



Well-being

The importance of managing with a focus on well-being has been increasing in recent years. Well-being is a coined term derived from “Well” and “Being,” referring to a state in which all people seek happiness and can lead healthy lives. It began to gain traction following its use in the preamble of the WHO Constitution in 1946, and the direction toward achieving well-being was also included in the declaration of the Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in 2015.

Global Trends

As the year 2030, which marks the goal of the SDGs, approaches, discussions about the next target, post-SDGs, are gaining momentum. In the context of an uncertain social environment, the concepts of happiness and satisfaction, which cannot be fully captured by GDP, are being reevaluated. At the United Nations Summit of the Future held in September 2024, the “Pact for the Future” was adopted as an agreement for the future. Within this pact, specific next steps have been agreed upon to capture the well-being and sustainability of humanity and the planet beyond GDP.

International organizations and countries around the world are making progress in addressing well-being. In France and Italy, it has been legally mandated to incorporate well-being into both budgetary processes and the cycle of economic and fiscal policy

planning. New Zealand introduced the “Wellbeing Budget” in 2019, aimed at improving the well-being of its citizens, which has led to an increase in budget for mental health and the construction of schools and hospitals.

Additionally, there is a movement in Europe towards requiring disclosures related to well-being. Discussions are advancing regarding the Corporate Sustainability Reporting Directive (CSRD), a regulation that requires detailed disclosure of sustainability information from businesses within the EU. Among the proposed disclosure requirements is the delivery of products and services that consider the health and safety of consumers and end-users, indicating the importance placed on well-being.

Well-Being Measures in Japan

Since the 1980s, research on well-being has been conducted in Japan, and in recent years, collaboration among relevant government ministries has been advanced. Since 2019, the Cabinet Office has been conducting an annual “Survey on Satisfaction and Quality of Life.” This survey aims to understand the structure of Japan’s economy and society from the perspective of people’s satisfaction (well-being) in a multifaceted manner and to utilize the findings in policymaking. In addition, a coordinating council of relevant ministries and agencies was established following the decision to set key

performance indicators (KPIs) related to well-being in various basic plans established by the government.

However, Japan’s “happiness level,” which is closely related to well-being, is low when compared to other countries. According to the 2025 edition of the “World Happiness Report” published annually by the United Nations, Japan ranks 55th in happiness. Given that Japan is lagging globally, the issue of how Japanese companies will navigate towards management that takes well-being into consideration has become increasingly important.

Well-being

Nomura Asset Management's Views on Well-Being

Why We Focus on Well-Being

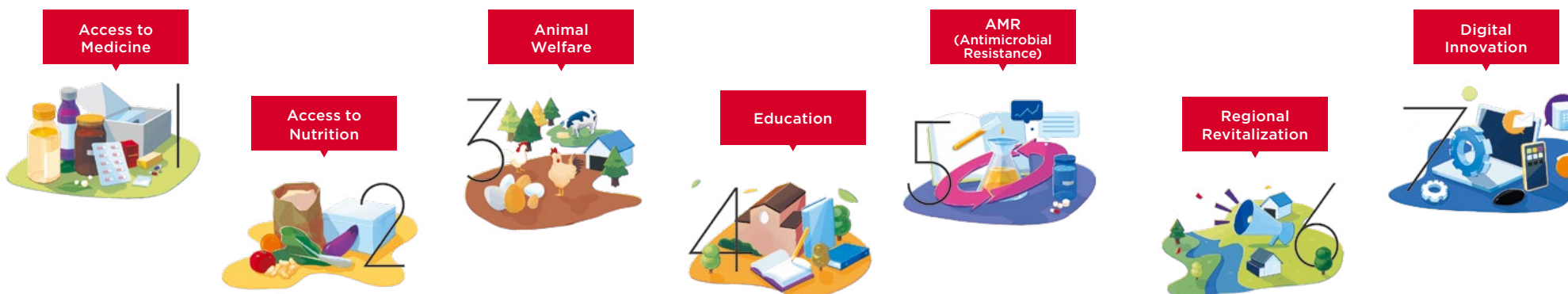
We view the realization of a “well-being society” as one of the business opportunities related to ESG, and we highlight its importance in our ESG Statement. In our concept of “Appropriate management practices of investee companies” in [P20-22](#), we also emphasize the formulation and disclosure of strategies (including innovation driven by digital technologies) that incorporate contribution to the resolution of social issues, such as access to medicine, health and nutrition, antimicrobial resistance, animal welfare, and regional revitalization, as business opportunities. Furthermore, we underscore the need for measuring and disclosing the impact toward the resolution of social issues. We believe that developing and providing products and services that contribute to solving these societal issues represent crucial business opportunities for the company and lead to sustainable enhancement of corporate value.

Many Japanese companies have been increasingly focusing on enhancing well-being

within the company, such as improving employee engagement and emphasizing health and productivity management that considers employees' health. Companies with high levels of employee well-being tend to see higher productivity and motivation among employees, as well as lower turnover rates, resulting in a positive impact on corporate value. We focus on companies that not only work on the well-being of their own employees, but also strive to support the well-being of consumers and local communities. Efforts from such companies to realize a well-being society directly correlate with business growth and improved corporate value. From a global perspective, initiatives aimed at well-being for society are gaining more attention.

We engage with companies with the aim of them seizing business opportunities that contribute to a well-being society.

