Sustainable Investment Survey 2025

JSIF

Japan Sustainable Investment Forum (JSIF)

About JSIF

The Japan Sustainable Investment Forum (JSIF), a nonprofit organization, was established in 2001 to promote socially responsible investment (SRI) in Japan, following the active expansion of SRI in Europe and the United States. It obtained legal personality in 2004.

The organization changed its name in September 2016 and has retained the current name since then. The former name was the Socially Responsible Investment Forum.

2025 Sustainable Investment Survey

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JSIF's Sustainable Investment Standards

Sustainable investment is a type of investment that considers environmental, social, and governance (ESG) factors in the investment analysis and investment portfolio decision-making process while taking into account the sustainability of the investment.

Summary of the 2025 Sustainable Investment Survey

The 2025 Sustainable Investment Survey represents JSIF's assessment of the sustainable investment balance in Japan. It covers a total of 56 institutions, comprising responses from 55 organizations and estimated figures based on publicly available information from the Government Pension Investment Fund (GPIF). Although the number of responding institutions declined from 61 in 2024 to 56 in 2025, the total sustainable investment balance increased from ¥625.6 trillion in 2024 to ¥671.8 trillion in 2025, maintaining a continued growth trend. Meanwhile, the share of assets considered sustainable investment as a percentage of total assets under management edged down slightly from 63.5 percent to 63.4 percent, indicating that although the level remains high, the pace of growth has moderated.

By investment method, ESG integration remained the largest category at approximately ¥464.4 trillion, increasing steadily from 2024. Impact investing reached ¥3.1 trillion, more than tripling year on year, driven by an increase in reporting institutions as well as large-scale expansion by several organizations. Among the 24 institutions conducting impact investment, 21 disclosed relevant information, ensuring transparency in impact assessment.

By asset class, both Japanese equities and non-Japanese equities saw slight declines, resulting in a slight contraction in overall investment. In contrast, alternative assets such as private equity (PE), real estate, and loans continued to expand.

Regarding the regulatory environment surrounding sustainable investment in Japan, since 2022 financial and economic authorities, including the Financial Services Agency and the Ministry of Economy, Trade and Industry, have accelerated initiatives such as measures against greenwashing, development of impact investment guidelines, formulation of disclosure standards aligned with the International Sustainability Standards Board (ISSB) framework, and issuance of GX Economy Transition Bonds. These efforts have advanced the institutional foundation supporting sustainable investment.

Participation in sustainability-related initiatives has also diversified, with growing engagement in nature-related frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and Spring. Nearly all institutions publish policies related to sustainable investment, demonstrating that practices to ensure transparency have become well established.

Stewardship activities, including proxy voting and engagement, are widely adopted, and 33 institutions disclose their processes for evaluating ESG-related proposals. Common engagement themes include greenhouse gas (GHG) reduction, climate change, human rights, biodiversity, and diversity.

Overall, the findings confirm that sustainable investment in Japan continues to advance not only in terms of asset growth but also through diversification of investment approaches and themes, as well as strengthened alignment with international governance and disclosure standards.

Survey Distribution Methods

JSIF emailed survey requests to institutions for which it could verify contact information. In addition, the PRI Japan Network and CSR Design Green Investment Advisory Co., Ltd. assisted in distributing the survey.

JSIF received responses from 55 institutions pertaining to their sustainable investment balances as a result of these distribution methods. JSIF also estimated figures for two other institutions based on publicly available data from the GPIF and added these amounts to the sustainable investment balance. Therefore, this year's survey amounts reflect the investment balances of a total of 56 institutions, comprising 55 respondents and one estimate.

Institutions That Provided Investment Balances for the Sustainable Investment Survey
All 55 Respondent Institutions

