

Asset Management One's Engagement Approach

Asset Management One considers engagement with investee companies as an important mechanism for achieving value creation in the medium- to long-term and realizing a sustainable society and economy, and also increased individual wellbeing. Our engagement with investee companies focuses on corporate value creation through solving key societal challenges. We identified three focus areas, with an emphasis on unlocking business opportunities and enhancing returns, not just for managing downside risks. This basic perspective is applied universally across assets managed in-house.

Also, we focus on the effectiveness of engagement that brings real changes to investee companies. Further to having active dialogues with investee companies, we have also been working collaboratively with other global investors

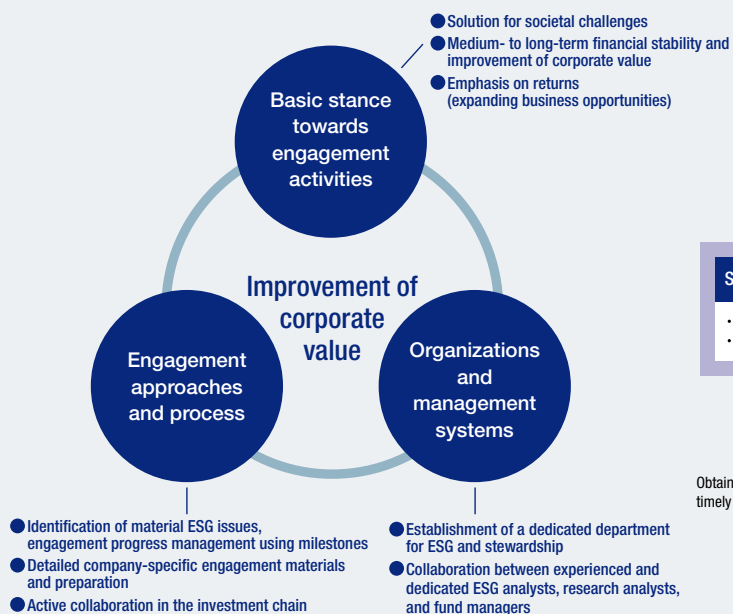
as needed and engaging with a wide range of stakeholders such as industry associations and government agencies, etc. We aim to drive positive changes effectively, based on the individual circumstances of each company, by reflecting our qualitative insights and the progress of engagement on ESG-related issues in the exercise of voting rights.

There are different aspects in terms of actual engagement activities by asset class (equities and bonds, etc.), the strategy (passive or active), or the region (Japan or overseas). Please refer to our engagement examples for details (a list of examples can be found bottom right).

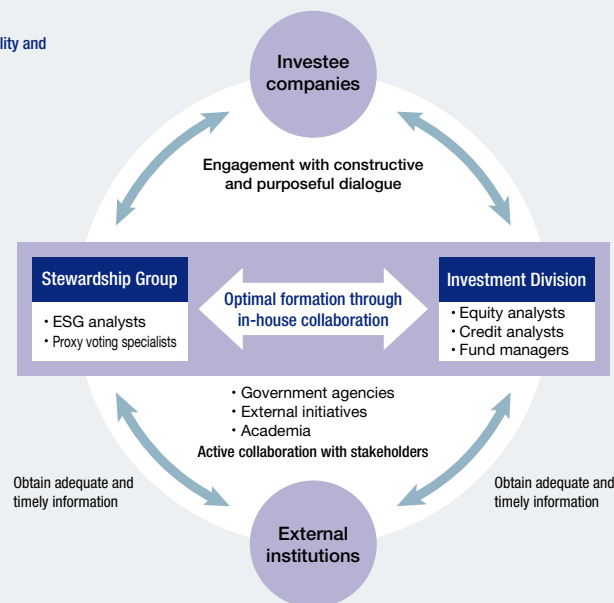
At our firm, engagement for passive equity strategies is carried out primarily by ESG analysts of the Stewardship Group, while the sector analysts and fund managers of the Equity Investment Group mainly conduct engagement

activities for active equity strategies and credit analysts and fund managers are primarily responsible for engagement relating to fixed income investment. Meanwhile, depending on the key issues of each investee company, our teams also work together across different asset classes and strategies where relevant, in order to optimize the effectiveness of our engagement. In implementing our engagement approach in the ex-Japan markets, we have a dedicated ESG and stewardship specialist based in London, working collaboratively with investment teams in Japan and other global offices. Furthermore, we also appointed a leading engagement service provider (EOS at Federated Hermes, please see page 37 for more details) for extensive engagement activities on behalf of us outside our home market in Japan.

■ Implementing engagement activities for value creation



■ Optimizing the effectiveness of engagement dialogues



■ List of examples introduced in this report

Engagement with Japanese companies (equities)

- Wholesale company A P.32
- Food company B P.33
- Real estate company C P.34
- Manufacturing company D P.35

Engagement with Japanese companies (fixed income)

- Electric power company E P.36

Engagement with overseas companies

- Mining company F P.38

