

Self-evaluation of the implementation status of Japan's Stewardship Code

July, 2025

Self-evaluation

In order to enhance medium- to long-term investment returns that will be beneficial to clients and beneficiaries, Sumitomo Mitsui DS Asset Management (hereinafter "SMDAM") is actively engaged in stewardship activities that enhance the value of investee companies, and ESG investments including the analysis and evaluation of medium- to long-term non-financial elements of investee companies as well as their incorporation into the investment process.

In accordance with the "Japan's Stewardship Code [Principle 7] Guidance 7-4 (as of March 2025)," we self-evaluate and disclose the results of our stewardship activities from April 2024 to March 2025. This self-evaluation was deliberated at Stewardship Meeting / ESG Meeting, which monitors stewardship activities and is composed of persons mainly in charge of practical operations, and then considered at Responsible Investment Committee, which is composed of external directors, the Chief Responsible Investment Officer, and the Compliance Officer under the commission by the Board of Directors, and finally approved by the Board of Directors.

< Major Initiatives in FY 2024 >

- We carried out 2,377 engagements led primarily by the Responsible Investment Section and the Investment Department. We strengthened dialogues concerning capital efficiency in order to promote management that is conscious of capital costs and stock prices. In terms of sustainability-related matters, we emphasized dialogues on human rights (conducted throughout the year), in addition to the traditional focus on climate change response, human capital, and diversity. Furthermore, we disclosed detailed activity reports introducing engagement cases (June 2024). https://www.smd-am.co.jp/english/corporate/responsible_investment/stewardship/engagement/
- We published our achievements regarding the "FD Sustainability Principles," which are based on our commitment to fulfilling our fiduciary responsibilities as a responsible institutional investor (June 2024). https://www.smd-am.co.jp/corporate/vision/fiduciary/index_01/
- As an asset management company, we integrated our previous climate change disclosures and natural capital disclosures into "Environmental Disclosures" to analyze the impact of environmental issues on our investee companies from both risk and opportunity perspectives, aiming to provide our customers with high-quality investment returns over the long term (October 2024).
- We issued the "Sustainability Report 2024-2025," summarizing our sustainability initiatives (November 2024).
- We updated and published our domestic equity proxy voting standards to encourage further sustainability initiatives aimed at enhancing corporate value of investee companies. The new standards include items related to natural capital in the sustainability criteria. Additionally, we disclosed the document "Overview and Explanation of the Proxy Voting Standards Revised in January 2025" (December 2024) to promote understanding of our standards and constructive dialogue with investee companies.
- We held the "Engagement of the Year" award to enhance knowledge accumulation and strengthen engagements, recognizing the best engagement within SMDAM (December 2024).
- To objectively review whether our dialogues have contributed to changes in companies and to improve the quality of our engagements, we conducted statistical analyses of engagement data and indicators related to corporate financials, non-financials, and corporate value using the "difference-in-differences method" (measuring the effectiveness of our engagement activities). The results of this verification showed significant improvements after our dialogues in the setting of CO2 emission reduction targets, the ratio of female directors, the ratio of independent outside directors, the ratio of shareholding by executives, the promotion of integrated report creation, and improvements in PBR and Tobin's Q (December 2024).
- We reviewed our unique ESG score evaluation system (for large domestic companies), incorporating considerations such as Principle Adverse Impact (PAI), our materiality, diversification of external vendors used, and emphasizing the insights and expertise of our analysts (January 2025).

FY 2024 Result

The results of the implementation of the principles and guidelines of Japan's Stewardship Code and what we achieved in FY 2024 are as follows.

■ Principle 1: Policy for fulfilling stewardship responsibilities

- Following Japan's Stewardship Code, based on the analysis and evaluation of the sustainability of the investee companies and the environment and society from a medium- to long-term perspective, we continuously carried out stewardship activities such as incorporating the analysis and evaluation into the investment process and appropriate engagement. (=> [Guidances 1-1, 1-2](#))
- We have established "Sustainable Product Certification Standards" for all funds and products that we manage, and conduct comprehensive management of sustainable products, including confirmation of appropriateness at the stage of new product development, subsequent information disclosure, and monitoring. "ESG products" are defined as "positive screening," "ESG thematic" and "impact." With regard to these products in particular, we monitor whether the actual investment is consistent with the classification based on the certification standards, and strive to enhance information disclosure so that it is easily understood by fund beneficiaries and customers. (=> [Guidance 1-1](#))

