Stable investment performance over the medium- to long-term

Selection of candidates for investment based on long-term perspective

The Sustainability Assessment Process

Financial data-based analysis ESG assessment-based analysis

Ensuring Sustainable Impacts of Our Customers' Investments

Global pension funds and other investors pursuing stable investment returns consider the business outlook and financial data when evaluating companies, but are also increasingly looking at a company's extra-financial information such as environmental and social responsibility and corporate governance (ESG). A consensus is starting to take hold that investing in companies with clear social responsibility policies and programs and strong corporate governance systems can increase returns over the medium- to long-term and reduce risk.

Assessment methods that place higher value on corporate dialogue for verifying this extra-financial information are also becoming more widespread.

Drawing on its experience as a pioneer in ESG-based corporate assessment and asset management, MUTB is working on creating and managing funds with selected equities that are expected to experience sustained growth. These funds have grown in size as more investors have come to recognize their performance and management strategies. Through seminars and other events, we also educate participants about methods of selecting companies for investment based on ESG principles, and we work to promote broader use of corporate assessment methods that make use of extra-financial information. We also became a signatory to the international Principles for Responsible Investment (PRI) (see Note) to propagate PRI-based investing activities in Japan.

Note: PRI were announced by the then-Secretary General of the United Nations, Kofi Annan, in 2006. The PRI are intended to address decision-making issues related to ESG for investments, to improve the long-term results of investments, and to reduce risk. MUTB has endorsed these Principles and also actively participates in the PRI Japan Network, which promotes PRI and responsible investments in Japan.

To promote sustainable investment, we take account of environmental, social, and governance concerns.

Activities on Group CSR Priority Theme: Addressing Global Environmental Issues

Asset Management

I manage the Sustainable Growth Investment Fund (Domestic Equities), a product for pension funds that selects equities based not on expectations of short-term gains but on the goal of achieving stable pro-fit growth over the medium- to long-term. We believe that companies with good governance on top of solid business performance have a more positive impact on the environment and society. Investing in such companies helps to support that impact. My aim is to achieve stable performance with selected equities by valuing communication with companies to enhance their corporate value over the long run.
To promote sustainable investment, we take account of environmental, social, and governance concerns.

**Ensuring Sustainable Impacts of Our Customers’ Investments**

Global pension funds and other investors pursuing stable investment returns consider the business outlook and financial data when evaluating companies, but are also increasingly looking at a company’s extra-financial information such as environmental and social responsibility and corporate governance (ESG). A consensus is starting to take hold that investing in companies with clear social responsibility policies and programs and strong corporate governance systems can increase returns over the medium- to long-term and reduce risk. Assessment methods that place higher value on corporate dialogue for verifying this extra-financial information are also becoming more widespread.

Drawing on its experience as a pioneer in ESG-based corporate assessment and asset management, MUTB is working on creating and managing funds with selected equities that are expected to experience sustained growth. These funds have grown in size as more investors have come to recognize their performance and management strategies. Through seminars and other events, we also educate participants about methods of selecting companies for investment based on ESG principles, and we work to promote broader use of corporate assessment methods that make use of extra-financial information. We also became a signatory to the international Principles for Responsible Investment (PRI) (see Note) to propagate PRI-based investing activities in Japan.

**The Sustainability Assessment Process**

Financial data-based analysis + ESG assessment-based analysis

Selection of candidates for investment based on long-term perspective

Stable investment performance over the medium- to long-term

Note: PRI were announced by the then-Secretary General of the United Nations, Kofi Annan, in 2006. The PRI are intended to address decision-making issues related to ESG for investments, to improve the long-term results of investments, and to reduce risk. MUTB has endorsed these Principles and also actively participates in the PRI Japan Network, which promotes PRI and responsible investments in Japan.

Shinichiro Hyogo
Chief Analyst
Asset Management Division
Mitsubishi UFJ Trust and Banking

I manage the Sustainable Growth Investment Fund (Domestic Equities), a product for pension funds that selects equities based not on expectations of short-term gains but on the goal of achieving stable profit growth over the medium- to long-term. We believe that companies with good governance on top of solid business performance have a more positive impact on the environment and society. Investing in such companies helps to support that impact. My aim is to achieve stable performance with selected equities by valuing communication with companies to enhance their corporate value over the long run.