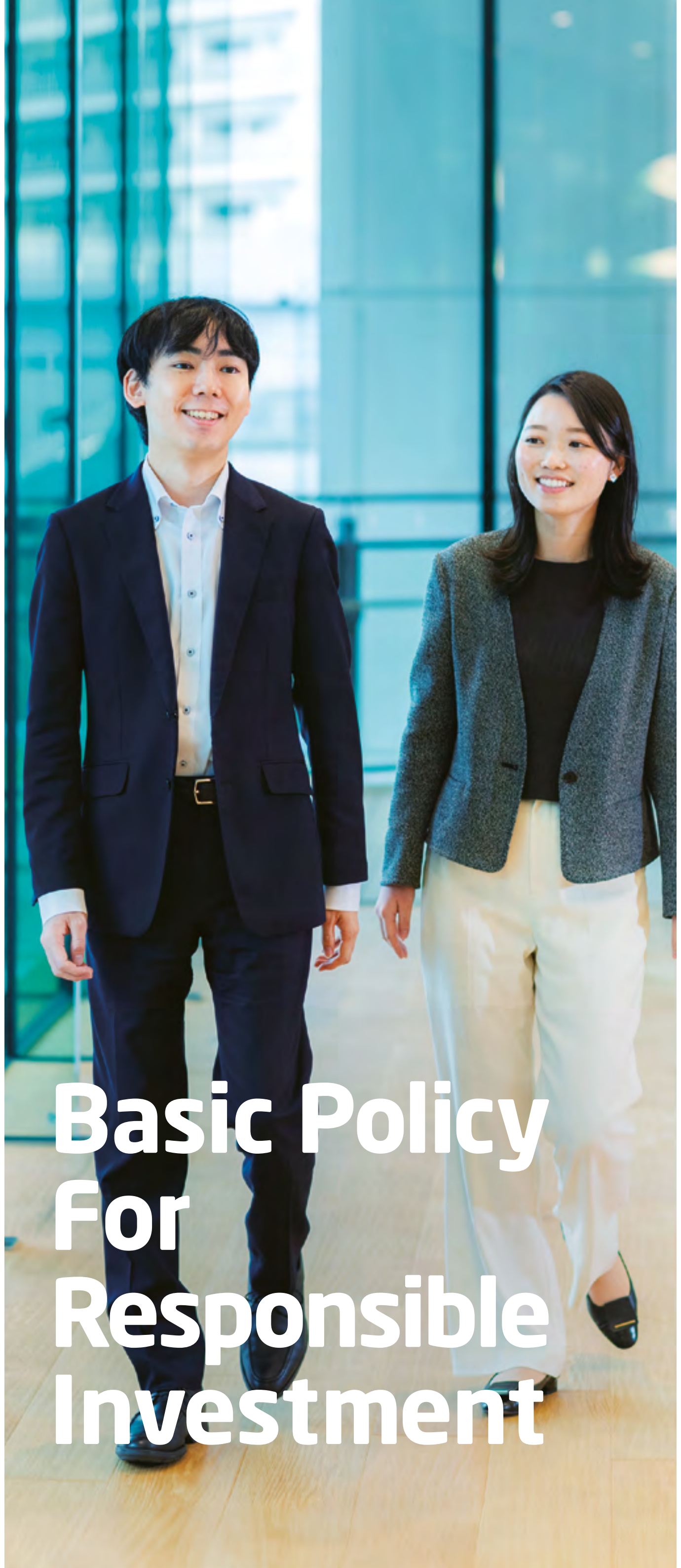

BASIC POLICY FOR RESPONSIBLE INVESTMENT

On November 1, 2025, the Responsible Investment Committee revised the Basic Policy for Responsible Investment.

Specifically, we explicitly stated that key priorities should call for the verification of the business portfolio and the promotion of technological innovation. In addition, we added topics that should be emphasized more in relation to climate change and natural capital. Furthermore, regarding human capital, we explicitly stated that a talent strategy aligned with management strategy should be formulated.

