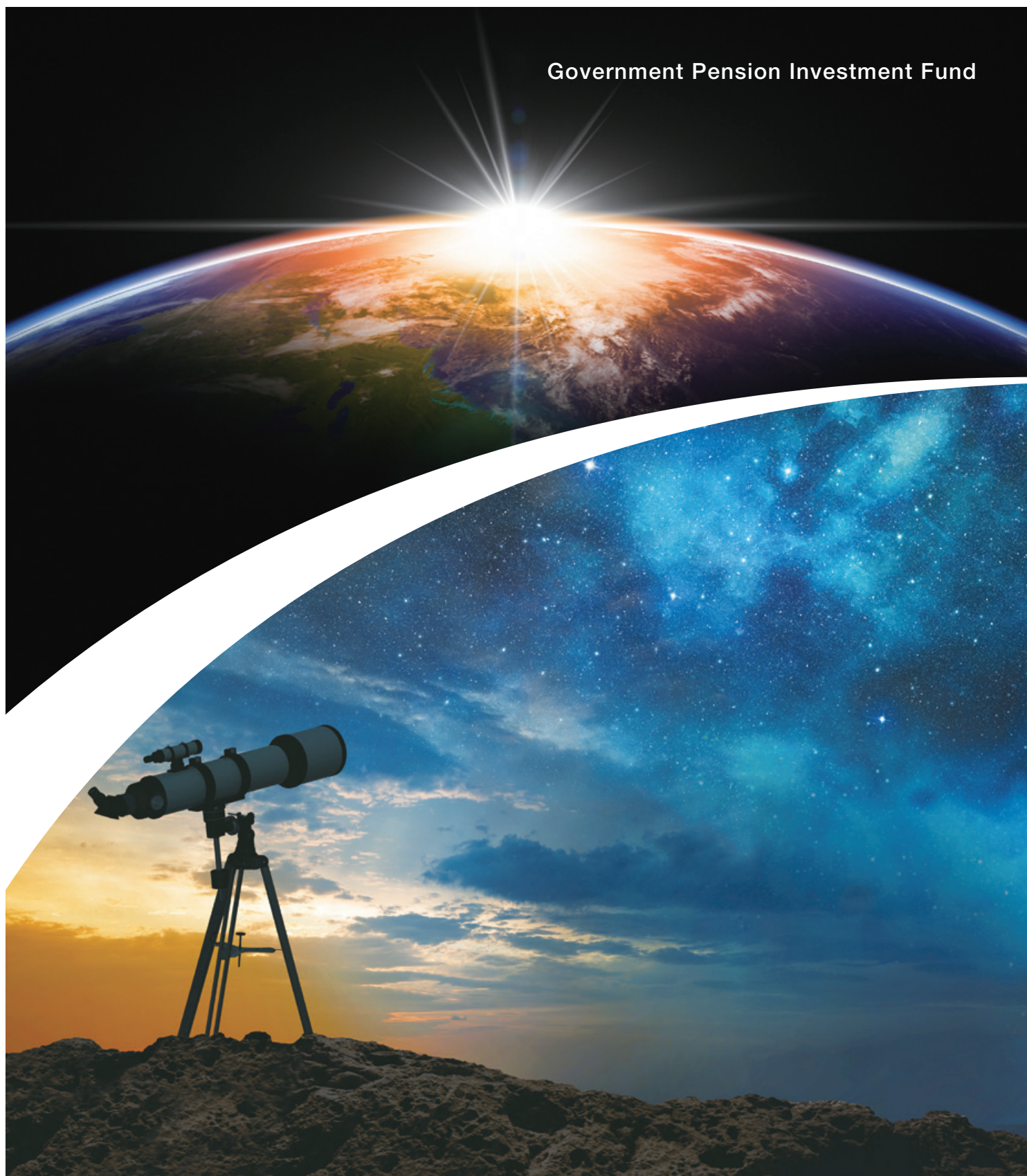




ANNUAL REPORT

FISCAL YEAR 2025

Government Pension Investment Fund



Investment Principles

- [1]** Our overarching goal is to contribute to the stability of the national pension system by securing the investment returns that it requires with minimal risk and from a long-term perspective, to the sole benefit of insureds.
- [2]** Our primary investment strategy is diversification by asset class, region, and timeframe. While market prices may fluctuate in the short term, GPIF will take full advantage of our long-term investment horizon to achieve investment returns in a more stable and efficient manner, while simultaneously ensuring sufficient liquidity to pay pension benefits.
- [3]** We formulate our overall policy asset mix and manage risks at the portfolio, asset class, and investment manager level. We utilize both passive and active management in order to achieve benchmark returns (i.e., average market returns) and seek untapped profitable investment opportunities.
- [4]** We believe that sustainable growth of investee companies and the capital market as a whole is vital in enhancing long-term investment returns. In order to secure such returns for the benefit of insureds, therefore, we promote sustainability investment including those which take into account non-financial factors such as ESG and social or environmental effects (impact), in addition to financial factors.
- [5]** In order to enhance long-term investment returns, we shall advance various initiatives (including those considering sustainability such as ESG) to promote long-termism as well as sustainable growth of investee companies and the capital market as a whole, and to fulfill our stewardship responsibilities.

