

January 13, 2019

## **Results of Fourth Sustainable Investment Survey in Japan Total Sustainable Investment Balance in Japan Increases 1.7 Times the Amount from the Previous Year, to ¥232 Trillion**

### **Summary of Survey Results**

The Japan Sustainable Investment Forum (JSIF) conducted its fourth Sustainable Investment Survey.<sup>1</sup> The combined total for sustainable investment by the 42 domestically headquartered institutional investors that participated in the survey<sup>2</sup> was ¥231,952.25 billion. JSIF intends to release a detailed report regarding the survey in March 2019.

The results of this survey will be included in the Global Sustainable Investment Review 2018, which is compiled through collaboration between sustainable investment organizations around the world and slated to be released in March 2019, in addition to comments provided by JSIF. The survey results will also be widely used by regulators, public institutions and research firms both in Japan and overseas.

### **For inquiries related to this press release:**

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<sup>1</sup> JSIF has been conducting this survey once a year since 2015. When carrying out this year's survey, JSIF sent e-mails to institutions it keeps in contact with to request their cooperation with the survey. In addition, in terms of the PRI Japan Network, JSIF solicited the cooperation of PRI signatory institutions with locations in Japan in order to spread awareness of the survey.

The questions of the survey can be viewed at the following URL.  
<http://japansif.com/JSIFsurvey2018qa.pdf>

<sup>2</sup> Of the 42 institutions that JSIF asked to take the survey, 40 provided responses. For the two institutions that did not take the survey, JSIF referenced publicly disclosed information and calculated totals based on this information.

**Total Sustainable Investment Balance in Japan (denominated in JPY millions)**

	2017	2018	Rate of Change
Sustainable investment balance	136,595,941	231,952,250	+ 69.8%
Number of institutions	32	42	
Percentage of total investment balance	35.0%	41.7%	

**Sustainable Investment Balance by Investment Strategy (denominated in JPY millions)**

	2017	2018	Rate of Change
ESG integration	42,966,133	121,511,832	+ 182.8%
Positive screening	6,693,443	6,425,278	-4.0%
Sustainability-themed investing	1,384,773	2,014,546	+ 14.6%
Impact/community investing	372,616		
Exercising voting rights	55,007,706	132,034,774	+ 140.0%
Engagement	88,037,433	140,754,582	+ 59.9%
Negative screening	14,309,760	17,328,216	+ 21.1%
Norms-based screening	23,908,999	31,604,106	+ 32.2%
Total	232,680,863	451,673,334	

**Sustainable Investment Balance by Asset Class (denominated in JPY millions)**

	2017	2018	Rate of Change
Japanese shares	59,523,773	137,385,115	+ 130.8%
Foreign shares	31,842,726	80,482,008	+ 152.7%
Bonds	18,301,518	28,891,704	+ 57.9%
PE	190,443	281,901	+ 48.0%
Real estate	2,666,410	4,637,032	+ 73.9%
Loans	3,504,432	10,236,320	+ 192.1%
Other	4,759,604	4,718,818	-0.9%
Total	120,788,906	266,632,898	

Note: When calculating the sustainable investment balance, JSIF made the utmost effort to avoid duplications by eliminating amounts under management by pension funds from the amounts listed in the answers provided by asset management companies. However, JSIF was unable to distinguish between amounts under management of the asset companies and amounts under management of pension funds in regard to balances by investment strategy and asset class as it did not ask the asset management companies to provide details. Accordingly, the figures in the tables above represent a duplicated total that includes both of these amounts. There are also duplicated figures due to multiple responses for investment strategy. JSIF will examine ways to better avoid such duplications in future surveys.

### **Definitions of Investment Strategies**

JSIF has referenced the investment strategies defined by the Global Sustainable Investment Alliance. JSIF has added certain strategies to reflect the current conditions of Japan.

#### ESG Integration

Investment that systematically incorporates environmental, social, and governance (ESG) factors into the regular investment process (for example, carrying out ESG evaluation/screening and due diligence prior to investment and promoting monitoring and engagement after investment).

#### Sustainability-Themed Investment

- **Stocks:** Stock investment that focuses on sustainability themes and impacts such as renewable energy, environmental technologies, agriculture, promoting active participation of women, and the Sustainable Development Goals.
- **Bonds:** Bond investment that focuses on sustainability themes and impacts such as green bonds and vaccine bonds.
- **Other assets:** Sustainability-themed investment other than stock and bond investment (for example, community investment).

Note: Impact and community investment have been integrated into sustainability-themed

investment.

#### Exercising Voting Rights

The exercising of voting rights.

Note 1: Not limited to voting rights exercised related to ESG

Note 2: Can include voting rights exercised based on recommendations of advisory companies

#### Engagement

Constructively communicating with corporations as a shareholder based on engagement policies.

#### Negative Screening

Refraining from investment in certain industries and corporations based on ethical, social, or environmental values.

Note: Negative screening does not include simply refraining from investing in incorporations that have low ESG ratings.

#### Norms-Based Screening

Investment based on compliance with international standards issued by international organizations (including OECD, ILO, and UNICEF).

## List of Organizations That Disclosed Sustainable Investment Balances in the Sustainable Investment Survey

Note: Two of the 40 organizations that responded requested to remain anonymous.

Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation
Nissay Asset Management Corporation	J-STAR Co., Ltd. Fukoku Capital Management, Inc.
Amundi Japan Ltd.	Mitsubishi UFJ Kokusai Asset Management
NN Investment Partners (Japan) Co., Ltd.	The Dai-ichi Life Insurance Company, Limited
Sompo Japan Nipponkoa Insurance Inc.	Nippon Life Insurance Company
Sompo Japan Nipponkoa Asset Management Co., Ltd.	Sophia University
Comgest Asset Management Japan Ltd.	Nomura Real Estate Asset Management Co., Ltd.
Asset Management One Co., Ltd.	Prologis REIT Management K.K.
Tokio Marine & Nichido Fire Insurance Co., Ltd.	MU Investments Co., Ltd.
SPARX Asset Management Co., Ltd.	Japan Post Insurance Co., Ltd.
Asahi Life Asset Management Co., Ltd.	RJ Investment Co., Ltd.
Sumitomo Mitsui Asset Management Company, Limited	AD Investment Management Co., Ltd.
Resona Bank, Limited	Japan REIT Advisors Co., Ltd.
Pension Fund Association TAIYO LIFE INSURANCE COMPANY	Mizuho Trust & Banking Co., Ltd.
Daido Life Insurance Company	
T&D Asset Management Co., Ltd. Daiwa Asset Management Co., Ltd.	
Tokio Marine Asset Management Co., Ltd.	
Nomura Asset Management Co., Ltd.	
DBJ Asset Management Co., Ltd.	
MS&AD Insurance Group Holdings, Inc.	
SECOM Pension Fund	