

March 11, 2026

2025 Activity Report Summary (October 2024 - September 2025)

1. Management Philosophy

“We help institutional investors conduct sound and appropriate stewardship activities, especially in collective shareholder engagements in which multiple institutional investors work together in an aim to hold constructive dialogues with listed companies in Japan.”

2. Organization, Operation and Major Activities

The Institutional Investors Collective Engagement Forum (hereinafter referred to as “IICEF”) promotes/organizes the Institutional Investors Collective Engagement Program (hereinafter referred to as the “Program”). In this Program, IICEF serves as the coordinator/secretariat (hereinafter referred to as “Secretariat”). The participating institutional investors (hereinafter referred to as the “Participating Investors”) discuss key issues of target companies and set common engagement agendas which are expected to be conducive to constructive dialogues. For each agenda, the Secretariat organizes collective engagement with the target companies and facilitates meetings to support constructive dialogue between companies and Participating Investors.

The Program is based on an individual agreement between IICEF and each Participating Investor, and Participating Investors are not in a mutual contractual relationship. Accordingly, there is no “agreement of joint holding and the like.” In addition, a conduct guideline is covenanted based on which no “act of making important suggestion” is allowed in collective engagement meetings. The Program aims to contribute to an increase in long-term corporate value and sustainable growth of companies, not to pursue short-term shareholder returns.

3. Progress and Achievements of Our Activities

(1) Incorporation and Operation of IICE

Since its establishment on October 2, 2017, based on the revision of Japan’s Stewardship Code in May 2017 (Guidance 4-6), IICEF has conducted collective engagement meetings between multiple investors and companies in Japan.

(2) Operation of the Program

(i) Participating Investors

As of September 30, 2025, the seven institutional investors are participating, namely Pension Fund Association, The Dai-ichi Life Insurance Company, Limited, Sumitomo Mitsui DS Asset Management Company, Limited, Sumitomo Mitsui Trust Asset Management Co., Ltd., Mitsubishi UFJ Trust and

Banking Corporation, Meiji Yasuda Asset Management Company Ltd., and Resona Asset Management Co., Ltd.

(ii) Program Operation Meetings

We held 12 operation meetings in total as a place for discussion by the Participating Investors, where we discussed methods of operating the Program, examined themes, set agendas, selected target companies and discussed how we conduct collective engagement meetings. We also reported the status of announcement and liaison activities.

(iii) Agenda Setting and Implementation Status

We examined, from the perspective of long-term investors, requests which do not seek superficial improvements of companies, but do test fundamental awareness and concerns of the management team, and which can be easily accepted by government offices and market participants, among themes such as governance, ESG and capital efficiency which are issues commonly faced by Japanese companies in general, and set them as agendas.

When examining agendas, we organized logical views based on lectures by professionals knowledgeable about the themes or academic researchers, provided information and data, exchanged opinions, etc. We conducted lectures jointly with the Japan Stewardship Forum.

- November 12, 2024: "Latest Trends and Challenges for the Spread of Employee Stock Incentive Plans"
- April 21, 2025: "On the Ideal State of 'Dialogue' between Activists, etc. and Companies"
- May 13, 2025: "Initiatives of the Japan Center for Engagement and Remedy on Business and Human Rights and Implications for Japanese Companies"
- July 14, 2025: "Study Session on the Review of the Corporate Legal System"
- September 1, 2025: "Latest Information on Cybersecurity Information Disclosure by Japanese Companies"

And then, we sent letters explaining the underlying views of investors and stating concrete requests to each target company, specifying president, outside director or others as addressee. Regarding letters addressed to presidents, etc., we mailed the letterhead and body of the letter to IR contacts, aiming to facilitate information sharing within the target company.

After sending the letter, we communicated with IR contacts via email and phone and held preliminary meetings between the Secretariat and the target companies. Then, we held meetings under the facilitation of the Secretariat, attended by the Participating Investors to engage in direct dialogue with top management, responsible executives, outside directors, and heads of relevant departments.