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Figures from FY2023 onward reflect changes in principle with the transaction date (execution date) as the reference date. In addition, the notional amount of stock index futures transactions in in-house investment is reflected in these figures. (Figures prior to FY2022 reflect changes in principle with the settlement date as the reference date. Furthermore, the notional amount of stock index futures transactions in in-house investment is not reflected in these figures, except in specific cases.)

FY2025 Investment Result Summary

► For details, refer to pages 23-42.

**Real return for the
entire pension
reserve fund**

Since FY2001

+4.33% annual



Excess rate of return

(compared to the compound benchmark return)

FY2025

-0.18%



Rate of return

FY2025

16.47% annual

Since FY2001

4.67% annual

**Returns
(investment income)**

¥41,399.5 billion annual
(¥5,520.3 billion annual)

¥196,930.6 billion cumulative
(¥61,389.2 billion cumulative)



Asset size

As of the end of FY2025

¥293,643.7 billion



Portfolio allocation

(Pension reserve funds
managed by GPIF and the
pension special account)

Inner circle: Policy Asset Mix (Figures in
parentheses indicate
deviation limits)

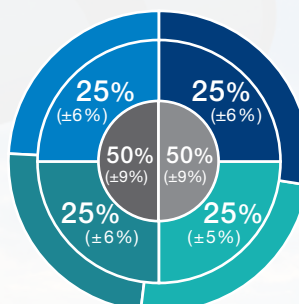
Outer circle: as of March 31, 2026

Domestic equities

23.81%
¥71,390.5 billion

Foreign equities

24.80%
¥74,356.9 billion



Domestic bonds

26.91%
¥80,679.1 billion

Foreign bonds

24.48%
¥73,399.0 billion



**Allocation changes for
each asset class due
to rebalancing**

Domestic bonds

+¥14,753.2 billion

Foreign bonds

+¥2,653.0 billion

Domestic equities

-¥10,693.2 billion

Foreign equities

-¥4,201.3 billion

(Note 1) Each figure shows the net rebalancing amount.

(Note 2) The calculation of figures is based on transaction date.



**Management and
custodian fees**

(fee ratio)

¥57.1 billion
(0.02%)



**Contributions to pension
special accounts from
investment income**

FY2025

¥703.4 billion

Since FY2001

¥19,423.3 billion cumulative

Topics in FY2025

1 Stable portfolio management

As stated in its investment principles, the Government Pension Investment Fund, Japan (GPIF) diversifies investments across multiple assets, regions, and time periods, with the aim of benefiting from global economic growth and achieving stable investment returns. To this end, GPIF rebalances assets at opportune times and in a suitable manner to avoid deviation from the formulated allocation percentages in the Policy Asset Mix.

The market landscape underwent major fluctuations in FY2025. Nevertheless, GPIF reinforced its macroeconomic and market analysis while flexibly rebalancing assets, thereby striving for stable portfolio management.

2 Investment enhancement and diversification

To conduct stable, long-term investment of its substantial assets, GPIF continually seeks to enhance and diversify investments to meet its investment targets with minimum risk.

In FY2025, GPIF built a system to indicate the status of its portfolio in real time and selected new funds and switched existing funds for its active equity portfolio. With respect to interest rate risk management across its entire domestic bond portfolio, GPIF directly participated in government bond auctions, monitored markets and risks, and refined its liquidity management. Furthermore, in its alternative asset management, GPIF began building a data platform and made steady progress in its efforts to obtain excess returns.

3 Enhancing sustainability investment

GPIF established its Sustainability Investment Policy in March 2025 and promotes sustainability investment with the aim of contributing to the enhancement of the long-term performance of its entire portfolio by achieving both “reduction of sustainability-related risks and improvement of sustainability of markets” and “the securing of average market returns.”

In FY2025, as part of its stewardship activities aimed at contributing to the enhancement of long-term corporate value and the sustainable growth of the market, GPIF strengthened its efforts to promote a virtuous cycle throughout the investment chain by enhancing the quality of engagement. It also initiated efforts to optimize the amount of ESG investment and to select new ESG indexes and ESG funds. In addition, GPIF integrated four categories of excellent sustainability-related disclosure, which had previously been divided according to their respective purposes, into “Excellent Sustainability Disclosure from the Perspective of Materiality,” thereby creating a framework that evaluates sustainability activities and disclosures that are more effective and contribute to creating corporate value.

4 Large-scale revisions to the foundations of its information system

GPIF recognizes the need to continuously enhance its information infrastructure by establishing an environment that enables rapid monitoring of the overall portfolio, advancing the analysis of excess-return generation, and expanding the databases used to identify and select new active managers. In fiscal year 2025, GPIF completed the construction of an investment decision-making and analytical database that comprehensively stores a wide range of market data. In addition, to improve the efficiency of employees’ daily operations, GPIF carried out a large-scale renewal of its information infrastructure, including a complete migration of its system platform to a cloud-based environment.

5 Reinforcing the organizational structure

Enhancing asset and risk management requires not just securing and developing human resources, but also bolstering a structure that enables sustainable organizational management.

