

2. SECTION I: ABOUT THE RESPONDENT

1. From which perspective are you providing this feedback?

A personal view

Please complete:

Your name:

Takeshi Kimura

Your organization (if applicable):

Nippon Life Insurance Company (Board Member, PRI – personal capacity) (Steering Committee Member, TISFD – personal capacity)

E-mail address:

kimura51838@nissay.co.jp

Please complete:

Organization:

Name(s) of contact(s) for this submission:

E-mail address(es) of contact(s):

2. Please select from the following options to which stakeholder group you or your organization belongs:

User of Financial or Non-Financial Information (e.g., investor, analyst, lender or other creditor)

Please specify the type of accounting firm:

Please specify:

Please specify:

Please specify:

Please specify:

3. Please select from the following options the geographical region that best matches you or your organization:

Asia Pacific

3. Please select from the following options the geographical region that best matches you or your organization:

4. SECTION III: SSBs' STRATEGIC POSITIONING FOR 2028–2031

4. As the SSBs look toward the 2028–2031 period, they are reflecting on how to position their strategies and work plans to best serve the public interest within a rapidly changing global environment. This involves careful consideration of how the SSBs remain relevant, responsive, and impactful in their standard-setting and other related work. In that context, what do you believe the SSBs should aspire to achieve during their next strategy period, 2028–2031?

Your answer may touch on different dimensions, for example:

The relevance, responsiveness and impact of the SSBs' standard-setting and related activities.

Broader adoption and effective implementation of the SSBs' standards.

The SSBs' interaction and engagement with key stakeholder groups.

The SSBs' ability to serve the public interest.

The examples above are for illustrative purposes only and should not limit, direct, or otherwise influence your response.

Your answer should address the IAASB and IESBA collectively; however, you may wish to also highlight matters specifically for the IAASB or IESBA (if applicable, you could use separate headings to address such matters).

In the 2028–2031 strategy period, I believe that the IAASB and the IESBA should continue to fulfill their core role of ensuring the reliability of individual entities through auditing, assurance and ethics standards. At the same time, they should more clearly articulate that these standards also function as an institutional foundation supporting the stability and trust of capital markets as a whole.

Historically, sustainability-related information has been considered important primarily because it helps users assess an entity's future cash flows and financial performance. In this context, assurance over sustainability disclosures has developed as a means to enhance the reliability of information relevant to entity-level financial risks and opportunities. This framework remains important.

However, companies inevitably generate externalities. While audit and assurance are performed at the level of individual entities, it is important to recognize that even impacts that appear limited at the firm level can accumulate and interact over time, potentially giving rise to broader system-level risks affecting markets and the economy as a whole. As a result, they can influence the broader environment and risk structure of markets and the economy. Issues such as climate change, degradation of natural capital, social instability and rising inequality may affect not only individual firms, but also macroeconomic conditions and the overall return profile of capital markets.

For highly diversified, long-term investors—often referred to as universal owners—these cumulative effects are not merely firm-specific concerns. They directly affect long-term portfolio returns. Against this backdrop, investor information needs are evolving. They are moving beyond the assessment of entity-level financial risks, toward a broader understanding of how companies generate externalities and how they are connected to wider risk environments. In addition, when information is used not only to evaluate individual firms, but also to aggregate, compare and analyze data across sectors and markets, the reliability and comparability of company-level disclosures become even more important.

This evolution in investor needs and materiality also affects the scope of disclosures. Discussions of system-level risk are no longer limited to climate and nature. They are increasingly extending into the social domain. One concrete example of this development is the ongoing work of the TISFD, which is expected to issue its final recommendations in 2027. TISFD seeks to capture how corporate activities contribute to social outcomes, including inequality, not only at the level of individual entities but also at the level of the broader economic system. In this sense, it reflects the growing importance of system-level materiality in the social domain.