■ Principle 2: Policy on managing conflicts of interest to fulfill stewardship responsibilities

- In the announcement of acceptance, we disclosed management policies for major types of conflicts of interest. (=> [Guidances 2-1, 2-2](#))
- We periodically reported how to appropriately manage conflicts of interest for the exercise of voting rights and stewardship activities to the Responsible Investment Committee, which includes three external independent directors. (=> [Guidance 2-3](#))
- Regarding the exercise of voting rights for companies closely related to SMDAM, we used the judgment of an external independent advisory service provider as a reference. The Responsible Investment Committee monitored and confirmed the status of conflicts of interest. In addition, the Responsible Investment Committee monitored and confirmed the exercise of voting that differs from our proxy voting guideline for Japanese equities and J-REITs. (=> [Guidances 2-1, 2-2, 2-3](#))
- Discussions at the Responsible Investment Committee were reported to the Board of Directors and subject to appropriate oversight. In addition, we regularly checked the effectiveness of our management of conflict-of-interest transactions and made continuous efforts to improve it. (=> [Guidances 2-3, 2-4](#))
- We disclosed the results of the exercise of voting rights on an individual basis in order to appropriately respond to conflicts of interest and increase the visibility of the exercise of voting rights. (=> [Guidances 2-1, 2-2, 2-4](#))

■ Principle 3: Policy on understanding a company's situation

- Fund managers and analysts engaged in constructive dialogue with investee companies in order to promote their sustainability, improve their value, and avoid damage (and thus provide high-quality investment returns to customers and ultimate beneficiaries). In addition, we continued to strengthen the dialogue with investee companies to understand their efforts to address medium- to long-term management issues. The number of dialogues involving medium- to long-term management issues independently conducted reached 2,377, and approximately 70% of the total dialogues were held with senior management (executive officer or above). The breakdown by theme were as follows. (=> [Guidances 3-1, 3-2, 3-3](#))

Theme	Number of dialogues
Management Strategy	1,342
Environment	331
Social	298
Governance/Voting rights	768
IR/Disclosure	313
Financial strategy	36
Others	19

(note) The sum of subtotal by theme does not match the grand total, because multiple themes are included by dialogue in many cases.

- We conducted our own ESG score evaluation for more than 2,000 companies, including Japanese and foreign companies and REITs. (=> [Guidances 3-2, 3-3](#))
- In January 2025, we reviewed the evaluation system for our ESG scores (Comprehensive) for large domestic companies. The revisions included:
 - Integrating concepts such as Principal Adverse Impact (PAI) with our ESG scores (Global) for overseas companies.
 - Considering "materiality related to our asset management operations" and "sector-specific materiality."
 - Ensuring the objectivity and reliability of data by diversifying the external information vendors used in the basic evaluation.
 - Revising the evaluation system to place greater emphasis on analysts' insights and expertise.

We will continue to regularly review and improve our ESG scores and evaluation systems to accurately understand the status of our investee companies. (=> [Guidances 3-1, 3-2, 3-3](#))

- In accordance with the statement of acceptance, we applied the policy of incorporating sustainability analysis and evaluation into the investment process to various investment assets such as Japanese equities, J-REITs, foreign equities, and Japanese/foreign bonds. (=> [Guidances 3-3, 4-2](#))

■ Principle 4: Policy on engagement (constructive “goal-oriented dialogue”)

- We continue to engage in efforts to enhance the management oversight function of the board of directors, strengthen management capabilities including addressing sustainability issues, and sustainably improve capital efficiency, all of which contribute to increasing the value of investee companies. We have positioned human rights as an important issue alongside traditional focus areas such as climate change response, human capital, and diversity. The Responsible Investment Section and the Investment Department shared an engagement target list and collaborated on these engagements. (=> Guidances 4-1, 4-2, 4-3, 4-4)
- To promote more long-term perspectives in our proxy voting while sharing recognition with investee companies, we have established dialogue opportunities before annual general meetings for key investee companies with issues such as sustainability standards, misconduct, low capital efficiency, and excessive holdings of cross-shareholdings. In FY 2024, we held pre-general meeting dialogues with 114 companies. (=> Guidances 4-1)
- We appropriately exercise voting rights of investee companies that have problems such as low capital efficiency, lack of management capability, or scandals. We also provide the feedback to investee companies about the reasons for the decision of exercising voting rights as necessary and have a dialogue to resolve the problems. (=> Guidances 4-1, 4-2, 4-3, 4-4)
- We continue collaborative engagement with other institutional investors through collaborative engagement programs for issues common to many investee companies, such as disclosure of non-financial information or the reduction of cross-shareholdings. We conduct collaborative engagements across a variety of platforms including major global initiatives. (=> Guidances 4-5, 7-3)
- We continue to avoid receiving undisclosed material facts as much as possible and will not make inappropriate investment decisions or conduct transactions based on insider information. (=> Guidance 4-6)