GPIF newly established the Human Resources Department in FY2025, seeking to continue actively hiring mid-career professionals and new graduates while also enriching career-oriented and role-based training programs. In this way, GPIF aims to provide career support to staff members while reinforcing internal communication. GPIF also newly established the Compliance Department under the direct supervision of the President, thereby reinforcing investment compliance and fostering a self-directed code of conduct as a public institution with strong integrity. Moreover, regarding the information systems described above, GPIF bolstered its structure for centrally managing and promoting IT systems and digital strategies (by restructuring the IT Strategy and Management Department in April 2026).

Note: As of April 1, 2026, there were 229 executives and employees (marking an increase of 30 from the previous fiscal year).



I was appointed as the Chairperson of the Board of Governors on April 1, 2026. While sustaining the excellent achievements of all previous chairpersons, I will fully dedicate myself to further enhancing GPIF's investment management while also elevating the organization's dependability and transparency to new heights.

Based on the Employees' Pension Insurance Act and other related laws and regulations, GPIF serves an important role in contributing to the stability of pension finance through the safe and efficient management and investment of the pension reserve fund with a long-term perspective and the ultimate goal of benefiting all pension beneficiaries in Japan.

The world's economies and financial markets have dramatically changed in recent years, and the environment surrounding asset management has become increasingly unclear. In the face of these circumstances, GPIF will prioritize a long-term perspective as it strives for stable investment and engages in organizational management with a high level of transparency to foster trust with the Japanese public.

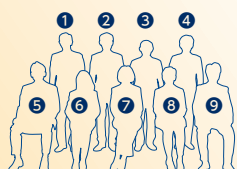
The Board of Governors consists of nine experts with diverse knowledge and experience, led by the President. In addition to formulating the Policy Asset Mix, it decides on important policies

related to pension reserve fund management and investments, as well as organizational management.

The Board of Governors also serves an important role in supervision alongside the Audit Committee to ensure that the Executive Office carries out operations appropriately as it pursues specific investment and management initiatives.

GPIF will make every effort to accomplish this important mission while always keeping the principles described above regarding compliance firmly in mind and carrying out its operations wholeheartedly to serve as an organization that earns an even greater level of trust from the Japanese people.

I would sincerely appreciate your ongoing understanding and support.



- ① ITABA Ken
- ② INOUE Takashi
- ③ ITO Keisuke
- ④ AIHARA Yasunobu

- ⑤ HONDA Toshiki
- ⑥ NAKAMURA Yurika
- ⑦ OKINA Yuri
- ⑧ SHIRASU Yoko
- ⑨ UCHIDA Kazuto

Chairperson of the Board of Governors

翁 百合

OKINA Yuri

Government Pension Investment Fund, Japan

We will fulfill our mission to contribute to the financial stability of the pension system and ultimately to the stability of people's lives through the management and investment of pension reserve funds.



GPIF aims to contribute to the stability of the Employees' Pension Insurance and National Pension systems by managing and investing the pension reserves entrusted to us by the Minister of Health, Labour and Welfare, and by remitting the earnings therefrom to the Special Account for Pensions.

Regarding investment results for fiscal year 2025, GPIF achieved a positive return of 16.47%, driven by significant gains in domestic and foreign equity markets, despite the declining domestic bond market and the depreciation of the yen.

At the beginning of the fiscal year, global stock markets plummeted and the yen appreciated against the dollar due to uncertainty surrounding U.S. tariff policies. However, as those policies subsequently eased, stock markets in major countries rebounded; fueled by expectations for technological innovation—particularly in AI and semiconductors—they continued to rise, repeatedly hitting record highs. In bond markets, yields on government bonds in major European countries declined following interest rate cuts by the U.S. Federal Reserve and the European Central Bank, whereas domestic government bond yields rose in response to the Bank of Japan's interest rate hike. Toward the end of the fiscal year, global stock markets experienced high volatility amid the instability in the Middle East, and government bond yields rose in both domestic and international markets following a surge in crude oil prices. Thus, during the fifth medium-term objective period, which commenced in fiscal year 2025, equity and bond markets both domestically and internationally have continued to exhibit high volatility against a backdrop of global instability; nevertheless, GPIF has strived for the stable management of pension reserves by enhancing its macroeconomic and market analytical capabilities with strengthened risk management. While the assets managed by GPIF reached approximately 294 trillion yen by the end of fiscal year 2025, GPIF continues to aim for stable and efficient returns through globally

diversified investment based on its policy asset mix, while keeping risk to a minimum.

Furthermore, under the Sustainability Investment Policy formulated in March 2025, GPIF is actively promoting sustainability investment initiatives that contribute to enhancing long-term returns across its entire investment portfolio. As an asset owner managing pension funds on behalf of the insured—the actual asset owners—GPIF is committed to enhancing the effectiveness of engagement with external asset managers and investee companies through dialogue and the proactive sharing of views. GPIF is aiming to foster a virtuous cycle within Japan's investment chain, thereby driving corporate value creation and improving long-term investment returns.

To advance its investment operations and expand its sustainability investment activities, GPIF has established a Human Resources Department to be responsible for talent recruitment and development, as well as a Compliance Department to strengthen its legal compliance framework; it is also focusing on its IT infrastructure modernization and reinforcing its risk management systems. Through these initiatives, all of us—from the Executive Committee to every staff member—are dedicated to maintaining the trust of the insured and contributing to the stability of the pension system through ceaseless effort.

I would sincerely appreciate your continued understanding and support.