- Asahi Mutual Life Insurance Company
- Asahi Life Asset Management Co., Ltd.
- Asset Management One Co., Ltd.
- Amundi Japan Ltd.
- Amova Asset Management Co., Ltd.
- Allianz Global Investors Japan Co., Ltd.
- Ichiyoshi Asset Management Co., Ltd.
- HC Asset Management Co., Ltd.
- SBI Asset Management Co., Ltd.
- MS&AD Insurance Group Holdings, Inc.
- Endeavor United Co., Ltd.
- Cadira Capital Management Co., Ltd.
- Japan Post Insurance Co., Ltd.
- Comgest Asset Management Japan Ltd.
- Consonant Investment Management Co., Ltd.
- SHIMIZU REAL ESTATE ASSET MANAGEMENT CORPORATION
- Japan Real Estate Asset Management Co., Ltd.
- Sophia University
- Shinkin Asset Management Co., Ltd.
- Sumitomo Life Insurance Company
- Sekisui House Asset Management, Ltd.
- JA Kyosai
- Sompo Japan Insurance Inc.
- Sompo Asset Management Co., Ltd.
- The Dai-ichi Life Insurance Company, Limited
- Dai-ichi Life Realty Asset Management Co., Ltd.
- Taiju Life Insurance Company Limited
- Daido Life Insurance Company
- Diamond Realty Management Inc.
- Taiyo Life Insurance Company
- Daiwa Asset Management Co. Ltd.
- Pension Fund Association for Local Government Officials
- T&D Asset Management Co., Ltd.
- DBJ Asset Management Co., Ltd.
- Tokio Marine Asset Management Co., Ltd.
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- The University of Tokyo
- Nissay Asset Management Corporation
- Nippon Life Insurance Company
- Norinchukin Zenkyoren Asset Management Co., Ltd.
- Nomura Asset Management Co., Ltd.
- Nomura Real Estate Asset Management Co., Ltd.
- Pictet Asset Management (Japan) Ltd.
- Fukoku Capital Management, Inc.
- Prologis REIT Management K.K.
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Mitsubishi HC Capital Realty Advisers Inc.
- Mitsubishi Jisho Investment Advisors, Inc.
- Mitsubishi UFJ Asset Management Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation
- Meiji Yasuda Life Insurance Company
- Resona Asset Management Co., Ltd.
- Three respondent institutions did not wish to have their company names published.

JSIF included figures for the following institution based on publicly available information.

Government Pension Investment Fund (GPIF)

Note: Figures for the Government Pension Investment Fund (GPIF) investment balance are based on estimates by JSIF, using publicly available materials disclosed by the GPIF, including the *2024 Sustainability Investment Report* and the "2024 Annual Report on Operations." Accordingly, the resulting figures may differ significantly from the responses provided directly by the GPIF. We also understand that, due to institutional constraints, the GPIF is not able to disclose information beyond what is available in its publicly available materials.

Survey Results: 2023–2025

Overview

	2023	2024	2025
Sustainable Investment Balance (Millions of yen)	537,590,817	625,609,611	671,764,470
Sustainable Investment as a Percentage of Total Assets Under Management	65.3%	63.5%	63.4%
Number of Respondents	63	61	56

Sustainable Investment Balance by Investment Management Method

(Millions of yen)

	2023	2024	2025
ESG Index-Linked Management (Selection-Based)	10,494,957	13,887,772	14,932,050
ESG Index-Linked Management (Tilted)	12,809,000	16,511,450	15,495,725
ESG Integration	438,786,938	450,807,548	464,425,494
Negative Screening	327,198,719	333,725,971	374,442,877
Norms-Based Screening	164,915,208	177,891,985	220,188,314
Positive Screening	10,889,234	11,498,310	87,537,124
Thematic Investment	33,129,991	20,059,863	20,702,431
Impact Investment	1,636,905	982,754	3,126,765
Shareholder Voting	211,095,489	263,642,525	262,958,503
Engagement	294,876,523	354,624,198	319,110,137

Sustainable Investment Balance by Asset Class

(Millions of yen)

	2023	2024	2025
Japanese Stocks	134,580,097	160,710,304	155,790,579
Non-Japanese Stocks	75,940,183	94,079,750	90,959,881
Domestic Bonds	374,341,261	383,742,592	221,609,828
Overseas Bonds			167,879,428
Private Equity (PE)	7,981,013	9,076,149	9,725,398
Real Estate	16,047,859	15,373,829	16,656,558
Loans	15,592,833	16,200,357	17,173,069
Other	20,024,845	21,789,022	32,261,221

Notes:
1. When calculating sustainable investment balances, the fullest attempt was made to avoid duplicating the investment balances of investment managers and asset owners. However, due to the difficulty of avoiding such duplications when calculating sustainable investment balances by investment management method and asset class, there is an overlap in the amounts entrusted to investment managers and amounts entrusted by asset owners. Another factor contributing to the presence of duplicate amounts is the fact that respondents provided multiple answers regarding their investment management methods. In addition, some respondents did not specify an asset class. As a result, the sum of sustainable investment balance by investment management method and sustainable investment balance by asset class does not amount to the total sustainable investment balance.
2. With respect to the figures for positive screening in the 2024 survey, one reporting institution requested a correction, resulting in a reduction from ¥13,634,230 million to ¥11,498,310 million.
3. With respect to the figures for thematic investments in the 2024 survey, an error was identified in the data added to the aggregation based on publicly available information from the GPIF, resulting in a reduction from ¥34,459,863 million to ¥20,059,863 million.