For agendas that did not require meetings and sought responses only, the Secretariat received explanations either through interviews or via explanatory documents sent by email or postal mail. The content was then reported and shared to participating investors, and their feedback sent to the responding companies.

(Figure) Overview of each agenda

A) Identification of Materiality and Disclosure of Non-financial Information

| | |
|---------------|---|
| Purpose | To promote awareness and enhance activities and disclosure of “ESG materiality” expected from investors |
| Lead investor | Resona Asset Management Co., Ltd. |
| Letter timing | Nil |
| Seminar | Takara Printing D&IR Study Group Seminar (September 3, 2025) |

B) Response to Misconduct Occurrence

| | |
|----------------|---|
| Case | Quality control issues related to construction business |
| Lead Investors | Sumitomo Mitsui DS Asset Management Company, Limited, Sumitomo Mitsui Trust Asset Management Co., Ltd. |
| Letter timing | (Follow-up August 8, 2024) |
| Responses | Received via email on December 24, 2024 |

| | |
|---------------|---|
| Case | Subsidiary misconduct |
| Lead Investor | Meiji Yasuda Asset Management Co., Ltd. |
| Meetings | Briefing session by outside directors hosted by the company Followed by sending follow-up comment emails |

| | |
|----------------|--|
| Case | Product health damage issue |
| Lead Investors | Meiji Yasuda Asset Management Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation |
| Letter timing | October 30, November 13, 2024, |

| | |
|----------|--|
| | January 28, April 11, July 30, 2025 |
| Meetings | Two small meetings by outside directors hosted by the company Collective engagement meeting with the executive officer in charge on October 9, 2025 |

C) Response to High Dissent Rate Proposals at General Shareholder Meetings

| | |
|------------------|---|
| Purpose | Analysis of factors for high dissent ratios on top executive appointment proposals at general shareholders meetings and recognition of governance issues |
| Lead investor | Mitsubishi UFJ Trust and Banking Corporation |
| Letter timing | January 30, 2025 [Subsequent Event] December 17, 18, 22, 2025 |
| Target companies | 16 companies that had 20% or more dissent against top executive appointment proposals at their May/June 2024 shareholder meetings, excluding those with special circumstances. [Subsequent Event] Sent to 14 companies selected through discussion that had high dissent ratios at their June 2025 shareholder meetings. |
| Responses | Meetings on analysis results and countermeasures: 7 companies Response through documents: 2 companies No Response: 7 companies |

D) Disclosure of the Necessity of Takeover Defenses

| | |
|--|--|
| Purpose | To recognize management issues through examination of the necessity to introduce and/or continue takeover defense measures |
| Lead investor | Sumitomo Mitsui DS Asset Management Company, Limited |
| Meetings | 1 company |
| Publication of summary and suspension of this agenda | We concluded that the environment surrounding acquisitions without consent has changed significantly, as understanding of takeover defense measures on the corporate side has progressed, especially among companies with large market capitalization, and the scope of application of emergency-introduction type takeover defense measures has been clarified by the Ministry of Economy, Trade and Industry's "Guidelines for |

| | |
|--------------------|--|
| | Corporate Takeovers" in 2023, the amendment to the Financial Instruments and Exchange Act including tender offer regulations in May 2024, and various judicial precedents. Going forward, this agenda will be suspended. We will continue dialogue with companies that still maintain pre-warning type takeover defenses through individual meetings. In addition, we decided to strengthen public engagement for further institutional development and improvement, summarized the results of our activities to date, and published them on January 21, 2025. |
| Content of summary | Of the 225 companies (393 times in total) to which letters were sent over the six years since 2019, 79 companies discontinued pre-warning type takeover defenses in the year the letter was sent. The proportion of discontinuation was high among companies with large market capitalization. (As of the end of 2018, 383 listed companies had introduced pre-warning type takeover defenses, of which 102 had a market capitalization of 100 billion yen or more. As of June 2024, 223 listed companies continued to maintain them, of which 27 had a market capitalization of 100 billion yen or more.) |

