

Communication and dialogue with stakeholders

We listen to the voices of, and engage in dialogue with, the capital markets to continuously improve quality.



Enhancing the basic policy and structure for information dissemination and dialogue

A wide range of domestic and global transformation is creating new trust gaps. These include the widespread adoption of various forms of AI, such as generative AI, and the growing expectation of its reliability; global developments in disclosures, assurance and dialogue on sustainability information; expectations for cybersecurity and securing privacy in both digital and analogue contexts; escalating geopolitical tensions; and the pursuit of human well-being. These trust gaps, which may lead to important societal challenges, are increasing.

To address this evolving landscape, the Trust Insight Centre, launched in 2023, has identified several trust gaps and engaged in ongoing collaboration with diverse stakeholders through investigation, analysis, research, capacity building and dialogue. Specifically, the Firm has strengthened collaboration among the Research Lab, AI Audit Lab and PwC Research Institute (Japan) LLC—a PwC group company—to promote the sharing of insights on global trust gaps. In addition, the collaboration with the Public Policy Office^{*1} and Stakeholder Engagement Office^{*1} has been reinforced. Other initiatives include deepening

the collaboration and cooperation with the PwC network's trust and knowledge management functions, as well as continuously communicating our perspectives through publications such as PwC's View, which is the Firm's opinion paper.

The Evolution of Transformation and the Pursuit of Trust

Designing the future of an evolving society
<https://www.pwc.com/jp/ja/knowledge/column/transformation-and-trust.html>

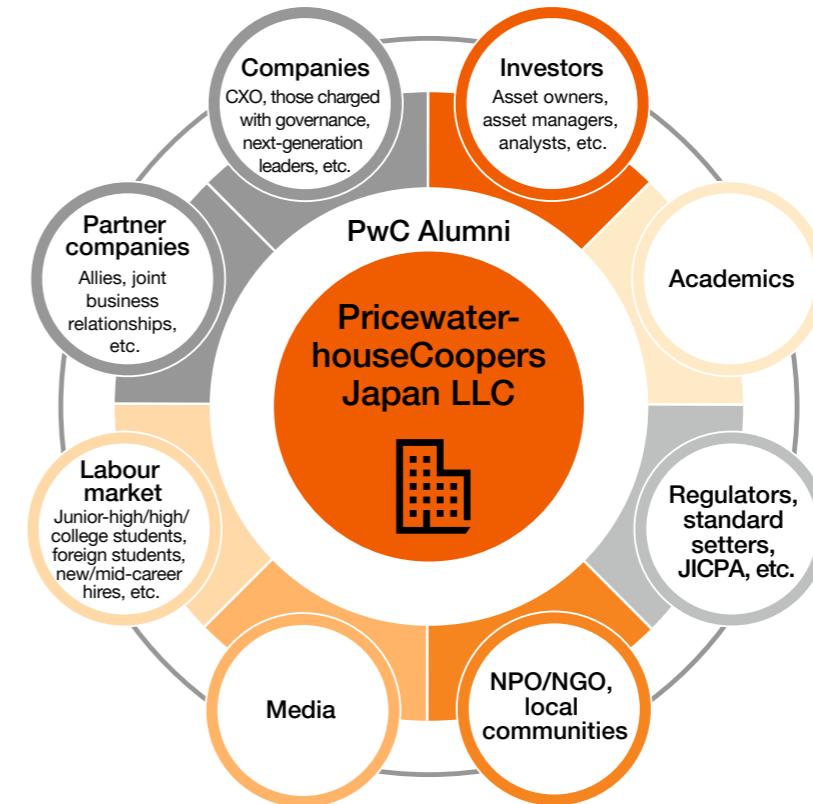


By engaging in communication and ongoing dialogue with a diverse range of stakeholders, we strive to understand expectations and needs for various trust services, including audit and assurance, and to identify potential expectation gaps. Feedback obtained through this dialogue is reported to the Management Committee, the Oversight Board, the Public Interest Board (PIB)^{*2} and Partners and Shains Meetings, and is also utilized for staff training and for enhancing the quality of audit, assurance and advisory services.

*1 In FY2026, the Public Policy Office and Stakeholder Engagement Office will be integrated into the Trust Insight Centre.

*2 In FY2026, as part of a structural redesign, external PIB members will be invited to join the Oversight Board as independent non-executive (INE) members, and the PIB will be integrated into the Oversight Board.