Survey Results: 2024–2025

Survey questions can be found at:

https://japansif.com/JSIFsurvey2025qa.pdf (Japanese only)

Q1

(This question has been omitted as it pertains to a code for identifying respondent institutions.)

Although the responses to the following questions are essentially those of 56 institutions (55 respondent institutions and one estimate), the "total" given for each item reflects the number of institutions that answered the question as some institutions refrained from answering specific questions.

Q2

Please describe your role pertaining to capital management and capital structure.

Choices	2024	2025
Asset Owner	19	21
Investment Manager	42	35
Total	61	56

The total number of respondent institutions was 55. Besides these, JSIF added to its calculations the investment balance figures for two asset owners based on publicly available information.

Q3

Have you declared the adoption of Japan's Stewardship Code?

Choices	2024	2025
YES	45	43
NO	14	12
Total	59	55

Q4

Which of the following initiatives have you adopted, or are involved in?

	2024	2025
United Nations Environment Programme Finance Initiative (UNEP FI)	3	4
International Corporate Governance Network (ICGN)	11	9
Carbon Disclosure Project (CDP)	22	20
Principles for Responsible Investment (PRI)	52	48
Principles for Financial Action for the 21st Century (PFA21)	25	24
Science Based Targets initiative (SBTi)	7	6
Partnership for Carbon Accounting Financials (PCAF)	8	7
Asia Investor Group on Climate Change (AIGCC)	–	9
Climate Action 100+ (CA100+)	25	24
30% Club Japan Investor Group	10	10
Japan Impact-driven Financing Initiative	12	12
Taskforce on Nature-related Financial Disclosures (TNFD)	14	15
Glasgow Financial Alliance for Net Zero (GFANZ)	12	13
Advance (a PRI human rights initiative)	22	21
Spring (a PRI natural capital initiative)	–	15
ISSB/SSBJ (S1)	–	2
ISSB/SSBJ (S2)	–	2

Note: Initiatives for which the 2024 figures are shown as "–" represent items newly added to the questionnaire, starting with the 2025 survey.

Q5

Do you have a formal policy on sustainable investment specific to your organization, and have you announced this policy?

Choices	2024	2025
YES (disclosed publicly)	51	53
YES (disclosed to customers, subscribers, and similar entities only)	5	1
NO	2	1
Total	58	55

Q6

Please explain in 500 words or less any proprietary or characteristic methods used by your company to evaluate sustainable investment or ESG investment if such methods exist. Your explanations will be posted on JSIF's corporate website in conjunction with the release of the survey report. (We will leave it to you to decide whether or not to disclose the name of your pension plan and company in the text.)

The purpose of this question is to use the outstanding efforts made by other institutions as a reference and to communicate in detail the initiatives being taken in Japan to overseas investors.

The survey responses indicate that many institutional investors are moving away from reliance on external data and instead developing their own ESG scores and questionnaires, which they apply broadly across Japanese and non-Japanese equities. A notable characteristic is that ESG information is not used merely for screening but is incorporated quantitatively into financial models, including discount rates and cost of equity, thereby influencing corporate valuation. There are also structures in which sector analysts consistently handle ESG assessments, long-term forecasts, engagement, and proxy voting, enabling synergies across these activities. In addition, institutions conduct proprietary analyses that address both core environmental and social issues and financially material topics, identifying key material issues according to industry characteristics. In the real estate sector, investors are adopting evaluation methods tailored to asset characteristics, such as incorporating the presence of green certifications and environmental performance as new assessment criteria at the time of property acquisition.

All responses will be disclosed on the following website:
https://japansif.com/survey

Q7–Q11

Q7–Q11 pertain to sustainable investment balances.