President

内田和人

UCHIDA Kazuto

Government Pension Investment Fund, Japan

1

Introduction of GPIF

About GPIF

The public pension scheme is designed to support the future of Japan.

This section is intended for the Japanese public and provides an easy-to-understand explanation of GPIF's role in managing the pension reserve fund, which forms part of the public pension.



Q1

Will I get my contributions back as pension benefits in the future?

A

Japan's public pension scheme is a form of intergenerational support in which pension premiums paid by the working generation are used to pay pension benefits to the elderly generation. The scheme is not designed to directly return the money you have contributed back to you.

▶ [For details, refer to page 8.](#)



Q2

How will the pension system work with the declining birthrate and the aging population?

A

Since there will be fewer premiums from the working generation to cover the pension benefits for the elderly generation, it will be necessary to make up the shortfall. The sustainability of the pension system has been enhanced by incorporating elements that reflect the changing times, such as the increase in employment among the elderly and women. In addition, the system is designed to stabilize pension finances by utilizing the pension reserve fund.

▶ [For details, refer to page 9.](#)



Q3

What does GPIF do?

A

GPIF invests to increase the portion of the funds set aside for pension benefits for future generations.

▶ [For details, refer to page 10.](#)



Q4

Will the investment results from one year affect the amount of pension benefits that I receive the next year?

A

The funds GPIF invests are those reserved for future generations. Therefore, regardless of whether the investment performance is positive or negative in one year, the amount of pension benefits you receive in the following year will not be affected.

▶ [For details, refer to page 10.](#)

What is Japan's public pension?

The public pension scheme is a system in which all people in Japan pay premiums to support each other in preparation for potential life risks, such as being unable to work at an advanced age, living with disabilities resulting from illness or injury, or losing the family's primary income source. In Japan in particular, the public pension scheme plays a highly important role in supporting elderly people throughout their lives.

► For details on GPIF's roles in the public pension scheme, refer to pages 87-89.

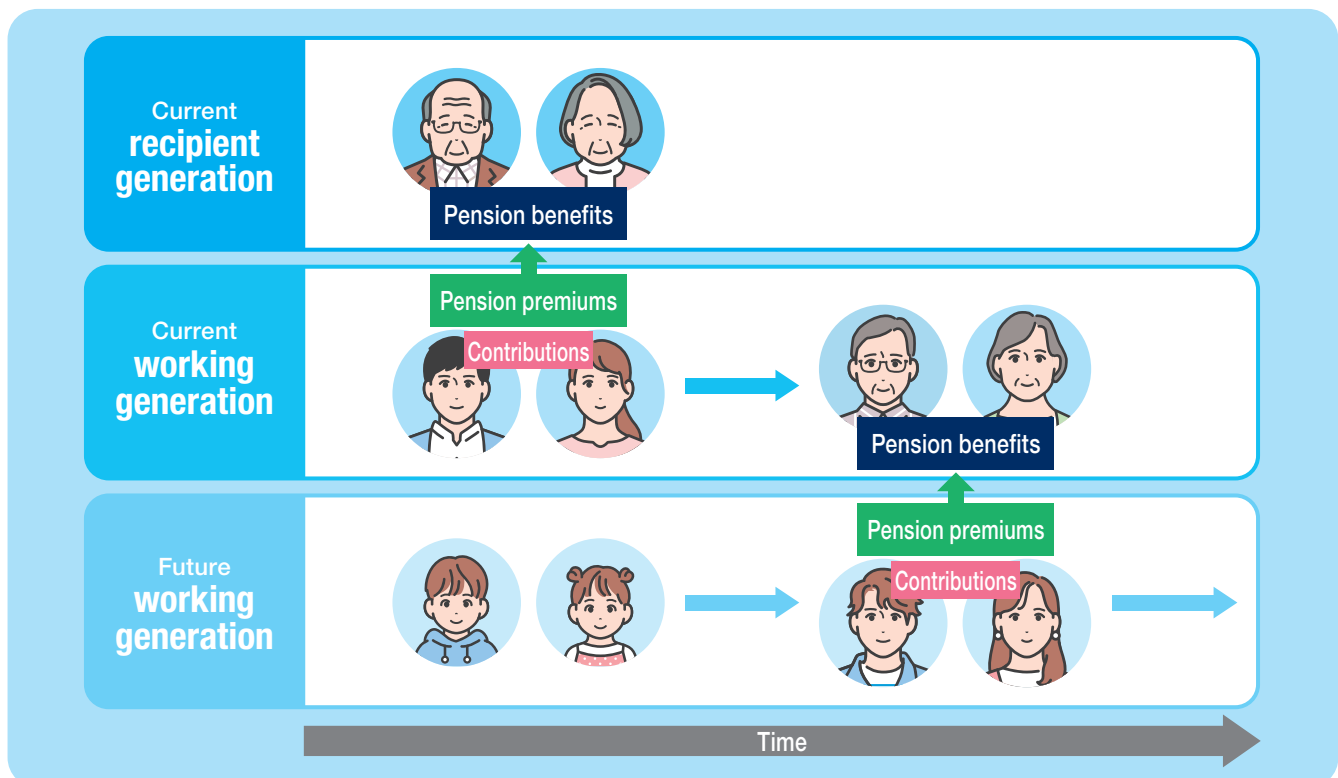
Note: Some information has been simplified to facilitate understanding. All images in this section are for illustrative purposes only.