■ Principle 5: Policy on exercise of voting rights, disclosure of voting results

- In accordance with the announcement of acceptance and the "Basic Policy on the Exercise of Voting Rights," we published the Guidelines for the Exercise of Voting Rights on company website and engaged in dialogue with investee companies. In exercising the rights, we judged their approval or disapproval from the perspective of enhancing value or avoiding damage, based on information and analysis obtained through dialogue. In addition, in accordance with the Conflict of Interest Management Policy, if there were concerns about a conflict of interest, we exercised the voting rights in accordance with the judgment of an external voting advisory company which is independent of SMDAM, as necessary. (=> Guidances 5-1, 5-2, 5-4)
- The results of the exercise of voting rights were disclosed on a quarterly basis, and the reasons for the decision were shown regardless of approval or disapproval. Beginning in FY 2023, we have provided detailed explanations in the attached file for proposals that we consider particularly requiring explanation. (=> Guidance 5-3)
- We use ICJ platform in order to ensure sufficient time for scrutinizing proposals and to accurately grasp updated information. (=> Guidances 5-1, 5-2, 5-3)
- We remained strongly committed to enhancing value through the exercise of voting rights and engagement with investee companies.

■ Principle 6: Policy on reporting the status of initiatives regarding stewardship activities

- Upon requests from clients under discretionary investment contracts, we reported on stewardship activities appropriately, and disclosed to clients and final beneficiaries the results of engagement activities. (=> Guidance 6-1)

https://www.smd-am.co.jp/english/corporate/responsible_investment/stewardship/engagement/

- We published the Sustainable Report 2024-2025 to clarify the responsible investment activities, and prepared a variety of brochures and reports that meet the needs of customers in order to show the commitment to responsible investment more clearly. (=> Guidance 6-3)

<https://www.smd-am.co.jp/english/corporate/vision/fiduciary/report/>

- We participate in the Japan Stewardship Initiative (JSI) and provide reports based on the “Smart Format,” a general-purpose reporting format for asset owners defined by JSI, mainly to clients with discretionary investment contracts. (=> Guidance 6-3)

■ Principle 7: Policy on maintaining and improving SMDAM 's capabilities to fulfill stewardship responsibilities

- We establish highly effective governance by the Board of Directors with three independent and diverse external directors (=> Guidances 7-1, 7-2)
- We held 12 stewardship and ESG meetings (monthly) and 4 meetings of the Responsible Investment Committee to appropriately manage conflicts of interest and improve the stewardship activities by reviewing the past and discovering/verifying issues to deal with. (=> Guidances 7-1, 7-2)
- We continued collaborative engagement with other institutional investors through collaborative engagement programs for issues common to many investee companies, such as disclosure of non-financial information or the reduction of cross-shareholdings. (=> Guidances 4-5, 7-3)
- In June 2024, we disclosed the FY 2023 version of “Self-evaluation of the implementation status of Japan's Stewardship Code”. (=> Guidance 7-4)
- In order to accumulate knowledge and strengthen engagement, we have launched "Engagement of the Year" to recognize the best engagement within the company, and are strengthening active engagement. (=> Guidances 7-1)

■ Principle 8: Policy on Service Providers for Institutional Investors

- We continued to monitor voting advisory companies that we utilized for conflicts of interest management in order to ensure that they appropriately fulfill the stewardship responsibilities in accordance with the Japan's Stewardship Code [Principle 8]

Strategy for the next

■ Principle 1: Policy for fulfilling stewardship responsibilities

We are aware of increasing medium- to long-term value and sustainability of investee companies through their growth and increased cash flow. As a responsible institutional investor, we will strive to strengthen our stewardship activities in order to improve medium- to long-term investment returns for our customers and beneficiaries.

■ Principle 2: Policy on managing conflicts of interest to fulfill stewardship responsibilities

The Responsible Investment Committee will continuously monitor concerns about conflicts of interest and will strive to promptly resolve any issues found.