(Millions of yen)

	2024	2025
Sustainable Investment Balance	625,609,611	671,764,470
Sustainable Investment as a Percentage of Total Assets Under Management	63.5%	63.4%
Number of Respondents	61	56

Method for calculating sustainable investment balance

To avoid duplication of the investment amounts provided by asset managers and asset owners to the greatest extent possible, the ¥102,047,747 million trust amount from the pension funds of institutions that responded based on their role as investment managers was deducted from the total sustainable investment balance of ¥773,812,217 million for the 56 institutions.

¥773,812,217 million – ¥102,047,747 million = ¥671,764,470 million

Method for calculating sustainable investment as a percentage of total assets under management

Because two institutions did not provide responses regarding their total assets under management, the ratio of sustainable investment to total assets under management was calculated using the investment balances of the remaining 54 institutions.

¥773,484,759 million ÷ ¥1,220,336,390 million = 63.4%

Data collection period

While we requested responses for the period ended March 31, 2025, as a general rule, we also accepted responses for other periods. Sustainable investment balances for those periods are included in the total. In Q8, we asked for those periods and also amounts that fall outside the period ended March 31, 2025. The breakdown is as follows:

(Millions of yen)

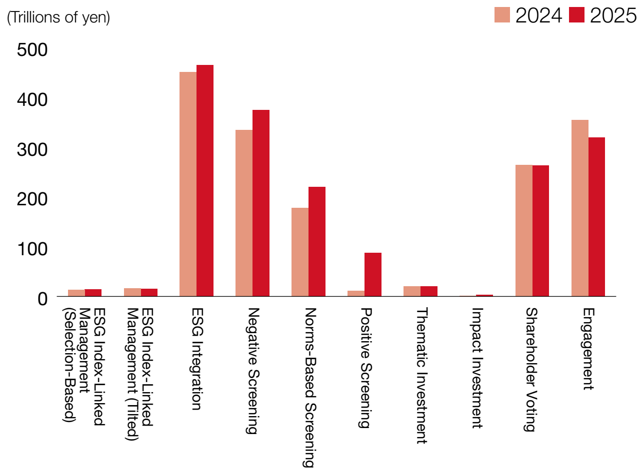
End of February 2025	1,601,172
End of April 2025	555,972
End of May 2025	440,813
End of June 2025	8,002,450
End of July 2025	36,454
End of August 2025	55,937,932
End of September 2025	1,737,695

Q12

Please break down the amount provided for Q7 by investment method.

(Millions of yen)

Choices	2024	2025	% Change
ESG Index-Linked Management (Selection-Based)	13,887,772	14,932,050	+7.5%
ESG Index-Linked Management (Tilted)	16,511,450	15,495,725	–6.2%
ESG Integration	450,807,548	464,425,494	+3.0%
Negative Screening	333,725,971	374,442,877	+12.2%
Norms-Based Screening	177,891,985	220,188,314	+23.8%
Positive Screening	11,498,310	87,537,124	+661.3%
Thematic Investment	20,059,863	20,702,431	+3.2%
Impact Investment	982,754	3,126,765	+218.2%
Shareholder Voting	263,642,525	262,958,503	–0.3%
Engagement	354,624,198	319,110,137	–10.0%



Notes: 1. In calculating the total sustainable investment balance, the fullest attempt was made to avoid duplication as much as possible. However, since it is difficult to determine balances by investment management method, figures contain a duplication of the trust amounts of investment management companies and the amounts entrusted by pension funds. Additionally, as there is some duplication due to multiple answers, the total for each investment management method is inconsistent with the total amount stated in Q7.

2. The sharp increase in assets under positive screening is attributable to the fact that an institution that reported ¥0 in the 2024 survey indicated in the current survey that all of its assets under management fall under positive screening.

3. The significant increase in impact investment assets is driven by the following two factors:
   1) The number of reporting institutions increased from 20 in the 2024 survey to 24, and the investments by these four additional institutions account for approximately half of the total.
   2) One institution reported an investment volume that was roughly seven times larger compared with 2024.