Overview of dialogue with stakeholders



Information dissemination to, and co-creation with, Academics

Research Lab and AI Audit Lab

Established in 2007, the Research Lab operates as a permanent organisation conducting independent research on fundamental socio-economic trends expected to impact audit services with a view toward the next decade. Launched in 2016, the AI Audit Lab focuses on surveys and research related to AI utilization and next-generation audits for financial statement audits. These labs are primarily comprised of researchers with extensive practical experience, supported by external specialists and guest

researchers, enabling discussions from diverse perspectives and fostering deeper knowledge. The outcome of these activities are published through PwC's View, training, lectures, contribution and presentation inside and outside the organisation.

Key research areas

- Next generation accounting and audit (including AI usage)
- Education required for auditors using AI
- Implementation of agile governance and trust (including the use of data analysis)
- Sustainability
- Investor engagement

Information dissemination to, and dialogue with, investors and analysts

Dialogue with investors and analysts

We have been actively engaged with investors and analysts, who are the main users of disclosures (including financial statements) through various opportunities such as small meetings. This is because we believe that understanding, in particular, their expectations of, and concerns about, audits is essential for continuous improvement of audit quality.

We held a number of face-to-face and remote meetings with investors and analysts with the participation of leadership members, including the CEO. We received various views and questions on wide-ranging topics including post-integration governance, leadership transition, KAMs ► p.66, people and culture, integrated assurance services, assurance on sustainability information, data analysis and usage of AI.

The Firm has been supporting the activities of the Corporate Reporting Users' Forum(CRUF) for more than 15 years. CRUF is a community in which investors and analysts gather and disseminate views from the perspective of users of corporate disclosures. CRUF Japan holds monthly meetings to discuss the standards related to accounting, audit and assurance and sustainability, and exchange views on audit quality. We also support the Open CRUF meeting which seeks to discuss wider topics related to future developments in the capital markets with capital market participants who are at the forefront in various areas. The Open CRUF meeting discusses wide-ranging agenda including the use of sustainability information in investment decision making, use of generative AI and AI governance.

Global Investor Survey

The Firm collaborates with PwC network firms to design and implement the Global Investor Survey, and continuously conducts research and analysis to identify similarities and differences between CEO and investor perspectives. We also conduct a questionnaire and interviews with investors and analysts in Japan. In FY 2025, alongside the global analysis, we undertook an additional in-depth analysis of trends specific to Japan's capital markets, and contributed and published insights gained in PwC's View (<https://www.pwc.com/jp/ja/knowledge/prmagazine/pwcs-view/assets/pdf/56-04.pdf>).



Global Investor Survey 2024
Cautious yet optimistic
Investors anticipate growth.



Internal training to share trends in capital markets and voices of investors within the Firm

Each member of the Firm is encouraged to recognise changes in the investment chain as a matter of personal responsibility and leverage these insights to enhance the quality of audit, assurance and advisory services. We share challenges and feedback from investors, analysts and other stakeholders through internal training programs. In FY2025, we designed and delivered training sessions on topics such as sustainable finance, the use of generative AI and stewardship activities.

Information dissemination to, and dialogue with, those charged with governance

To deliver high quality audits, we believe it is vital to exchange opinions, and have discussions, with not only senior management, but also with those charged with governance.

Feedback from audit clients

We request management and those charged with governance of audit clients to provide feedback through a customer satisfaction survey, which is a common platform for the PwC network. All feedback is analysed and used as input to consider actions for improving audit quality by engagement teams and for decision-making and monitoring by the Management Committee.

Forum with those charged with governance and Audit Committee Network

The Firm hosted forums in Tokyo and Kyoto attend-

ed by those charged with governance at our audit clients. To facilitate ongoing information dissemination and dialogue, we also plan and manage the Audit Committee Network joined by those charged with governance from a broad range of listed companies.

Engagement with PwC Alumni

With a history spanning over 75 years, PwC Japan Group has nurtured a diverse array of professionals. Our alumni are at the forefront of business both in Japan and globally. We consider the planning and operation of a community that fosters interaction and values mutual connection among alumni members as an essential part of stakeholder engagement. We actively gather views from alumni on the quality of our services, and work to strengthen relationships between current PwC Japan Group members and alumni.

Partners leading initiatives to build trust through dialogue and co-creation with stakeholders



Tomoyuki Ashizawa
(Knowledge Management)

Kenichi Hayashi
(Public Policy Office)

Naoaki Kobayashi
(Chief Editor of the Audit Quality Report)

Takashi Sasaki
(PwC's View)

Hideki Ishii
(PwC Research Institute)

Koichi Ito
(Leader of AI Audit Lab)

Yoshiyuki Kure
(Leader of Trust Insight Centre/
Stakeholder Engagement Office)

Rieko Yanou
(Leader of Research Lab)

Yoshitaka Yamada
(Vice-leader of Research Lab)