■ Principle 3: Policy on understanding a company's situation

We continue to enhance our dialogues to ensure that fund managers and analysts can accurately understand the efforts of investee companies on their mid- to long-term management issues. Following the review of the evaluation system for ESG scores (Comprehensive) in FY 2024, we plan to review other types of ESG evaluations in FY 2025. We remain committed to continually improving our methodologies and further enhancing both the quality and quantity of our efforts.

■ Principle 4: Policy on engagement (constructive “goal-oriented dialogue”)

In FY 2025, we will consider constructing a more effective PDCA cycle based on the results of the engagement effectiveness measurements conducted in FY 2024, aiming to implement more constructive engagements. To further strengthen the collaboration between fund managers and analysts, we will manage and operate a target list that consolidates investee companies where focused dialogues are conducted. Additionally, we will review the agenda of regular meetings between the Responsible Investment Section, which is in charge of engagements, and various groups within the Investment Department. Regarding collaborative engagements, we plan to contribute to the enhancement of investee companies' value through effective platforms including major global initiatives.

■ Principle 5: Policy on exercise of voting rights, disclosure of voting results

While exercising voting rights in accordance with the “Criteria for Determining the Exercise of Voting Rights”, we will endeavor to make decisions on the exercise of voting rights based on the dialogue with investee companies, taking into account the actual situation.

■ Principle 6: Policy on reporting the status of initiatives regarding stewardship activities

We will strive for more efficient and effective reporting based on the opinions of various asset owners.

■ Principle 7: Policy on maintaining and improving SMDAM 's capabilities to fulfill stewardship responsibilities

We will further strengthen the ability to manage conflicts of interest and engage with investee companies. We will also strive to maintain and improve the ability to fulfill the stewardship responsibilities by fully utilizing broad knowledge and know-how.

■ Principle 8: Policy on Service Providers for Institutional Investors

We will make efforts mainly through dialogue to encourage advisory companies that we utilize for conflicts of interest management to fulfill their stewardship responsibilities in accordance with Japan's Stewardship Code [Principle 8].

Self-evaluation of the implementation status of Japan's Stewardship Code (revised March 2020)
(summary of responses to each guidance; for details and future policies refer to the main text)