E) Issues Related to Governance of Parent and Subsidiary Listed Companies

| | |
|---------------|--|
| Purpose | To promote measures and designs for governance to reflect intention of minority shareholders |
| Lead investor | Sumitomo Mitsui Trust Asset Management Co., Ltd. |
| Letter timing | Nil |
| Achievement | Investors' concerns about demanding parent companies' responsibilities towards minority shareholders of listed subsidiaries have been understood by major parent companies, leading to progress in resolving parent-subsidiary listings. While the future situation will be monitored, this agenda will be concluded for now, and a final report is planned. |

F) Reduction in Cross-Shareholdings

| | |
|---------------|---|
| Purpose | To reform the mindset of companies regarding cross-shareholdings and stable shareholder policies. |
| Lead investor | Pension Fund Association |

| | |
|---------------|---|
| Letter timing | Nil |
| Achievement | Companies have become more aware of the cross-shareholding issues, and the unwinding of such holdings has progressed where feasible. Nevertheless, it remains difficult to even communicate intentions to sell to certain hard-core companies. There is a limit to approaching those who are forced to hold them, and we are focusing our efforts on lobbying the authorities to seek regulatory measures through laws and guidelines. We formulated "Recommendations for Measures to Improve the Effectiveness of Reducing Cross-Shareholdings" (published on January 21, 2025) and conducted engagement with the FSA and the TSE. |

G) Demonstrating Governance in Post-COVID-19 Era and Measures for General Shareholders
Meetings that Put Safety First

| | |
|--------------|---|
| Purpose | To indicate methods of administrative work in response to COVID-19 and proactively demonstrate governance in post-COVID Era |
| Letters sent | Nil |

H) Management Conscious of Cost of Capital and Share Price

| | |
|------------------|---|
| Purpose | Reform of low-profit, low-growth small- and mid-cap companies |
| Lead investors | Sumitomo Mitsui Trust Asset Management Co., Ltd., Sumitomo Mitsui DS Asset Management Company, Limited. |
| Letter timing | Resent October - November 2024: 196 companies; August - October 2025: 100 companies |
| Target companies | (386 companies sent in the previous term) - Reminder letters: 196 companies for October - November 2024 - Reminder letters: 100 companies for August - October 2025 |
| Meetings | Meetings via email from the previous term (current term): 3 companies Meetings due to resending of letters: 22 companies [Subsequent Event]: 5 companies |

I) Improving the Quality of Outside Directors

| | |
|---------------|---|
| Purpose | While the form of governance is in place and the number of outside directors is increasing in many Japanese companies, there are not many outside directors who have an investor perspective and abundant knowledge of capital markets. In order for outside directors with high insight and abundant experience and skills to function as representatives of shareholder interests, we will conduct collective engagement with outside directors (including the management team and the board of directors' secretariat), take up individual company issues, and empower the investor's perspective. |
| Lead investor | Hearing: Sumitomo Mitsui Trust Asset Management Co., Ltd. |
| Initiatives | Planning to start hearings from companies with good practices |

(iv) Activities for Announcement, Seminars, etc.

We widely shared the issues addressed in the agendas that are broadly relevant to Japanese companies by publishing the overview of the letters and case studies on IICEF's website. We also provided notifications via email to government agencies, market participants, related organizations, stock transfer agents, IR support firms, and report production firms.

We also gave lectures at various seminars and workshops to introduce IICEF and explain the overview of the agendas.

In addition, we responded to an interview by Nikkei Business and appeared in an article on collective engagement. We wrote and published a chapter on collective engagement in the book "Practice and Prospects of Stewardship by Institutional Investors (Dobunkan Shuppan)" commemorating the 10th anniversary of the Japan Stewardship Forum. Furthermore, we continued to serve as judges for the "Nikkei Integrated Report Award."

(Figure) Status of Implementation of specific activities for Announcement, Seminars, etc.

