

ESG STATE MENT

ESG Statement

We seek to realize a sustainable, prosperous society in which the rich natural environment is preserved, diverse human capital is utilized, economy development is driven by technological innovation, human rights are respected, and well-being is promoted. It is a society in which ESG issues are addressed and the SDGs are achieved.

ESG Statement

In March 2019, Nomura Asset Management announced our “ESG Statement”. In this statement, we expressed the future direction of our ESG activities and how we will respond to environmental (E) and social (S) risks. Also, by sharing the details of our plans with stakeholders, we aim to realize a sustainable and prosperous society.

Nomura Asset Management seeks to realize a sustainable, prosperous society in which the rich natural environment is preserved, human capital possessing diverse values are utilized, economic development is driven by technological innovation, human rights are respected, and well-being is promoted. It is a society in which ESG issues are addressed and the SDGs (Sustainable Development Goals) are achieved. In addition, we recognize that efforts to solve ESG issues in order to realize this kind of society are important for supporting a virtuous cycle in the investment chain. We believe that a critical factor for both sustainable corporate value improvement and higher investment returns is for a company to appropriately manage risks related to ESG issues, view solutions to ESG issues as new business opportunities, and properly incorporate them into management strategies.

Furthermore, as a responsible investor, we encourage our portfolio companies to practice what we view as desirable management, while we ourselves will also continue to operate with a focus on ESG.

High Priority ESG issues

While the importance of each ESG issue differs depending on the specific characteristics of the business in question, we identify the following 6 issues as common ESG issues that are particularly important across many businesses. We also partner with a variety of initiatives to work to solve each issue.



Core ESG Initiatives



PRI (Principles for Responsible Investment) are a set of principles formulated in April 2006 that require investors to incorporate ESG into actual investment analysis and decision-making processes.

PRI Japan Advisory Committee member



Support for educating the public about and energizing PRI's activities in Japan (became committee member in 2023)

PRI Advance Signatory Advisory Committee member



Collaborative engagement for human rights (started in 2022)

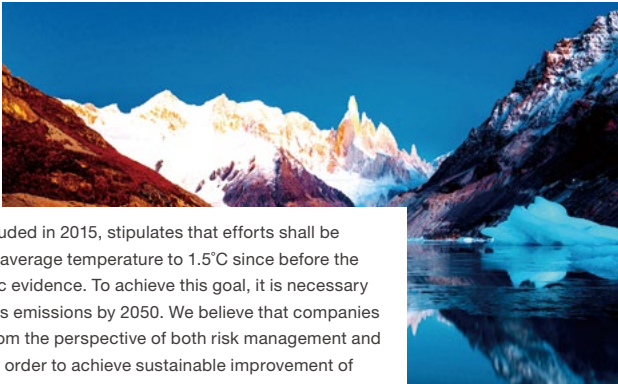
PRI Spring Signatory Advisory Committee member



Collaborative engagement for nature and bio diversity (started in 2023)

E ENVIRONMENT

Climate Change



The Paris Agreement, which was concluded in 2015, stipulates that efforts shall be made to limit the increase in the global average temperature to 1.5°C since before the Industrial Revolution based on scientific evidence. To achieve this goal, it is necessary to reach net zero global greenhouse gas emissions by 2050. We believe that companies must address climate change issues from the perspective of both risk management and the pursuit of business opportunities in order to achieve sustainable improvement of corporate value.



CDP Signature Timing: June 2015 ^N / Signature Timing: November 2021
Established in 2000. This is a global project in which institutional investors around the world encourage companies to disclose their strategies to combat climate change as well as their specific greenhouse gas emissions. Current areas of focus include climate change, water and forests.



CA100+ Signature Timing: December 2019
An investor initiative in which institutional investors collaborate (group engagement) to encourage the world's largest corporate greenhouse gas emitters to disclose information related to climate change and respond accordingly.