Principles	Guidance	SMDAM Response
<p>1 Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.</p>	<p>1-1 Institutional investors should aim to enhance the medium- to long-term return on investments for their clients and beneficiaries by improving and fostering investee companies' corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment and consideration of sustainability (medium- to long-term sustainability including ESG factors) consistent with their investment management strategies.</p>	<p>Yes</p>
	<p>1-2 Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities(hereafter, "stewardship policy") and publicly disclose it. The stewardship policy should cover how they define the responsibility and how they fulfill it, in view of their role in the investment chain running from their clients and beneficiaries to the investee companies. Institutional investors should clearly specify how they take the issues of sustainability into consideration in their policy, consistent with their investment management strategies.</p>	<p>Yes</p>
	<p>1-3 Asset owners, in line with their size and capabilities, etc., should encourage asset managers to engage in effective stewardship activities to secure beneficial owners' interests while taking their viewpoints into consideration. When asset owners directly manage funds and exercise their voting rights, in line with their size and capabilities, etc., they should engage in stewardship activities, such as holding dialogues with investee companies.</p>	<p></p>
	<p>1-4 When selecting or issuing mandates to asset managers, asset owners, in line with their size and capabilities, etc., should clearly specify issues and principles to be required in conducting stewardship activities including the exercise of voting rights, in order to ensure effective stewardship activities. In particular, large asset owners should proactively consider and clearly specify issues and principles to be required in conducting stewardship activities, including the exercise of voting rights, keeping in mind their positions and roles in the investment chain, instead of mechanically accepting asset managers' policies without any verification.</p>	<p></p>
	<p>1-5 Asset owners, in line with their size and capabilities, etc., should monitor whether their asset managers conduct stewardship activities in line with asset owners' policies, for example, making use of asset managers' self-evaluations. In conducting such monitoring, asset owners should put emphasis on the "quality" of stewardship activities such as dialogue between asset managers and investee companies, etc., instead of mechanically checking the number of meetings held between them, the duration of such meetings and the "for" or "against" ratio of proxy voting, etc.</p>	<p></p>
<p>2 Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.</p>	<p>2-1 While institutional investors should put the interest of their client and beneficiary first in conducting stewardship activities, they inevitably face the issue of conflicts of interest from time to time, for example when voting on matters affecting both the business group the institutional investor belongs to and a client or beneficiary. It is important for institutional investors to appropriately manage such conflicts.</p>	<p>Yes</p>
	<p>2-2 Institutional investors should put in place and publicly disclose a clear policy on how they effectively manage key categories of possible conflicts of interest. In particular, asset managers should identify specific circumstances that may give rise to conflicts of interest which may significantly influence the exercise of voting rights and/or dialogue with companies, and set out and disclose specific policies on measures for effectively eliminating the influence of such conflicts including avoiding such conflicts, thus securing the interests of clients and beneficiaries.</p>	<p>Yes</p>
	<p>2-3 Asset managers should establish and disclose governance structures, such as an independent board of directors or third party committees for decision-making or oversight of voting, in order to secure the interests of clients and beneficiaries and prevent conflicts of interest.</p>	<p>Yes</p>
	<p>2-4 The management of asset managers should recognize that they themselves have important roles and responsibilities in strengthening the governance of asset managers and managing conflicts of interest, and should take action on such issues.</p>	<p>Yes</p>
<p>3 Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.</p>	<p>3-1 Institutional investors should appropriately monitor investee companies so that institutional investors can fulfill their stewardship responsibility with the aim of enhancing the medium- to long-term corporate value and capital efficiency and supporting the sustainable growth of the companies.</p>	<p>Yes</p>
	<p>3-2 Institutional investors should monitor investee companies continuously and review as appropriate the effectiveness of the monitoring.</p>	<p>Yes</p>
	<p>3-3 When investors monitor investee companies, a variety of factors, including non-financial ones, may be considered as relevant. Factors may include, for example, the investee companies' governance, strategy, performance, capital structure, business risks and opportunities (including risks and opportunities arising from social and environmental matters), and how the companies address them. Relevance of a factor may depend on each investor's investment management strategy and may differ according to specific investee companies. Institutional investors need to use their own judgment in choosing which factors to focus on in light of their stewardship responsibilities. They should endeavor to identify at an early stage issues that may result in a material loss in the value of investee companies.</p>	<p>Yes</p>
<p>4 Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.</p>	<p>4-1 Institutional investors should endeavor to arrive at an understanding in common with investee companies through constructive dialogue with the aim of enhancing the companies' medium- to long-term value and capital efficiency, and promoting their sustainable growth. In case a risk of possible loss in corporate value is identified through the monitoring of and dialogue with companies, institutional investors should endeavor to arrive at a more in-depth common understanding by requesting further explanation from the companies and to solve the problem.</p>	<p>Yes</p>
	<p>4-2 When they engage in the issues of sustainability, institutional investors, should consciously engage in dialogue that is consistent with their investment management strategies and that leads to the medium- to long-term increase of corporate value and the sustainable growth of companies.</p>	<p>Yes</p>
	<p>4-3 Because passive management provides limited options to sell investee companies' shares and needs to promote their medium- to long-term increase of corporate value, institutional investors should actively take charge of engagement and voting from a medium- to long term perspective.</p>	<p>Yes</p>
	<p>4-4 Institutional investors should have a clear policy in advance on how they design dialogue with investee companies in various possible situations.</p>	<p>Yes</p>
	<p>4-5 In addition to institutional investors engaging with investee companies independently, it would be beneficial for them to engage with investee companies in collaboration with other institutional investors (collaborative engagement) as necessary.</p>	<p>Yes</p>
	<p>4-6 In principle, institutional investors can well have constructive dialogue with investee companies based on public information, without receiving information on undisclosed material facts. The "G20/OECD Principles of Corporate Governance" and the Tokyo Stock Exchange's "Japan's Corporate Governance Code" set the principle of the equitable treatment of shareholders, which applies to the handling of undisclosed material facts. Institutional investors that have dialogue with investee companies should be aware that the companies are expected to abide by the principle and should in essence be discreet in receiving information on undisclosed material facts.</p>	<p>Yes</p>

Self-evaluation of the implementation status of Japan's Stewardship Code (revised March 2020)