NAM's Engagement Topics Related to Well-Being



Well-being

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COLUMN

Initiatives Related to Well-Being

NAM is strengthening its collaboration with cooperative initiatives related to well-being. Specifically, we are partnering with initiatives such as Access to Medicine, which aims to improve access to pharmaceuticals in low- and middle-income countries, and Access to Nutrition, which focuses on solving nutritional challenges. Additionally, we are engaged with FAIRR, which incorporates animal welfare as an evaluation criterion. By acting as a bridge between overseas investors and Japanese companies, we contribute not only to solving the challenges faced by investee companies and enhancing their corporate value but also to improving their evaluations from a global perspective.

Access to Medicine (ATM)

NAM has been active as a lead investor for Daiichi Sankyo as part of the ATM initiatives since 2023. Through 2024, we conducted multiple meetings with the company and the ATM Foundation to review the challenges and approaches for improving access to pharmaceuticals. It has now been decided that we will continue as the lead investor for the company beyond 2025.

During the visit by the ATM Foundation's Investor Engagement Manager to Japan in February 2025, we met and held discussions. We talked about the recent 2024 index, its relation to corporate value, the challenges faced by Japanese pharmaceutical companies, and the business opportunities for Daiichi Sankyo. We confirmed the direction of future engagement initiatives.

For details regarding our activities related to ATM from our UK office, please refer to [P80](#).



Access to Nutrition (ATN)

Since 2021, NAM has participated in ATN initiatives, aiming to address global nutritional challenges, and has been leading engagements with a major food company in Japan and food companies in India. According to the rankings announced in November 2024, only about 30% of the evaluated companies have achieved the target set by the ATN Foundation of having at least 50% of their sales come from “healthy” products. Among those, only one Japanese company has achieved the target (out of four evaluated companies). The ATN Foundation has reported findings indicating that companies with a healthy food portfolio tend to have higher EBIT margins.

In 2025, we became the lead investor for a Japanese company in this initiative. Through dialogue with this company, we will support efforts to expand affordable nutrition strategies and other initiatives.

Animal Welfare

In recent years, the consideration of animal welfare—specifically, livestock operations that take into account the burden on animals—has been increasingly emphasized as one of the ESG evaluation criteria for companies. In the revision of our engagement priority topics for 2024 (see [P74](#)), we incorporated animal welfare into the overview of a well-being society. NAM is a member of FAIRR, an initiative focused on natural capital and livestock, which evaluates corporate efforts related to animal welfare.

Internationally, shareholder proposals demanding improvements in animal welfare have become more prominent, particularly directed at major restaurant chains. We will strengthen our outreach to Japanese companies while keeping an eye on global trends.

Well-being

Domestic Engagement Activities Related to Well-Being

Target company

Pharmaceutical company A



Engagement overview

Our awareness of the issue

Improvement of access to medicine and disclosure of results are required.

Engagement progress

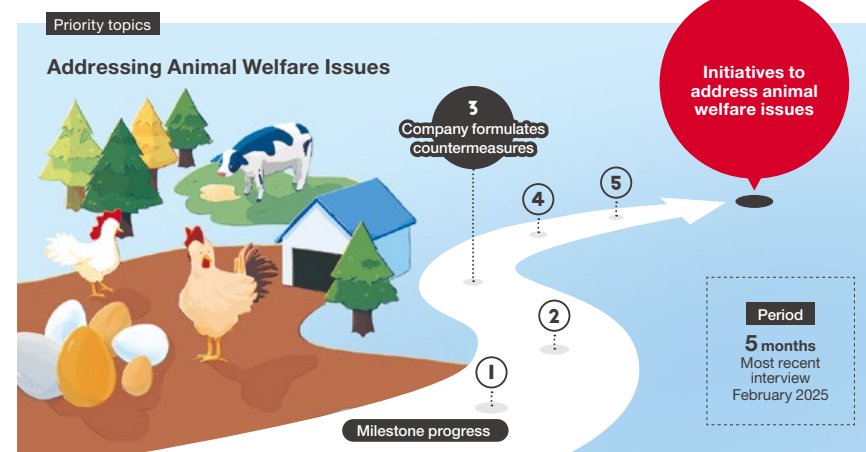
In past dialogues, we urged the company to more clearly state its achievements with respect to the ATM's efforts. In 2024, we continued the dialogue regarding ATM activities. The company explained that it is trying to create a system that allows it to supply products to low- and middle-income countries while keeping costs down, and it mentioned that this is being discussed globally. We confirmed that the company has made progress towards developing measures to respond to the issue.

Current status

In its 2024 Integrated Report, the company has listed "improving access to pharmaceuticals" as one of the challenges it will tackle going forward. It has stated that it will consider sustainable means to address this issue. In the latest ATM Index, its governance related to access was rated particularly high. We will continue to engage in ongoing dialogue with the company aimed at improving access to pharmaceuticals.

Target company

Food company B



Engagement overview

Our awareness of the issue

There is room for improvement in the disclosure related to addressing animal welfare issues.

Engagement progress

The company recognizes animal welfare as an important issue and is discussing it in a special committee. On the other hand, they explained the difficulties associated with transitioning to cage-free eggs domestically for their products. We informed them that there is room for improvement in their disclosures, such as the ratio of eggs sourced from poultry farms that adhere to the "Technical Guidelines for the Management of Laying Hens" established by the Ministry of Agriculture, Forestry and Fisheries.

Current status

The company has declared that, following the United States, it will transition to 100% cage-free eggs in Europe by 2025. Domestically, it has explained that it has confirmed its compliance with the guidelines issued by the Ministry of Agriculture, Forestry and Fisheries. Additionally, it has set a target for cage-free eggs in Japan and has expressed its intention to provide even more support to poultry farms.