lies in the solidity of our customer base through the telecommunications business and LY Corporation. We also gain knowledge from partnerships with global technology companies through the SoftBank Group and the SoftBank Vision Fund. Utilizing these efforts, we are working to solve social issues and contribute to a better society using digital technology, aiming for development beyond mobile phones and the Internet.

Issues in the current infrastructure



"Next-generation Social Infrastructure" that we aim to build



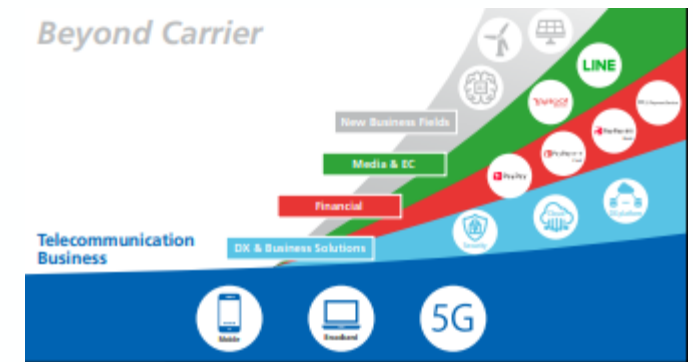
SoftBank Corp.

Distinctive initiatives

2 Values and Long-term Strategy

Growth strategies to realize the vision

- With "Beyond Carrier" as its growth strategy, the company aims to maximize its corporate value by actively developing its business in various fields such as "DX and Solutions," "Finance," "Media and EC," and "New Domains," while aiming for sustainable growth in the telecommunications business, which is its core business.
- By strengthening cooperation between the telecommunications business and the group business, the company strengthens the competitiveness of the telecommunications business, and at the same time, promotes the creation of synergies such as expanding the number of service users and improving user engagement in the group business.



2-2. Business Model

3 Execution strategy

Human Resources Strategy to Realize Our Vision

- In order to provide Next-generation Social Infrastructure that realizes a society that coexists with AI, the company is securing the necessary human resources and developing organizations.
- As a human resources strategy linked to the management strategy, it is being promoted on two axes: strengthening new areas and utilizing generative AI.

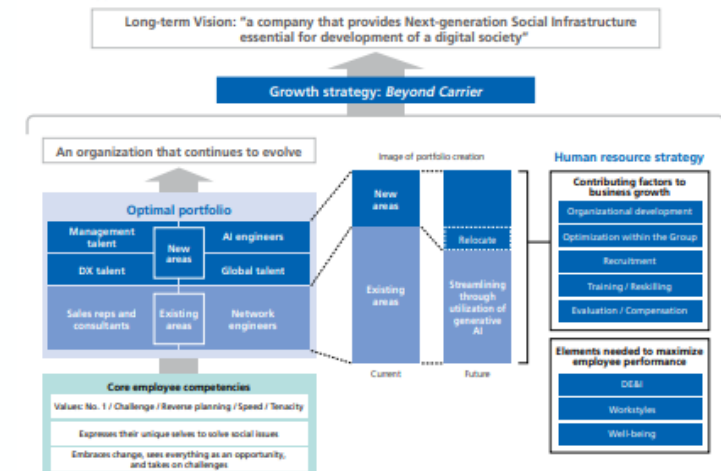
3.6. Investment in human capital, human resources strategy

Voice of the company

Talent strategy portfolio with optimized staffing

- Regarding our human resources strategy, we place importance on integrating it with our business strategy based on the growth strategy of "Beyond Carrier". We aim to shift from the existing field of communication to a new field, and in the existing field, we are working to improve the efficiency of human resource allocation by utilizing technology and generative AI. By assigning surplus personnel created by operational efficiency to new areas, we aim to enhance AI engineer capabilities and global human resources.

HR strategy overview



Daichi Sankyo Co., Ltd.

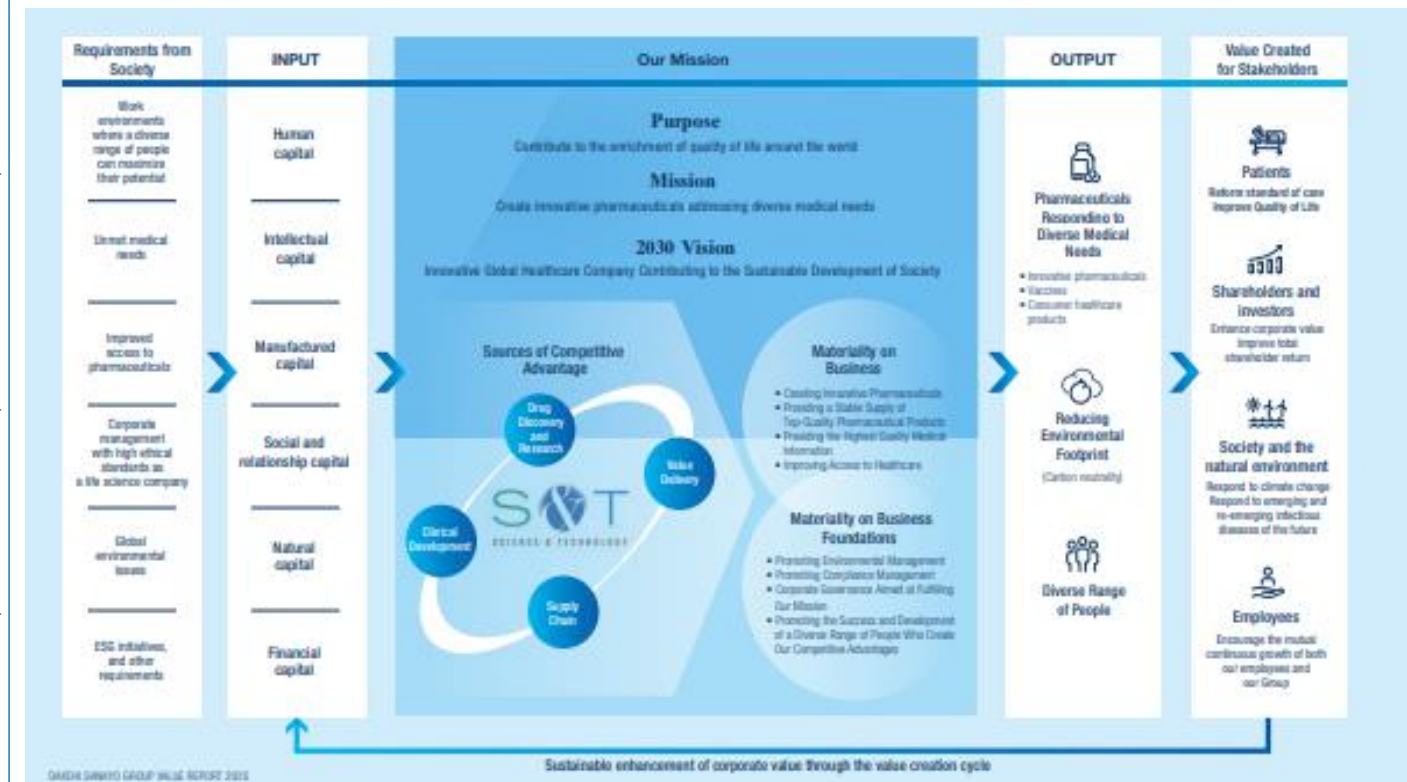
Overall Rating

- In order to realize the vision of being an innovative global healthcare company contributing to the sustainable development of society by 2030, the company has carefully constructed a value creation scenario through the resolution of the social issue of cancer from both backcasting and forecasting. The necessity and direction of investment strategies for intangible capital such as intellectual property are also clear.
- As the globalization of the oncology field, which is a competitive advantage, is progressing rapidly, the development of a governance system is also steadily progressing.

Evaluation by perspective

Values Long-term strategy	Social issues are organized from the perspective of access to medical care and unmet medical needs, and priority issues based on purpose are systematized. The future vision centered on the cancer field and the value creation story based on Patient Centricity are clear.
Execution strategy	With the maximization of 3ADC as the pillar, the company has organized human resources, DX, and investment plans, and the direction of key investments is clear. The scale of investment to strengthen R&D and production capacity is also specific, and strategy and resource allocation are linked.
KPI · Governance	Eight materialities related to business and business foundation have been identified, KPIs have been set, and linkage with the business has been enforced. In line with globalization and diversification of execution, the Board of Directors has also strengthened diversity. Governance that aligns with the strategy has been built.
Substantive dialogue Engagement	Emphasizing two-way communication with shareholders and investors, the company has provided a variety of opportunities such as individual interviews and IR briefings, expanded opportunities for dialogue, including S&T Days, and set agendas according to investor attributes.

Value Creation Story



Daiichi Sankyo Co., Ltd.

Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

Constructing value creation scenarios from both forecasting and backcasting

- Under the purpose of "contributing to the enrichment of quality of life around the world", the company has set value creation scenarios from both the perspectives of backcasting (responding to unmet medical needs, etc.) and forecasting (Science & Technology, which are the source of competitive advantage).
- The company has set 2030 Vision to be one of the top 10 global companies in the oncology field, and from there, has derived a strategy to concentrate management resources in the oncology field by leveraging the strengths of world-class ADC technology through a backcasting approach.

Growth strategies drawn through corporate voice backcasting and forecasting

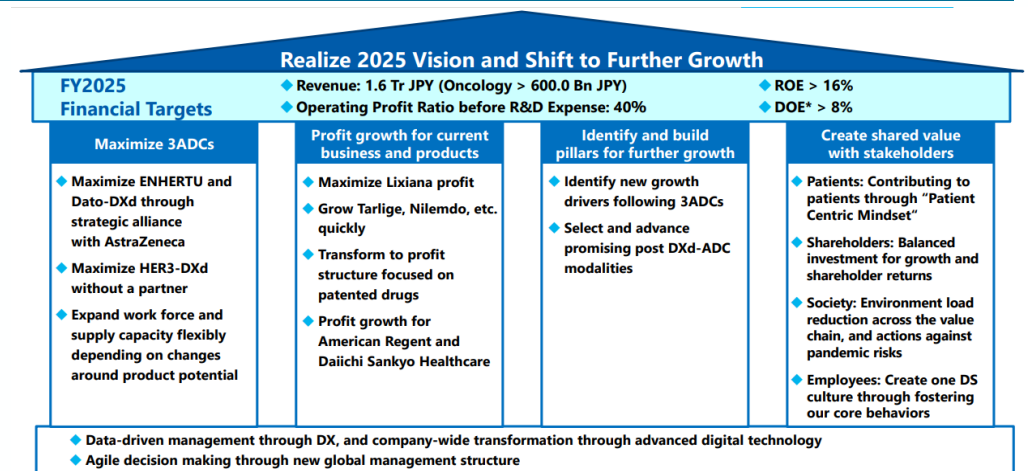
- While recognizing "Science & Technology" and "human resources" as current strengths in forecasting, & solidifying its foothold with the use of ADC technology and AI, it envisions a society that provides medical care based on the patient's life journey through backcasting.
- Utilizing the current strengths recognized through forecasting, the company prioritizes patient needs in its R&D and information provision, with the aim of expanding treatment options and improving patients' quality of life.

2 Execution strategy

3. Implementation, strategies (e.g. medium-term management strategy)

Clarification of specific action plans under the mid-term business plan

- In the mid-term business plan, the company aims to maximize the value of its main 5DXd ADCs (Enhertu, Datroway, HER3-DXd, I-DXd, and R-DXd), and are concentrating management resources such as human resources, DX, and investment.
- The strategy is not diversification, but thorough selection and concentration on growth drivers. Compared to the forecast at the time of formulation of the mid-term business plan, the cumulative five-year investment in R&D is 1.85 trillion yen and capital investment is 800 billion yen, and by specifying the specific scale of investment, it shows that strategy and resource allocation are strongly linked, and clarifies a strong commitment to achieving the target.



Daiichi Sankyo Co., Ltd.

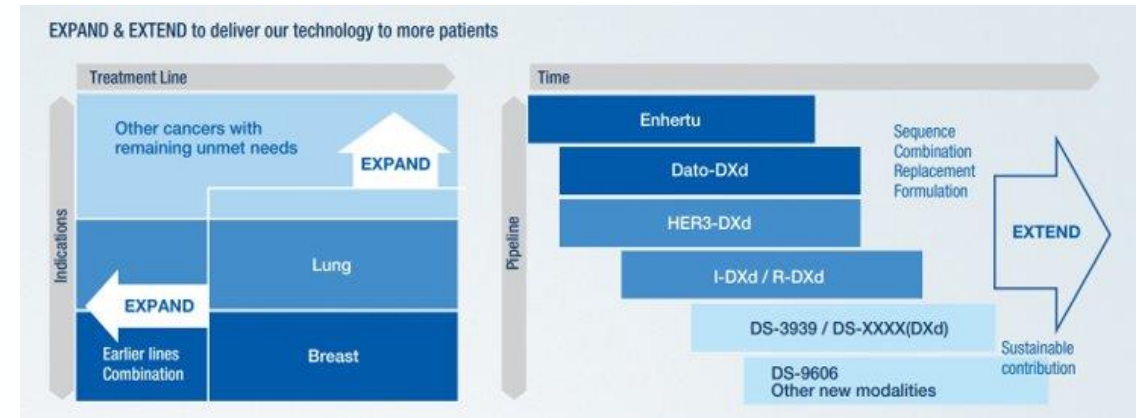
Distinctive initiatives

3 Execution strategy

R&D strategy with technological superiority at its core

3.5. Establishment/promotion of organizational processes and support systems to achieve innovation

- The Daiichi Sankyo Group, which has established itself as a global leader in the ADC field, aims to provide value through the continuous creation of product groups based on its proprietary technologies and the strengthening of its human resource base to achieve further sustainable growth.
- In order to strengthen our R&D capabilities, the company is increasing the number of development researchers by expanding new and mid-career hires and building an open innovation system on a global scale.

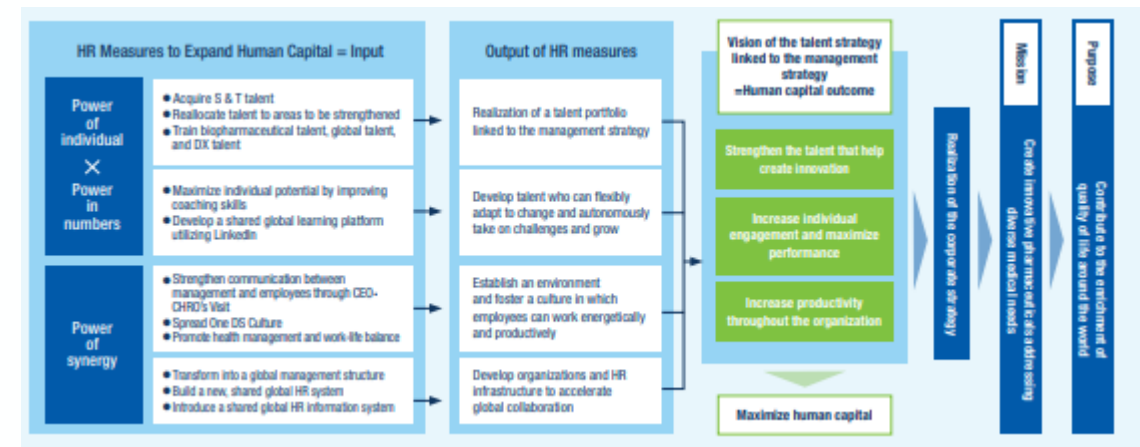


4 Execution strategy

Strengthening human capital to achieve our vision

3.6. Investment in human capital, human resource strategy

- The company defines its human resources strategy (human capital outcomes) linked to the management strategy, and to achieve this, promotes personnel measures such as reassigning and acquiring human resources to Science & Technology, which is the source of competitive advantage, and identified areas of enhancement (biotechnology, global business, DX). Identify areas for specialized personnel to be strengthened and strengthen the talent portfolio.
- The goal is to foster an organizational culture in which employees from diverse backgrounds work together under the "One DS Culture" to create innovation.



