

ESG Investment Policy

(Purpose)

Article 1

IA Partners Inc. (the “Company” or “we”) aims to support portfolio companies in achieving sustainable growth over the medium to long term by enhancing the value they provide to their stakeholders - employees, customers, business partners, society, and shareholders - in a balanced manner. Our basic philosophy is "stakeholder investment". which includes ESG perspectives., We will continue to pursue our basic philosophy and promote ESG investment activities. In line with this mission, we have formulated an ESG policy that considers the environment, society, and corporate governance (ESG) factors that contribute to sustainable value creation in our investment activities.

2. We expect management teams of portfolio companies to be committed to managing ESG risks and opportunities that lead to long-term value creation, and we support these efforts. We recognize the importance of achieving the Sustainable Development Goals (SDGs) set by the United Nations.
3. This Policy ensures our commitment to ESG based on the expectations of stakeholders, and international standards such as the Principles for Responsible Investment (PRI), to the extent that such commitment is consistent with our fiduciary duties.
4. In order to fulfill our stewardship responsibility, we seek to foster positive impact on ESG issues through proactive dialogue, so that our portfolio companies remain sustainable and competitive after they leave our funds.

(Definition of ESG)

Article 2

As part of our ESG activities under this policy, we will consider the risks and opportunities associated with the ESG issues listed below when considering investment targets and in our efforts to enhance the corporate value of portfolio companies.

(1) Environmental

- ① Reduction of CO2 emissions
- ② Air, water and soil pollution
- ③ Improved energy efficiency
- ④ Management and disposal of hazardous materials and waste, etc.

(2) Social

- ① Contribution to industrial development/restructuring and technological

innovation

- ② Job creation and local economic development
- ③ Soundness of transactions in the supply chain
- ④ Product safety and soundness
- ⑤ Improvement of employee wellbeing, etc.

(3) Corporate governance

- ① Fulfillment of social responsibility
- ② Internal control
- ③ Compliance with laws and regulations
- ④ Elimination of relationship with antisocial forces, etc.

2. We recognize the potential impact of climate change-related risks and opportunities on both our Company and our portfolio companies, and strive to manage significant risks in our investment activities.

(Scope)

Article 3

In principle, this policy shall apply to investments in which the Company has a controlling interest after the adoption of this policy. In the event that the Company does not have a controlling interest in the portfolio companies, the management of the portfolio company shall be encouraged to identify and address ESG risks in their operations and opportunities to enhance corporate value, in accordance with this policy.

(Laws, Regulations, and Guidelines Relied Upon)

Article 4

We shall comply with the laws and regulations of the countries and regions in which our portfolio companies and their affiliates operate. In addition, in accordance with the PRI (Principles for Responsible Investment), we will work to stabilize and improve investment returns over the medium to long term by considering ESG issues in our investment decisions and portfolio management, and by working to preserve and enhance the value of the portfolio companies in which we invest.

(Roles and Responsibilities)

Article 5

Roles and Responsibilities in relation to ESG are as follows.

(1) Board of Directors

The Board of Directors shall be accountable for formulation of this policy and

oversight of its implementation.

(2) Investment Committee

From the initial consideration of investment projects through to investment execution, monitoring, and exit, the committee deliberates and makes appropriate decisions, including from an ESG perspective, on whether the business potential of the investment target, the investment amount, and risk-return are appropriate, whether value-up measures are appropriate, whether the investment is being implemented as planned, whether the exit policy is appropriate, and whether the policy needs to be changed.

(3) ESG Manager

Under the supervision of the Board of Directors/Representative Director, the ESG Manager shall develop an appropriate system for ESG integration and report to the Board of Directors on the status of ESG initiatives to promote ESG integration at the Company. In addition, external experts shall be utilized as necessary.

(4) ESG Staff

Under the ESG Manager, the ESG Staff shall monitor the status of ESG compliance and report to the ESG Manager to promote ESG integration in the Company. In addition, ESG training (orientation at the time of joining the Company, internal training, distribution of guidelines, etc.) will be implemented for officers and employees.

(5) Officers and employees

All officers and employees of the Company will strive to continuously deepen their knowledge of ESG through orientation on joining the Company, internal training, external training, etc.

(ESG Integration Processes)

Article 6

We will incorporate ESG into our investment activities as follows.

(1) Screening

When selecting portfolio companies, we will not invest in companies whose businesses or activities are listed on the ESG negative screening list.

(2) Due Diligence

Through due diligence at the investment consideration stage, we confirm the status of ESG initiatives of portfolio companies, identify significant ESG risks, and prioritize ESG issues to be addressed after investment(materiality analysis). In the investment decision-making process, we evaluate ESG factors that will lead to an

increase in corporate value.

(3) Portfolio Management

If we determine that ESG items identified in the due diligence process require improvement efforts by the portfolio company, we will provide support to the portfolio company as appropriate and monitor the status of improvement activities.

(Reports from portfolio companies)

Article 7

In order to understand how ESG issues are being managed by portfolio companies, we support the development of ESG policies and action plans for ESG issues identified in the pre-investment screening and materiality analysis, and conduct appropriate monitoring of the status of ESG activities.

2. In the event of a fatality or serious accident, or a significant ESG-related incident due to environmental issues or legal violations at a portfolio company, the incident is immediately reported to the Investment Committee, which determines the significance of the incident. The incident will then be reported to the Company's Board of Directors taking into consideration its significance.

(Reports to investors)

Article 8

ESG initiatives of portfolio companies will be reported to investors periodically in reasonable effort. In the event of an ESG-related incident occurring at a portfolio company, the limited partner shall be informed of the incident taking into consideration its significance.

(Revision and Abolition)

Article 9

This policy shall be reviewed periodically, with any revision or abolition of this policy by resolution of the Board of Directors.