4. We divided the question on sustainability-themed investment into the three categories of equity investments, bond investments, and other assets. The breakdown is as follows:

(Millions of yen)

	2024	2025	% Change
Equity	4,946,093	4,697,984	–5.0%
Bond	6,390,482	6,535,399	+2.3%
Other Assets	8,723,288	9,469,048	+8.5%

Defining Sustainable Investment

Passive and Index Investment

1. ESG Index-Linked Management

A form of passive investment aimed at reaping results associated with different types of ESG investment indices

- Selection-based: Indices comprising companies selected via positive screening
- Tilted: Indices weighted based on ESG ratings

Active Investment

2. ESG Integration

An investment approach in which environmental, social, and governance (ESG) factors are constantly taken into consideration in the process of analyzing and deciding on investments with the aim of improving risk-adjusted returns

Note: According to the PRI's definition of ESG incorporation, this includes not only the integration of ESG-related issues but also screening, thematic investment, and other investment methods, as shown in the table below. For more information, please refer to the *White Paper on Sustainable Investment in Japan 2020* (page 16 onward).

PRI Classification			Number
Principle 1	ESG incorporation	Negative/exclusionary screening Positive/best-in-class screening	1
		Norms-based screening	2
		Sustainability-themed investing	3
		Integration of ESG-related issues	4
Principle 2	Active ownership	Engagement	5
		Shareholder voting	6

GSIA Classification		Corresponding Number for PRI Classification
Sustainable Investment	**ESG integration**	4
	Corporate engagement and shareholder action	5/6*1
	Norms-based screening	2
	Negative/exclusionary screening	1
	Positive/best-in-class screening	1
	Sustainability-themed investing	3
	Impact/community investing	*2, 3

*1 The Global Sustainable Investment Alliance (GSIA) classifications treat engagement and the exercise of voting rights as sustainable investment methods, but the PRI classification lists them under Principle 2, and not as ESG incorporation.

*2 The corresponding PRI classifications listed above are true for active strategies; however, in the section on passive strategies in PRI Reporting Framework Main Definitions, microfinance and impact investing are treated as sustainability-themed investing.

*3 The term “community investing” is utilized in PRI definitions.

Note: For more information, please refer to the *White Paper on Sustainable Investment in Japan 2020* (page 18 onward).

Screening

Screening is an investment approach in which rules are applied based on defined criteria to determine the acceptability of investments.

3. Negative Screening

Negative screening is the process of excluding specific companies, industries, countries, and other issuers from a fund or an investment portfolio based on activities deemed unsuitable for investment.

4. Norms-Based Screening

Investment based on compliance with internationally recognized norms, such as those of the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD), and the International Labour Organization (ILO) (For example, in accordance with the Oslo Convention, investors refrain from investing in companies associated with cluster bombs.)

5. Positive (Best-in-Class) Screening

Investment in sectors, companies, and projects with an ESG performance superior to peers in the same industry while achieving a rating above a set threshold (excluding ESG index-linked management)

Notes: 1. Positive screening differs from negative screening in that upon determining the investment universe, a company's ESG factors are assessed during the investment's screening and decision-making processes to determine the inclusion or exclusion of equities.
2. Positive screening differs from ESG integration in that it is an investment screening process that focuses solely on ESG factors rather than financial analysis and decision-making.

6. Thematic Investment

An investment strategy in which investment portfolios are created through a top-down approach by selecting assets based on the benefits they are expected to gain from specific medium- to long-term trends, such as decarbonization, population aging, women's empowerment, and the SDGs

- Stocks
- Bonds (including green bonds, sustainability bonds, and vaccine bonds)
- Other assets (including real estate)

7. Impact Investment

An investment approach that aims to create positive and measurable social and environmental impact alongside financial returns and fulfills the following four conditions:

1. Investments are intended to adequately mitigate and manage significant negative impacts on the environment, society, and economy while also making a positive impact on one or more of the elements listed.
2. Impacts are assessed and monitored.
3. Details are disclosed regarding the results of impact assessments and monitoring (which also covers details disclosed solely to fund contributors and not to the general public).
4. An appropriate risk-return balance is pursued for each financial institution and investor over the medium to long term, based on the definition of impact finance provided by the Ministry of the Environment's Positive Impact Finance Task Force.

Stewardship Activities (Regardless of Passive or Active Management)

8. Exercising Voting Rights

Exercising voting rights

Note: Includes judgment on the exercise of voting rights entrusted to voting advisory companies

9. Engagement, Shareholder Proposals, etc.

Engaging in constructive dialogues with corporations as a shareholder based on engagement policies or submitting shareholder proposals

Q13

For institutions that provided a figure for ESG index-linked (tilted) investment in Q12, please inform us of the indices utilized.