TDK Corporation

*September 2024 ~ August 2025 average

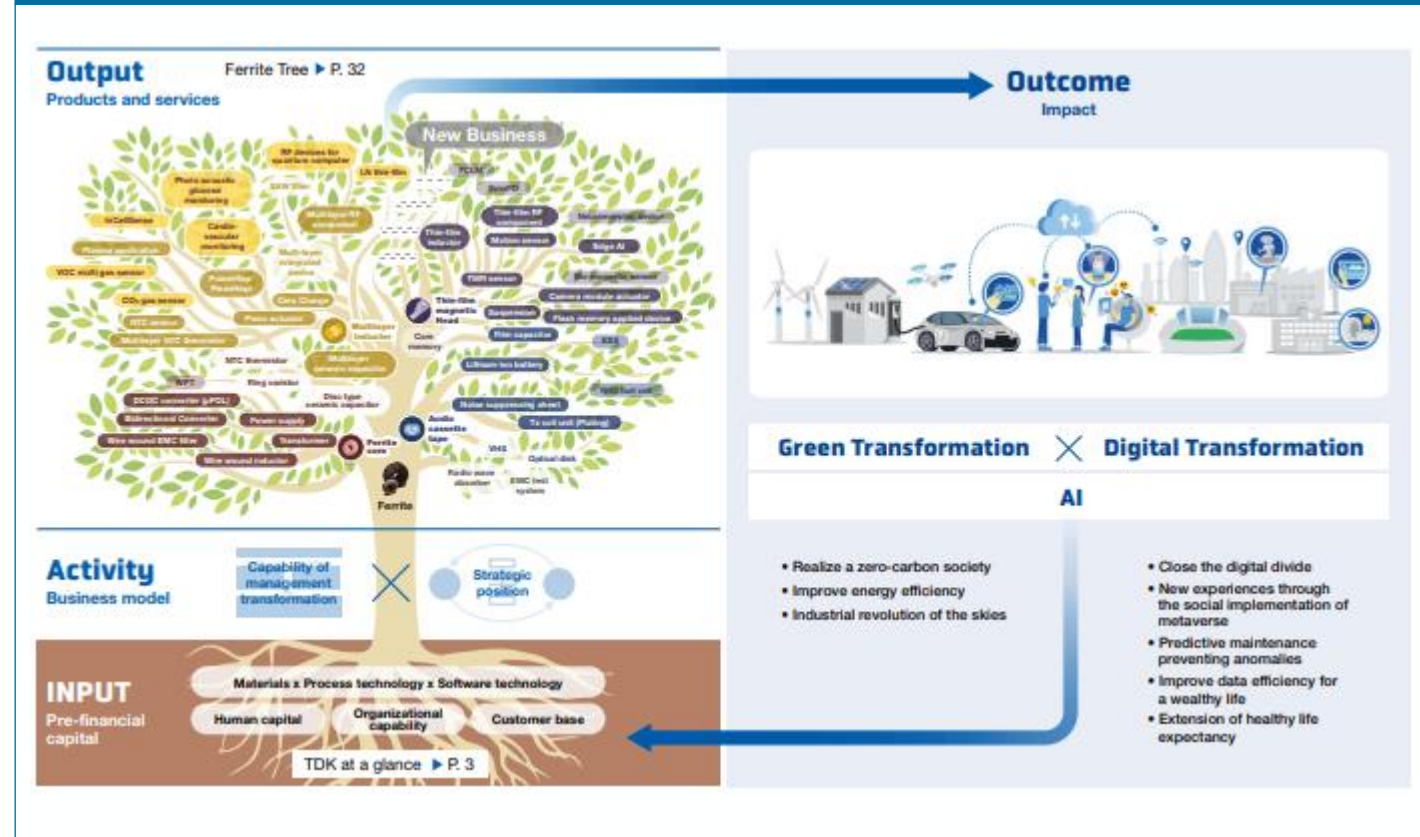
Overall Rating

- In addition to GX and DX, the AI ecosystem market is seen as a growth opportunity, and the company has built a long-term story that connects social issues and business opportunities.
- It has a high degree of management implementation with a strong awareness of capital efficiency, such as strict portfolio management centered on ROIC and rapid execution of business withdrawal and restructuring.
- Against the backdrop of technological capabilities, the strategy of building a supply system tailored to the growth of customer industries is clear, demonstrating its commitment to achieving high financial targets.

Evaluation by perspective

Values Long-term strategy	The megatrend of GX and DX and the way of grasping market opportunities are clear, and the Long-term Vision "TDK Transformation" is connected to the Corporate Motto and Corporate Principles.
Execution strategy	Portfolio management based on ROIC and future prospects on a CBU basis, as well as implementation examples including turnaround and withdrawal, can be evaluated in detail. The concept of resource allocation is also clear. Human resources, DX, intellectual property, and capital policy are organized under the long-term strategy, and the concept of resource allocation is clear.
KPI • Governance	The Board of Directors effectively utilizes independent outside directors to strengthen its oversight functions and decision-making.
Substantive dialogue Engagement	CEO and CFO are actively involved in expanding and improving the quality of dialogue opportunities, such as holding Investor Days. A mechanism is functioning to reflect suggestions from investors in management.

Value Creation Story



TDK Corporation

Distinctive initiatives

1 Values and Long-term Strategy

Formulation of a Long-term Vision that captures social issues

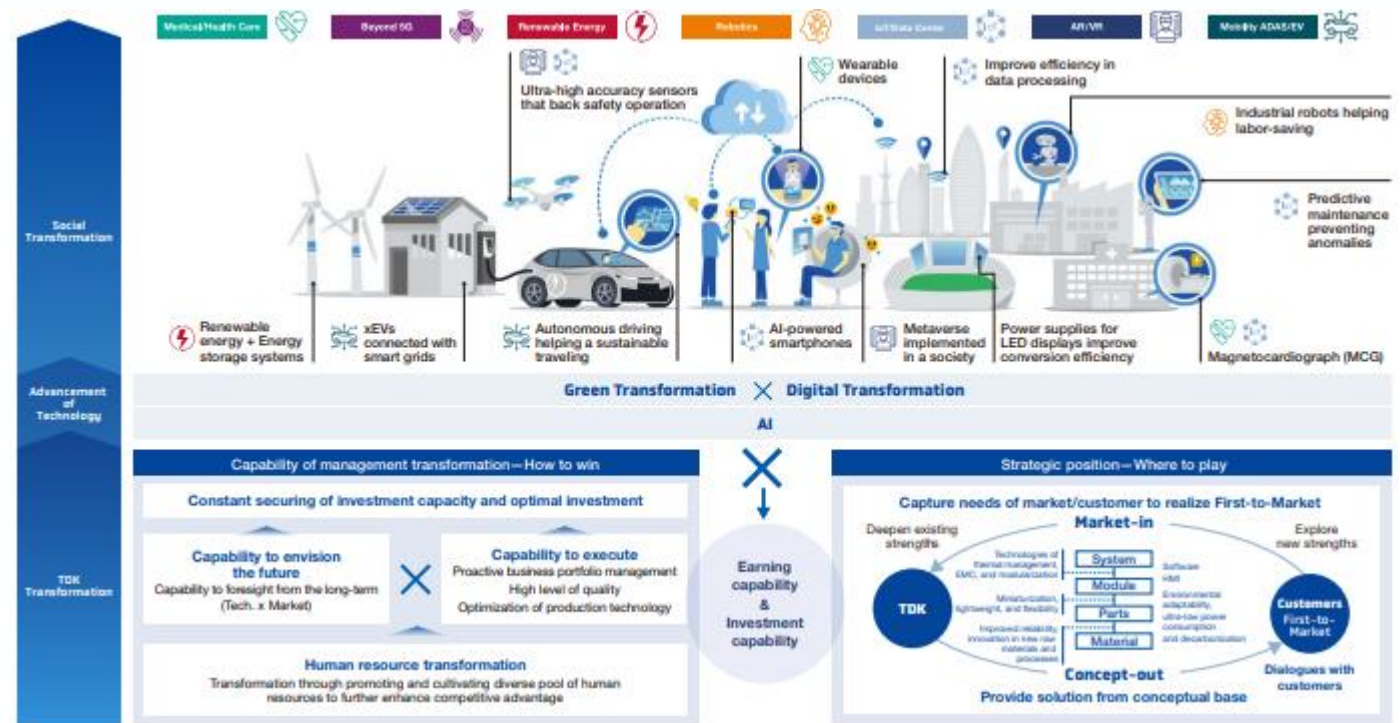
2-1.1. The intended future state of providing long-term value to society

- The megatrends "Green Transformation (GX) and Digital Transformation (DX)", which are major trends in the entire market, and the "TDK Transformation" have been formulated as market opportunities that can contribute to this social transformation.
- The TDK Transformation aims to contribute to technological evolution and a sustainable future through the development of electronic devices that contribute to social change, and the strategy and corporate philosophy are linked.

Voice of the company

TDK Transformation's Transformational Capabilities and Positioning of Management

- In order to realize the vision we are aiming for, we have set a new Long-term Vision "TDK Transformation" with a view to the next 10 years.
- In this process, we predicted the future of society through forecasting, held discussions with executives and directors, and set the "ideal state of TDK" by backcasting.
- In setting the Long-term Vision, we spent time discussing the sources of each business company's competitive advantage, competitive advantage over competitors, and market positioning. From these discussions, we have spun out common words for our four business companies, and this time we have newly organized "management transformation power and positioning" as the elements necessary for transformation.



TDK Corporation

Distinctive initiatives

2 Execution strategy

Human capital to realize the vision

- The Global Management Human Resource Development Program strengthens the ties between diverse human resources beyond the boundaries of Group companies, leading to the strengthening of future planning and execution capabilities.

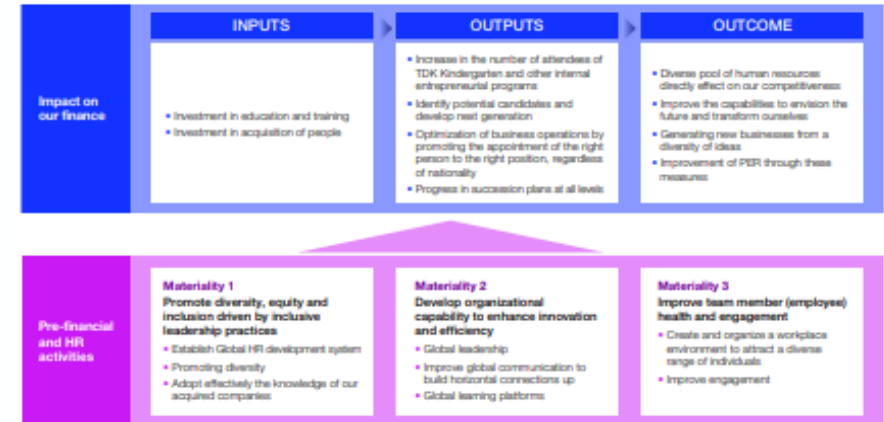
Voice of the company

"Strengthening the connection between diverse human resources and taking on the challenge of innovation"

- TDK offers a leadership program that brings together versatile management and future leadership candidates from around the world. From the ideas obtained in this program, we were able to establish an in-house incubator program mechanism, and the idea of a solution business using edge AI was born from the horizontal connection of executive officer class training, and has actually been commercialized.
- At our company, a culture of taking on challenges without fear of failure is deeply ingrained. The CTO himself said, "I have experienced failure myself, and regardless of the opinions of the upper management, steady development has led to success," and systematic efforts are being made to learn from failures and not repeat the same mistakes.

3.6. Investment in human capital, human resources strategy

Human capital disclosure indicators and initiatives



3 Substantive Dialogue and Engagement

Reflection of the content of dialogue with investors in our initiatives

6.3. Methods of Substantive Dialogue

6.4. Actions after substantive dialogue

- The President&CEO responds to dialogue with shareholders and implements concrete actions based on feedback.
- In the dialogue with investors, the appropriate personnel are selected, and for example, non-financial items are included in the calculation of executive compensation, showing results that reflect the opinions of investors.

Voice of the company

"Shared Value Born from Dialogue" In-house Development of IR Activities

- Our IR department values dialogue with investors and has conducted more than 600 individual dialogues. The contents of these conversations are shared as "IR reports" on the intranet that can be viewed not only by management but also by general employees, thereby enhancing information transparency within the company.

Tokyo Ohka Kogyo Co., Ltd.

*September 2024 ~ August 2025 average

Overall Rating

- The company's growth strategy has been established with a view to clarifying the company's strengths and impacting society, and the visibility of its efforts is high. It can be appreciated that there is an awareness of the connection between sustainability and financial strategies and products.
- Explanations of risks are concrete and remind people that value creation can be realized even in a business environment where predictability is declining.

Evaluation by perspective

Values
Long-term strategy

As a global megatrend, a long-term vision is formulated by combining a management philosophy with a broad range of assumptions, including technology, politics, industry, society, and the environment.

Execution strategy

The company is strongly aware of intellectual capital, considered the most important for the company. The cash cow business and investment priorities are clarified, making it easy to grasp the growth image.

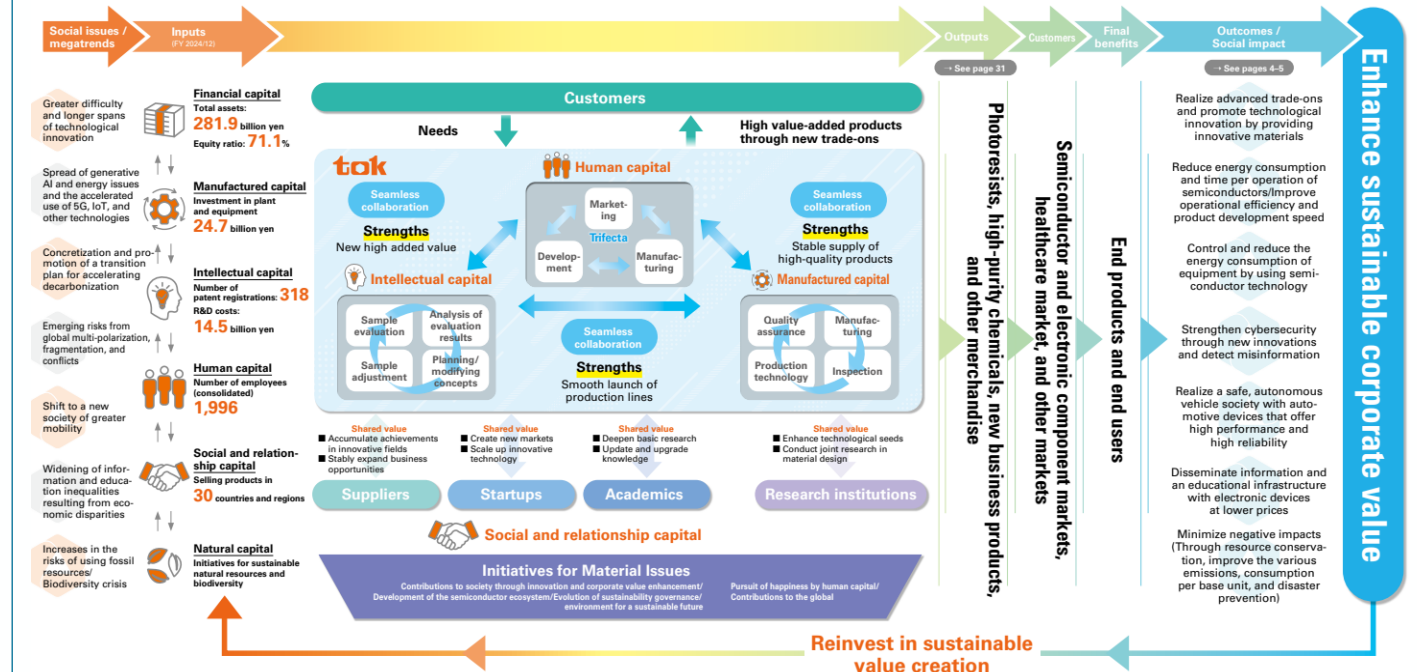
KPI
Governance

Conscious of inheriting the corporate culture of "eternal startup company" and creating an organization in line with the expansion of business scale, we have set up a meeting called "Council of Directors" to enhance the communication between directors and the field.

Substantive dialogue
Engagement

It can be evaluated that the company is going ahead of its peers regarding disclosure on social impact (presenting quantitative information).

Value Creation Story



Tokyo Ohka Kogyo Co., Ltd.

Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

Value creation stories through backcasting based on quantifying social impact



- The company quantitatively estimates the social impact of its products, such as "providing information and educational infrastructure to developing countries" and "reducing working hours around the world."
- With this impact creation as the goal of value creation, we are building a consistent value creation story that derives the most important goal of "No. 1 global market share of cutting-edge photoresists" by working backwards from there.
- By visualizing contributions to society, which are difficult to understand in BtoB companies, it fulfills its accountability to investors and improves employee engagement.
- The company has established a system to link non-financial value to the improvement of corporate value, such as setting a unique KPI "value creation ability" that indicates that investment in human capital leads to value creation.