As disclosures take on this "social × system-level" nature, their characteristics also change. In the social domain, unlike areas such as greenhouse gas emissions, information is not always easily expressed in clear quantitative metrics. Topics such as human rights risks, labor practices and organizational culture cannot be reduced to a single number. They require a combination of quantitative and qualitative information.

As a result, the focus of assurance also shifts. It is no longer sufficient to verify the accuracy of numbers alone. Greater emphasis is placed on assessing the reasonableness of judgment processes and the adequacy of supporting evidence. For example, if a company claims that it appropriately assesses human rights risks, assurance would need to consider whether its methodologies, scope and frequency of assessment are reasonable. If a company claims that no significant incidents have occurred, this would need to be assessed against internal records such as grievance mechanisms and audit trails, as well as consistency with other disclosures and external information. For forward-looking information, such as targets and action plans, assurance would not confirm outcomes. Instead, it would focus on whether underlying assumptions are reasonable and whether there are no material inconsistencies.

In this context, assurance is no longer limited to what might traditionally be considered "data assurance." Its core purpose is not simply to verify numbers, but to enhance the credibility of claims on which users rely. As the drivers of enterprise value expand beyond accounting profits to include risk management capability, social trust and alignment with broader systems, the quality of governance and processes becomes part of the information set used in decision-making. Accordingly, the scope of assurance may expand from financial data to non-financial data, and further to processes and systems.

Importantly, the implications of such information extend beyond ensuring accuracy at the entity level. Reliable information about corporate externalities and broader risk exposures can influence market-wide risk perceptions and the direction of capital allocation. In this sense, assurance standards are not merely technical tools. They also function as institutional elements that support market stability and long-term value creation.

Maintaining and strengthening international consistency and interoperability of standards is also essential. Fragmentation across jurisdictions reduces comparability and creates uncertainty for long-term diversified investors. A globally coherent framework is a key foundation for the efficiency and stability of capital markets.

Finally, it is important to strengthen continuous and structured dialogue with users, particularly institutional investors with a long-term perspective. As investor needs expand from entity-level analysis toward broader system-level considerations, reflecting these perspectives early and consistently in the standard-setting process will enhance the relevance and future-readiness of standards.

Overall, the IAASB and the IESBA should, in the next strategy period, more clearly position themselves as institutional pillars supporting trust and stability in global capital markets. This requires taking into account the expansion of disclosure domains, the cumulative nature of risks, and the evolving nature of assurance itself, while further strengthening standard setting, implementation support, international coordination, and engagement with users.

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

As the use of AI and other emerging technologies expands, it is important that standards reinforce professional skepticism, transparency regarding the use of technology, and accountability. From an investor perspective, the key issue is not the adoption of technology itself, but the preservation of audit quality, independence, and trust in an increasingly automated environment.

A.2 Digital Transformation – Digital Assets and Institutionalization of Digital Assets

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Digital assets and tokenized instruments present new audit and valuation challenges. While the scope may currently be concentrated in certain markets, clarity in standards will be important to avoid inconsistencies in practice and to ensure comparability where such assets become more institutionalized.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Technology-enabled financial crimes and cybersecurity risks directly affect market trust. As capital markets become more digitized, the resilience of control environments and the ability of auditors to respond to technologically sophisticated misconduct will become increasingly important for maintaining systemic confidence.

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

B.1 Changes in the Geopolitical and Regulatory Landscape – Regulatory Changes

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Regulatory recalibration across jurisdictions may significantly influence the adoption and implementation of international standards. From a long-term investor perspective, maintaining coherence between evolving regulatory requirements and international standards is essential to preserve comparability and predictability in capital markets.

B.2 Changes in the Geopolitical and Regulatory Landscape – Risk of Fragmentation

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The risk of fragmentation is of particular concern for diversified, long-term asset owners. Divergent national or regional frameworks reduce comparability, increase complexity and may ultimately impair efficient capital allocation. International standards play a critical role as a stabilizing anchor in an environment of geopolitical divergence. Preserving interoperability and global consistency should remain a strategic priority for both SSBs.