In light of the revision to the Conflict of Interest Management Policy, some wording was changed effective April 9, 2026.

The basic policy for responsible investment defines our concept and specific approaches to responsible investment, and includes details regarding the "appropriate management practices" expected of investee companies and the engagement and voting rights to achieve this.

BASIC POLICY FOR RESPONSIBLE INVESTMENT
Concrete Actions

1. Understanding Investee Companies
2. Approach to Investee Companies
3. Reflection in Investment Decisions
4. Control Conflicts of Interests
5. Collaboration and Outside Activities
6. Information Disclosure and Accountability
7. Organization and Actions

2 Approach to Investee Companies

- In order for investee companies to enhance corporate value and achieve sustainable growth, stipulate the "Ideal Form of Business Management of Investee Companies" * and encourage investee companies to realize it.
- Stipulate "Basic Principles of Engagement" and "Global Proxy Voting Policy" and give encouragement to investee companies from a fair and consistent posture.
- Reflect the status of engagement in proxy voting.

*Ideal Form of Business Management of Investee Companies P.22-24

Basic Principles of Engagement/ Global Proxy Voting Policy
https://global.nomura-am.co.jp/responsibility-investment/pdf/basic_policy.pdf

01

Proper Efforts on Environmental and Social Issues

We believe that making proper efforts on global environmental and social issues from the perspectives of risk management and the pursuit of business opportunities will lead to increase in corporate value and sustainable growth. We also see such efforts as a prerequisite for a company to be accepted as a member of the society. Examples of issues that we consider particularly important and efforts that portfolio companies need to make are shown on the right.

1	**Basic Policy**	Establishment of a basic policy regarding the company's efforts on ESG issues and establishment of a system to promote and oversee those efforts.
2	**Key issues (materiality)**	Identification of key issues by the senior management team, verification of the business portfolio and promotion of technological innovation to respond to key issues, responses to and disclosure of risks that are identified as key issues (e.g., production liability, as well as those listed in 3 through 8), and disclosure of business opportunities that are identified as key issues.
3	**Climate change**	Consideration and implementation of appropriate measures to address climate change, information disclosure on governance, strategy, risk management, metrics and targets related to the issue of climate change, setting of a net-zero target for greenhouse gas emissions (GHG) over the medium to long term, as well as approval of or commitment to science based targets (SBTs), measurement of avoided emissions and uptake of emissions as climate change opportunities, and the introduction of internal carbon pricing.
4	**Natural capital**	Setting of policies and targets to respond to risks and opportunities associated with biodiversity and circular economy toward the realization of nature positive business practices and information disclosure in line with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD).
5	**Human rights**	Development of a policy on human rights at investee companies that is consistent with international norms, human rights due diligence and audits including supply chain, corrective action and relief mechanism and disclosure of due diligence results.
6	**Human capital with diverse values**	Formulation of a human capital strategy linked to management strategies, setting a medium- to long-term target for the percentage of women among board members, senior executives, or managers, developing a personnel system to enhance diversity, equity, inclusion, and the sense of belonging (including measures to prevent employees from leaving employment due to a life event, provision of fair opportunities, implementing an employee engagement survey and the disclosure of survey results and improvement measures, etc.), and the creation of a corporate culture that embraces diversity and inclusion.
7	**Well-being society**	Formulation and disclosure of strategies (including innovation driven by digital technologies) that incorporate contribution to the resolution of social issues, such as access to medicine, health and nutrition, antimicrobial resistance, animal welfare, and regional revitalization, as business opportunities, and measurement and disclosure of impact toward the resolution of social issues.
8	**Risk management in digital society**	Establishment of a cybersecurity management system (e.g. appointment of an officer in charge of cybersecurity, development and assignment of dedicated employees, and development of processes to respond to any incidents), as well as ethical and safe design, development, implementation, and use of artificial intelligence (AI) throughout its life cycle.
9	**Cooperation with stakeholders, such as participation in initiatives that are related to the issues listed above.**	