Voice of the company
Fostering understanding both inside and outside the company through visualization of social impact

- Since we are dealing with semiconductor materials, which are not products familiar or close to end consumers, the sense of our social contribution tended to be diluted. By quantifying our social impact, the understanding that the company's products contribute to improving global productivity and reducing traffic accidents is advancing, fostering a sense of pride in work and empathy for society, leading to improved employee engagement.
- We are now able to explain not only business growth but also their contribution to society in detail, which has increased investor's understanding of the strategy and promoted dialogue.

Social issues (examples)	Widening economic disparity due to the digital divide	
Solutions and value chain	<p>[TOK] Development and provision of thick-film KrF excimer laser photoresists</p> <p>[Semiconductor manufacturers and device manufacturers]</p> <ul style="list-style-type: none"> • Cost reduction per byte with increased layers of 3D-NAND • Production and marketing of low-price smartphones 	
Expected social impact by 2030	Provision of information and educational infrastructure to 3.3 million people in developing countries*1	

Social issues (examples)	Long working hours due to global labor shortages	
Solutions and value chain	<p>[TOK] Development and provision of EUV, ArF, KrF, g-line and i-Line photoresists</p> <p>[Semiconductor manufacturers and device manufacturers]</p> <ul style="list-style-type: none"> • Increase in speed per semiconductor operation • Increase in the processing speed of a variety of terminals, data servers, and other devices 	
Expected social impact by 2030	Reduction of global working hours by approximately 1.4%*2	

Social issues (examples)	Economic loss due to increased deaths from traffic accidents	
Solutions and value chain	<p>[TOK] Development and provision of Photoresists for image sensors</p> <p>[Semiconductor manufacturers and device manufacturers]</p> <ul style="list-style-type: none"> • Evolution and mass production of automotive image sensors • Increased production of ADAS vehicles 	
Expected social impact by 2030	Reduction of annual deaths from traffic accidents by about 25,000*3 (about 2% of the total)	

*1 Estimated from the number of non-smartphone owners and the effect of device price reductions. The population with 30 US dollars as the down payment for installment payments that exceed 5% of annual income is defined as the population who cannot afford to purchase smartphones.
 *2 Calculated for 185 countries where employment data for 2022-2023 is available from the World Bank and the OECD. Assuming that total factor productivity improves with continued semiconductor miniaturization, the labor hour reduction rate is calculated on the basis of the spread of different devices and electronic equipment and improvements in user productivity.
 *3 Estimated by using deaths from traffic accidents and the ratio of ADAS vehicles. The estimation is based on fatal accidents in 2019 and excludes anticipated increases through 2030 in emerging countries with many fatal traffic accidents.

Tokyo Ohka Kogyo Co., Ltd.

Distinctive initiatives

2 Execution strategy

Creating innovation combining customer-oriented strategy and DX

- The company has developed "customer-oriented sites" in the vicinity of overseas customers to achieve early understanding of customer needs, and have built an advantage through prompt, polite, and high-level responses created by the seamless cooperation of development, manufacturing, and sales in the trifecta.
- In addition, it will accelerate the development of materials based on customer insights by utilizing DX such as materials informatics (MI), continuously create products with a high global market share, and aim to establish a source of competitive advantage.

3.4. Improving company positions within the value chain, DX promotion

3.5. Establishment/promotion of organizational processes and support systems to achieve innovation

Voice of the company DX Measures to Turn "Tacit Knowledge" into Organizational Assets

- In the past, development relied on the experience and intuition of developers (tacit knowledge), and there were issues where know-how was not accumulated or shared. Through DX measures such as MI tools, we aimed to convert these into data and make them organizational assets.
- After implementation, it was confirmed that the number of experiments was optimized and the development speed was improved.

3 Execution strategy

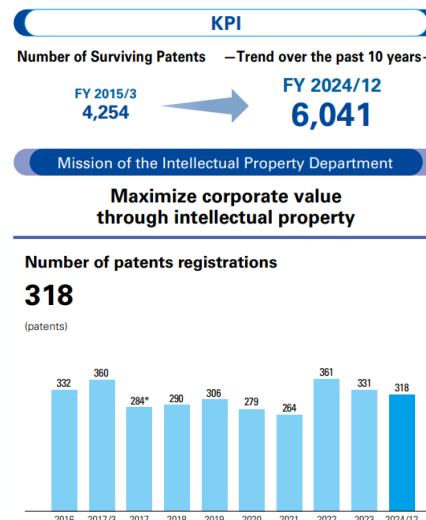
Strategic intellectual property activities that contribute to management decision-making

- The Intellectual Property Department participates in M&A considerations and business strategy formulation from an early stage, and supports management decision-making using IP landscape and other intellectual property information.
- After clarifying the "know-how to be kept secret" at the production site, the company implements an open/close strategy linked to our business strategy.
- Through strategic filing, the number of surviving patents has increased by about 1.5 times over the past 10 years, and the results of intellectual property activities have been quantitatively demonstrated.

3.7. Investment Strategy to secure and strengthen intangible assets etc, including intellectual property

Voice of the company Using intellectual property activities as a basis for management decisions

- Based on the policy of "maximizing corporate value through intellectual property," we analyze patent and non-patent information and use it for management decisions and business development.
- IP landscapes are used to confirm the direction of new businesses and make decisions at the time of launch, and are used as materials to confirm synergies and affinities with the company's core technologies (microprocessing technology, etc.).



Tokio Marine Holdings Inc.

Overall Rating

- The establishment of long-term strategies and execution strategies that are conscious of the characteristics of the insurance industry and the measures for their implementation are being firmly implemented.
- A long-term story that cycles the resolution of social issues and the improvement of corporate value from the perspective of purpose has been structured. It also shows a track record of achieving both profit growth and volatility control based on global risk diversification and integrated management.

Evaluation by perspective

Values
Long-term strategy

The story of taking advantage of the company's strengths to solve social issues and cycle growth is convincing. It depicts a structure that circulates social issue resolution and growth through strengths (risk diversification and integrated management).

Execution strategy

The concept of portfolio management and capital allocation is clear, and the discipline of growth investment is also demonstrated. The fact that human capital is organized into both "human resources" and "corporate culture" and that specific explanations are given about fixed-point observations such as surveys can be highly appreciated.

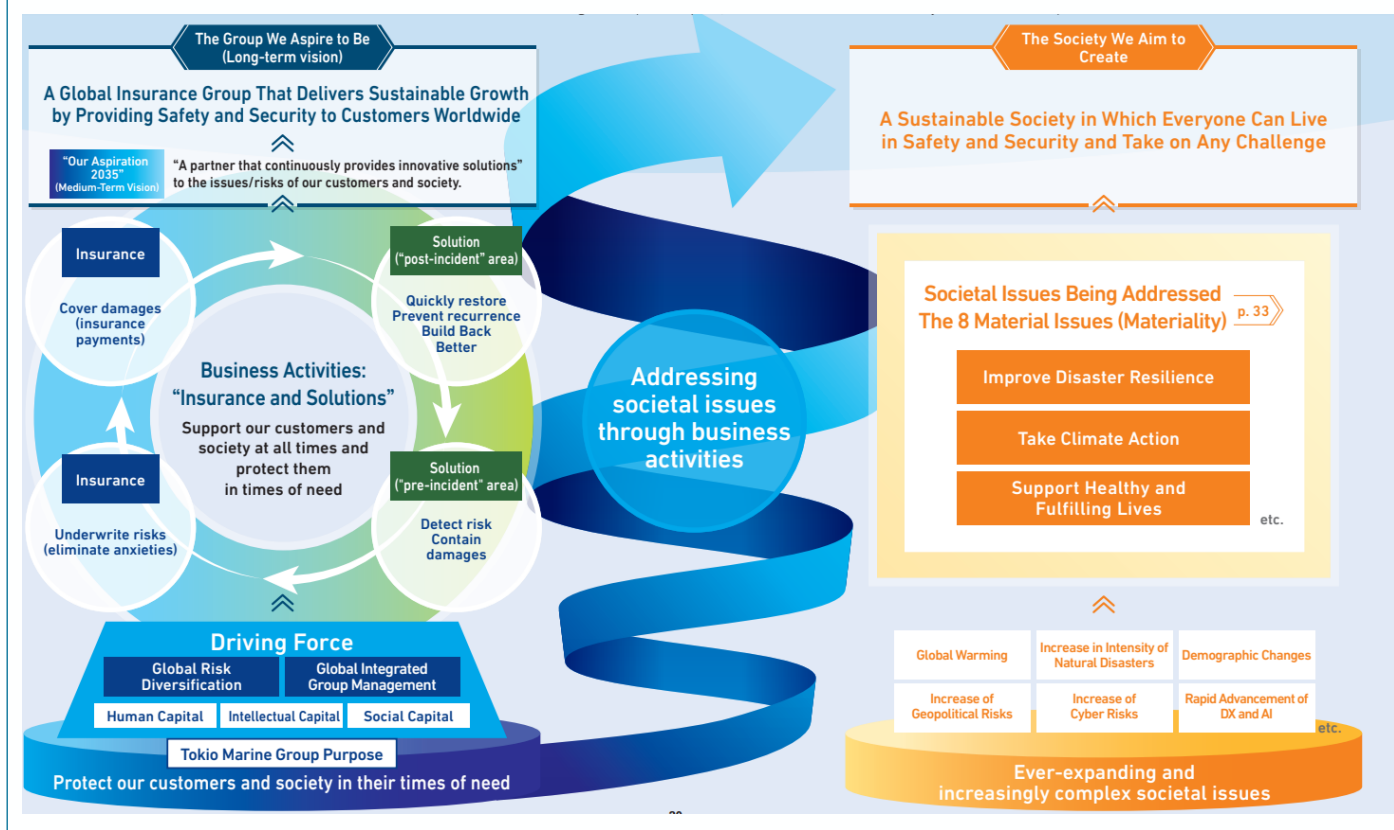
KPI • Governance

The direction of strengthening supervision is clear, such as increasing the ratio of outside directors and establishing a group audit committee. It is also commendable that financial KPIs and KPIs for each materiality are co-located and even designed to link compensation.

Substantive dialogue
Engagement

Agenda-setting and assigning of responders according to investor attributes and objectives is conducted.

Value Creation Story



Source: Tokio Marine Holdings Integrated Report 2025

Tokio Marine Holdings Inc.

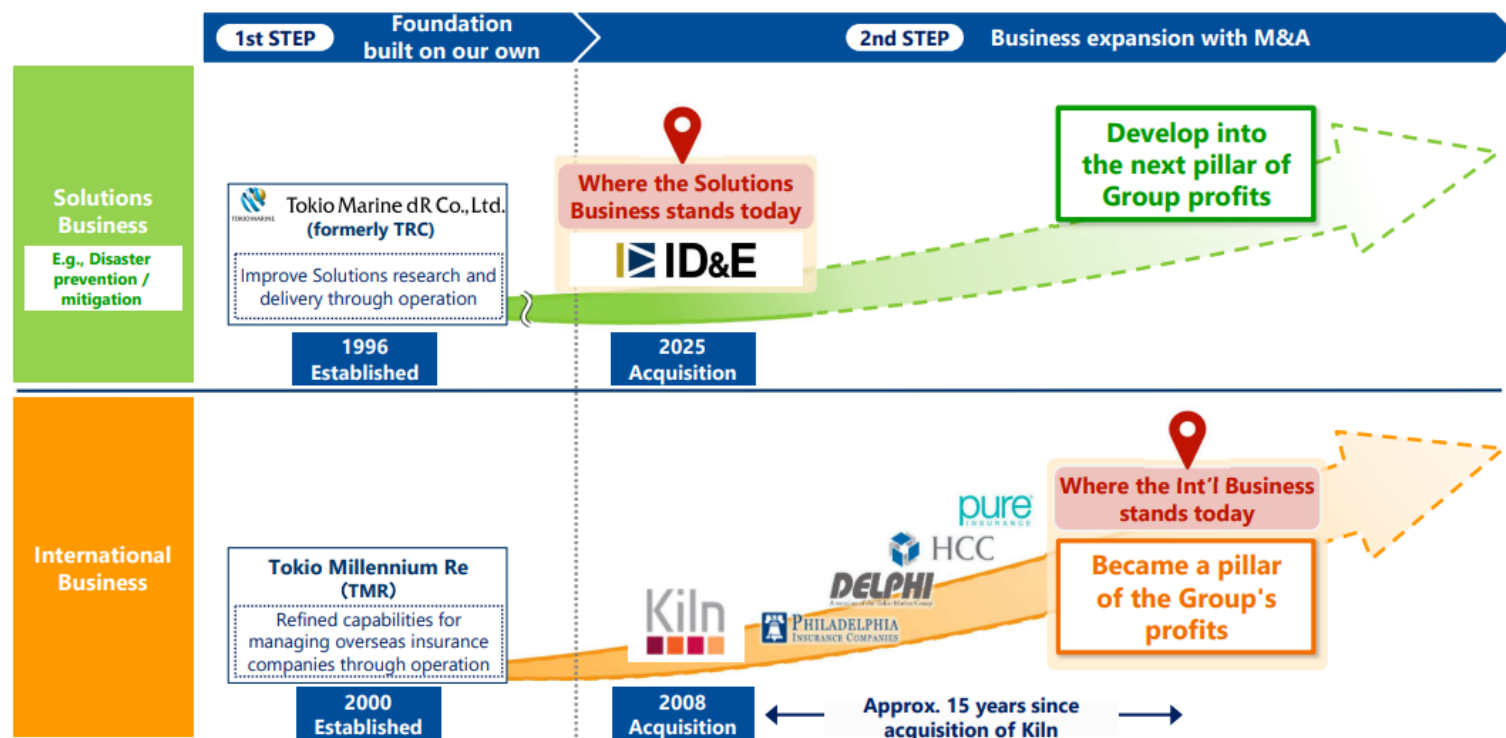
Distinctive initiatives

1 Values and Long-term Strategy

2-2. Business Model

A unique business model with "insurance + solution" on both wheels

- Based on a strong "insurance business" supported by disciplined underwriting capabilities and global risk diversification, the company combines a strong "solution business" acquired through the acquisition of Japan's No. 1 construction consulting (ID&E).
- By working on the solution, the company has obtained a new source of revenue in the form of fee income, which is different from insurance. The solution also has a low capital burden and leads to improved ROE. In addition, if customers can prevent accidents and reduce damage through the provision of solutions, it will also lead to a decrease in the loss rate of the insurance business.



Voice of the company Solutions business growth strategy backed by past success patterns

- In order for the overseas business to grow into a pillar of the Group's profits, it has followed a path to dramatically grow through the acquisition of capabilities through acquisitions, based on its own management.
- The solution business is also drawing a similar path, and while using M&A to gain a foothold on its own, it aims to expand its business in a way that creates a virtuous cycle (ecosystem) in which a single acquisition invites the participation of new blue-chip companies.
- ID&E's business integration is made possible by collaborations in areas such as disaster prevention and mitigation, as well as relationships built over many years of working together as founding members of the "Disaster Risk Reduction Consortium (CORE)".
- We believe that the business model with "insurance + solution" on both wheels is our own and inimitable strategy.

Tokio Marine Holdings Inc.

Distinctive initiatives

2 Execution strategy

Disciplined portfolio transformation

3.3. Business portfolio management strategies, including exit strategies

- In order to execute disciplined M&A, the company adheres to the "Three Principles of Acquisitions": (1) the culture and management values match, (2) the company has high profitability, and (3) it has a unique and robust business model to support it.
- In addition to hurdle rates that assume risk premiums and domestic and foreign interest rate differentials on the cost of capital, strict acquisition criteria are set that also emphasize qualitative principles.
- This principle is deeply woven into the vetting process, which is adopted as a criterion from the initial screening and due diligence stages.

► Stringent acquisition guidelines



3 Execution strategy

Global Group Management

3.7.3. Organizations

- Group integrated management, which started in 2016, aims to continue to evolve together with people and organizations by utilizing both the centrifugal force of diversity and the centripetal force of purpose.
- The company is making decisions and implementing important management matters by pooling global knowledge, and the Group's integrated management is steadily evolving, including the increase in overseas officers and the appointment of CxOs.
- Although the company has acquired highly specialized and knowledgeable human resources globally through M&A, the management of the acquired company continues to drive the growth of each company even after joining the group, and participates in the management of the holdings and contributes to the growth of the entire group with the right people in the right places.

