

Nomura Asset Management Awarded Mandate for ESG-Integrated European Corporate Bond

Tokyo, January 16, 2020—Nomura Asset Management Co., Ltd. (NAM), the core company within the Asset Management Division of Nomura Group, today announced that it has been entrusted to manage a European corporate bond fund incorporating ESG (Environmental, Social and Governance) factors in a foreign investment trust.

The foreign investment trust is managed by T&D Asset Management, a subsidiary of T&D Holdings. Daido Life Insurance Company (Daido Life), a subsidiary of T&D Holdings, will invest in the investment trust.

Fixed income investing incorporating ESG is an advanced initiative in Japan. This is NAM's first fixed income ESG investment mandate from an institutional investor.

Daido Life believes that the life insurance business is highly social and public in nature. As a responsible institutional investor and based on the management philosophy of the T&D Life Group, Daido Life aims to contribute to the realization of a sustainable society through various initiatives including investment in green and social bonds that contribute to solving environmental challenges and developing social infrastructure. As part of this effort, Daido Life has decided to invest in the trust.

Regarding the investment approach, NAM will use its proprietary in-house quantitative ESG corporate credit scoring model together with its proven global corporate bond investment process to select securities and manage the credit portfolio.

Credit analysts take qualitative and quantitative ESG factors into consideration when evaluating a company's credit quality. NAM's Tokyo headquarters will make investment decisions and carry out operations in collaboration with its UK subsidiary.

Takahiro Homma, Senior Managing Director and Chief Investment Officer (CIO) in charge of Fixed Income Investment at NAM, said: "In addition to the assessment of traditional fundamentals, an analysis that incorporates ESG factors will provide a more comprehensive view of the issuer's creditworthiness. By integrating ESG into fixed income management, we can improve the risk-adjusted return of the portfolio, while contributing to the sustainable and stable growth of the overall market by addressing ESG issues."

NAM will continue to promote responsible investment initiatives while delivering investment products that meet the diverse needs of investors.

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