



Becoming our customers' best partner for medium- to long-term asset formation while positively contributing to the realization of a sustainable society and economy through asset management.

Masamichi Ishikawa

Senior Executive Officer
Head of Asset Management Company

Basic policy

By strengthening our investment capabilities and ability to provide solutions in order to enhance the added value provided by our asset management business, we act as part of a unified group to provide products and consulting services which meet customers' ever-changing needs. We are providing retail investors with support for medium- to long-term asset formation and providing institutional investors, such as pension funds and financial institutions, with solutions in order to positively contribute to the realization of a sustainable society and economy and achieve medium- to long-term growth in our asset management business. In addition, we are transforming our business processes using digital innovation to build an effective and advanced business base.

Strengths

- ✓ Asset Management One's investment capabilities and sustainability initiatives
- ✓ Relationships with distributors in and outside the Mizuho group and robust support systems
- ✓ Providing solutions to institutional investors as a unified group

Business environment

Risks and opportunities

Risks

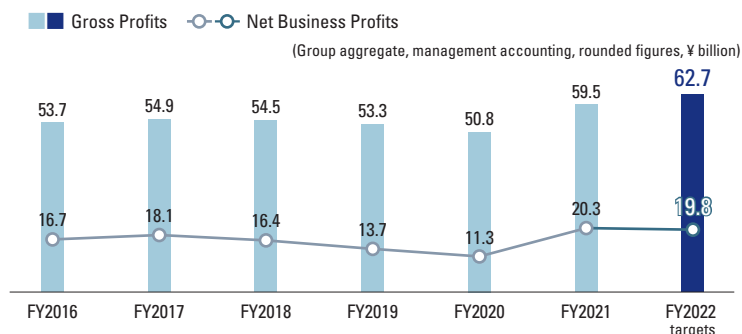
- Unstable market environment due to rising interest rates outside Japan and intensifying geopolitical risk
- Change in retail investor preferences and needs

Opportunities

- Increased asset formation needs due to the aging population, declining birthrate, and longer lifespans
- Policy revisions for medium- to long-term asset formation, expanding investor base
- Greater interest in ESG investment

Review of fiscal 2021

There was a return to tighter monetary policy following the loosening that took place under the COVID-19 pandemic. This together with intensifying geopolitical risk caused the market environment to remain uncertain. Even so, we were able to achieve our highest level of Gross Profits since the introduction of the in-house company system, mainly through steady accumulation centered on publicly offered investment trusts. Going forward, we will continue honing our competitiveness and aiming to achieve growth at the Asset Management Company over the medium to long term by strengthening our investment capabilities, solutions, and efficiency.




1. Gross Profits and Net Business Profits include Net Gains related to ETFs.
2. Results are based on FY2021 management accounting rules, targets are estimates based on FY2022 management accounting rules.

Asset Management Company

Key strategies


■ Focusing on asset management services for retail investors

To respond to the asset formation needs of retail investors, we are offering a broad range of products. These include investment trusts reflecting the growth of the global economy, balanced investment trusts avoiding large drops amidst uncertain markets and aiming for stable performance, and yield-based investment trusts capturing the rise in interest rates outside of Japan. We are also optimizing investment in fund wraps and providing products tailored to defined contribution corporate pensions, individual-type defined contribution pension plans (iDeCo), and installment-type NISA. Additionally, we are positively contributing to proactive investment of financial assets in Japan by improving our provision of educational materials on investing and information on products and markets as well as by working together with distributors to provide after-sale services for retail investors.

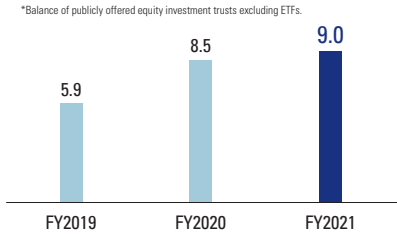
(Related materiality areas*) 

■ Strengthening our ability to provide products and consulting to institutional investors

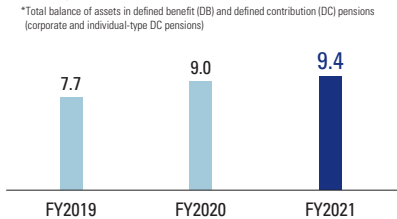
To respond to institutional investors' diverse needs, we are focusing on an expanded line of ESG investment and alternative asset products. For our pension fund clients, we are offering investment solutions which are based on multifaceted analysis and which account for clients' investment and financial situations, as well as consulting proposals which cover pension plan configuration. For our financial institution clients, we are offering solutions for both assets and liabilities, addressing needs for outsourcing investment of securities and business issues related to deposits in excess of loans.

(Related materiality areas*) 

Publicly offered investment trust assets under management balance* (¥ trillion)



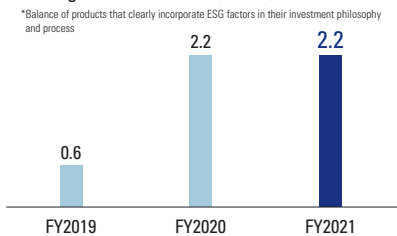
DB/DC pension assets under management balance* (¥ trillion)



Sustainability initiatives

Through our asset management business, we will facilitate the transition to a sustainable society and economy and the more proactive investment of financial assets in Japan. To this end, we are participating in dialogue with our asset owner clients, providing thorough and proactive information and disclosures in investment reports and seminars, and expanding our ESG products as part of contributing to our clients' sustainable asset management. Further, we are also practicing ESG integration (which entails making companies' ESG performance a component of investment decisions), engaging with companies in our investment portfolio, and exercising voting rights in order to encourage transition, most notably climate transition, among the companies in our investment portfolio and to assist them in improving their corporate value.

ESG investment product assets under management balance* (¥ trillion)



Highlights

Set interim target for achieving net zero in assets under management

Asset Management One was one of the 30 founding signatories, and only Japanese signatory, of the Net Zero Asset Managers Initiative, which aims to achieve net-zero greenhouse gas emissions by 2050 or earlier (as of December 31, 2021, the number of signatories stands at 236 companies). As a signatory of the initiative, and on the path to achieving net zero greenhouse gas emissions, Asset Management One has set an interim target for 2030 of ¥30 trillion in assets under management, equivalent to 53% of assets under management (as of March 2021). Going forward, we will continue to work closely with our clients and relevant institutions, promote the transition to net zero emissions as a Japanese asset management firm, and fulfill our fiduciary duties.



Creating a sustainable future through the power of investment