Voice of the company

Group management with an emphasis on culture fit

- In our portfolio management, we emphasize culture fit, so there is a strong tendency for the excellent management of the acquired company to continue to be established even after joining the group. The management team is not only involved in the management of the acquired company, but also in the management of the holdings.
- The acquired company adopts a federal system (federated model) that respects the local culture, and gives autonomy to each company. It is precisely because there is sympathy for the basic thinking and corporate culture that it is the form of group management that is realized.

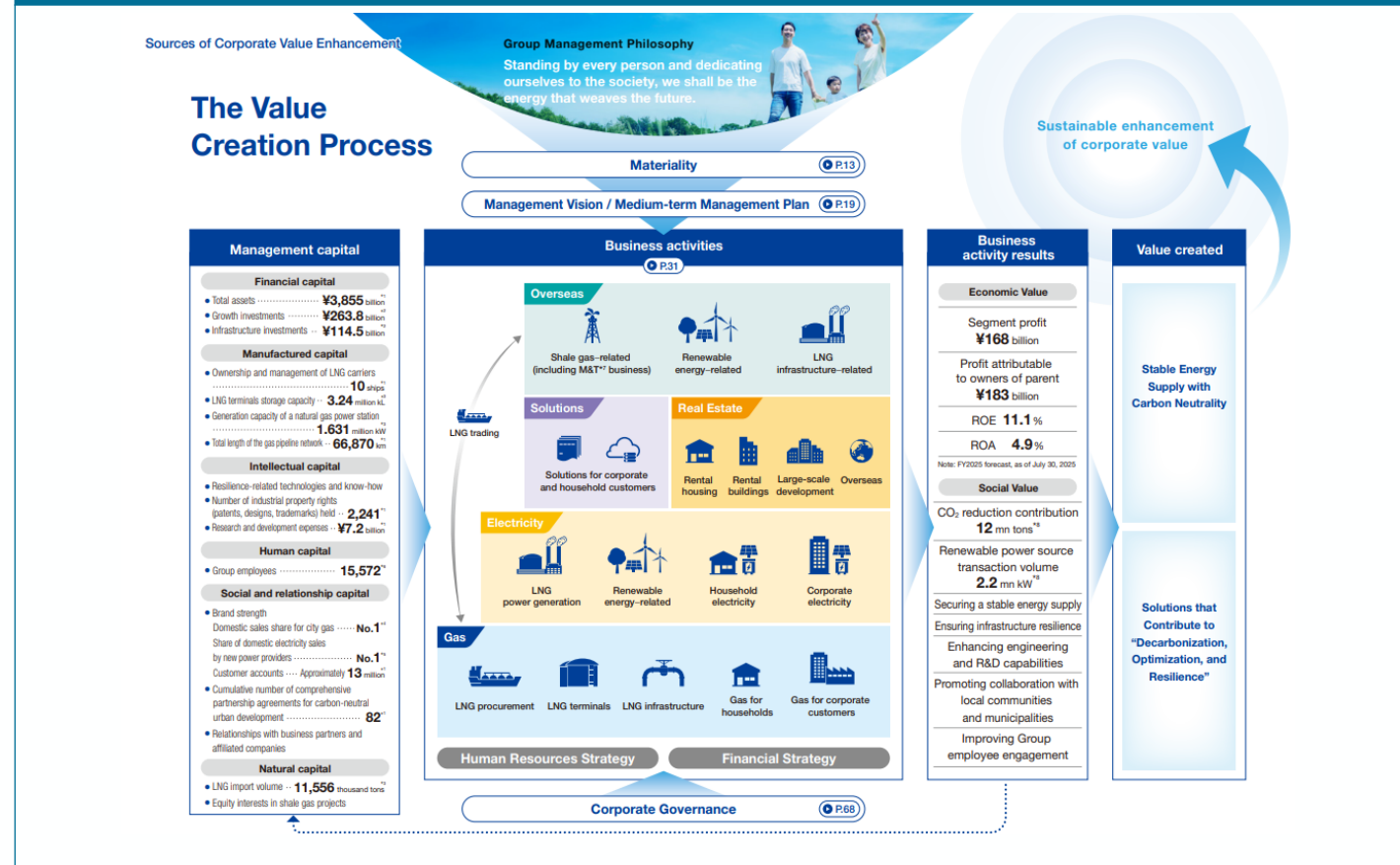
Overall Rating

- With the management philosophy of "Standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future" the company has positioned the turbulent era surrounding its business environment as the "third founding period" and is developing a strategy aimed at achieving stable energy supply with carbon neutrality.
- While leveraging the strengths of existing businesses, the company has the ability to gradually introduce advanced technologies such as e-methane, renewable energy, hydrogen, and CCUS, and our KPIs and governance system are also consistent with its strategy.

Evaluation by perspective

Values Long-term strategy	Amid the need to respond to climate change measures, the company is drawing a growth scenario while balancing decarbonization and profits from various angles such as e-methane, renewable energy, CCUS, smart energy networks, and real estate.
Execution strategy	We have a system in place to support the effectiveness of our strategy, including its community-based customer base, infrastructure operation track record, and strengthening overseas expansion, and we expect steady implementation.
KPI · Governance	As a company with a Nomination Committee, etc., we strive to separate execution and supervision, and continuously improve the effectiveness of the Board of Directors through the PDCA cycle based on third-party evaluations, etc.
Substantive Dialogue and Engagement	Through integrated reports and briefings, we carefully disseminate medium- to long-term strategies and decarbonization initiatives, and transparency and continuous information disclosure can be evaluated.

Value Creation Story



Tokyo Gas Co., Ltd.

Distinctive initiatives

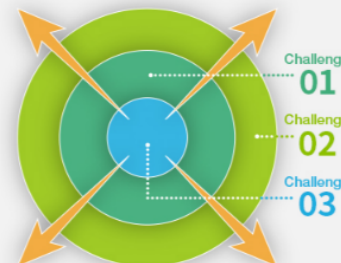
1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

A value creation story that advocates "stable energy supply with carbon neutrality"

- As a vision for 2030, the company has formulated the management vision "Compass 2030". Seeing changes in the market environment, such as the intensification of social issues such as climate change and changes in customer values, as opportunities to make a leap forward, it aims to create and provide diverse value through the "Three Challenges" by leveraging the Group's strengths, such as the advanced use of clean natural gas and urban development through smart energy networks.
- Regarding "Lead the effort to achieve Net-Zero CO₂," which is one of the "three challenges," the company has formulated the "Carbon Neutrality Roadmap 2050" as a specific pathway, stating that it will utilize the technology and know-how for the effective use of natural gas for decarbonization and CO₂ capture technologies in the electricity and heat fields.
- Based on the roadmap, the company is promoting initiatives to introduce e-methane and RNG equivalent to 1% of city gas supply in FY2030, as well as renewable energy projects (solar, offshore wind, etc.) in the value chain.

Create and provide various types of value



Utilization of the strengths of the Tokyo Gas Group to develop business in Japan and in global markets

Challenge 01

Lead the effort to achieve Net-Zero CO₂

In its overall business activities, the Tokyo Gas Group will work to achieve Net-Zero CO₂ emissions including customer emissions and lead the transition to a decarbonized society.

More information is available here

Challenge 02

Establish a value co-creation ecosystem

We will establish a value co-creation ecosystem* that creates value with customers, local governments, and business partners that include companies in different industries and venture firms and that provides a variety of solutions that resolve various issues.

More information is available here

Challenge 03

Transform the LNG value chain

We will create and provide various types of value from trading, production and power generation, networks, and customer solutions.

More information is available here

Voice of the company

Significance of Formulating a Long-Term Strategy

- Previously, we considered a long-term management vision by forwardcasting 10 years into the future, but in "Compass 2030", we look forward to the next 20 or 30 years, backcast from that future, and consider what we should do now.
- I thought that if we only targeted the next 10 years, it risked becoming a plan that could not respond to the social changes of "decarbonization" in the future, so we decided to use the perspective of backcasting, which considers what the future society should look like 20 or 30 years from now.

Tokyo Gas Co., Ltd.

Distinctive initiatives

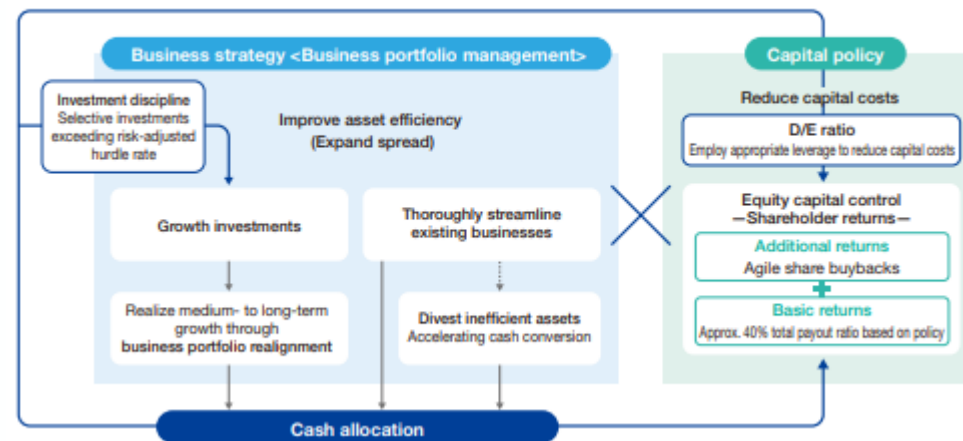
2 Execution strategy

Business portfolio reform with an awareness of capital efficiency (ROIC/WACC)

- At the same time as ensuring a stable supply of energy, the company focuses on profitability as a company, and as a concrete action toward rationalization and monetization, is promoting a shift to management with an awareness of capital efficiency.
- In terms of investment decisions, the company has established a disciplined investment process that formulates a 3-year WACC for each business segment and carefully selects investments that generate returns that exceed them.
- In FY2024, the company strengthened ROA management for each company and operating company, and as one of our specific measures implemented "business sorting" for all assets, including real estate.
- From FY2026, it will introduce ROIC management for each company and operating company to aim for further growth through improved profitability and optimal allocation of resources.

3.3. Business portfolio management strategies, including exit strategies

Balance sheet management



3 KPIs and Governance

Governance mechanisms that govern long-term strategies

- Based on "Compass 2030," the company moved to have a nomination committee based on the recognition that "reform from management" is essential in order to accelerate the expansion of business domains and the transformation of business structure.
- The two entities, the Board of Directors and the Executive Structure, aim to achieve sustainable growth and medium- to long-term corporate value enhancement by clarifying and complementing each other's roles and responsibilities under a relationship of constructive tension.

5.1. Division of roles and functions between the board of directors and top management

Voice of the company

Ways to elicit meaningful opinions from outside directors

- In order to make the Board of Directors a forum for essential discussions, we provide materials and hold preliminary briefings to share the review process, key issues, and risk recognition in execution in advance.
- For non-executive directors, off-site meetings are held to confirm the status of initiatives on cross-organizational issues, and to deepen their understanding of the characteristics and issues of each business by providing opportunities for on-site visits and exchange of opinions with employees

Nichirei Corporation

*September 2024 ~ August 2025 average

Overall Rating

- The resolution of the business model based on a solid business foundation of food and low-temperature logistics is high.
- The company comprehensively addresses material procurement and logistics sophistication (such as the next-generation transportation and delivery system SULLS and ASEAN's cross-border low-temperature logistics business), new products in line with changes in the living environment and health consciousness, and overseas expansion.

Evaluation by perspective

Values
Long-term strategy

The long-term vision is reminiscent of the company's strong business foundation, and it shows a strategy for product development and sophistication of procurement and logistics that captures changes in consumers.

Execution strategy

Specific measures such as food and logistics integration, overseas expansion, and DX are concrete. The capital allocation by area and segment is also disclosed in detail. This shows meticulous business management using indicators such as ROIC.

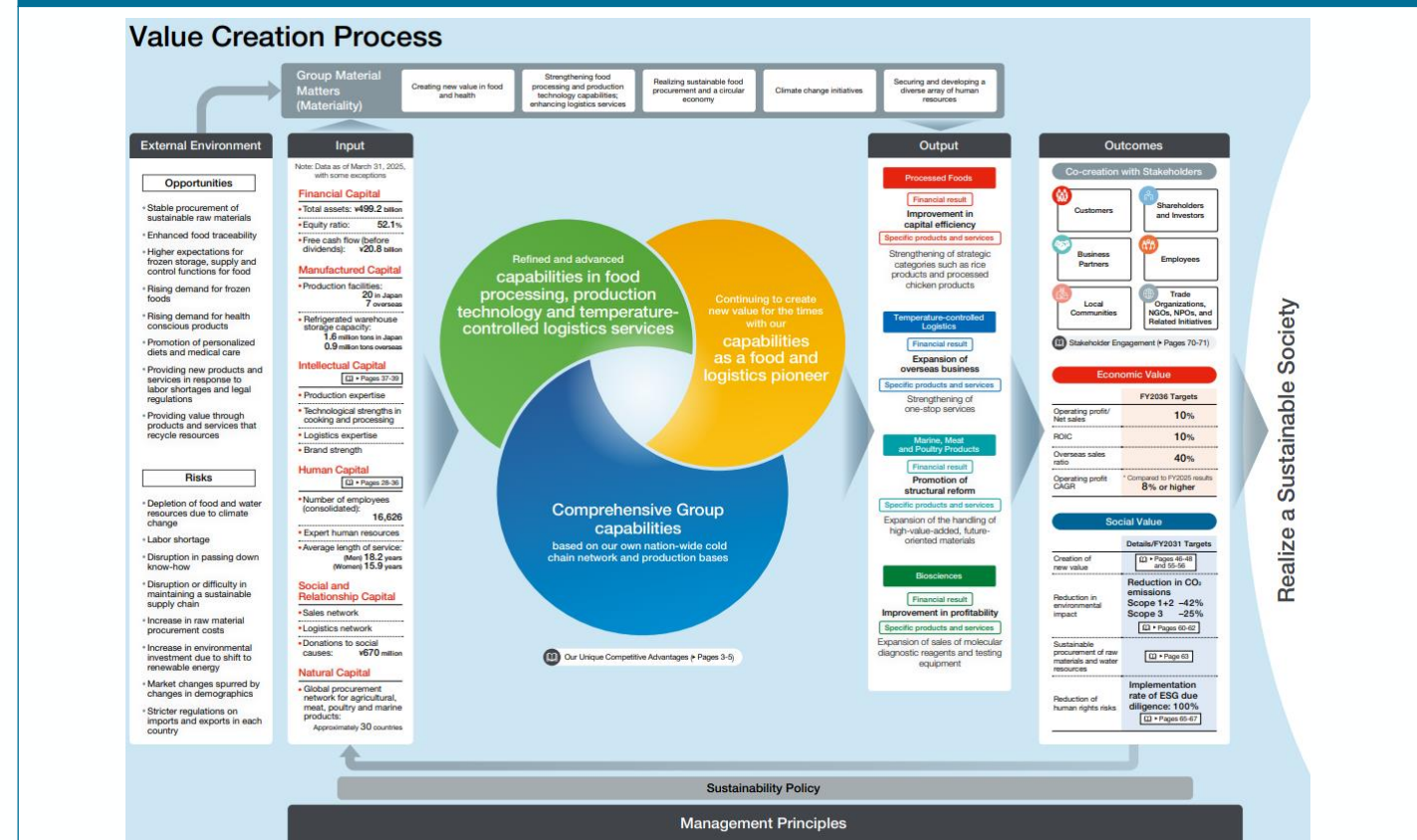
KPI •
Governance

Financial and non-financial KPIs linked to the business have been set, and the governance system is functioning, with cross-group committees conducting monitoring. There are also ways to increase independence and objectivity.

Substantive dialogue
Engagement

Management and outside directors actively participate in dialogue with investors. Through dialogue, the company has started disclosing ROIC, and is reflecting investor feedback in the enhancement of the disclosure content.

Value Creation Story



Nichirei Corporation

Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

Setting the desired figure by backcasting

- With a strategic target of 2035, the company has formulated a long-term management goal "N-FIT (Nichirei Future Innovative Tactics) 2035" that aims to "strengthen profitability and improve capital efficiency". In order to establish a long-term competitive advantage and continue to support the rich dietary habits and health of people around the world, the company will demonstrate the competitive advantages and group synergies it has cultivated, expand its overseas business, and strengthen the foundation that supports it.
- As of March 31, 2026, the Nichirei Group has earned the trust of all stakeholders in Japan and overseas as a company that continues to support the rich dietary habits and health of people around the world through 'creating outstanding value through food' and 'innovative solutions created from advanced logistics services'.

