Japan Asset Management Forum

About Japan Asset Management Forum

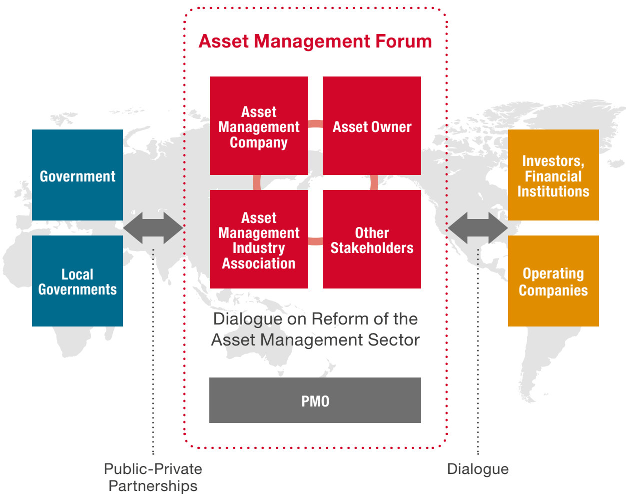
In December 2023, the Japanese government released the “Policy Plan for Promoting Japan as a Leading Asset Management Center.” The aim was to advance reforms in the asset management industry and asset ownership, with the goal of establishing Japan as a leading asset management center that will enable a virtuous cycle of growth and distribution leading to further investment and consumption.

To advance measures toward establishing Japan as a leading asset management center and an international financial center in line with the needs of relevant domestic and overseas businesses and investors, it is necessary to strengthen external information dissemination and communication regarding the attractiveness of the Japanese market and related policies. Accordingly, the “Asset Management Forum” was established with the participation and cooperation of relevant businesses, investors, and others, centered on domestic and overseas asset management companies.

At the inaugural annual meeting in October 2024, discussions covered topics such as the potential of alternative investments in the Japanese market, the expansion of transition finance, and Japanese equities as an investment target. At the annual meeting in October 2025, discussions focused on improving the value of Japanese companies and promoting investment in Japan, including regional areas, as well as alternative investments and the digital transformation in the asset management industry. In each working group, a leadership team made up of multiple financial institutions organized the discussions, and the results were published as a “Statement for Establishing Japan as a Leading Asset Management Center.”

Below, we introduce the discussions on “Enhancing the value of Japanese companies and promoting investment in Japan, including regional areas,” from the statement. Regarding topics related to enhancing the value of Japanese companies, discussions were held on “Reviewing the business portfolios of investee companies and revitalizing industry restructuring,” including: (**1**) encouraging higher ROE, (**2**) supporting the growth of small companies, and (**3**) strengthening efforts targeting unlisted companies. In addition, under “Revitalizing human capital in investee companies,” discussions covered: (**1**) formulating talent strategies and visualizing talent portfolios, and (**2**) providing incentives to employees. Regarding “Discovering and supporting promising regional companies in cooperation with local governments and regional financial institutions” and “Addressing shortages of management resources in Japan, including regional areas,” discussions focused on human capital investment in regional companies and the spread and retention of talent from urban areas. As a point of consideration, effective engagement may lead to a review of business portfolios and improvements in corporate value. In addition, sharing best practices is expected to enhance effectiveness.

Through these activities, we support the development of Japan’s asset management industry and contribute to stakeholders aiming to soundly grow their assets.



Source: Japan Asset Management Forum (a General Incorporated Association)
https://amforum.jp/en

Statement for making Japan a leading asset management center
https://www.nomura-am.co.jp/amrc/reports/2507.html

Nomura Asset Management Seminar 2025

As part of the government’s efforts to make Japan an international financial center and a leading asset management center, the third “Japan Weeks” was held in the fall of 2025, following the events held in the fall of 2023 and 2024. With the core week set from October 20-24, various events were held during the surrounding weeks with the participation of overseas investors, asset management companies, and others, and we also hosted a seminar to share information.

Nomura Asset Management Seminar 2025
“New Trends in Asset Management in Japan: Discovering New Investment Opportunities and a Look to the Future”
October 24, 2025 2:30 p.m. – 7:00 p.m.
Nomura Asset Management Co., Ltd.