(iv)-1 Distribution of E-mail A) Website update such as publication of public comments

| | |
|--------------------|--|
| Website update | January 25, 2025 |
| E-mail notice sent | 20 destinations: IR support firms, audit firms, government agencies, stock exchanges, etc. |

(iv)-2 Case Studies

| | |
|-----------------------------------|-----|
| Website update (Japanese section) | Nil |
|-----------------------------------|-----|

(iv)-3 Seminar/Workshop

| | |
|------------------|---|
| Seminar/Workshop | <p>7 times: ESG Disclosure Study Group (January 29, 2025), Pension Fund Stewardship Promotion Council (June 20, 2025), Takara Printing D&IR Research Institute (September 3, 2025), CFA Society Japan (September 9, 2025), Tokyo Metropolitan University Marunouchi Finance Seminar (September 12, 2025), Corporate Governance Network Diversity & Governance Case Study Group (September 16, 2025), Japan Association of Corporate Directors Human Capital Committee (September 30, 2025)</p> <p>[Subsequent Event] 7 times Japan Stewardship Forum Seminar/Panel Discussion (October 8, 2025), Mizuho Trust & Banking Stock Transfer Agency Seminar (October 16, 2025), Tokyo Stock Exchange Seminar (December 5, 2025), Nomura IR Seminar (December 11, 2025), WICI Symposium (December 11, 2025), e-Associates (December 12, 2025), Association to Consider Tomorrow's Governance (December 15, 2025)</p> |
|------------------|---|

(iv)-4 Article Contributions

| | |
|-----------------------------------|--|
| Book contribution | Japan Stewardship Forum "Practice and Prospects of Stewardship by Institutional Investors" (Dobunkan Shuppan) Chapter 8 |
| Professional journal contribution | [Subsequent Event] Takara Printing D&IR Magazine (November 1, 2025) |
| E-mail magazine contribution | e-Associates E-mail Magazine "Management Conscious of Cost of Capital and Share Price" (10-part series from August 15 to December 4, 2024) |

(iv)-5 Judge for Awards, etc.

| | |
|--------------------------------|--|
| Nikkei Integrated Report Award | First round screening of 25 companies (December 2024 - January 2025). Chairman Kimura served as a second-round judge for the same award in FY2025. |
|--------------------------------|--|

(3) Visits/Online Explanations

We conducted in-person and online meetings with IR support firms, stock transfer agents, report production firms, and experts knowledgeable about misconduct cases to share updates on IICEF's activities, explain the agendas, and exchange views. Additionally, we exchanged views with and invited investors who had not yet participated in the Forum.

(Figure) Status of visits/online explanations

| | |
|----------------------------|----------|
| On-site explanations | 11 times |
| Investor opinion exchanges | 2 times |
| Expert opinion exchange | 1 time |

(4) Liaison/Lobbying Activities, Submission of Public Comments

Through a total of nine meetings with government agencies, stock exchanges, public pension funds, ISSB, and members of expert committees, we reported on IICEF's activities and exchanged views on collective engagement.

In addition, we submitted public comments on the FSA's draft amendments to the "Cabinet Office Order on Disclosure of Corporate Affairs" (in regard to corporate disclosure on cross-shareholdings), the draft cabinet orders and cabinet office orders related to the 2024 amendment to the Financial Instruments and Exchange Act, and the draft revision of the Stewardship Code, respectively.

(Figure) Status of Liaison/Lobbying Activities, Submission of Public Comments

| | |
|---|--|
| On-site Explanations/ Exchanges of views | 9 times |
| Public Comment | 3 times - Comments submitted to FSA on the draft amendments to the "Cabinet Office Order on Disclosure of Corporate Affairs" (regarding corporate disclosure on cross-shareholdings) on December 23, 2024 - Public comments on the draft cabinet orders and cabinet office orders related to the 2024 amendment to the Financial Instruments and Exchange Act on April 12, 2025 - Public comments on the draft revision of the Stewardship Code on April 20, 2025 |
| Media Interviews/Coverage | - 2 articles: Nikkei Business (January 28, 2025), Nikkei Business Online Edition (March 25, 2025) - 1 interview: Nikkei Inc. (April 14, 2025) - J-MONEY (December 5, 2025) |

4. Issues to Be Addressed

(1) Management Challenges

Given the human constraints that limit the number of meetings we can organize, evolving an effective collective engagement method tailored to the circumstances of Japanese companies and the capital markets is our most critical management challenge.