Voice of the company

Integrating diverse perspectives: Organizational Profile Initiatives

- We regularly implement a project called "Organizational Profile" to review the management cycle.
- This project serves as a prelude to the formulation of the medium-term management plan, and adopts a qualitative approach rather than a quantitative one, and is a place for employees from a wide range of classes, from junior employees to general managers, to participate and share their "vision for what they want to be in five years." This "ideal state" is a process of drawing what we want to be without being bound by preconceived notions and incorporating it into a realistic medium-term management plan.



Nichirei Corporation

Distinctive initiatives

2 Values and Long-term Strategy

2-2.2 Differentiating factors

Competitive advantage and value created by proprietary technology

- The Group is considering measures to lead to business growth through solving social issues through a business model that utilizes its broad business development functions and the Group's three strengths: Capabilities as a food and logistics pioneer, Capabilities in food processing, production technology and temperature-controlled logistics services, Comprehensive Group capabilities based on our nation-wide cold chain and production bases.

Voice of the company

Product development and commitment to food that utilize the "Capabilities as a food and logistics pioneer"

- Based on our rich history of developing cold storage, fisheries, and frozen foods, we have developed our business with "Capabilities as a food and logistics pioneer" as our core. With its ability to develop frozen foods, it has established itself as a pioneer in frozen processed products by bringing chawanmushi (steamed savory egg) to the market as Japan's first frozen processed product. In the future, we will continue to focus on the development of technologies to improve quality and aim to further enhance our competitive advantage by creating innovative technologies.
- We make the most of the intellectual property of our existing business and pursue the "deliciousness" that we value the most.

3 Execution strategy

3.7.1. Investment in technology (intellectual capital)

Innovation and growth through intellectual capital

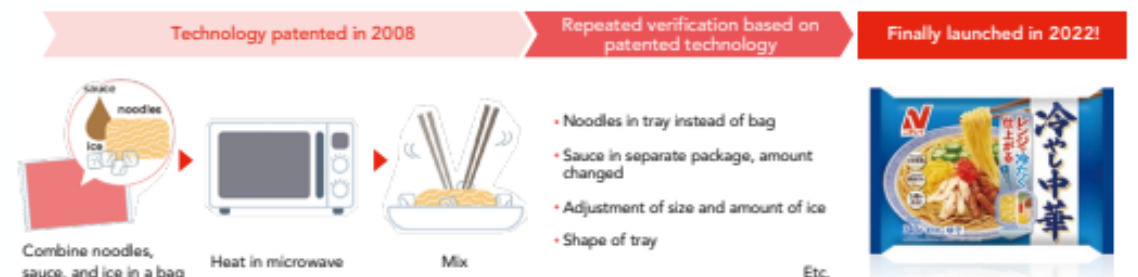
- Intellectual property is positioned as a growth asset that adds value to business activities and contributes to the enhancement of corporate value.
- At the same time as promoting the development of technologies that create a competitive advantage, the company is promoting intellectual property management to acquire, utilize, and protect patent and trademark rights in conjunction with its business activities.

Voice of the company

Leveraging Intellectual Property to Support Creativity and Innovation

- In managing intellectual property, it is important to make use of past patents to suit the modern business environment. By responding to the challenges faced by society and market changes, and promoting the development of new products based on existing intellectual property, we respond to the needs of society and promote the sustainable growth of companies.

Examples of intellectual property management: Utilization of technology and product development capabilities accumulated over many years



Hitachi, Ltd.

Overall Rating

- The vision and portfolio optimization direction are integrated with each strategy, including the sustainability strategy framework, and the resolution of the value creation story that synchronizes the resolution of social issues and growth is high.
- Through the combination of OT and IT, abundant human resources, and a global co-creation platform, measures with both strong execution capability and high scalability are being implemented.

Evaluation by perspective

Values
Long-term
strategy

The growth prospects of Forecast based on Lumada80-20 as a long-term goal and the company's competitive advantage are clear. It is a practical and advanced strategy to accelerate the DX of social infrastructure and industry by leveraging the integration of OT and IT, more than 107,000 digital talents, and global co-creation bases.

Execution
strategy

The strategies of human resources, digital transformation, intellectual property and intangible assets, and capital are in line with the pursuit of an optimal business portfolio based on improving ROIC through the strengthening of Lumada.

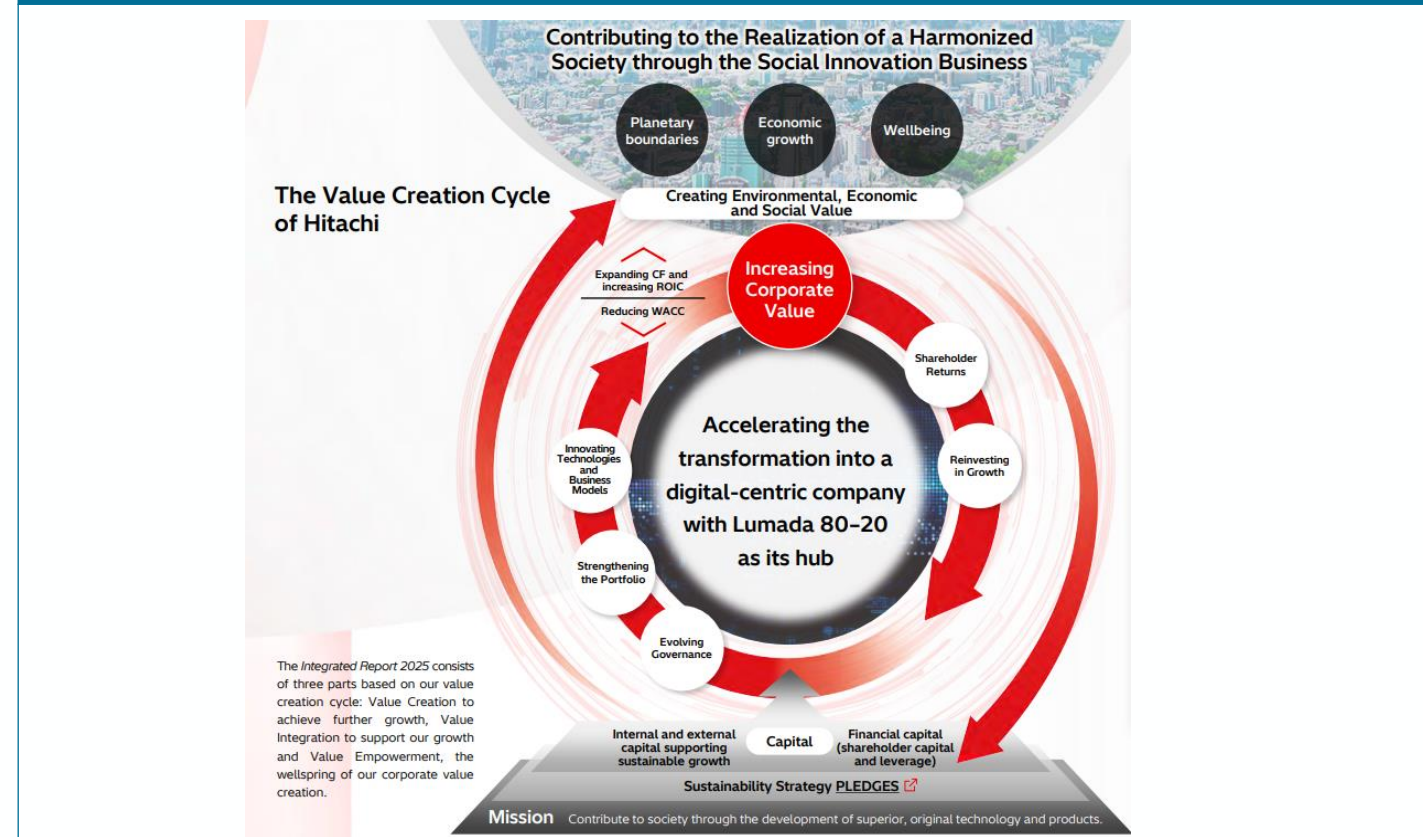
KPI ·
Governance

The company is composed mainly of outside directors with diverse backgrounds, and has established an effective governance system by continuously strengthening the functions of the Nominating, Audit, and Compensation Committees to enhance the independence of the Board of Directors and the transparency of management.

Substantive
dialogue
Engagement

It carefully communicates its strategies and results, and is proactive in dialogue with investors. Transparent communication from a medium- to long-term perspective can be evaluated.

Value Creation Story



Hitachi, Ltd.

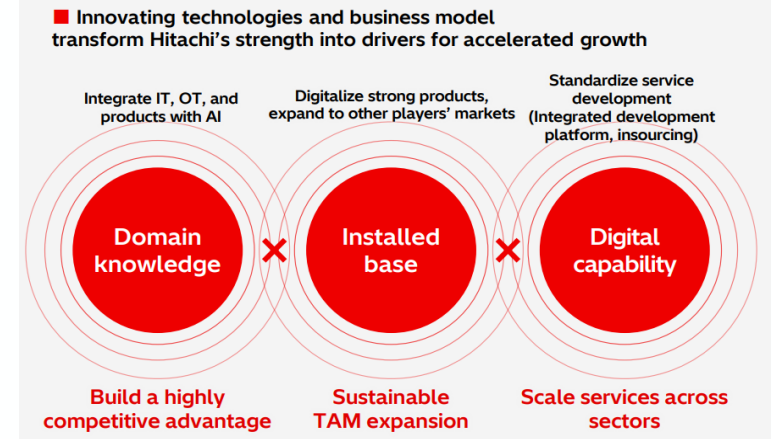
Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. Aiming to provide long-term value to society

Formulating the vision based on the perspective of forecasting centered on Lumada

- By strengthening the company's current competitive advantages, such as "broad installed base (products and systems) spread globally" and "deep domain knowledge cultivated in mission-critical areas," through Lumada, which integrates digital technology, it builds a growth model that addresses social and customer issues
- The company will further accelerate business development by strengthening capabilities through co-creation with customers and collaborating with external partners, and maximizing the value of accumulated data and on-site knowledge using AI.

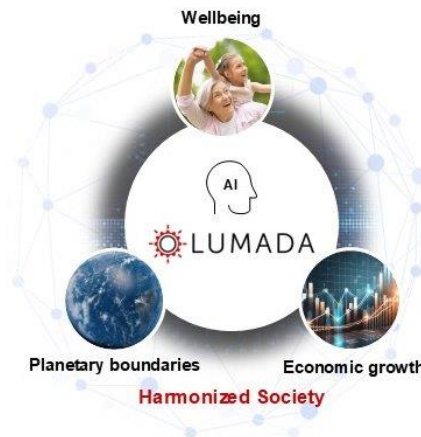


2 Values and Long-term Strategy

3.6. Investment in human capital and human resource strategy

Formulating the desired image based on the perspective of backcasting

- As a way of social change in the future, we envision the realization of a "Harmonized Society" in which the environment, wellbeing, and economic growth are in balance rather than trade-offs.
- The social value to be created in the future society is quantitatively estimated to be the level to be aimed at.



Voice of the company

How the Harmonized Society was conceived

- We have already placed importance on social and environmental values such as the preservation of the global environment and the improvement of people's wellbeing, as well as the achievement of financial targets.
- In the management plan "Inspire 2027", which will conclude in fiscal 2027, it was important to realize them as a whole rather than individually.
- This vision is based on the idea of aiming for a society in which diverse values and interests do not conflict, but coexist and develop in harmony with each other.

Hitachi, Ltd.

Distinctive initiatives

3 Execution strategy

3.3. Business portfolio management strategies, including business divestiture and exit strategies

Portfolio management to achieve the desired vision

4.4. Perception of the cost of capital

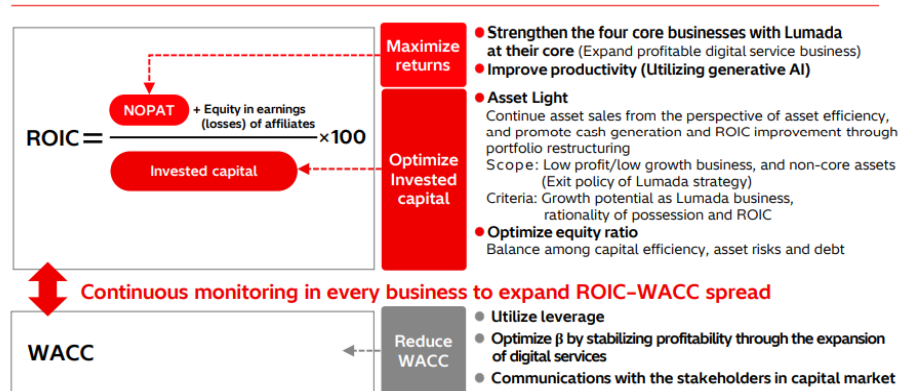
- Promotes the strengthening of the business portfolio centered on the long-term goal of “Lumada 80-20 (80% Lumada revenue ratio and 20% Lumada Adj. EBITA margin)”
- Investment decisions will hinge on whether they are accretive to ROIC through enhancing Lumada, seeking capabilities that differentiate value proposition, access to installed bases in high-growth areas and emerging technologies that could revolutionize Lumada.
- Businesses that lack strategies alignment with Lumada and have limited growth potential or competitiveness will be restructured
- In addition to compatibility with the strategy, the company carefully makes decisions based on financial targets (Adj. EBITA margin of 13~15%, ROIC of 12~13%) as the hurdle rate, and aims to expand ROIC-WACC spread

Voice of the company

Investment decision process based on clear criteria

- The acquisition will be premised on alignment with the Lumada strategy, and while allowing a temporary decline in ROIC after the acquisition, the recovery period of the ROIC-WACC spread will be strictly examined, and the ROIC (-WACC spread) improvement will be expected in the medium to long term.
- On the other hand, divestment decisions are based on a comprehensive assessment of Lumada alignment, growth potential, competitiveness, and capital efficiency, and businesses that lack clear value creation prospects are considered as part of portfolio transformation initiatives
- In discussions on investment decisions at the Board of Directors, sufficient information is provided to directors in advance to clearly identify key discussion points such as risks, returns, and strategic alignment.

Measures for Improving ROIC and Expanding ROIC-WACC Spread



Voice of the company

Management with an awareness of the cost of capital

- In order to improve ROIC, we break down the numerator (maximize returns) and denominator (optimize invested capital) into concrete actions through the logic tree, and use this framework to support target setting and performance management aligned with the business strategies and characteristics of each division.

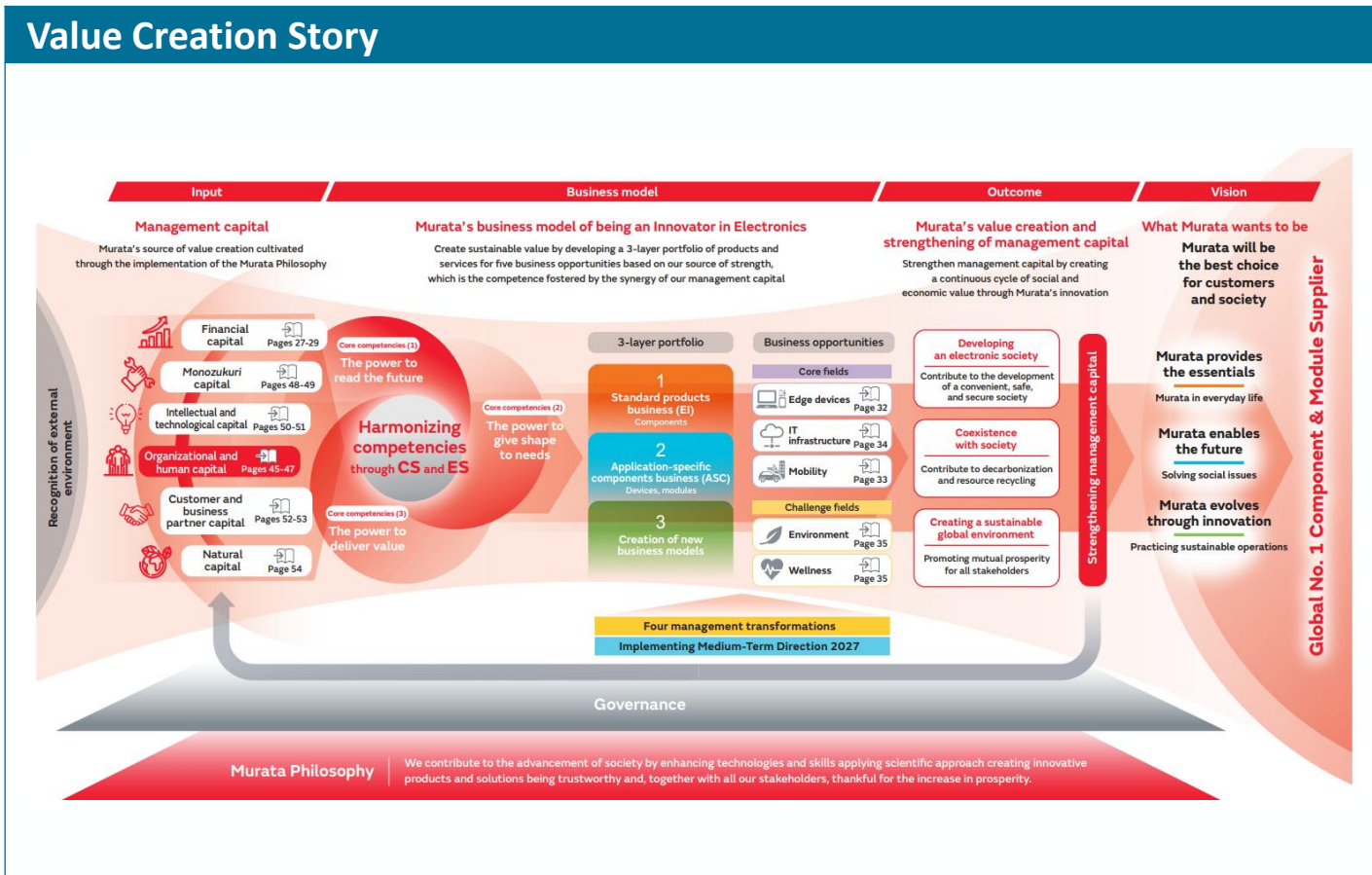
Murata Manufacturing Co., Ltd.