TCFD (Task Force on Climate - Related Financial Disclosures) Signature Timing: March 2019
A private-sector led task force launched in December 2015 by the Financial Stability Board (FSB) that advocated for the disclosure of climate change-related information and proposed a standardized framework. It garnered support from approximately 5,000 companies and organizations worldwide, but announced its dissolution in October 2023, with its activities being taken over by the International Sustainability Standards Board (ISSB), which operates under the IFRS Foundation. The ISSB standards are expected to serve as disclosure guidelines for non-financial information, including climate change.



PCAF (Partnership for Carbon Accounting Financials) Signature Timing: August 2021 / Signature Timing: March 2022 ^N
An international initiative established in the Netherlands in 2015 to create a standard method for measuring and disclosing greenhouse gas emissions. The PCAF Japan Coalition was established in November 2021, and Nomura Asset Management has been a member since its inception.

NZAM (Net Zero Asset Managers initiative) Signature Timing: August 2021
A global initiative established in December 2020 comprising asset managers which aim for net-zero emissions of greenhouse gases (GHGs) from portfolio companies by 2050, in line with the goals of the Paris Agreement.

Natural Capital



Companies benefit from biodiversity through the utilization of forests, water sources, and other natural capital in their business activities. In 2021, the Taskforce on Nature-related Financial Disclosures, an international organization that builds frameworks for appropriately assessing and disclosing risks and opportunities related to natural capital and biodiversity ("TNFD"), was launched. In September 2023, the TNFD issued its final recommendations regarding the disclosure framework, and companies have begun to disclose information in accordance with that framework. In order to respond to such changes in the environment surrounding natural capital, we believe that companies must exercise proper risk management in relation to activities that could negatively impact natural capital and biodiversity, as well as pursue business opportunities that solve social issues, such as the preservation of natural capital and biodiversity.



FAIRR (Farm Animal Investment Risk and Return) Signature Timing: June 2019
A livestock industry-related institutional investor initiative launched in 2015 by Jeremy Collier, the founder of Collier Capital (U.K.). The initiative educates people about livestock and fisheries industry risks, including the impact on the environment, as well as food safety (antibiotics) issues.



TNFD Forum Signature Timing: July 2023
As a collection of stakeholders supporting the TNFD debate, the TNFD Forum enables discussion of the TNFD framework and raising awareness of the risks and opportunities associated with natural capital and biodiversity.

S SOCIAL

ESG STATEMENT



Human Rights

Corporate business activities involve a large number of people including employees and local residents, which is even broader when the supply chain is considered. Companies are expected to exercise proper risk management to ensure that their activities do not infringe upon human rights. We believe that companies must exercise human rights due diligence and other forms of proper human rights risk management in order to achieve sustainable improvement of corporate value.

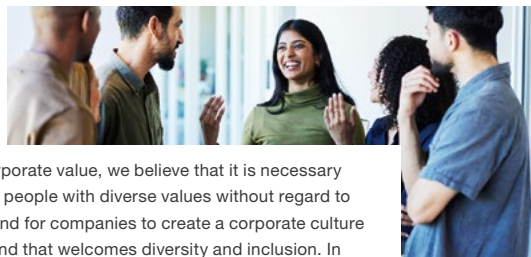


UNGC (The United Nations Global Compact) Signature Timing: June 2015 ^N

Non-binding action principles advocated by then UN Secretary-General, Kofi Annan, at the Davos Forum in 1999. It encourages businesses and groups worldwide to take actions in the areas of human rights, labor, the environment and preventing corruption.

^N Signed as Nomura Group

Diversity, Equity, Inclusion & Belonging (DEI&B)



In order to realize sustainable improvement in corporate value, we believe that it is necessary for companies' human capital to be comprised of people with diverse values without regard to factors such as gender, nationality, race or age, and for companies to create a corporate culture that provides equal opportunities to employees and that welcomes diversity and inclusion. In addition, we feel that it is critical for companies to foster a sense of unity under which senior management and employees share a sense of purpose to sustainably improve corporate value.