1 CHECK

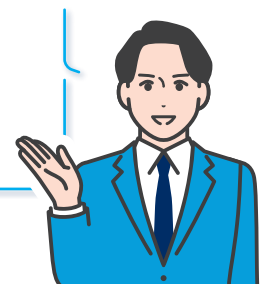
First, let us walk through Japan's pension system.



Japan employs a system where the working generation supports the lives of the elderly generation.



Under the public pension scheme in Japan, money paid by the working generation as pension premiums is allocated toward pension benefits for the elderly generation. In other words, the pension benefits that the working generation will receive in the future will be covered by the pension premiums paid by their children's and grandchildren's generations. The scheme is not designed to return contributed premiums directly to the individuals who paid them.

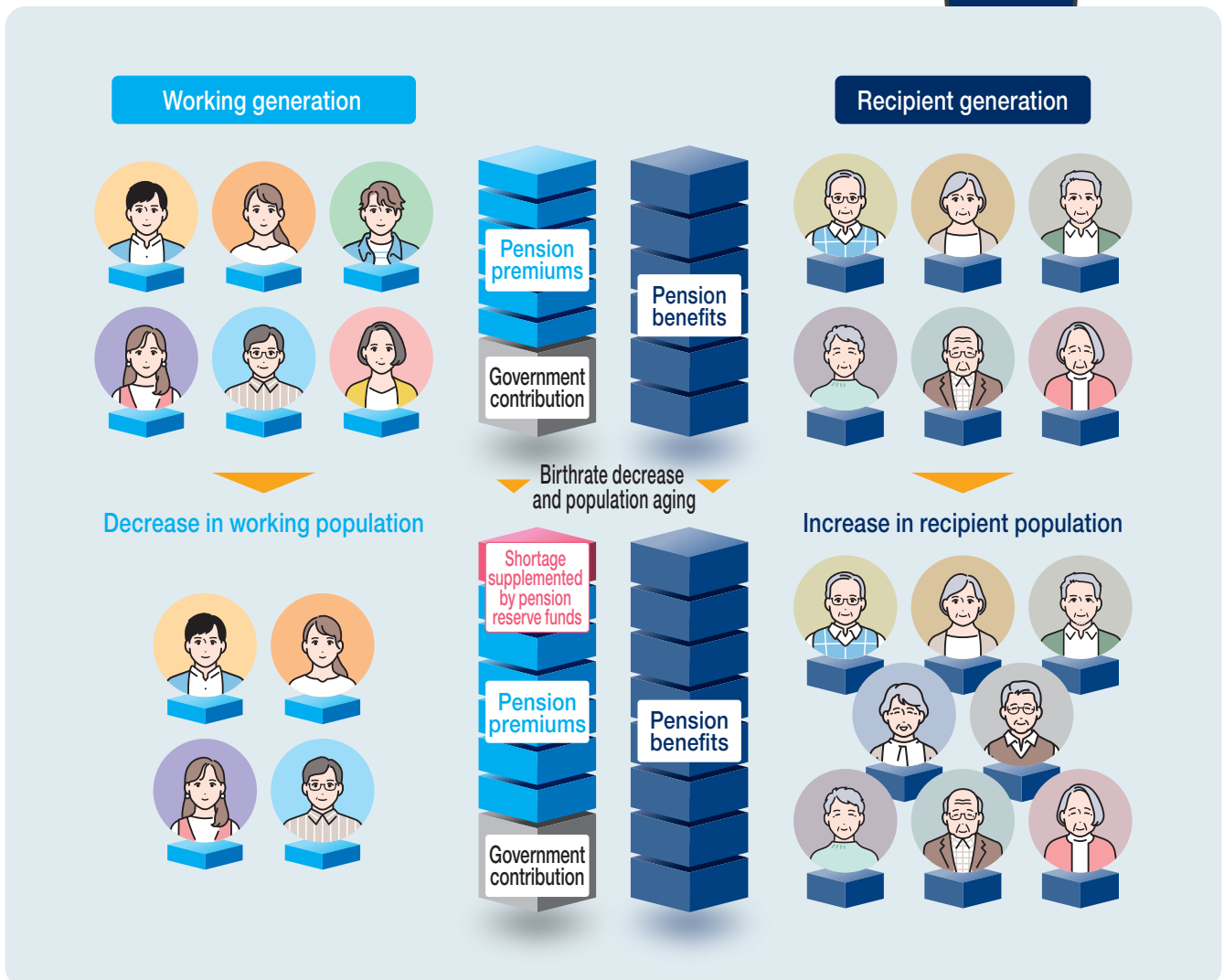


What are GPIF's concerns in an era when Japan's population is shrinking?

2 CHECK

What will happen to the pension scheme as the population of Japan decreases?

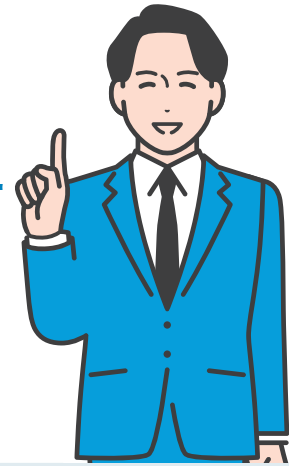
If Japan's declining birthrate and aging population continue in line with current trends, the burden on future working generations may become too heavy.