Overall Rating

- The company identifies social issues through double materiality analysis and building a long-term story that aims for a virtuous cycle of social value and economic value under Vision 2030. Based on three-tier portfolio management, human capital, DX, intangible asset investment, and capital allocation are integrated into the system, and the implementation of management with an awareness of capital efficiency is also high. In the future, it is expected that the explanatory power will be improved by more quantitatively showing the progress of discontinuous growth in challenging areas (environment, wellness, etc.).

Evaluation by perspective

Values Long-term strategy	The company has identified material issues in the framework of double materiality. The "ideal state" of Vision 2030 and the business model through three-tier portfolio management are clearly connected. Risks and opportunities are organized as changes in the environment, and the long-term story is structured, such as setting five growth areas.
Execution strategy	Human capital, DX, portfolio, intangible assets, and capital allocation are consistently described, and the concept of resource allocation is clear. The capital policy that separates the capital investment quota and the strategic investment quota is also specific, and the implementation strategy is highly complete.
KPI · Governance	The fact that Vision 2030 and Medium-Term Policy 2027 are connected and KPIs are set for both economic and social value is a high degree of implementation of SX management. It is good that the evaluation of effectiveness is evaluated by comparing the evaluation of effectiveness over the years.
Substantive dialogue Engagement	Efforts are being made to improve the quality of dialogue, including the presentation of ROIC goals and the holding of technical briefings.



Murata Manufacturing Co., Ltd.

Distinctive initiatives

1 Values and Long-term Strategy

2-2. Business Model

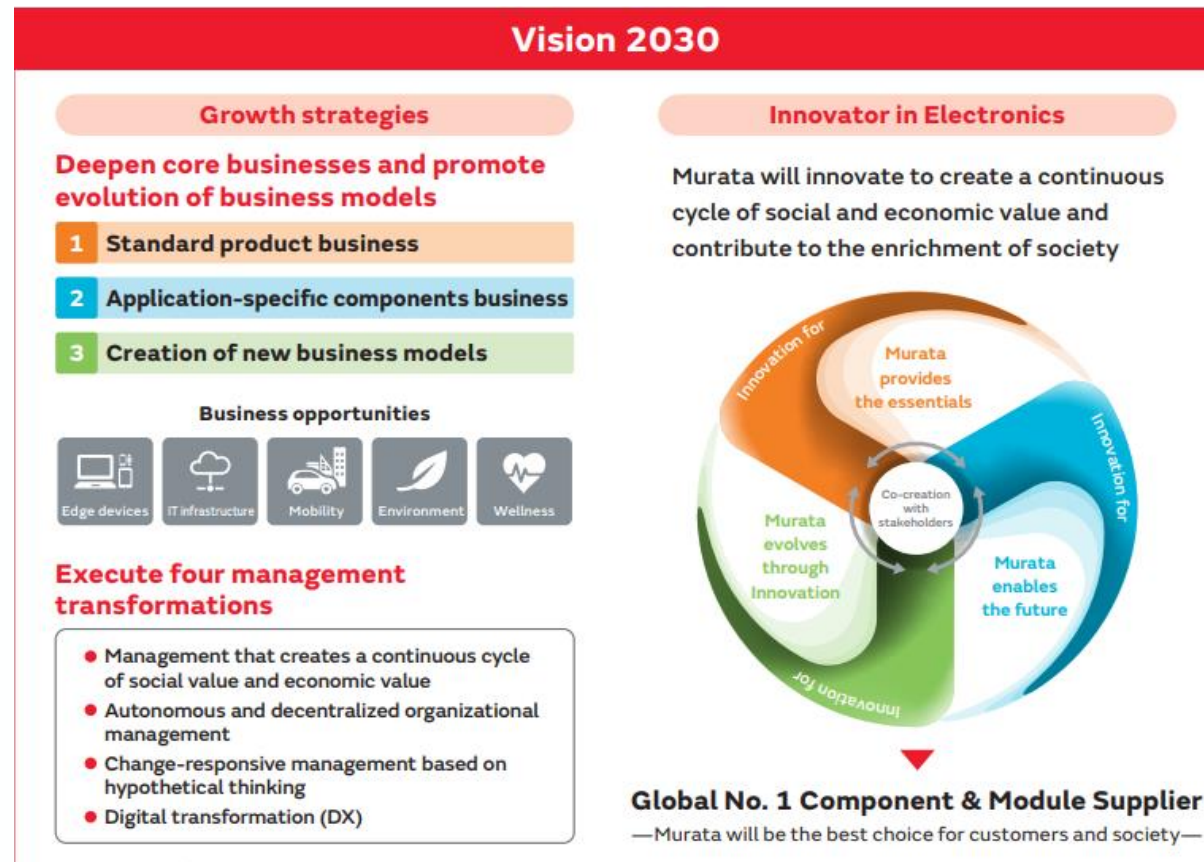
A clear connection between the "ideal state" and the business model through three-tier portfolio management

- In Vision 2030, the company views "social transformation through digital twins" as a change in the external environment, and then set business opportunities (edge devices, mobility, IT infrastructure, environment, and wellness) through backcasting. It explains growth strategies and goals in each area.
- The business model is explained in a three-tier portfolio (1st layer: standard product type business, 2nd layer: application-specific business, and 3rd layer: creation of new business models), and the roles and goals of each layer are clarified.

Voice of the Company

Background and Effects of Three-Tier Portfolio Management

- Each business has a different approach and skills required. For example, capacitors are standard products that are horizontally deployed, and high-frequency modules are application-specific types that match the technologies of each customer, so the business styles are different.
- Since this difference cannot be expressed in a single portfolio, it is organized into a compound structure of one layer (standard product type), two layers (application-specific type), and three layers (new business). It is a concept born from the fusion of on-site experience and management perspectives.
- As a result, it has helped to improve management transparency, penetrate into the field, strengthen dialogue with investors and promote understanding, and improve the explanation of the overall picture of the growth strategy.



Murata Manufacturing Co., Ltd.

Distinctive initiatives

2 Values and Long-term Strategy

Aiming for a virtuous cycle of social and economic value

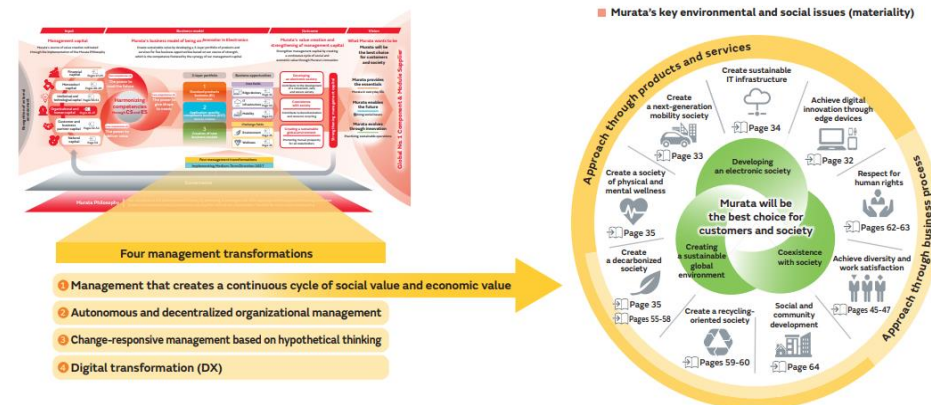
- As part of the management reform to realize Vision 2030, the company has set up a "virtuous cycle of social value and economic value" and identified materiality to realize this virtuous cycle. In addition, in the medium-term policy, the company has set economic value targets (ROIC, sales revenue, operating profit margin) and social value targets (GHG emission reduction, ratio of female managers, etc.) in parallel.

Voice of the company

Reinvesting the economic value created to further improve social value

- Based on the company motto and management philosophy of "Contributing to the development of culture", we promote climate change countermeasures and resource recycling. Improving social value leads to increased sales and brand value through differentiation of environmentally friendly products and services, creating a virtuous cycle that can promote both profitability expansion and social issue resolution.

2-1.1. The intended future state of providing long-term value to society

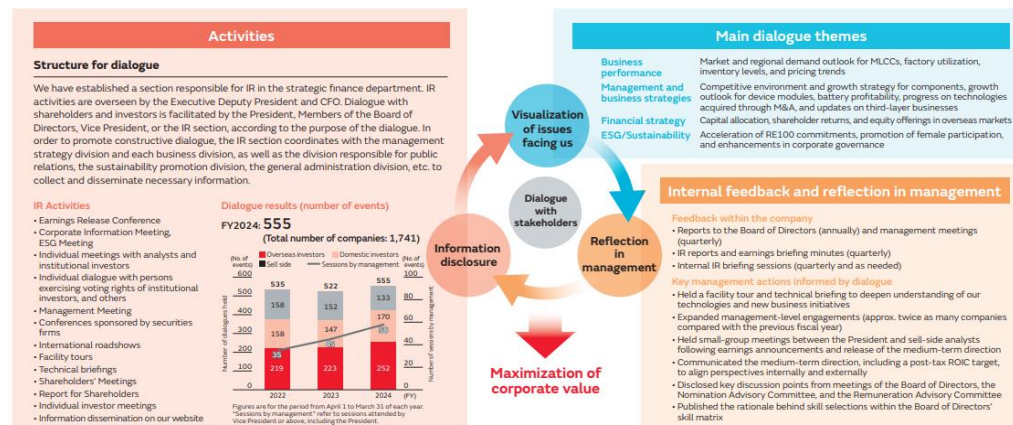


3 Substantive Dialogue and Engagement

Reflection of the content of dialogue with investors in our initiatives

6.3. Methods of substantive dialogue, etc./ 6.4. Actions after substantive dialogue, etc.

- Externally, the number of dialogues, management involvement, and theme setting are clearly stated, and opportunities for dialogue are secured. In addition, as "matters reflected in management based on dialogue," the report specifies a number of specific improvement actions, such as "presentation of after-tax ROIC targets" and "disclosure of reasons for selecting skills in the directors' skill matrix."
- For internal use, the company provides feedback on the contents of interviews with investors and the results of questionnaires at quarterly briefings for business divisions and business management departments.



Resona Holdings, Inc.

Overall Rating

- On the premise of a structural transformation in which SX and DX are progressing simultaneously, the company has identified the region, declining birthrate and aging population, the environment, and human rights as materialities, and have set the long-term goal of "Retail No. 1". The strategic design to simultaneously promote high-cost structure reform and value provision expansion centered on CX is clear, and long-term indicators (Value Creation Capability Indicator, etc.) and medium-term KPIs are also organized. (In March 2026, the Resona Group revised its materiality and formulated and announced a new medium-term plan that inherit and evolve "the first 1,000 days of CX.")

Evaluation by perspective

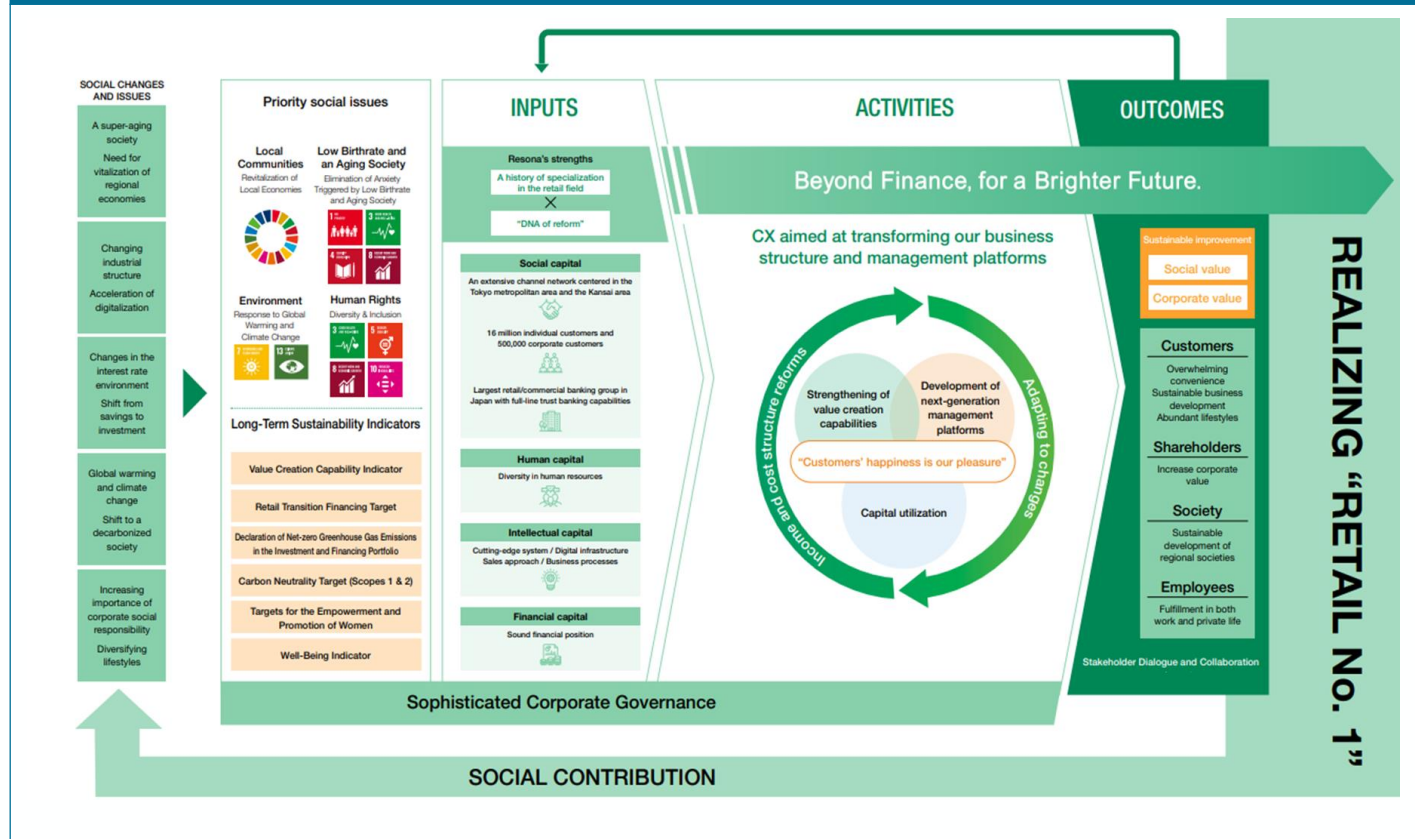
Values Long-term strategy
Based on the inherent strengths of retail, it is easy to understand the path to identify and solve the expected megatrends and the important issues derived from them.

Execution strategy
Human resources, DX, business process reform, and system structure reform are grouped together as "the first 1,000 days of CX" and the path to closing the gap is clarified.

KPI Governance
As a company with a nomination committee, etc., the supervisory function is strengthened by a majority of outside directors and three committees. The "Long-term Sustainability Indicators" for 2030 and medium-term KPIs have been organized, and a system has been established that runs through both financial and non-financial from the short to the long term.