B.3 Changes in the Geopolitical and Regulatory Landscape – Call for Greater Agility in Standard Setting

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

While greater agility in standard setting is desirable, responsiveness should not come at the expense of conceptual robustness and global consistency. For capital markets, predictability and stability of standards are as important as timeliness.

B.4 Changes in the Geopolitical and Regulatory Landscape – Greater Diversity of Voices Sought

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Broader inclusion of perspectives, particularly from emerging economies, can enhance legitimacy and adoption. However, such diversity should ultimately strengthen, rather than dilute, the coherence and comparability of global standards.

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

C.1 Evolving Expectations Concerning Sustainability Information – Continuing Demand for Sustainability Reporting and Assurance

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The continued growth in sustainability reporting and assurance should be understood not only as an increase in volume, but also as a shift in the nature of information demanded by users.

In particular, investor needs are evolving from a primary focus on entity-level financial risks toward a broader understanding of how corporate activities contribute to, and are exposed to, wider system-level risks. This includes not only environmental issues such as climate change, but increasingly social dimensions such as inequality, labor practices and human rights.

Emerging initiatives such as the TISFD illustrate this direction of travel. They reflect a growing expectation that sustainability disclosures capture the systemic implications of corporate activities, including in the social domain.

As a result, sustainability information is becoming more complex, often combining quantitative and qualitative elements. This development may have implications for assurance, including a greater emphasis on the evaluation of processes, assumptions and supporting evidence, in addition to the verification of data.

C.2 Evolving Expectations Concerning Sustainability Information – Regulatory and Geopolitical Changes

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Regulatory and geopolitical developments in sustainability reporting should also be considered in light of the increasing complexity and interconnectedness of sustainability-related risks.

While some jurisdictions are expanding requirements and others are recalibrating them, there is a risk that fragmentation may undermine comparability and limit the usefulness of sustainability information for globally diversified investors.

As investor focus increasingly extends beyond entity-level disclosures to system-level considerations, the need for globally consistent and interoperable approaches becomes more important. Without such consistency, the aggregation and comparison of information across firms and jurisdictions may be constrained, reducing the ability of investors to assess broader risk environments.

In this context, coordination among international standard setters, including alignment between assurance, reporting and ethics frameworks, may play an important role in maintaining trust and effectiveness in sustainability-related disclosures.

9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

D.1 Evolving Structure and Business Models of Accounting Firms – Alternative Ownership Structures

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Alternative ownership structures, including private equity investment in firms, may raise questions regarding governance, incentives and ethical culture. From an investor perspective, clarity around how quality management and independence are safeguarded under new ownership models will be important to maintain confidence in the profession.

D.2 Evolving Structure and Business Models of Accounting Firms – Increased Involvement of Non-Professional Accountants in the Accounting and Auditing Profession

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The increasing involvement of multidisciplinary professionals can enhance expertise, particularly in areas such as technology and sustainability. However, ensuring consistent application of ethical requirements and independence standards in such environments will be important to preserve audit quality.

D.3 Evolving Structure and Business Models of Accounting Firms – Challenges to

Attracting and Retaining Talent

3 – Slightly decreasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Challenges in attracting and retaining talent may affect long-term audit capacity and quality. While this is partly an industry-level issue, standard setters may consider how standards remain clear, scalable and implementable in a changing workforce environment.

D.4 Evolving Structure and Business Models of Accounting Firms – Non-Assurance Service Line

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The continued expansion of non-assurance services relative to audit revenues raises ongoing questions about independence and the perception of objectivity. For capital markets, maintaining a clear and credible separation between assurance and other services remains fundamental to trust in the profession.

10. SECTION IV: KEY TRENDS IMPACTING THE SSBs - OTHER TRENDS AND RANKING

6. Are there trends or related areas or matters that you believe the SSBs should consider that are not covered? If so, please provide details.