30% Club Japan (Investor Group) Signature Timing: December 2019

A group of asset owners and asset managers that engages in constructive dialogue with the boards of directors and senior management of portfolio companies, with the aim of highlighting the importance of gender diversity within senior management and realizing such gender diversity.



Women in ETFs Signature Timing: April 2022

"Women in ETFs" advocates for the goal of bringing together people from the ETF industry around the world to actively promote equality, diversity and inclusiveness. Its mission is to develop and sponsor human resources, recognize women's achievements in the ETF industry, and advance and grow the ETF community.



Well-Being

Well-being refers to a state in which all people can seek happiness and live healthy lives. Well-being in society is realized by solving social issues in a variety of fields. Specific examples include health and safety (access to medicines, health and nutrition, drug resistance, animal welfare, etc.) and regional revitalization. In our view, the development and provision of products and services that contribute to addressing these social issues represent important business opportunities for companies, and could lead to sustainable improvement of corporate value.



Access to Medicine Index (Access to Medicine Foundation)

Signature Timing: July 2019

Founded in 2003 by Dutch entrepreneur Wim Leereveld. The organization encourages the pharmaceutical industry to do more to help low- and middle-income countries who have limited access to medicine. Signatories support the foundation's index.



Access to Nutrition Initiative Signature Timing: May 2021

Founded in 2013 by Dutch businesswoman Inge Kauer. Using proprietary analytical tools, the Initiative evaluates the level of response by the food and beverage industry to the two global nutritional issues of overnutrition and undernutrition, and urges the food and beverage industry to improve the dietary habits of adults and children around the world.



Triple I for GH (Impact Investment Initiative for Global Health)

Signature Timing: September 2023

The aim of this initiative is to promote the flow of public and private funds towards the field of global health and contribute to achieving universal health coverage* and the SDGs, primarily in developing countries. An additional goal is to contribute to solving international social issues by sharing impact reporting and good practices in the global health field.

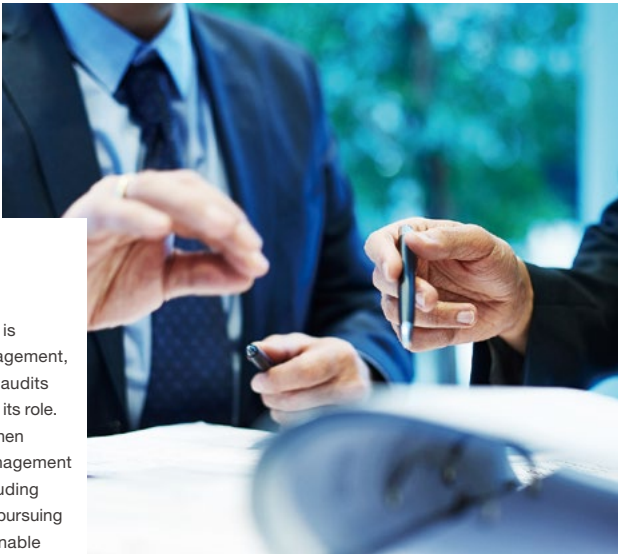
©Triple I for Global Health

* A state in which all people can receive appropriate health care services such as prevention, treatment, and rehabilitation, at an affordable cost.

G GOVERNANCE — **ESG STATEMENT**

Corporate governance

Corporate governance is a structure for transparent, fair, timely and decisive decision-making by companies. From this perspective, the board of directors is responsible for the supervision of management, while nominations, compensation, and audits are the means to ensure the board fulfills its role. We believe that companies must strengthen corporate governance so that their management can properly manage various risks including the ESG issues mentioned above, while pursuing business opportunities to achieve sustainable improvement of corporate value.



ICGN (The International Corporate Governance Network)
Signature Timing: December 2018
Established in 1995 to promote effective corporate governance standards and foster responsible investment to advance efficient markets and sustainable economies worldwide.