Substantive dialogue Engagement
It shows that the company is trying to make use of dialogue with investors in management, such as holding regular meetings to exchange opinions with outside directors.

Value Creation Story



Resona Holdings, Inc.

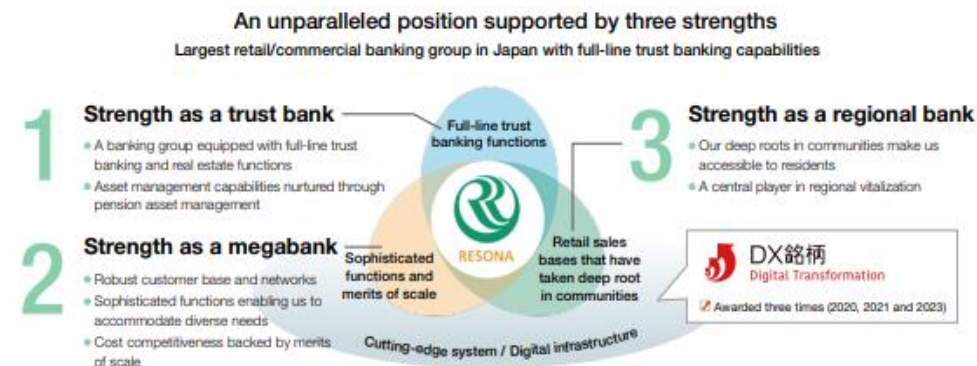
Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

A value creation story with "A History of Specialization in the Retail Field" and "DNA of Reform" as strengths

- Recognizing the megatrend of SX/DX progressing at the same time, the company has set a long-term vision of "Retail No. 1". From there, it works backwards to formulate materiality and medium-term management plans (from the perspective of backcasting).
- The starting point for value creation is the unique strengths of "DNA of Reform" and "A History of Specialization in the Retail Field" that overcame the Resona shock (from the perspective of forecasting).
- It is evaluated for its attitude of not only strengthening retail, but also facing the issue of "breaking the high-cost structure embedded in the retail business" head-on.



2 KPIs and Governance

5.1. Division of roles and functions between the board of directors and top management

Governance reforms to ensure the effectiveness of strategies

- As a company with a nomination committee, etc., independent outside directors account for the majority, and the chairman of the board of directors is also an outside director, and has established a system that thoroughly enforces the separation of supervision and execution.
- Since 2022, an outside director has served as the chairman, and "what should be discussed as the board of directors of Resona Holdings" has been clarified. Rather than extending the executive side, the company is actively discussing the strategy and direction of the entire group.

Voice of the company

Utilizing the knowledge of outside directors in management

- Outside directors have received important opinions on improving corporate value, with objective perspectives such as "Is that goal sufficient?" and from the perspective of external and especially shareholders that may be overlooked by the executive side.
- In order to elicit opinions from outside directors, sufficient input of internal information is required. The Company's Corporate Governance Secretariat has a dedicated person in charge for each Outside Director, and in addition to the general briefing, there is a one-on-one input forum between Outside Directors and the person in charge in the pre-briefing of the Board of Directors.

Resona Holdings, Inc.

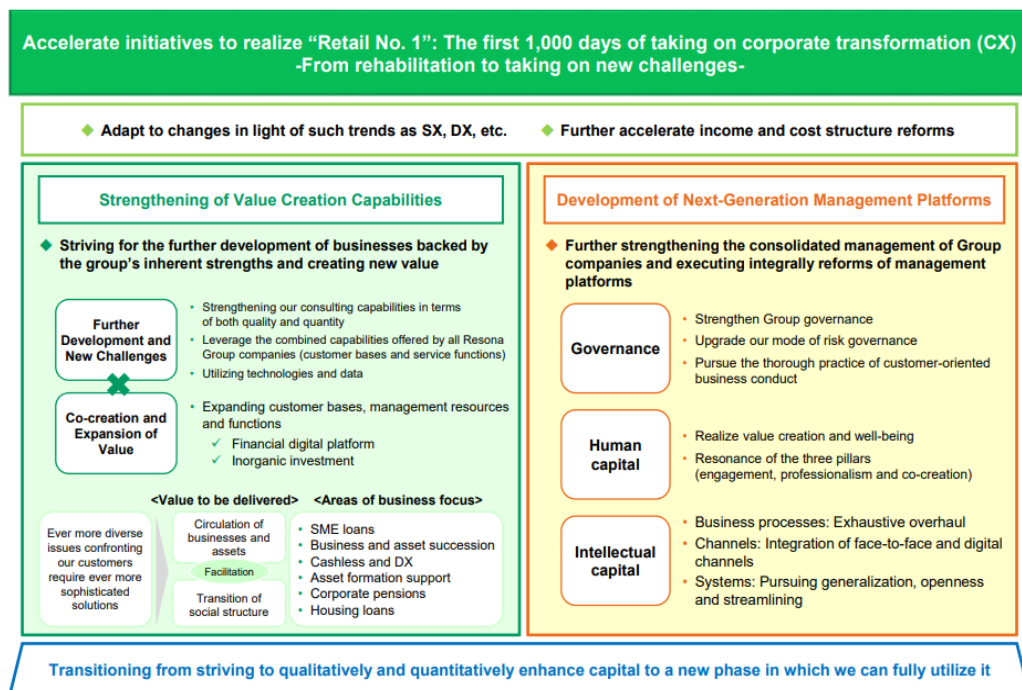
Distinctive initiatives

3 Execution strategy

3. Implementation strategies (e.g., medium-term management strategy)

Next-generation management foundation centered on CX (corporate transformation)

- The medium-term management plan, which covers the planning period from FY2023 to FY2025, is positioned as "the first 1,000 days to work on CX to accelerate the realization of retail No. 1," and is working to solve the issues of adapting to changes in the external environment and breaking down the high-cost structure of the retail business.
- To achieve these goals, the company will deepen its business by leveraging the Group's strengths cultivated over its history of retail specialization, "strengthen value creativity" through the challenge of creating new value, further strengthen the Group's consolidated management, and "next-generation management infrastructure" through integrated foundation reforms.



Voice of the company

People-centered reform

- The background of the medium-term management plan was due to differences among banks within the Group, and there was a recognition of the issue of establishing a common platform for the Group to respond to changes in the environment, such as systems, business processes, and human resources.
- Based on the recognition that the main body of change, including systems and business processes, is "people", we are carrying out integrated foundation reforms through the penetration of purpose.
- We believe that new value is created when people with different values exchange opinions, and we actively engage in human resource exchanges. In addition, it is trying to change the culture of bank employees itself through collaboration with external parties (such as digital companies) and "cross-border" beyond the boundaries of banking operations.

Voice of the company

Environmental analysis with an integrated view of SX/DX/CX

- The management concept is to carry out structural reforms (CX) in line with changes in values (SX) that emphasize sustainability as well as economic convenience and changes to smartphone-centered financial behavior (DX).

Resonac Holdings Corporation

*September 2024 ~ August 2025 average

Overall Rating

- Under the purpose of "changing society through the power of chemistry," the company is promoting corporate transformation under the strong leadership of top management. There are many points to evaluate, such as management's message power, long-term strategy for corporate transformation, and strategic IR.
- The attitude of steadily implementing portfolio transformations based on a clear evaluation axis, such as partial spin-offs of the petrochemical business, can be highly appreciated.

Evaluation by perspective

Values
Long-term strategy

The top management's strong desire to change "change the culture of JTC" has been demonstrated, and efforts to create value are steadily progressing, such as trying to spread purpose values.

Execution strategy

The company is steadily implementing portfolio transformations based on the clear evaluation axes of "strategic fit", "profitability and capital efficiency", and "best owner", such as partial spin-offs of the petrochemical business.

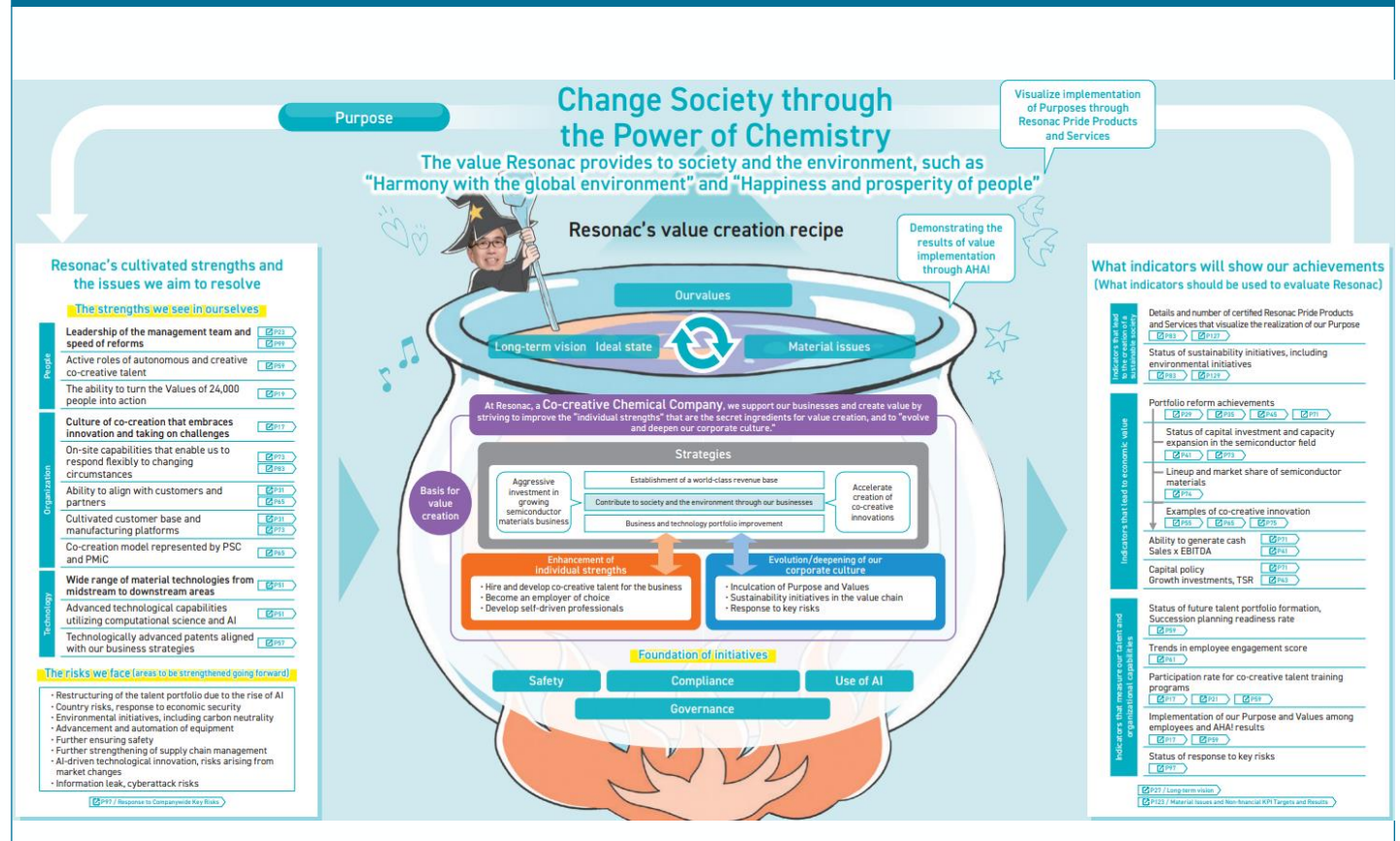
KPI
Governance

The clarification of the role of the board of directors as a monitoring board is easy to understand, and it is explained that there is an in-depth discussion on KPIs.

Substantive dialogue
Engagement

Enthusiasm for dialogue can be felt, such as strategic IR activities from the perspective of "selecting shareholders" and disseminating fair value by top management.

Value Creation Story



Resonac Holdings Corporation

Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

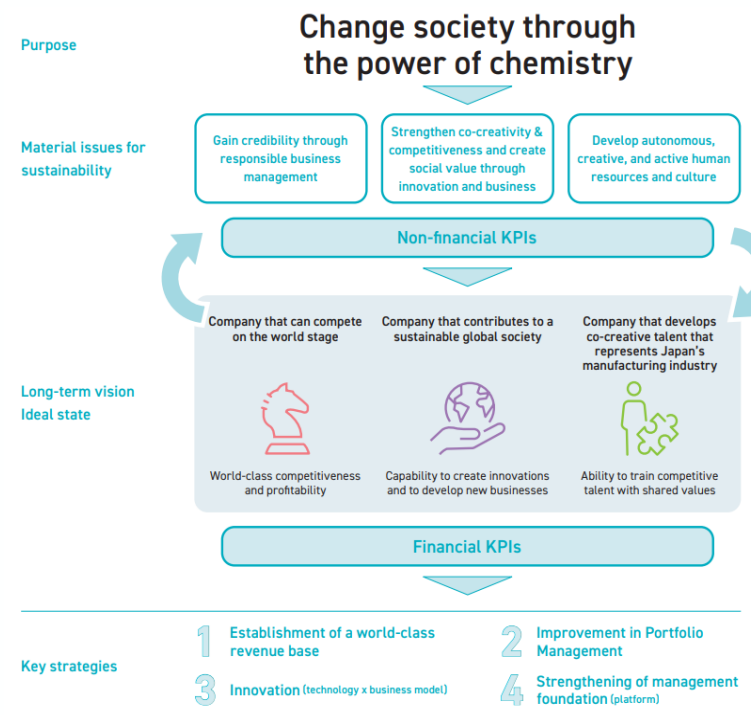
Aiming to become a "world-class functional chemical manufacturer"

- The merger of Showa Denko and Hitachi Chemical in 2023 to create a new company, Resonac, is positioned as a "second founding" and aims to grow into a world-class functional chemical manufacturer by 2030.
- Based on the purpose of "changing society through the power of chemistry," the three key issues examined from both the expectations of society and the company's materiality are "fostering trust through responsible business management," "improving co-creation and competitiveness and creating social value through innovation and business," and "fostering the active participation of autonomous and creative human resources and culture."

Voice of the company

**Based on "Corporate Value = Corporate Culture × Strategies × Strengths"
Strengthening Competitiveness and Promoting Co-Creation**

- Our competitiveness is based on our technical capabilities in semiconductor electronic materials and our ability to interact directly with industry-leading customers. In order to continue to grow in the field of advanced semiconductor materials, it is important to consider industry fluctuations and promote the development of next-generation materials in a timely manner through dialogue with customers. Even if there is a possibility that we will focus on fields other than semiconductors in the future, we believe that as a functional chemical manufacturer, we can leverage our technological and dialogue capabilities to co-create with relevant stakeholders and provide products that meet customer needs.
- Fostering a culture of human resource development and co-creation as well as the development of innovative technologies is essential to maintaining and further strengthening our competitiveness. It emphasizes the active participation of autonomous and creative human resources and focuses on cultivating co-creative human resources. We regard the promotion of co-creation both internally and externally as an important factor in business growth, and actively implement initiatives to spread our purpose values.



Resonac Holdings Corporation

Distinctive initiatives

2 Execution strategy

3.6. Investment in human capital, human resources strategy

Human capital to realize the vision

- The company believes that it is important to improve corporate value by closely linking business strategy and human resource strategy. We will build a co-creation culture unique to Resonac and realize further growth in our business by cultivating co-creation human resources.
- In order to realize the ideal state of each business, it organizes and defines the skills and competencies required for each job type, and formulate a personnel plan according to the availability of the required human resources.
- For example, in the Electronics Business Division, after clarifying the gap between the workforce structure that we should aim for in five years, we are implementing measures related to recruitment, resource shifting, retention/engagement, and engineer development.

Voice of the company

Purpose and value penetration through co-creation and dialogue

- We aim to create co-creative human resources and are working to instill and practice our purpose and values within the company. CEOs and CHROs visit locations in each country to hold town halls, small roundtables, and meetings with management. Even at the field level, management and employees conduct frequent one-on-one interviews to support the promotion of growth.
- In talent management, we have introduced an early selection program and a job recruitment system so that employees can think about and shape their own careers.

3 Execution strategy

3.7. Investment Strategy to secure and strengthen intangible assets, etc., including intellectual property

R&D and intellectual property strategy to realize the vision

- With the aim of improving the probability of manifestation of research results, the company is promoting co-creative research and development in collaboration with internal organizations and external stakeholders.