By the previous term, we had set a total of nine agendas, sent letters to and held collective engagement meetings with a cumulative total of approximately 2,500 companies, while also conducting broad outreach activities. In addition, we have engaged in lobbying efforts directed toward government agencies and related organizations. Aiming to contribute to an increase in long-term corporate value of Japanese companies as a whole, not to pursue short-term shareholder returns, we have steadily developed a uniquely Japanese method to collective engagement. In particular, we have demonstrated the benefits of collective engagement that cannot be achieved through one-on-one dialogue, such as enabling companies and multiple investors to engage in extended discussions around a single agenda and representing shared investor perspectives to a wide range of Japanese companies.

To advance this management challenge, however, it is necessary to secure more human resources—both in terms of labor and working hours—and to increase operating funds to allow for the expansion of those human resources. Amid constraints on both financial and human capital, we have also been working to establish a management foundation that enables sustainable growth as a general incorporated association.

(2) Review of the Past

Currently, the practices advocated by the Corporate Governance Code have been adopted by many companies, and corporate governance in Japanese companies has significantly improved. Regarding sustainability, the identification of materiality has been implemented by many companies, and the formalization of non-financial disclosure based on the SSBJ is also scheduled through cabinet office order amendments, spreading an understanding of sustainability that is distinct from CSR. What we have been working on since our establishment can be described as "the permeation of sustainability and the Corporate Governance Code." We consider it is time to think about the conclusion for some of the agendas, and starting this term, we have begun closing some of them.

Under these circumstances, the amended Financial Instruments and Exchange Act was promulgated in May 2024, clarifying the interpretation of "act of making important suggestion" and "agreement of joint holding and the like," which had been legal obstacles to collective engagement. In May 2025, the revision of the Stewardship Code explicitly stated collective engagement as one of the options. We will also update our statement of support for the Stewardship Code (Third revision). This will present an opportunity for changes in the behavior of investors who have not yet participated in the Program.

Considering these developments, we have regarded this as a time to significantly reassess our activities, and starting this term, we have shifted to activities as Stage 2 of collective engagement.

(3) Future Direction

The key strategic themes for Stage 2 are:

- To prompt companies constrained by remaining old Japanese management thinking to change. To that end, move public opinion and encourage legal system reforms.
- To evolve the quality of governance in Japanese companies that have only put the form in place. To that end, change the thinking and behavior of outside directors.
- To raise awareness among investors and companies about the significance of collective engagement, based on the revision of the Stewardship Code.

In the ninth term, we will focus on advancing these three key strategic themes through the following initiatives:

- (i) Reviewing and evolving agendas
- (ii) Transforming methods of collective engagement
- (iii) Strengthening the Secretariat's organizational capacity
- (iv) Expanding Participating Investors

(i) Reviewing and evolving agendas

Among the current nine agendas, we are proceeding with the review of those that have shown effective results through collective engagement and have led to changes in corporate initiatives, and we will further evolve them in the future.

Regarding the agenda "Necessity of Takeover Defense Measures", the number of companies continuing such measures has declined significantly. Combined with the Ministry of Economy, Trade and Industry's establishment of "Guidelines for Corporate Takeovers", we compiled a final report and published it on our website.

Regarding the agenda "Governance of Parent and Subsidiary Listed Companies," we held collective engagement meetings with major parent-subsidiary listed companies. As signs of dissolution of parent-subsidiary structures have emerged at target companies, the publication of a final report and closing of the agenda will be considered.

Regarding the agenda "Disclosure of Non-financial Information," we sent letters to all Prime Market listed companies and held explanatory sessions with major disclosure report providers. As a result, there is a growing sense that the quality of integrated reports has improved. Taking into account opportunities such as the inclusion of SSBJ standards in annual securities reports, we will evolve this into an agenda that encourages the development of a story aimed at enhancing corporate value, along with the Cost of Capital and Share Price agenda.

Regarding the agenda "Management Conscious of Cost of Capital and Share Price," since we started sending reminder letters in October 2024, we have started receiving more positive responses to hold meetings. In fact, as the response is increasing, we will distribute the meeting load on investors and also consider handling meetings solely through the Secretariat in the future. It is expected that corporate understanding of investor perspectives will deepen through these letters and meetings.