ACGA (The Asian Corporate Governance Association)
Signature Timing: November 2018
Established in 1999 to engage in research and provide corporate support and education related to corporate governance in order to promote corporate governance in Asia.



JSI (Japan Stewardship Initiative)
Signature Timing: November 2019
Aims to identify practical issues between asset owners and asset managers and to support efficient transmission of information aimed at advancing and deepening stewardship activities.


Other ESG Related Initiatives

GRESB

Signature Timing: March 2021


Measures the environmental, social, and governance (ESG) of individual companies and investment funds in the real estate sector. GRESB was launched in 2009, mainly by European pension funds, as a source of information to use when selecting investments and during dialogue with portfolio companies and investment funds.
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Principles for Financial Action for the 21st Century

Signature Timing: January 2012

Formulated in October 2011 based on a proposal by the Ministry of the Environment's Central Environmental Council as action guidelines for financial institutions that wish to fulfill their responsibilities and roles as required for the formation of a sustainable society.


Environment Programme –Finance Initiative UNEP FI



Signature Timing: January 2019 
UNEP FI is a partnership established between the United Nations Environment Program (UNEP) and financial institutions worldwide. Since its establishment in 1992, UNEP FI has been cooperating with financial institutions and regulatory authorities to promote a shift to a financial system that integrates economic development with ESG considerations.

ICMA Principles Membership

Signature Timing: June 2023
An international initiative that establishes standards, including the Green Bond Principles, the Social Bond Principles, and the Sustainability-Linked Bond Principles. The initiative aims to promote the healthy development of the global bond market by ensuring market transparency and through information disclosure and reporting.

 Signed as Nomura Group

ESG STATEMENT

Our Activities

Stewardship Activities

Through our activities, including proxy voting and constructive dialogue (engagement), we encourage the management of portfolio companies to manage risks and pursue business opportunities that are associated with ESG issues and also to disclose information in accordance with relevant global initiatives.

Investment Decisions

We assess our portfolio companies' initiatives to address ESG issues based on our own standards from the perspectives of both risks and opportunities and incorporate the results in our investment decisions where applicable. If we assess a company's initiatives as insufficient, or if we determine that the issues cannot be solved through engagement, it may result in divestment or exclusion from our investment universe.

Our Business Activities

We recognize that business activities that take into account social value creation are important elements for realizing a sustainable and prosperous society. We strive to contribute to asset formation by offering investment products and services that help to address ESG issues and through efforts to expand the investment base through measures such as financial education.

Business Opportunities

We place particular focus on the realization of well-being within society when viewing business opportunities associated with ESG issues. We encourage portfolio companies to properly incorporate the realization of well-being within society into their management strategies and to quantify outcomes and disclose them along with the relevant targets.

Monitoring

We conduct monitoring based on global initiatives, including the Task Force on Climate-related Financial Disclosures (TCFD), in order to ascertain the status of ESG issues in our investment portfolio. Specifically, we monitor greenhouse gas emissions and other factors.

Initiatives

We participate in international initiatives and actively embrace accepted standards and norms. Through these initiatives, we conduct engagement jointly with other institutional investors and share best practices by actively cooperating with a wide range of stakeholders.



For information regarding our activities related to 'sustainability,' please refer to the 'Sustainability Report'.

<https://global.nomura-am.co.jp/special/sustainability/#report>

Governance and Disclosure to Promote ESG

At Nomura Asset Management, important decisions on management execution including this Statement are made by the Executive Management Committee, which consists of senior executives, to whom the proper authority has been delegated by the board of directors. We have established the Investment Policy Committee and the Responsible Investment Committee as the highest decision-making bodies in investment decisions and responsible investment to address ESG issues within a proactive framework. We have

also established the Conflict of Interest Management Policy as well as a Responsible Investment Council and a Fund Business Operation Council, which have oversight for our responsible investment activities and products to ensure their appropriateness and validity. In addition, in order to properly fulfill our accountability, we will actively work on information disclosure regarding the abovementioned "our activities".

