

## Japan Stewardship Initiative (JSI) Prospectus

The Japanese version of the stewardship code was established in 2014, and the corporate governance code was established in 2015. Further deepening and sophistication of stewardship activities are necessary for investment chains among investee companies, asset managers and asset owners. As indicated by the government's growth strategy, deepening and sophistication of stewardship activities are the keys to supplying growth funds to Japanese companies and building people's assets.

In recent years, there has been active debate about the further fulfillment of stewardship responsibilities in other countries. Disclosure of substantive activities and those results are focused in the formulation and revision of codes. In the opinion 4 of the "Follow-up Meeting on Stewardship Code and Corporate Governance Code" published in April 2019, it is written that "in order to encourage the effective functioning of the investment chain, the role of the asset owner is extremely important, who is the nearest to ultimate beneficiaries, works with and monitors the asset manager that directly interacts with the companies." On the flip side, in order to fulfill accountability to asset owners, asset managers are required to further enhance accountability and information provision regarding stewardship activities.

In response to market demands such as above, the place to exchange cross-industry opinions and discuss measures to solve practical issues that each industry or individual company has is indispensable. For this reason, the Japan Stewardship Initiative (JSI) shall be established as a place for coming up with solutions against practical issues across the industry as well as for sharing best practices, etc.

From the perspective of deepening, sophisticating and improving sustainability of stewardship activities, it is essential to build "information chains" among investee companies, asset managers, and asset owners. JSI aims to become a place to promote wide and open dialogue with related industry stakeholders, and to share the results as an asset to be shared industrywide.