Principles		Guidance	SMDAM Response
5	Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.	5-1 Institutional investors should seek to vote on all shares held. They should decide on the vote in light of the results of the monitoring of investee companies and dialogue with them.	Yes
		5-2 Institutional investors should have a clear policy on voting and publicly disclose it. Institutional investors should try to articulate the policy as much as possible. The policy should not be comprised only of a mechanical checklist; it should be designed to contribute to sustainable growth of the investee company.	Yes
		5-3 Institutional investors should at a minimum aggregate the voting records into each major kind of proposal, and publicly disclose them. Furthermore, to enhance visibility of the consistency of their voting activities with their stewardship policy, institutional investors should disclose voting records for each investee company on an individual agenda item basis. If there is a reason to believe it inappropriate to disclose such company-specific voting records on an individual agenda item basis due to the specific circumstances of an investor, the investor should proactively explain the reason. At the time of their voting records disclosures, it is also considered beneficial in enhancing visibility for institutional investors, to explicitly explain the reasons why they voted "for" or "against" an agenda item. In particular, institutional investors should disclose their voting rational with respect to either "for" or "against" vote, which are considered important from the standpoint of constructive dialogue with the investee companies, including those perceived to have conflicts of interest or those which need explanation in light of the investors' voting policy.	Yes
		5-4 When institutional investors use the service of proxy advisors, it is important that they use the service based on an understanding of the voting recommendation process, including the human and operational resources of the advisors. They should not mechanically depend on the advisors' recommendations but should exercise their voting rights at their own responsibility and judgment based on the results of the monitoring of the investee companies and dialogue with them. When disclosing their voting activities, institutional investors using the service of proxy advisors should publicly disclose the name of the advisor and how they utilize the service in making voting judgments specifically.	Yes
6	Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.	6-1 Asset managers should in principle report periodically to their direct clients on how they fulfill their stewardship responsibilities through their stewardship activities.	Yes
		6-2 Asset owners should in principle report at least once a year to their beneficiaries on their stewardship policy and on how the policy is implemented.	
		6-3 When reporting to their clients and beneficiaries, institutional investors should choose the format and the content of the reports in light of any relevant agreement with the recipients and the recipients' convenience, and the costs associated with the reporting, and should aim to deliver effective and efficient reports.	Yes
		6-4 Institutional investors should maintain a clear record of their stewardship activities, including voting activities, to the extent necessary to fulfill their stewardship responsibilities.	Yes
7	To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.	7-1 To make dialogue with investee companies constructive and beneficial, and to contribute to the sustainable growth of the companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the companies and their business environment and consideration of sustainability consistent with their investment management strategies. Institutional investors should have the necessary internal structure to have appropriate engagements and make proper judgments.	Yes
		7-2 In particular, the management of institutional investors should have appropriate capability and experience to effectively fulfill their stewardship responsibilities, and should be constituted independently and without bias, in particular from their affiliated financial groups. The management of institutional investors should also recognize that they themselves have important roles and responsibilities to carry out stewardship activities such as enhancing dialogue, structure their organizations and develop human resources, and take action on these issues.	Yes
		7-3 Exchanging views with other investors and having a forum for the purpose may help institutional investors conduct better engagement with investee companies and make better judgments.	Yes
		7-4 Institutional investors should endeavor to improve their policies based on the Code and the quality of their stewardship activities by reviewing at an appropriate timing the status of their implementation of each principle, including guidance. In particular, asset managers should regularly conduct self-evaluations with respect to the status of their implementation of each principle, including guidance, disclose the results toward continued improvement of their governance structures, conflicts of interest management, and stewardship activities, etc., and disclose such results together with the results of their stewardship activities including dialogue with companies. In doing so, asset managers should be conscious that these are consistent with their investment management strategies and lead to the medium- to long-term increase of corporate value and the sustainable growth of companies.	Yes
8	Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.	8-1 Service providers for institutional investors including proxy advisors and investment consultants for pensions should identify specific circumstances that may give rise to conflicts of interest, put in place a clear policy how to manage them effectively, develop structures for conflicts of interest management, and disclose such measures.	
		8-2 Proxy advisors should develop appropriate and sufficient human and operational resources, including setting up a business establishment in Japan in order to provide asset managers with proxy recommendations based on accurate information on specific companies. They should also disclose with specificity the voting recommendation process, including the above measures to assure transparency.	
		8-3 In providing proxy recommendations, proxy advisors should rely upon corporate disclosure, and actively exchange views with companies upon necessity. Upon the request from a company that is the subject of a proxy recommendation, it is considered to contribute to secure accuracy of the information that is the basis for the recommendation and transparency that the proxy advisors provide the company with an opportunity to confirm whether such information is accurate, etc., and provide the submitted opinion of the company to their clients together with the recommendation.	