Multiple respondents named the following index only: S&P/JPX Carbon Efficient Index

Q14

For institutions that provided a figure for sustainability-themed investment (other assets) in Q12, please provide a figure breakdown.

(Millions of yen)

	2024	2025
Real Estate Investment	5,351,942	4,413,302
Other	3,512,708	4,094,629

Note: Among the 27 institutions that responded to the relevant items in Q12, two did not provide numerical answers, and therefore the figures do not match those reported in Q12.

Q15

For institutions that provided a figure for impact investment in Q12, please provide a figure breakdown.

(Millions of yen)

	2024	2025
Listed Stock	481,727	365,269
PE (Private Equity)	63,013	108,377
Bonds (use-of-proceeds instruments such as green bonds)	–	381,958
Bonds (sustainability-linked bonds)	–	79,452
Financing (use-of-proceeds instruments such as green bonds)	–	0
Financing (sustainability-linked loans)	–	225,984
Other Assets	438,014	555,616

Notes: 1. Among the 24 institutions that responded to the relevant items in Q12, two did not provide numerical answers, and therefore the figures do not match those reported in Q12.
2. Items related to bonds and loans were newly added, starting with the 2025 survey.

Q16

For institutions that provided an investment amount for impact investments in Q12, please inform us about the disclosure of the results of impact assessments and monitoring, including relevant websites, URLs, etc.

Note: If the information is not disclosed, it is not considered an impact investment, so please exclude it from the investment amount in Q12 (disclosure to customers only qualifies as disclosure). If the information is not disclosed because it has been less than a year since the start of the investment, it may be included in the investment amount in Q12.

This question is intended to confirm whether information has been disclosed in accordance with the third requirement under the previously stated definition of impact investment, that "details are disclosed regarding the results of impact assessments and monitoring (which also covers details disclosed solely to fund contributors and not to the general public)."

Of the 24 institutions that provided impact investment amounts in Q12, 21 institutions provided responses to this question. Of these, 13 institutions disclosed the information publicly, while the remaining 8 disclosed it only to their clients.

Q17

For institutions that provided an amount for exercising voting rights in Q12, please inform us as to whether there is a review process for ESG-related proposals, and whether this process is disclosed.

If such disclosure is provided, please supply a relevant URL or similar means to access this disclosure.

URLs were provided by 33 institutions.

Q18

Please disclose the criteria applied for institutions that provided an investment amount for negative screening in Q12.

Many respondents indicated that they exclude from their investment and financing activities companies or projects involved in inhumane weapons, businesses that negatively impact climate change, and those that violate international norms such as through human rights abuses.

1. Inhumane weapons-related activities

- Companies involved in the production of cluster munitions, anti-personnel mines, biological weapons, and chemical weapons were excluded by nearly all respondents.
- There were also cases in which institutions excluded companies involved in the production of a broader range of inhumane weapons, including depleted uranium munitions, incendiary weapons such as white phosphorus, blinding laser weapons, and weapons that use undetectable fragments.
- Many respondents indicated that they exclude companies involved in the manufacture or sale of nuclear weapons, particularly when such involvement occurs in countries that are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons or are not NATO members, or when such activities account for more than 5 percent of the company's total revenue.

2. Fossil fuel-related activities

- Many respondents indicated that they have established policies prohibiting new investment or financing for both newly built and existing coal-fired power generation projects, as well as for new or expanded thermal coal-related businesses. There were also cases in which institutions excluded companies whose revenues or power generation volumes from such activities exceed specified thresholds. However, some respondents noted exceptions when companies have clear reduction or phase-out plans toward net-zero emissions or are engaged in innovative technologies.
- Many respondents also indicated that they have established policies excluding new investment or financing for extraction projects and companies involved in unconventional fossil fuels, such as oil sands and shale gas.
- Some respondents also indicated that they exclude new investment or financing for energy extraction projects in the Arctic National Wildlife Refuge (ANWR) and areas covered by the Arctic Monitoring and Assessment Programme (AMAP).

3. International norms, human rights, and social issues

- Respondents reported excluding companies involved in violations of international norms or human rights, including child labor, forced labor, human trafficking, and business activities that may infringe on the rights of Indigenous peoples and local communities. Other exclusion criteria mentioned included involvement in the destruction of UNESCO World Heritage sites or Ramsar-protected wetlands, as well as violations of the United Nations Global Compact principles.
- Several respondents indicated that they exclude companies involved in tobacco manufacturing, as well as companies that derive a specified proportion of their revenue from tobacco-related businesses, such as 5 percent or more.
- In addition, by sector, there were cases in which institutions excluded businesses such as gambling, alcohol production, firearms, adult entertainment, and palm oil producers.

