Responsible Investment Report 2019

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Engagement P23-36

CEO Message

Junko Nakagawa

President & CEO Nomura Asset Management Co., Ltd.

We create economic and social value through the asset management business

As a responsible institutional investor

As a responsible institutional investor, Nomura Asset Management aims to realize a sustainable and prosperous society by helping clients to build wealth. Today, as symbolized by the SDGs, rather than simply pursuing economic value through their business activities, investors can encourage companies to generate social value by solving problems that exist among various stakeholders through their business activities. In addition to helping clients build wealth through the asset management business, we support the creation of social value by the companies held in our portfolios by realizing a virtuous cycle of investment (investment chain) through engagement and other efforts. We believe that by doing so we can promote sustainable economic growth and a prosperous society, which will ultimately lead to more affluent lives for our clients. In March 2019, we formulated our ESG Statement in which we identified important ESG issues for us. Based on our ESG statement, we will continue our business with an emphasis on these ESG issues and fulfill our responsibility as an asset manager, while reflecting them in our stewardship activities, investment, and research.

Initiatives on climate change

In 2019, the world witnessed first-hand the risks that climate change can bring. Disasters included the loss of forests due to massive wildfires, a heatwave across Europe, severe drought in Africa, as well as the unprecedented damage in Japan caused by increasingly fierce typhoons. In our ESG Statement, we have identified climate change as an especially serious issue, and we have been bolstering our efforts to combat climate change. The issue of climate change cannot be solved overnight, but we recognize that ongoing initiatives are needed, as this issue could have a tremendous longer term impact on corporate value. In March 2019, we pledged our support for the Task Force on Climate-related Financial Disclosure (TCFD). While advancing such organizational initiatives, we have also begun monitoring the greenhouse gas emissions and other data for the portfolios we manage. We will pursue initiatives to address climate change by applying the results of our monitoring in engagement with portfolio companies and in all of our investment activities.

Contribution to the advancement of society through asset management

The essence of the asset management business lies in fulfilling social responsibilities through the provision of high-quality products that offer excellent performance and through services that meet clients' expectations. From this perspective, in addition to responsible investment, we continue our efforts to help clients understand the importance of building wealth sustainably by expanding our lineup of ESG investment products and supporting financial education. Since sustainable growth has become a global goal, it is essential for us to offer products and services that would support wealth creation for our clients. Our corporate principles are "Maximizing Value," "Advanced Expertise," and "Confidence and Responsibility." Based on these corporate principles, we will continue to advance our responsible investing efforts in order to enhance corporate value of our portfolio companies and realize a sustainable society.

Corporate Principles

Maximizing Value Advanced Expertise Confidence and Responsibility **Corporate Slogan**

Expertise to Excee

Using our expertise and foresight to stay ahead of change, we pursue exceptional performance and create cutting-edge solutions to exceed all expectations.