

Asset Management One to enhance engagement in passive investment

- Partnership with Hermes EOS in foreign stocks -

Asset Management One (“AMOne”) has enhanced engagement - a stewardship code activity provoking improvement of corporate value through a dialogue with investee companies. With increasing analysts in the Responsible Investment Department and having a partnership with one of the largest engagement service firms Hermes EOS, the Tokyo-based firm has strengthened passive investment engagement in both Japan and foreign stocks.

Integrated in October 2016, AMOne has created the Responsible Investment Department and has been working on engagements such as purposeful dialogue to investee companies regarding ESG (environmental, social and governance) and on proxy voting. In April 2017, we have doubled our ESG analysts who are in charge of engagement in Japanese stock’s passive investment up to 6 to develop the capability of purposeful dialogue to help improve sustainable corporate value.

In addition, AMOne will place ESG analysts overseas and start engaging with overseas companies. Moreover, the firm will have a partnership with Hermes EOS, one of the largest engagement service firms with a proficient engagement process. Hermes EOS will be providing engagement services on AMOne’s international holdings, excluding Japan. Its Responsible Investment Department and overseas subsidiaries will be specifically focusing on around 20 of our investee companies. AMOne’s analysts will from time to time join engagement meetings with Hermes EOS and investee companies. This will enable AMOne to learn more about engagement activities.

This enables AMOne not only to conduct global engagement but also to form a unique global engagement system by combining Hermes EOS’s engagement know-hows, and the firm’s original view by utilizing its overseas subsidiaries such as London and NY. In order to achieve this, AMOne plans to increase its overseas subsidiaries’ analysts this fiscal year. The firm thinks this engagement activities in both domestic and foreign companies will cultivate and advance its global equity investment staffs further and strengthens capability of its investment.

So far, engagement activity in Japan has been mainly in active investment. In passive investment, since investors keep holding stocks of investee companies as long as they are in composition, engagement requires a long-term dialogue. In pension investment, a ratio of passive investment stays at a high level and passive products is spreading among individual investors for a long term investment. Taking this into consideration, AMOne believes that it is important to conduct fiduciary duty to enhance sustainable corporate value through engagement in passive investment.

About Asset Management One:

Asset Management One Co., Ltd. is one of the largest asset managers in Asia with over USD456bn AUM* and is a leading provider of investment products for institutional and retail clients in Japan. Headquartered in Tokyo, Asset Management One offers a wide range of investment solutions to some of the world's largest institutional investors with a global network of offices in London, New York, Hong Kong and Singapore. Fully owned and backed by our parent companies, Mizuho Financial Group and Dai-ichi Life Holdings, Inc., Asset Management One is also able to draw on their expertise and resources to enhance its capabilities.

*as of 31st December 2016.

For more information, please visit our website, <http://www.am-one.co.jp/english/>.

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