Revitalization of Small-Cap and Growth Markets

To promote the sustainable growth of listed companies, enhance corporate value over the medium to long term, and create a market that is attractive to investors, the Tokyo Stock Exchange (TSE) carried out a market segment restructuring in April 2022. However, a number of challenges remained even after the restructuring. Regarding the issue of companies trading below price-to-book of 1.0, efforts are underway to improve capital efficiency. While companies are being asked to engage in dialogue with investors, some companies have said that they are unable to secure opportunities to meet because their market capitalization and liquidity do not meet the standards of institutional investors. In addition, as a challenge for the Growth market, the concentration of small-cap listings and the resulting insufficient participation by institutional investors have been pointed out.

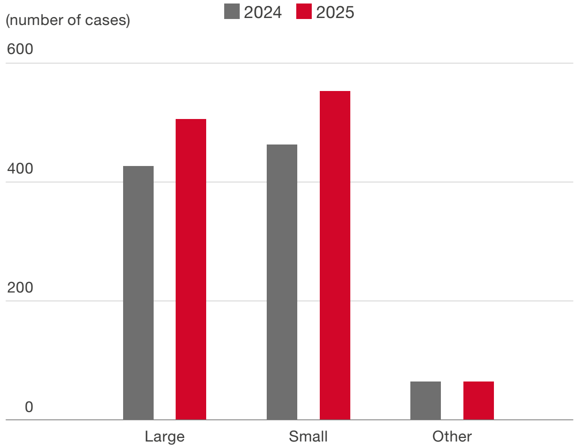
Against this backdrop, in July 2025 we co-hosted a seminar with the TSE and JPX, primarily targeting IR staffers at listed companies that have few opportunities to engage with institutional investors. At the seminar, we spoke in concrete terms, with examples, about the institutional investor perspective and the kind of information disclosure and communication institutional investors expect from listed companies (see the column on the right).

Until now, our engagement efforts have focused primarily on our so-called “Top 300” companies—those in which our shareholding ratio is high and that are therefore particularly important to us. As a result, the focus had been mainly on large companies that are widely held by passive funds, but we are now also expanding our scope to small- and mid-cap companies for which engagement requests have been received from actively-managed funds. For small- and mid-cap companies, company-specific factors have a greater impact on management than semi-macro or industry-wide factors, and we believe this is an area where our strengths can be fully leveraged, given that we have many experienced Japanese equity portfolio managers and analysts.

Following the aforementioned seminar, our portfolio managers met with several participating companies. We are planning to invite a number of these companies to discuss their current initiatives and talk about what they expect from institutional investors, and to organize a dialogue with our President on the challenges facing the capital markets.

At present, as a general rule, we are set up to accept all requests for dialogue and engagement from individual companies. In fact, small- and mid-cap companies often approach us for advice on improving their disclosures and on integrated reporting. We are also actively engaged in dialogue and information-sharing with small- and mid-cap companies—for example by having our small- and mid-cap equity portfolio managers and ESG specialists speak at seminars where they introduce our proxy voting criteria and our perspective on stock selection. Through these initiatives, we aim to contribute to revitalizing Japan’s capital markets.

Engagement Count by Company Size Based on Russell/Nomura Classification*
Engagement Count



*Russell/Nomura Japan Equity Index
This index consists of stocks that account for the top 98% of cumulative free-float adjusted market capitalization among all listed companies. Stocks in the top approximately 85% by free-float adjusted market capitalization are classified as Large Cap, while those in the bottom 15% are classified as Small Cap.

We also provide information on our website.
https://www.nomura-am.co.jp/special/japanequity_info/pdf/202508_seminarreport.pdf

The Seminar Co-hosted by TSE and JPX

The seminar was held on Wednesday, July 16, 2025, co-hosted by the Tokyo Stock Exchange, Inc., Japan Exchange Group, Inc., and our company. The seminar was attended mainly by IR professionals from listed companies that have limited opportunities to engage with institutional investors, and we, as an institutional investor, provided an explanation of institutional investors’ investment stance and management policies, as well as the information they seek from listed companies’ IR activities.

The Seminar Co-hosted by TSE and JPX
“Institutional Investors Explain: From Investment Policies to the Information Disclosure Expected of Listed Companies”