Yes

Additional trends

Please number your additional trend (O.1, O.2, O.3, ...)

O.1 – Growing Investor Focus on System-Level Risks and the Implications for Sustainability Assurance

Please describe the additional trend

There is a growing recognition among highly diversified, long-term investors that sustainability-related risks extend beyond individual entities and may affect the broader economic and market system.

This reflects a shift in investor focus from entity-level financial risks toward system-level risks arising from the accumulation of corporate externalities.

Emerging initiatives such as the TISFD illustrate this development, particularly in the social domain, where corporate impacts may have systemic implications.

On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.

6 – Strongly increasing in importance

Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?

This trend is likely to become increasingly important because it changes the nature of information demanded by investors.

As sustainability information is used not only to assess individual entities but also to analyze risks at the system level, there is growing demand for information that is reliable, comparable and suitable for aggregation across firms and over longer time horizons.

This may have implications for assurance. In particular, assurance may need to place greater emphasis on the evaluation of processes, assumptions and supporting evidence, rather than focusing solely on the verification of quantitative data.

In my view, this development could be relevant for both the IAASB and the IESBA in considering the future scope and conceptual foundations of assurance and ethics standards.

7. Based on your evaluation of the identified trends, please rank what you believe are the TOP FIVE most important trends for the SSBs to consider for their next strategy period starting in 2028.

Rank 1 : C.1 (Continuing Demand for Sustainability Reporting and Assurance)

Rank 2 : B.2 (Risk of Fragmentation)

Rank 3 : O.1 (System-Level Risk & Universal Ownership)

Rank 4 : C.2 (Sustainability Regulatory Changes)

Rank 5 : D.4 (Non-Assurance Services)

11. SECTION V: AREAS FOR JOINT ACTIONS IN SSBs' WORK PLANS

8. Please share your views about areas of common interest and possible joint or parallel work plan topics (e.g., standard-setting or non-authoritative materials), or other initiatives or activities.

During the next strategy period, there are several areas where closer coordination between the IAASB and the IESBA could add meaningful value.

First, sustainability assurance and the related ethical considerations represent a natural area for joint or parallel work. As sustainability reporting becomes increasingly connected with financial reporting, issues such as independence, professional skepticism, professional judgment and ethical culture arise alongside technical assurance matters. Ensuring that assurance and ethics standards are developed and applied in a coherent manner is important to maintaining assurance quality and reinforcing public confidence in the profession.

Second, the growing interconnection between financial audits and sustainability assurance warrants coordinated reflection. Environmental and social risks may affect companies' financial position and cash flows over longer time horizons. Treating financial and non-financial information in isolation may undermine consistency and clarity in reporting. A more integrated conceptual perspective, developed with coordination between both Boards, could enhance the coherence and usability of reporting frameworks for users.

Third, as investor information needs expand beyond entity-level financial risks toward broader risk environments, it may be beneficial for the two boards to jointly or in parallel consider emerging issues that cut across assurance and ethics. In particular, this may include exploring appropriate assurance approaches for disclosures that relate to long-term, economy-wide risks, as well as clarifying the role of the profession and the corresponding ethical frameworks in such contexts. In addition, as sustainability disclosures increasingly combine quantitative and qualitative information, there may be a need for coordinated consideration of how assurance can address the evaluation of judgment processes, underlying assumptions and supporting evidence, and how these considerations interact with ethical requirements.

Fourth, the expanding use of emerging technologies and artificial intelligence in audit and assurance engagements raises both methodological and ethical questions. Collaboration between the Boards in addressing issues such as professional skepticism, accountability and independence in increasingly automated environments would help sustain trust in the profession.

More broadly, early identification of cross-cutting themes and the use of joint initiatives, parallel projects or non-authoritative materials where appropriate could strengthen the coherence, credibility and global acceptance of the Boards' standards.