NAM's initiatives on PRI



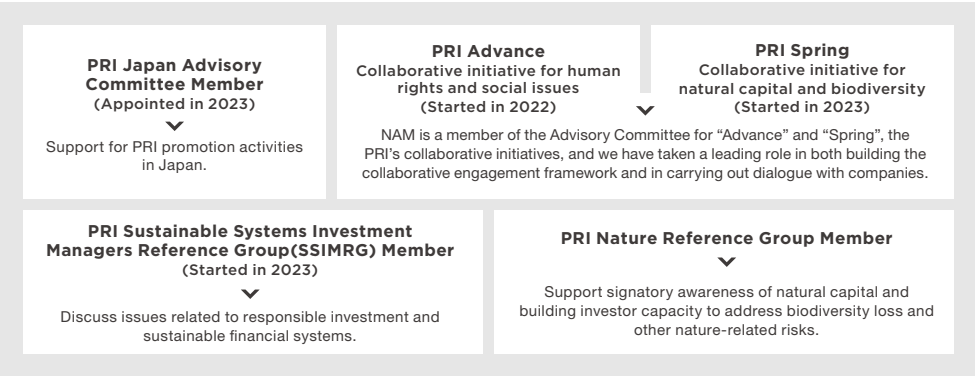
As a responsible institutional investor, we emphasize not only contributing to our clients' asset formation through the asset management business but also creating a "virtuous cycle of investment" through stewardship activities, thereby supporting the creation of social value in the companies we invest in.

The PRI (Principles for Responsible Investment) is a set of investment principles proposed by UN Secretary-General Kofi Annan in 2006 and designed to reflect environmental, social and governance (ESG) in investment analysis and the decision-making processes. Believing that advancing initiatives in line with the investment principles espoused in the PRI is important in terms of fulfilling our fiduciary duty, NAM signed PRI in March 2011 and is strengthening its activities related to responsible investment. As of March end, 2025, there were nearly 5,280 signatories globally, of which 146 were Japanese signatories.

NAM has been proactively contributing to PRI's activities. NAM is now in our third year of committee membership for the Japan Advisory Committee, which is responsible for enhancing the PRI in Japan, as well as the Advisory Committee for the PRI Collaborative Initiative on Natural Capital and Biodiversity (Spring), and we are engaging in deeper discussions. We continue serving as a lead investor for two Japanese automobile

companies under Spring, and co-lead investor for a Japanese steel company under Advance, the PRI's collaborative initiative on human rights and social issues.

Main activities related to PRI



Results of the 2024 PRI Assessment

We participate in PRI's annual evaluation, which helps us to improve our responsible investment activities.

NAM was awarded the highest rating of "Five Stars" in eight modules in the 2024 PRI Assessment. This assessment involved NAM's initiatives in 2023 spanning a total of 10 modules. The results were improved from previous year. (5 stars in 6 modules).

The PRI secretariat assesses the implementation status of responsible investment on a five-star scale for each module based on reports that PRI signatories submit.

Continuing from last year, NAM received the highest rating of "Five Stars" in Policy Governance and Strategy, three modules for Direct Listed Equity, and two modules for Direct Fixed Income. Additionally, Indirect Listed Equity and Indirect Fixed Income have improved ratings from "Four Stars" to "Five Stars", compared to last year. The increase in scores for section such as "External Manager Selection" contributed to this improvement.

*In the PRI Assessment Report, Nomura Asset Management was assessed on a total of 10 modules. Please refer to the reports listed below for more information on all assessments, including indirect modules.