In recent years, while the working-age population has decreased, people in Japanese society have begun working longer and in more diversified ways. For example, employment among elderly people has increased due to improved health and longer lifespans, and the employment rate of women has also risen. The sustainability of the pension scheme has been enhanced by reflecting these employment changes in its design. In addition, pension reserve funds are planned to supplement potential shortages of pension funds for future benefit payments when necessary, thereby ensuring the future stability of pension finance.

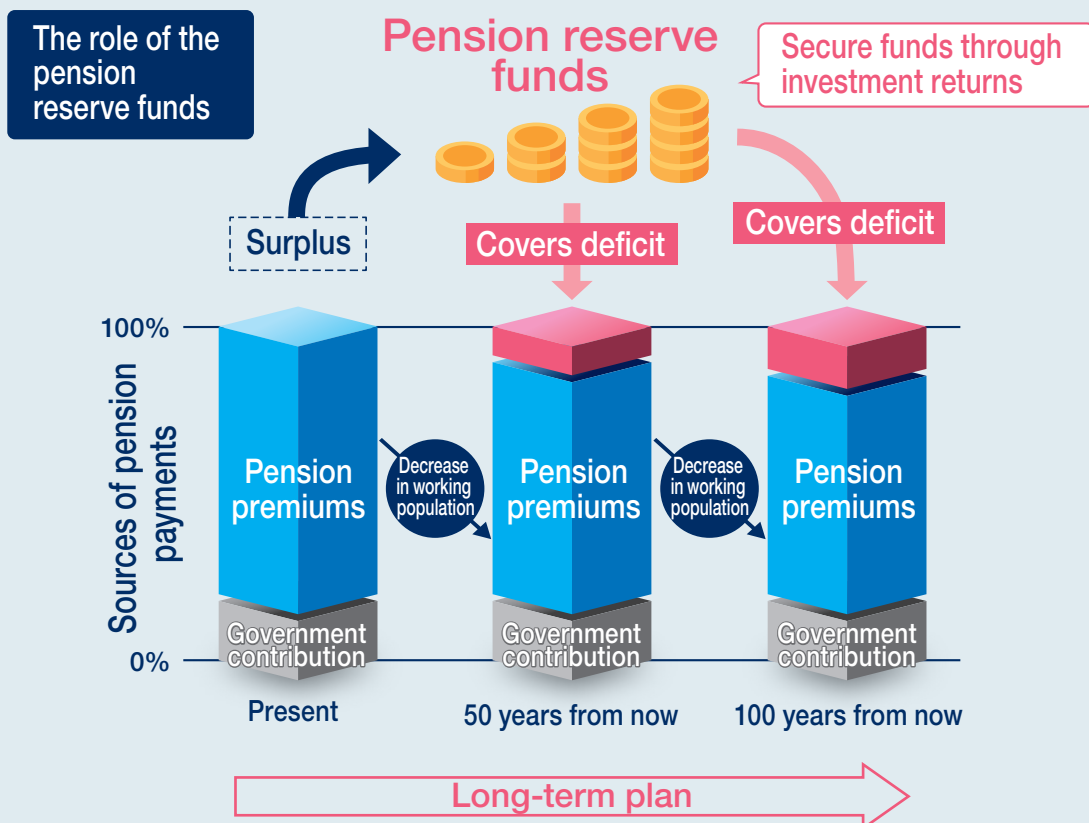
Let's take a look at the role of pension reserve funds in more detail.

GPIF manages pension reserve funds for future generations.



What are pension reserve funds?

Not all of the pension premiums contributed by the working generation are used for current pension payments. The surplus is kept for future generations in the form of pension reserve funds. Pension reserve funds account for approximately 10 percent of the funding for pension benefits over the long run.



Will the investment results from one year affect pension payments in the following year?

The pension reserve funds managed by GPIF are used to ensure that the burden on future working generations is not too great. The system is not designed such that investment results in one year will increase or decrease pension benefit payments in the next year. Pension reserve funds are used to stabilize pension finance for the future.

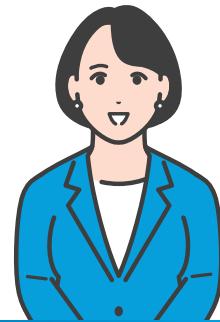
2

Investment principles regarding pension reserve funds

GPIF has defined the following principles to ensure stable returns from its investments.

1 POINT

Long-term, diversified investment is GPIF's fundamental strategy.



