

## **CEO MESSAGE**

# Striving to be an asset management firm that makes the world a better place.

In 2021, people were forced to live within many constraints due to outbreaks of new COVID-19 variants. However, despite this environment, the widespread use of teleworking and progress in digital transformation (DX) have led to a new way of living in the midst of the COVID-19 pandemic.

While some people are enjoying prosperous lifestyles brought about by technological innovations centered on digitalization as well as advances in medical technology, other people are suffering from poverty and the deterioration of living conditions due to climate change. Indeed, there are a growing number of issues that must be resolved on a global scale. Perhaps this time living during the COVID-19 pandemic has been an opportunity to refocus our attention on the problems our world faces. There are many societal issues requiring solutions, namely those represented by ESG (Environment, Society, Governance) and the United Nations Sustainable Development Goals (SDGs).

As a responsible investor, through the asset management business we proactively contribute to achieving the goal of solving social issues raised in the SDGs, such as the global issue of climate change, as well as health and human rights issues that are closely intertwined with our everyday lives. Nomura Asset Management has identified key issues (materiality) and we have established four goals aimed at solving social issues. These four goals include strengthening the investment chain, realizing a healthy


global environment, corporate value improvement through governance, and the realization of a society in which human rights are respected. The core idea underlying these four goals is the investment chain (virtuous cycle of investment). Through the investment chain, we aim to utilize our role as an asset management firm to realize a sustainable and prosperous society by linking investors and companies through investment. Companies that generate economic benefits are well-positioned to contribute to the realization of a sustainable and prosperous society. This is the core of our investment chain philosophy.

Engagement, which is dialogue between an asset management company and its portfolio companies, is essential in order to realize this kind of society. By deepening this engagement, we will support companies' growth and improvement in corporate value through the implementation of "desirable management," while assisting company efforts with respect to ESG and the SDGs. In the fall of 2021 we established the Engagement Department to promote this effort. The Engagement Department is a hub that centrally manages engagement, proxy voting, and investment, thereby bolstering effective dialogue with companies, which will ultimately contribute to improved investment performance. Through these efforts, we realize both social value and economic value as a responsible investor. In generating social value, it

is important that we clarify how we will advance ESG initiatives.

We revised our ESG Statement at the end of 2021. We identified climate change, natural capital, human rights, diversity and inclusion, and value creation to realize well-being within society as high priority ESG issues, and have committed to enhancing our efforts in these areas. To tackle climate change, we are advancing efforts aimed at realizing a decarbonized society. In August 2021, we joined The Net Zero Asset Managers initiative (NZAM), which has the goal of net zero greenhouse gas emissions by 2050. Specifically, through engagement we will urge companies to switch from fossil fuels to renewable energy. In addition, we will seek to manage and reduce greenhouse gas emissions within corporate supply chains, work to firmly entrench decarbonization within corporate activities, while at the same time monitoring greenhouse gas emissions. Based on these efforts, we believe that we can carry out actionable engagement with the aim of achieving net zero greenhouse gas emissions. In fact, we are providing products reflecting this approach and incorporating this philosophy into our investment process.

With respect to diversity and inclusion, it goes without saying that Nomura Asset Management will create and provide added value through our diverse human resources and work styles, and I hope that through engagement our portfolio companies will also understand and promote diversity and inclusion. In a

A portrait of Hiroyasu Koike, President & CEO of Nomura Asset Management Co., Ltd. He is a middle-aged man with dark hair, wearing a dark blue suit, a light blue shirt, and a patterned tie. He is seated at a table with his hands clasped in front of him. The background is a blurred office setting with bookshelves.

## Hiroyasu Koike

President & CEO  
Nomura Asset Management Co., Ltd.

prosperous society, diversity and inclusion should be present in both principle and practice. We believe that building such a society requires companies to generate both economic and social value by taking action on diversity and inclusion.

Furthermore, we are advancing the Kokorozashi Project targeting regional revitalization in Japan, which is a part of “strengthening the investment chain” in our materiality. In this project, we have financial institutions in each region of Japan

selling a target ESG fund to customers. Depending on the amount of the fund sold, we donate a portion of the trust fee we receive to SDG-related projects carried out by local government-affiliated organizations. We are doing this by utilizing the corporate version of the hometown tax payment system.

Our aim is to work with regional financial institutions to grow momentum for regional revitalization by solving social issues through asset management. The essence of the asset

management business is providing products that satisfy customers’ needs and delivering the highest level of performance and service. Through this business, I truly believe that it is our duty as a responsible investor to create not only economic value but also social value. As an asset management firm striving to make the world a better place, Nomura Asset Management will continue working to realize a sustainable and prosperous society through the virtuous cycle of investment.

\* Diversity & Inclusion: A state in which people with diverse values can be accepted regardless of gender, nationality, race, age, etc.

\* Well-being: A state in which all people seek happiness and lead a healthy life.