Voice of the company

Co-creation R&D centered on dialogue

- In R&D, we promote open innovation and internal and external co-creation through the Packaging Solution Center. In terms of intellectual property strategy, in the semiconductor and electronic materials segment, we are pursuing the construction of the most suitable intellectual property portfolio for each business, such as filing global patent applications to continue to win in advanced fields.
- At our company, we aim for an organizational structure that enables cross-functional efforts. In 2024, the Strategy Department of the Institute will be newly established to create an environment where the field and the R&D department can have constant dialogue. Incorporating FFS theory, each person's characteristics are incorporated into human resource allocation, and emphasis is placed on the development of human resource portfolios.

4. SX Nominated Companies

List of companies (in Japanese alphabetical order)

Among the companies that have not been selected for the SX Brand 2026, we have selected the following two companies as "SX Nominated Companies" for companies that are implementing outstanding initiatives that deserve special attention.



Company Name	Pages
Kioxia Holdings Corporation	81
MITSUI-SOKO HOLDINGS Co., Ltd.	82

Kioxia Holdings Corporation

Overall Rating

With "memory" technology at its core, the vision to provide products, services, and mechanisms that realize the future for each person is presented based on megatrends. As a company specializing in flash memory and SSDs, it can be said that the company is developing strategies based on risks and opportunities where business opportunities are expected from the rapid spread of AI-based data generation.

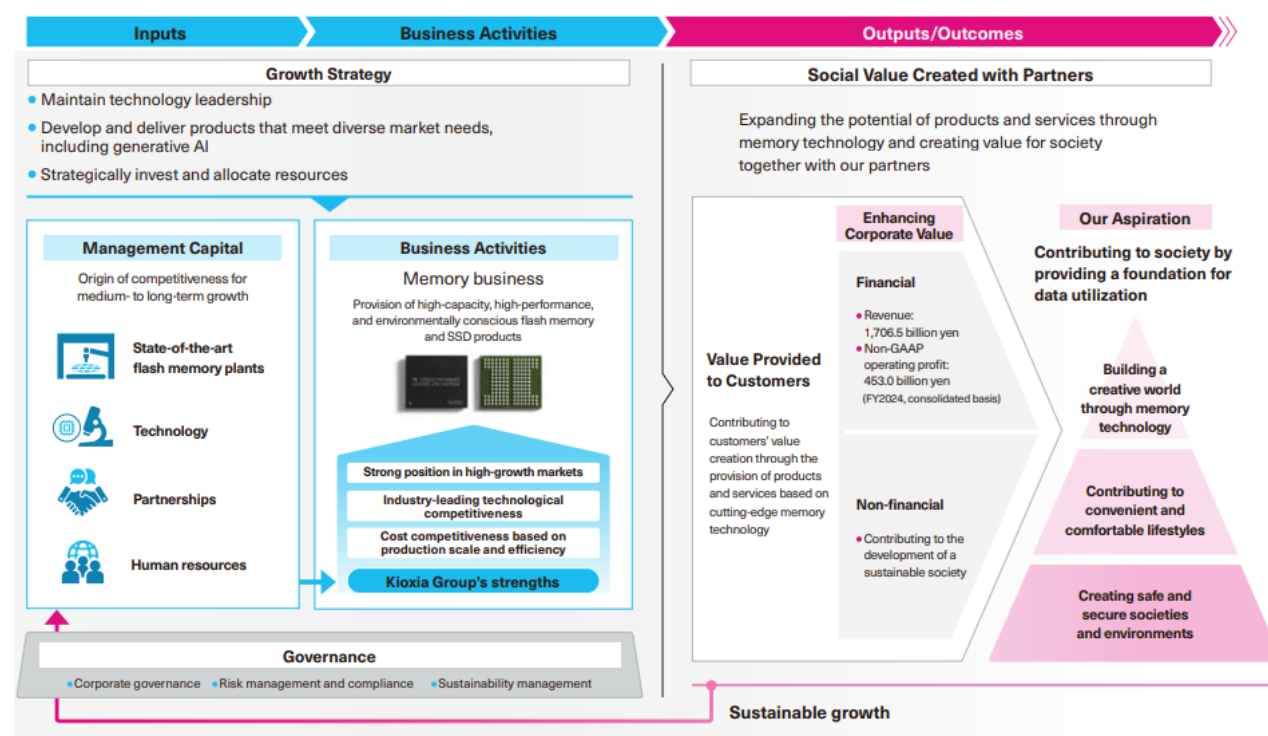
Distinctive initiatives

1 Values and Long-term Strategy

2-1.1. The intended future state of providing long-term value to society

Identification of the company's goal in the perspective of forecasting the ideal company's positioning

- The company envisions to create social value through widening possibilities of products and services through "memory" technology along with partners
- The company will build a value creation process based on its strengths: strong positioning in high-growth markets, industry-leading technological competitiveness, and cost competitiveness based on production scale and production efficiency.



Voice of the company

Our company's strengths deepen even in the era of AI progress

- With the three sources of strength: technology, scale, and partnership, we have built a strong position in the semiconductor industry.
- Looking back, smartphones are devices that could not have been realized without flash memory, and they have greatly changed the way we live in the world. In addition, in pre-AI data centers, the large capacity of flash memory has played an important role. Even in the era of AI, we want to continue to provide value by further improving performance.

MITSUI-SOKO HOLDINGS Co., Ltd.

Overall Rating

In order to contribute to the development of society and industry through logistics, the company has set its purpose to “Empower society, encourage progress”, and has set supply-chain optimization and provision of high-value services as the pillars of its long-term strategy. It also focuses on environmental measures and DX promotion, and has a clear stance of aiming for sustainable growth and increased corporate value.

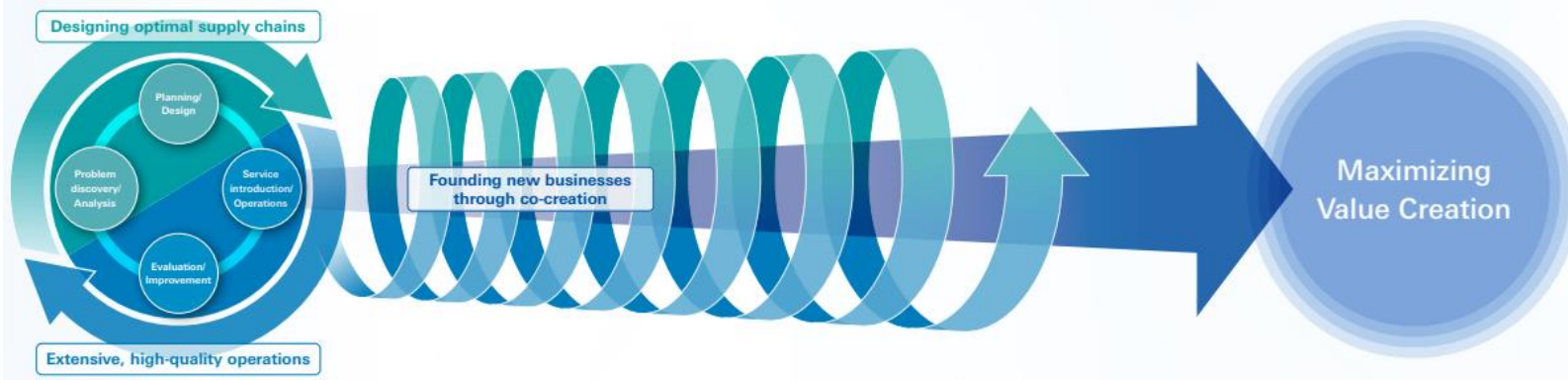
Distinctive initiatives

1 Values and Long-term Strategy

Redefining business models for medium- to long-term value creation from the perspective of forecasting and backcasting

2-2. Business Model

- Based on grasping changes in the environment in logistics, society, and customer needs, the company has redefined its business model comprised of “designing optimal supply chains”, “Extensive, high-quality operations” and “Founding new businesses through co-creation”, aiming to achieve its vision “The co-creative logistics solutions partner. For every day, emergency, and always will be”.
- In redefining the business model, in addition to the perspective of forwardcasting based on the present, it is based on backcasting thinking that envisions the future of 2050 and identifies the social image and customer trends in 2035.



Voice of the company Evolution as a logistics company based on the future social image

- In identifying the social vision for 2050, we set a "vision of the future (A frictionless and pleasant world where creativity and diversity are respected)" rather than just making predictions and redefined our business model to create medium- to long-term value.
- We want to be a partner that continues to improve the corporate value and social value of our customers. We aim to play a more value-added role in the supply chain, which is becoming more important after the intensification of disasters and the corona disaster.

"SX Brands 2026" Offering Overview

Application Guidelines

- The application guidelines for "SX Brands 2026" were as follows.
- In the process of screening SX Brands, the value creation stories of applicant companies are reviewed based on the framework of the Guidance for Collaborative Value Creation 2.0.

【Ref.】 Guidance for Collaborative Value Creation

https://www.meti.go.jp/policy/economy/keiei_innovation/kigyokaikei/guidance_for_collaborative_value_creation_2.0_en.pdf

Items	Contents
Target companies	Companies listed on the Prime Market, Standard Market, and Growth Market of the Tokyo Stock Exchange as of September 1, 2025
Application Period	Monday, October 6, 2025 10:00 to Friday, November 28, 2025 12:00
How to apply	Submit SX questionnaire. (1 response per company)

Structure of the SX questionnaire

- The SX questionnaire used multiple-choice and descriptive items to check whether the applicant company was able to build a value creation story. The SX questionnaire is designed from four perspectives: "values and long-term strategy", "execution strategy", "KPI and governance", and "substantive dialogue and engagement" that make up the value creation story.
- In response, we also received references such as the integrated report and the securities report.

1. Values and long-term strategy

"Values" are the **judgment axis of action taken by the company and each employee to solve social issues**. It is important for companies to present their unique values and **consider what kind of social issues they consider to be "important issues" to be solved in their sustainable value creation**.

The "long-term strategy" includes the formulation of a "vision for which long-term social trends are determined", the construction and transformation of business models that will be the pillars of its realization, **and the analysis** of risks and opportunities that should be taken into account. It can be built by doing it in an integrated manner. In order to demonstrate how to create sustainable value in response to changes in the industrial structure and business environment, it is desirable for companies to build long-term strategies **in an integrated manner with values and material issues**, based on the understanding and analysis of risks and opportunities.

2. Execution strategy

The "Execution Strategy" is an immediate and medium- to long-term strategy that maintains and strengthens the company's management resources and relationships with stakeholders, **and materializes and realizes long-term strategies**. Companies are required to formulate an implementation strategy based on **the analysis and evaluation of their financial position and operating performance**, as well as the **analysis of long-term risks and opportunities**.

3. KPIs and Governance

"KPI" is an indicator that shows how much value is created by long-term strategy and execution strategy, **and how management analyzes and evaluates it**. It is important for companies to **refine, upgrade, and review their strategies as necessary through strategy progress management and performance evaluation based on KPIs**.

"Governance" is a system and function that steadily formulates, promotes, and verifies strategies and **disciplines companies to sustainably increase corporate value**. Companies are required to develop governance mechanisms that govern corporate behavior **in a way that is effective and sustainable**.

4. Substantive dialogue and engagement

"Substantive dialogue and engagement" is a collaborative effort in which companies and investors engage in interactive dialogue about the **overall picture of a company's value creation story and each component**, and refine the contents of these contents. It is important for companies and investors to co-create sustainable corporate value while deepening substantive dialogue and engagement.

Questions for descriptive items

- The descriptive items of the SX questionnaire consist of the following questions.
- Although there is no upper limit on the number of characters, the total number of characters is set at about 10,000 characters as a guideline.

1. **Under a long-term time horizon**, how to envision **megatrends in future social issues** that are both **risks** and **business opportunities** for companies, and what kind of social issues will be addressed based on your own **values**? Have you **identified it as a material issue**? On top of that, through **backcasts from the future based on important issues** and forwardcasts from the company's **competitive advantages and strengths**, how to set **the "vision we are aiming for"** and the "business model" that will be the pillar of realizing it How do you build it? Also, how do you reflect the analysis of risks and opportunities in setting the "vision of the vision" and the construction of the "business model"? Please provide an overview of these.
2. In order to materialize and realize your long-term strategy, **from the perspective of bridging the gap between your vision and your current company**, have you formulated immediate and medium- to long-term strategies such as **human resources strategy, DX strategy, business portfolio strategy, investment strategy including intellectual property, and capital policy (capital allocation plan, investment plan, etc.)**? Please provide an overview of it.
3. **What kind of governance system do you have in place** to realize your "vision" and the strategy based on it, **and what KPIs do you set** to manage the progress of your strategy? In addition, **in response to changes in the external environment, etc., are you appropriately reviewing your "vision for the future" and the strategy based on it**? Please provide an overview of it.
4. When engaging with investors, do you **set an agenda based on important issues**? Do you **have a corporate response person (CEO/president, outside director, IR officer, etc.) according to the investor's attributes and the purpose of the dialogue**? Do you review your corporate efforts and systems based on the suggestions obtained through dialogues, etc., **and explain the progress and results of the review to investors**? Please provide an overview of it.
5. In order to judge the feasibility of the above, please provide a summary of the results of efforts over the past 5~10 years (initiatives that lead to the contents described in 1.2 above). At that time, **how to grasp the company's cost of capital (WACC, cost of shareholders' equity)** and **profitability of capital (ROIC, ROE)**, how to analyze and evaluate its content and **market valuation (stock price, PER, PBR)**, and what to do to improve? Describe whether you have built and **implemented a strategy or to the extent that it has been considered in the past**.

Perspectives on evaluation of descriptive items.

- The contents of the descriptive items were examined based on four main evaluation items.

Evaluation points for descriptive items

(1) [Values and long-term strategy]

Under a long-term time horizon, from **megatrends in future social issues** that are **both risks** and **business opportunities** for companies to **important issues** based on our own values Do you identify them? Companies set their **own "vision of the company" and build a "business model"** that will be the pillar of its realization **by backcasting from the future based on important issues and forecasting from its own competitive advantages and strengths.** Are you doing it? Also, does the analysis **of risks and opportunities reflect** in the setting of "vision and business model" construction?

(2) [Execution Strategy]

In order to materialize and realize the long-term strategy, from the perspective **of bridging the gap between the "vision we are aiming for" and the current state of the company**, have we formulated **human resources strategies, DX strategies, business portfolio strategies, investment strategies including intellectual property, capital policies (capital allocation plans, investment plans, etc.)?**

(3) KPIs and Governance

In order to **effectively promote long-term and sustainable improvement of corporate value, have you established a governance system that appropriately supervises** the "vision you are aiming for" and the strategy based on it, and **have you set KPIs to measure your progress?** Through these efforts, are you **steadily building and implementing your vision and strategies based on them**, and are you trying to **review them appropriately in response to changes in the external environment?**

(4) [Substantive dialogue and engagement]

Are you **setting an agenda based on important issues** and engaging in dialogue? Have you **set up a corporate response (CEO/president, outside director, IR officer, etc.) according to the investor's attributes and the purpose of the dialogue?** Do you review the company's efforts and systems based on the suggestions obtained through the dialogue, etc., **and explain the progress and results of the review to investors?**

[Feasibility]

Based on **past initiatives and changes (results)**, are (1) **values and long-term strategy**, (2) **implementation strategy**, and (3) **KPI and governance fully feasible?**

In particular, we place importance on **management and business transformation*** (especially **management and business transformation that exceeds the barrier of 1x PBR**).

*This includes not limited to business portfolio restructuring by conglomerate companies, but also business transformations by single-business companies.

SX Brand Evaluation Committee Members

■ Chairperson

Kunio Ito Director of CFO Education and Research Center, Hitotsubashi University

■ Committee members (Japanese alphabetical order)

Tomohiro Ikawa Head of Engagement, FIL Investments (Japan) Limited

Shingo Ide Director, Chief Equity Strategist, Financial Research Department, NLI Research Institute

Katsuya Kikuchi CEO, Co-Crete Frontier LLC

Keisuke Takegahara Professor, National Graduate Institute For Policy Studies

Toru Terasawa Executive ESG Advisor,
Investment Division, Asset Management One Co., Ltd.

Kengo Nishiyama Senior Analyst, Nomura Institute of Capital Markets Research

Minoru Matsubara Chief Sustainability Officer, Responsible Investment Department
Resona Asset Management Co., Ltd.

Chie Mitsui Principal Researcher, Data Analyst, Nomura Research Institute, Ltd.

Megumu Murakami Chief Specialist, Center for the Strategy of Emergence, The Japan Research Institute, Limited

- Inquiries about this report

Corporate Accounting, Disclosure and CSR Policy Office,
Economic and Industrial Policy Bureau,
Ministry of Economy, Trade and Industry

Email: bzl-kigyokaikei@meti.go.jp