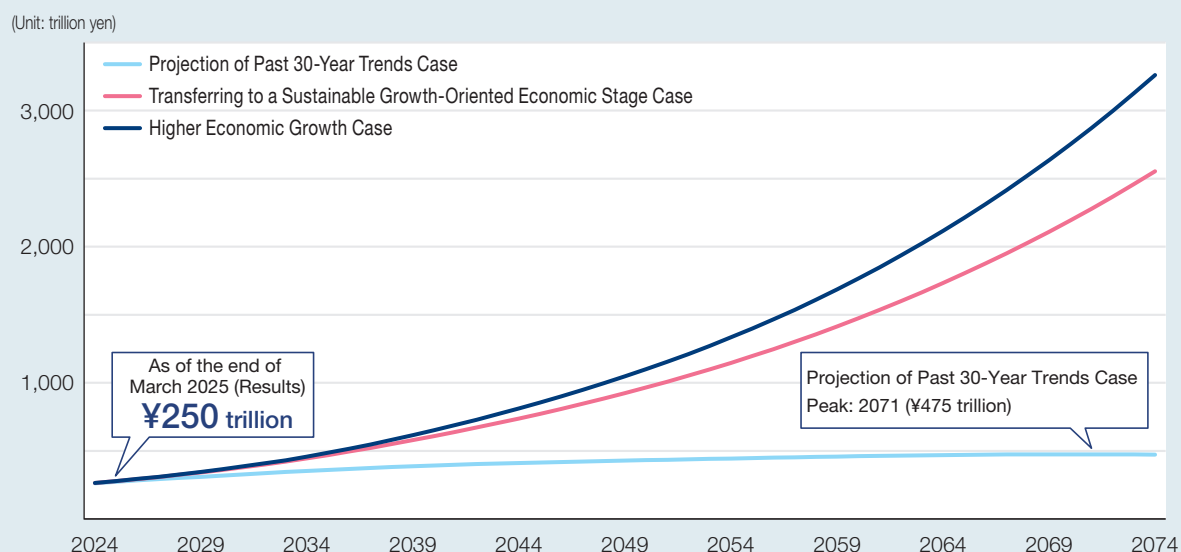
1

GPIF is committed to long-term investment.

Although investment performance in the short term may fluctuate significantly, either positively or negatively, the extent of such fluctuations in the average annual rate of return can be expected to diminish as the investment period lengthens, because positive and negative changes often offset each other in the long term.

The pension reserve funds managed by GPIF do not require immediate liquidation. Therefore, GPIF employs a long-term investment strategy that aims for stable returns by holding various types of assets for a long period of time without being excessively influenced by temporary market fluctuations.

Projections of pension reserve funds for approximately 50 years (2024 actuarial valuation)



Note 1: In the long-term financial framework for the pension system, pension reserve funds are intended to serve as a reserve equivalent to about a year's worth of pension benefits at the end of the period (approximately 100 years) of financial equilibrium (whereby GPIF utilizes the pension reserve and investment returns for pension benefits for later generations until the end of this period).

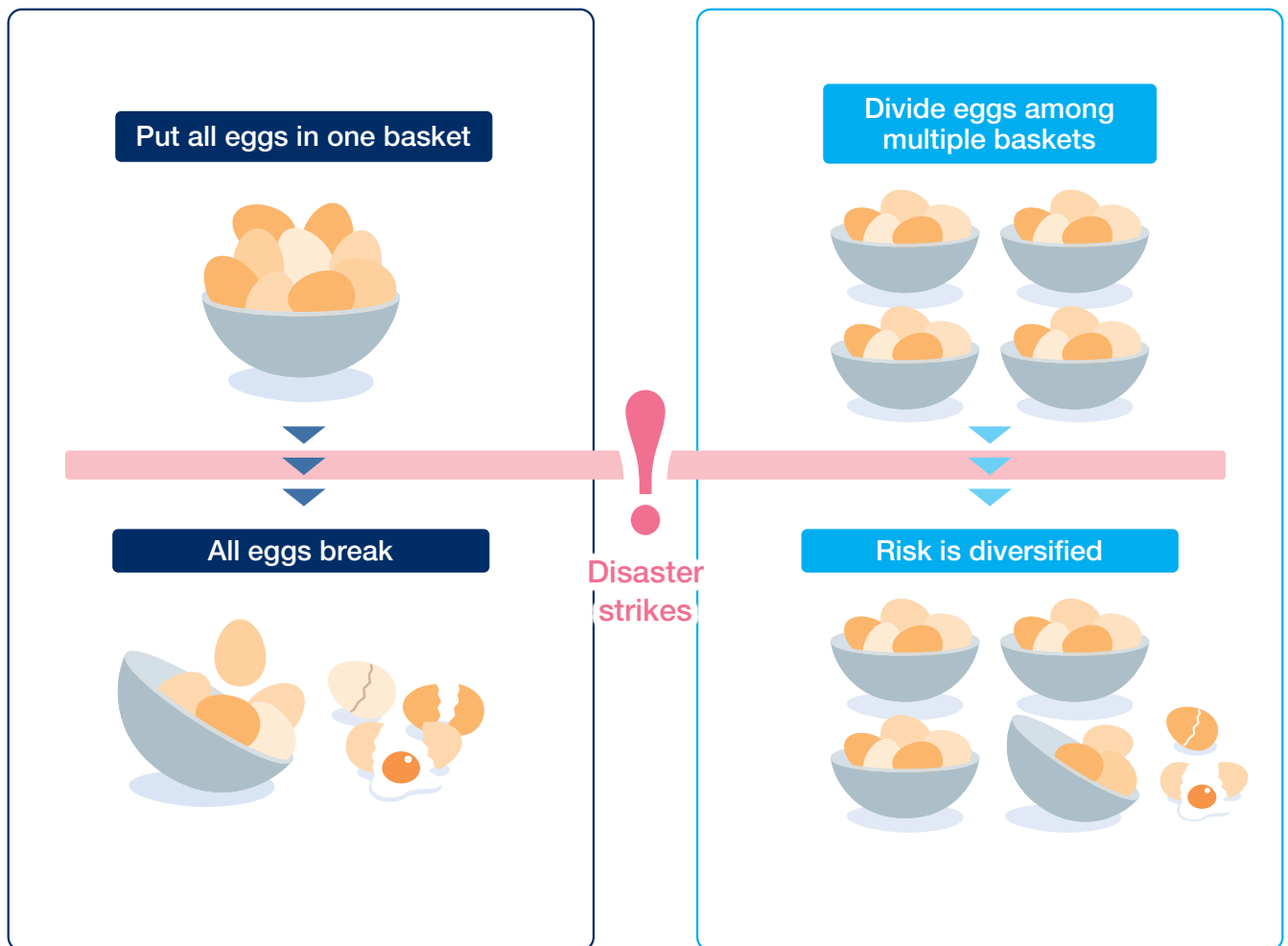
Note 2: For details on each scenario, refer to page 25.