Ideal Form of Business Management of Investee Companies

02

Value Creation through Capital Efficiency

We believe that in order for investee companies to enhance corporate value and achieve sustainable growth, it is necessary for investees to create value that exceeds the cost of capital over the medium to long term by utilizing capital efficiently under proper risk management and constructing a business portfolio that has a high growth potential and is efficient. To this end, we consider that the following efforts are particularly important:

1. To formulate a growth strategy and an investment plan to create value that exceeds the cost of capital and to conduct proper progress management; To determine the cost of capital in due consideration of opinions of investors obtained through dialogue with them as well as stock price levels and changes thereof;
2. To verify the business portfolio against the growth strategy and replace businesses in the portfolio as necessary;
3. To sell assets that do not contribute to the creation of value that exceeds the cost of capital and, in particular, to reduce cross-shareholdings;
4. To implement group governance to enable the optimal allocation of management resources, etc.; If there is a listed company within the group, to regularly verify the reasonableness of maintaining a listed company within the group; to properly manage the conflict of interest with general shareholders; and to support the listed company's efforts to strengthen corporate governance;
5. To properly manage the risks associated with businesses, etc.;
6. To implement a capital structure and shareholder returns that reflect **1** through **5** above;
7. To properly disclose information about **1** through **6** above.

Ideal Form of Business Management of Investee Companies

03

Adequate Performance of Corporate Governance Function

We believe that it is necessary for a company to have sufficiently functioning corporate governance as a prerequisite for value creation through the efficient utilization of capital and proper efforts on environmental and social issues. We believe that the following components should be covered to realise appropriate corporate governance systems.

1. The board consists of an adequate number of qualified and diverse members who have the ability and experience, including business management, finance and ESG, to supervise the execution of management and any conflict of interest with the management, controlling shareholder, or any other parties on behalf of shareholders and functions effectively.
2. The audit committee, audit and supervisory committee or the board of auditors consists of qualified members who are capable of auditing directors' operations on behalf of shareholders and functions effectively.
3. Committees relating to nomination and compensation have been established, each of which consists of qualified and independent members and adequately fulfills the necessary roles and responsibilities in **4** and **5** below.
4. Standards and processes to determine whether the replacement of senior executives is required have been established, and a succession plan in case of such replacement has been formulated.
5. Compensation of senior executives is appropriate as their incentive and commitment for value creation through the efficient utilization of capital and proper efforts on environmental and social issues.
6. The board makes appropriate judgment in the best interest of minority shareholders on any transaction involving a conflict of interest or fight for control of the company.
   In our view, as anti-takeover measures limit the rights of shareholders to buy and sell shares freely, they are unnecessary unless there is a risk that such a transaction or fight will significantly impair corporate value and the common interest of shareholders.
7. The board of directors monitors environmental and social issues and business and other risks and oversees initiatives by senior executives, and corporate governance systems are in place to ensure sufficient internal control in terms of compliance and internal auditing.
8. Comply with laws and regulations, and properly respond to the Corporate Governance Code

Ideal Form of Business Management of Investee Companies

04

Adequate information disclosure and a dialogue with investors

We believe that it is important for companies to fulfill their accountability for the matters stated in **01** through **03**. To this end, we consider that the following efforts are particularly important.

1. To disclose information in a timely and appropriate manner in accordance with appropriate standards based on the trends of regulatory authorities in each country and international initiatives. In particular, a company is expected to obtain third-party audits and assurances as much as possible, especially for quantitative information.
2. To actively hold dialogue with each investor in order to appropriately reflect investors' opinions in corporate management.
3. If a company is found to have engaged in any activity that is materially harmful to corporate value, it is important for the company to provide sufficient disclosure and explanations on investigations of cause, clarification of where responsibility lies, and the formulation and dissemination of effective recurrence countermeasures.