Q19

Please disclose the norms applied for institutions that invested in norms-based screening in Q12.

The following conventions are used as references:

- Various conventions adopted by the International Labour Organization (ILO)
- Treaty on the Non-Proliferation of Nuclear Weapons (1970)
- Ramsar Convention (1975)
- Biological Weapons Convention (1975)
- UNESCO World Heritage Convention (1975)

- OECD Guidelines for Multinational Enterprises (1976)
- Convention on Certain Conventional Weapons (1983)
- Chemical Weapons Convention (1997)
- Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Convention, 1999)
- UN Global Compact (1999)
- Convention on Cluster Munitions (Oslo Convention, 2010)
- Guiding Principles on Business and Human Rights (2011)
- Chemical Weapons Convention (2021)

Q20

Please break down the amount provided for Q7 by asset class.

(Millions of yen)

	2024	2025	% Change
Japanese Stocks	160,710,304	155,790,579	–3.1%
Non-Japanese Stocks	94,079,750	90,959,881	–3.3%
Domestic Bonds	383,742,592	221,609,828	+1.5%
Overseas Bonds		167,879,428	
Private Equity (PE)	9,076,149	9,725,398	+7.2%
Real Estate	15,373,829	16,656,558	+8.3%
Loans	16,200,357	17,173,069	+6.0%
Other	21,789,022	32,261,221	+48.1%

Notes: 1. In calculating the total sustainable investment balance, the fullest attempt was made to avoid duplication as much as possible. However, since it is difficult to determine balances by asset class, figures contain a duplication of the trust amounts of investment management companies and the amounts entrusted by pension funds. For this reason, totals for each asset class are inconsistent with those for Q7.

2. Regarding bond holdings, until the 2024 survey, Q20 asked for the total amount of bond investments, followed by Q21, which inquired about their breakdown. However, responses to Q21 were insufficient, making it difficult to fully grasp the situation. Accordingly, starting with the 2025 survey, the question format was revised to ask about domestic bonds and overseas bonds separately.

Q21

For institutions that provided a figure for bonds in Q20, please provide a breakdown and the type of bond investments made.

(Millions of yen)

	2024	2025
(Domestic) Government bonds	147,820,375	127,088,539
(Domestic) Corporate bonds	35,974,099	7,923,651
(Domestic) Other bonds	4,756,448	1,760,398
(Overseas) Government bonds	37,012,452	9,424,856
(Overseas) Corporate bonds	23,307,686	17,745,338
(Overseas) Other bonds	11,872,971	1,731,607

Note: While 32 institutions responded to Q20 regarding bond holdings, only 16 responded to Q21. Furthermore, the number declined from 21 institutions in the 2024 survey to 16, indicating that the results do not show statistical significance.

Q22

Please provide specific asset classes and their totals for those who listed a balance in the “Other” category in Q20.

The three items with the largest amounts among the specific examples classified under other assets were as follows.
- Balanced funds/multi-asset class investments: Approx. ¥4.8 trillion
- Alternative investments/hedge funds: Approx. ¥0.9 trillion
- Infrastructure funds: Approx. ¥1.4 trillion

There was no significant change from the 2024 survey, and it was not possible to identify specific factors behind the increase in the balance reported under “Other” in Q20.

Note: For Q23 to Q26, we requested open-ended responses.

Q23

Q23 to Q26 pertain to engagement, or purposeful dialogue, as stipulated by Japan’s Stewardship Code and how this engagement was implemented in the previous year. There are various methods of engagement, such as face-to-face meetings, communicative letters, and collaborative engagement. What combination of methods have you adopted?

The responses received from 31 institutions were organized into three categories: methods for selecting engagement targets, approaches to conducting engagement, and the objectives and content of the engagement activities.

Methods for selecting engagement targets

- Engagement targets were selected primarily from investee companies that represent a large share of the portfolio, those with significant investment amounts, or those with substantial market value held.
- Investee companies with material ESG issues or companies with potential for corporate value enhancement were selected.
- Regardless of market capitalization, companies for which the institution cast dissenting votes or those involved in misconduct were prioritized as engagement targets.
- In addition to investee companies, engagement was also conducted with a wide range of stakeholders across the value chain, including customers, suppliers, competitors, and former employees.

