

September 10, 2021

Asset Management One Co., Ltd.

Setting an Interim Goal for Achieving Net Zero Green House Gas Emissions for Assets Under Management

-2030 Interim Goals for Net Zero Asset Managers initiative-

Asset Management One Co., Ltd. ("AM-One"; President & CEO Akira Sugano) is honoured to announce that AM-One has set 30 trillion-yen worth of assets under management (53% of our assets under management, as of the end of March 2021) as its 2030 interim goal, on the path to achieving net zero greenhouse gas (hereinafter referred to as "GHG") emissions by 2050 or earlier.

AM-One joined the "Net Zero Asset Managers initiative (NZAM)" on 11 December 2020 at the time of its establishment, an initiative by global leading asset management companies aimed at achieving net zero GHG emissions. AM-One is the only signatory from Asia to be a member of the "Advisory Group", a group comprised of six asset manager signatories consulted by the Steering Committee to support the management of the initiative. The interim target set by AM-One will be in line with the NZAM framework.

The number of asset manager signatories, which was initially 30, has increased to 128 as of July 2021, seven months after the establishment of the initiative. This means that the total net assets (AUM) represented is now approximately US\$43 trillion (more than 40% of global AUM), showing investors' efforts and desires to achieve the net zero goal are growing rapidly.

The key commitments of NZAM are as follows:

- Commit to support the goal of net zero greenhouse gas ('GHG') emissions by 2050, in line with global efforts to limit warming to 1.5°C ('net zero emissions by 2050 or sooner'). Also commit to support investing aligned with net zero emissions by 2050 or sooner.
- Work in partnership with asset owner clients on decarbonization goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management ('AUM')
- Set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner
- Review our interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100% of assets are included

As an interim target for 2030, AM-One aims to commit 30 trillion yen worth of investment assets out of our total AUM (57 trillion yen as of the end of March 2021) to align with the net zero scenario. This is a highly ambitious objective, and the firm will continue to endeavor to meet its net zero goals.

Climate change is an urgent global issue and is a major challenge interconnected with various other issues. It is essential for all stakeholders, including governments, companies and consumers, to work together to resolve it. As an asset management company, AM-One is committed to collaborating and working with all other players in the investment chain to accelerate the transition of society towards net zero, especially in the following three areas.

1. Asset Owners

We will proactively and continuously engage with our clients, with the aim to increase the amount of investment assets in AM-One portfolios that align with the net zero initiative. This includes both active investment strategies, and passive strategies.

We plan to further launch active strategies that set clear important objectives for society and invest in companies able to increase their enterprise value whilst working to solve these objectives. From both quantitative and qualitative perspectives, we will assess investee companies and direct capital to support those companies that demonstrate an active commitment and make solid progress in achieving the net zero goals. For passive strategies, engagement through purposeful and constructive dialogues will help encourage a wider range of companies to act and make the transition towards net zero. This approach will enable AM-One to raise awareness and drive action across the entire market, including companies that have not yet taken the necessary steps, as well as those companies that are already working towards the net zero goals. Moreover, in addition to index tracking funds, we are also planning to launch passive products to promote engagement.

2. Investee Companies

Through our continuous engagement with investee companies, we are more proactively encouraging and influencing investee companies to transform their business models towards sustainability and decarbonization. With an aim of advancing towards net zero in wider society and in the market as a whole, rather than simply divesting from the companies that are not fully aligned with the net zero scenario yet at this stage, our priority is to actively and continuously engage with these companies to seek to bring about improvement and positive changes. However, where there is no evident progress despite this engagement, in exercising our voting rights, we will consider opposing the proposed election of board directors at the respective companies.

3. Society

We will continue working and engaging with policy makers and other related organizations to strengthen ongoing efforts towards achieving the net zero goals by 2050. AM-One is a member of the Steering Committee of Japan's TCFD Consortium, and also actively participates in climate change and environment-related study groups and initiatives established by the Ministry of Economy, Trade and Industry and the Ministry of the Environment. Through such forums, we will continue to contribute to the efforts and progress made by the entire investment chain.

AM-One continues to commit to working with our clients, investee companies, policy makers and related organizations, as well as collaborating with other investors around the world. We will strive to be an asset management company that contributes to creating a sustainable future by taking impactful actions to tackle the issues and challenges facing society as a whole.

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