2024 PRI Assessment results

			Module score	Module median	Star score	AUM coverage
Policy Governance and Strategy			97	61	★★★★★	
Direct	Listed equity	Active quantitative	100	69	★★★★★	<10%
		Active fundamental	100	72	★★★★★	<10%
		Passive	100	42	★★★★★	≥10 and ≤50%
	Fixed income	SSA	95	60	★★★★★	≥10 and ≤50%
		Corporate	97	67	★★★★★	<10%
		Hedge funds	0	45	★☆☆☆☆	<10%
Indirect	Listed equity	Active	94	61	★★★★★	<10%
	Fixed income	Active	100	61	★★★★★	<10%
Confidence building measures			78	80	★★★★★	

NAM's initiatives on PRI

COLUMN

Continuation of Activities by the PRI Japan Advisory Committee

NAM presented at webinars on human rights and animal welfare

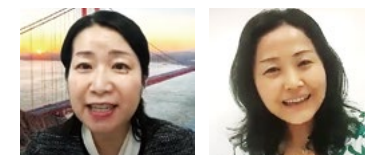
Nomura Asset Management has been active as a member of the PRI Japan Advisory Committee since May 2023. The purpose of the committee is to expand PRI's signatory base and enhance awareness of PRI in Japan. More than 10 experts in responsible investment from various sectors, including asset management companies, asset owners, private equity, and real estate, gather to engage in active discussions quarterly.

The committee has been planning various events and workshops in collaboration with PRI. In December 2024, NAM, along with another asset management firm, hosted a human rights webinar entitled "Serious Human Rights Responses by Investors: Practices in Business and Human Rights." A panel discussion was held on the topic of how addressing human rights can enhance corporate value. We introduced our actual human rights risk monitoring process and best practices in engagement, mentioning that there has been progress in corporate human rights due diligence, and that moving forward

effectiveness will be the key.

In July 2024, we participated in a PRI-hosted webinar entitled "Animal Welfare: Perspectives on Food Safety and Corporate Valuation." We conveyed why investors should be aware of animal welfare and introduced our efforts through various initiatives.

As an asset management firm aiming to be a leader in responsible investment in Japan and Asia, we will continue to support PRI's initiatives moving forward.



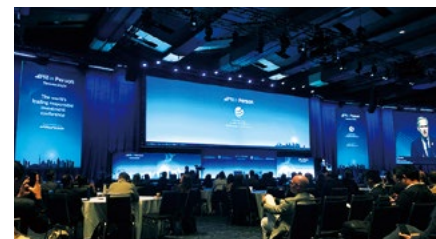
Left: Madoka Minagoshi, Senior ESG Specialist at NAM, attending a panel discussion about human rights.
Right: Wakaba Kawai, Senior ESG Specialist at NAM, attending a panel discussion about animal welfare.

Participated in the PRI in Person 2024 held in Toronto, Canada

NAM participated in the 16th PRI in Person 2024 held in Toronto, Canada, in October 2024. PRI in Person is the world's largest ESG conference, held annually. Approximately 1,700 participants attended the Toronto event in person, including 65 attendees from Japan. During the conference, we participated in sessions covering global trends in responsible investment and engaged in discussions with numerous overseas investors on the latest topics and challenges. We were able to share and gain insights regarding the theme of the conference, which was "Progressing global action on responsible investment."

Session content focused not only on individual themes but also emphasized the "interconnectedness of sustainability issues" (nexus), exploring how to address multiple challenges related to biodiversity, climate change, and human rights in a comprehensive manner. There was significant interest in the sessions related to natural capital and human rights initiatives, which NAM contributes to as a lead investor, with many investors in attendance. The Deputy Prime Minister of Canada at the time presented on climate-related financial disclosures and taxonomy, while Mark Carney, former co-chair of GFANZ and current prime minister of Canada, emphasized the need to accelerate climate action over the next five years. Enthusiastic discussions took place at the venue.

In 2023, PRI in Person was held for the first time in Japan, where we co-organized a side event titled "Investor-Company Forum" with PRI. Following its success, a similar side event was held in Toronto. In Toronto, a Danish shipping company and a Mexican cement company presented their efforts from a practical perspective on climate change measures, including the modification of transition plans for obtaining SBT (Science Based Targets). The decision was made to make this side event a recurring series going forward.



Left: Scene from PRI in Person 2024



Right: Participants from NAM at PRI in Person 2024