Approaches to conducting engagement

- There was a tendency to place emphasis on direct meetings with senior management, including the CEO, CFO, and executives responsible for relevant business areas.
- Engagement was conducted in formats that accommodated the

investee companies' preferences, including online meetings, conference calls, and written communication.

- Collaborative engagement through initiatives such as Climate Action 100+ (CA100+) and the Asia Investor Group on Climate Change (AIGCC) was also utilized.

Objectives and content of engagement activities

- Engagement was conducted from a medium- to long-term analytical perspective, with the objective of building relationships that support the enhancement of long-term corporate value.
- Institutions developed their own question sets tailored to each company, focusing on the most material topics affecting the business.
- When engagement did not yield satisfactory outcomes, some institutions took escalation measures, such as voting against the election of senior management through proxy voting.

Q24

Please provide specific examples of engagement themes. (Multiple responses allowed)

Choices	Number of Responses
Disclosure of GHG reduction and emission amounts	29
Climate change-related transition plans	27
Ocean plastics	9
Microfibers	4
Biodiversity conservation	23
Water resources and water use	12
Circular economy	12
Supply chain management	22
Human rights	28
Diversity	26
Employee well-being	25
Evaluation of the effectiveness of the Board of Directors	25
Capital policy, including policies for cross-shareholdings and parent–child listings	23

Q25

Please inform us whether any of the themes given as a response to Q24 were newly added over the past one to two years.

Themes that were most frequently mentioned among the 23 responses:

- Biodiversity conservation: 8 times
- Disclosure of GHG reduction and emission amounts: 6 times
- Human rights: 6 times
- Diversity: 5 times

Q26

Please provide a URL or direct us to any management system that has been disclosed pertaining to engagement, such as a committee that determines criteria for periodically measuring the progress and effectiveness of engagement, conducts evaluations, or establishes means of increasing engagement.

Fifteen institutions provided URLs, while one institution responded that it does not disclose such information.

Q27

For the following question, please refer to the reference materials accompanying the survey. In the European Union, the Sustainable Finance Disclosure Regulation (SFDR) is applied to the disclosure of all European funds and all funds registered for sale within the European Union. Funds that fall under Articles 8 and 9 of the SFDR are considered "green." Although there are no such disclosure regulations in Japan yet, please let us know the amounts that you believe would fall under Articles 8 or 9 of the SFDR for funds sold or advised in Japan.

(Millions of yen)

	2024	2025
SFDR Article 8	12,063,671	11,732,133
SFDR Article 9	567,480	313,070
Number of Responses	23	23

Q28

We intend to disclose the names of companies and funds that provided sustainable investment balances in the report for this survey. Please let us know if this is acceptable.

Choices	Number of Responses
Agree to be disclosed	52
Prefer not to be disclosed	3
Balance added to calculations from publicly available information	1
Total	56

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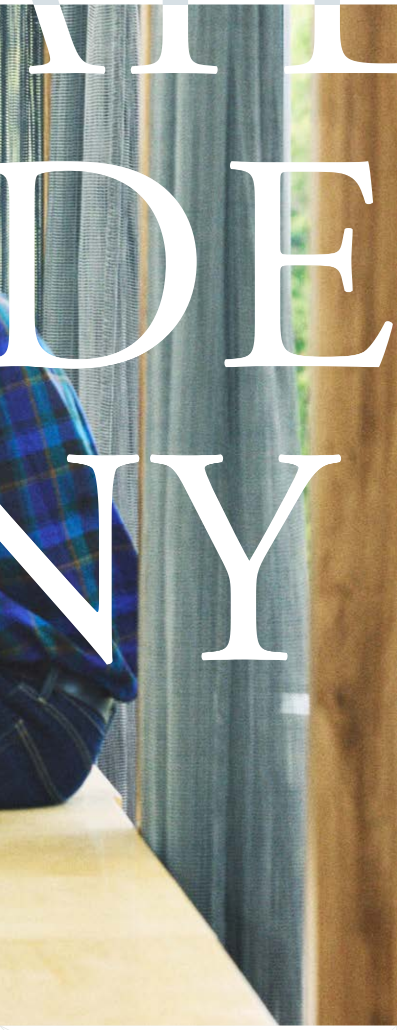

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