The agenda "Response to High Dissent Rate Proposals at General Shareholder Meetings" was originally launched with the aim of raising awareness around capital efficiency such as ROE. Against the backdrop of the reinstatement of capital efficiency criteria—previously suspended in institutional investors' voting guidelines—leading to an increase in individual SR visits to companies, and the growing corporate awareness of cost of capital and capital efficiency, we have improved the method based on the implementation status and dialogue content of meetings with companies, such as having investors attend the meetings in addition to the Secretariat.

Starting next term, we have decided to set an agenda to conduct collective engagement meetings that empower outside directors, who represent shareholder interests. This agenda will address cross-cutting issues such as "Response to Misconduct Occurrence" and "Reduction in Cross-Shareholdings," covering governance and capital efficiency challenges, tailored to each company. First, we will start collective hearings with companies that are undertaking notable initiatives.

(ii) Transforming methods of collective engagement

Until now, we have deployed the approach of "sending letters + conducting collective meetings, and seminars, lectures, and newsletters utilizing channels such as IR support companies." Since the previous term, we have implemented the approach of "bulk sending of letters to many companies+ collective meetings through task-sharing + seminars, lectures, and newsletters utilizing channels such as IR support companies."

Going forward, to hold meetings with more companies, we will also conduct meetings solely by the Secretariat. Previously, for agendas such as "Necessity of Takeover Defense Measures" and "Response to High Dissent Rate Proposals," we conducted meetings solely by the Secretariat due to the risk of touching upon acts of making important suggestions or agreements of joint holding. However, as the number of letters sent and requests for dialogue from companies are increasing, we will also handle meeting requests solely through the Secretariat for other agendas in the future.

We will also aim to appear in media outlets to strengthen the effectiveness of our messaging to a broader range of companies. In addition, to further enrich and deepen the shared views, we will continue initiatives such as holding study sessions that incorporate insights from external experts.

Furthermore, we will intensify lobbying efforts toward relevant government ministries, the TSE, and pension funds to encourage solutions to collective engagement-related issues and address common corporate governance challenges faced by Japanese companies, striving for public engagement that reinforces investor perspectives.

(iii) Strengthening the Secretariat's organizational capacity

We reinforced the Secretariat's organizational structure by adding one staff member in the previous term and further added two staff members in July of the current term, bringing the Secretariat to a seven-member structure.

(iv) Expanding Participating Investors

With the revision of the Stewardship Code spreading awareness around collective engagement, we will focus on providing "case studies" and "announcements (seminars and publications)" for companies and investors. Through this, we will raise awareness of participation in collective engagement among non-participating investors and invite them to join.

5. Status of Officers and Important Concurrent Positions

| Name | Position | Status of Important Concurrent Positions |
|------------------|---|--|
| Yuki Kimura | Representative Executive Director, Chairman | Representative Executive Director, Japan Stewardship Forum Director, Japan Investor Relations Association Councilor, Pension Housing Welfare Association |
| Naomi Yamazaki | Representative Executive Director, Administration Manager | Representative Director, ESG Network of Shareholders & Companies |
| Ryusuke Ohori | Executive Director | Member of the steering committee, Forum of Investors Japan Outside Director, Maeda Road Construction Co.,Ltd. Outside Director, LIXIL Corporation. |
| Hiromitsu Kamata | Executive Director | Member of the steering committee, Forum of Investors Japan Member of the steering committee, Japan Stewardship Forum Director, NPO ARUN Seed |
| Daiji Ozawa | Executive Director | President, Office Hiroo Co., Ltd. Advisor, PRONED Co., Ltd. |

| | | |
|-------------------|--------------------|---|
| | | Outside Director, Mizuho Bank, Ltd. |
| Futoshi Saito | Executive Director | Advisor, Acropolis Advisors Inc. |
| Yasukazu Nakaguma | Executive Director | Member of the steering committee, Japan Stewardship Forum |

(End)