2

GPIF is committed to diversified investment.

GPIF manages a significant amount of assets, on the scale of approximately JPY 294 trillion. In the asset management industry, there is a saying: “Do not put all your eggs in one basket.” GPIF aims to achieve stable

investment returns by diversifying investments into multiple types of assets in Japan and around the world that have different characteristics and price fluctuations.



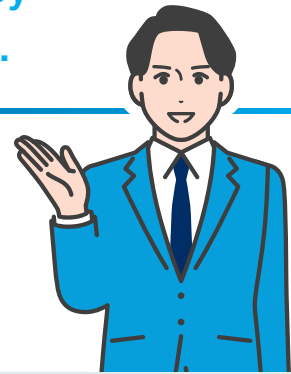
GPIF combines long-term investments and diversified investments to achieve stable returns.



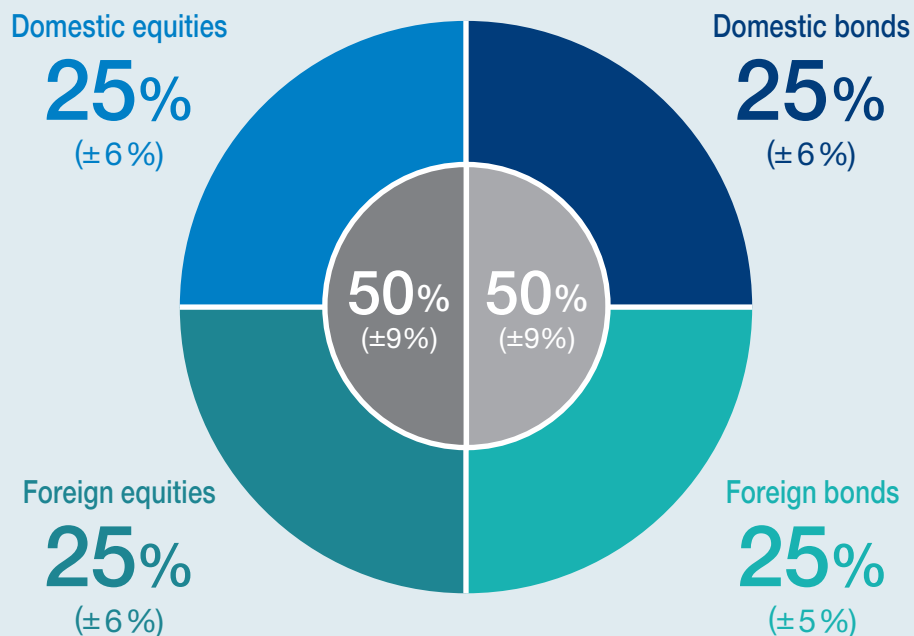
GPIF makes investments based on the Policy Asset Mix (the basic asset allocation policy).

In long-term investing, it is considered more efficient and effective to determine a basic asset composition ratio and maintain it over the long term, rather than revising the ratio based on short-term market fluctuations.

GPIF invests based on its fundamental asset allocation policy (the Policy Asset Mix) from a long-term perspective.



Policy Asset Mix for the 5th Medium-Term Objective Period (April 2025 to March 2030)



Note 1: Figures in parentheses indicate deviation limits.

Note 2: The upper limit for alternative assets is set at 5% of total assets.

In order to respond to market fluctuations, GPIF has established permissible ranges of deviation from the Policy Asset Mix (deviation limits), which is a framework that enables flexible investment and adjustments within these ranges.

Since the majority of long-term investment results are determined by the Policy Asset Mix, GPIF believes that

the Policy Asset Mix functions as the core of the pension reserve fund management and investment system. When the asset allocation ratios of actual investments deviate from those of the Policy Asset Mix, GPIF performs timely and appropriate asset replacement (rebalancing) in order to manage the actual asset composition ratio within the deviation limits.

GPIF allocates investments not only to bonds but also to equities as appropriate.



While interest rates on domestic government bonds were previously on a long-term downward trend, they have been on an upward trend in recent years. On the other hand, given the rise in consumer prices and wages, it is difficult to secure the investment return assumed for pension finances by investing primarily in domestic bonds.

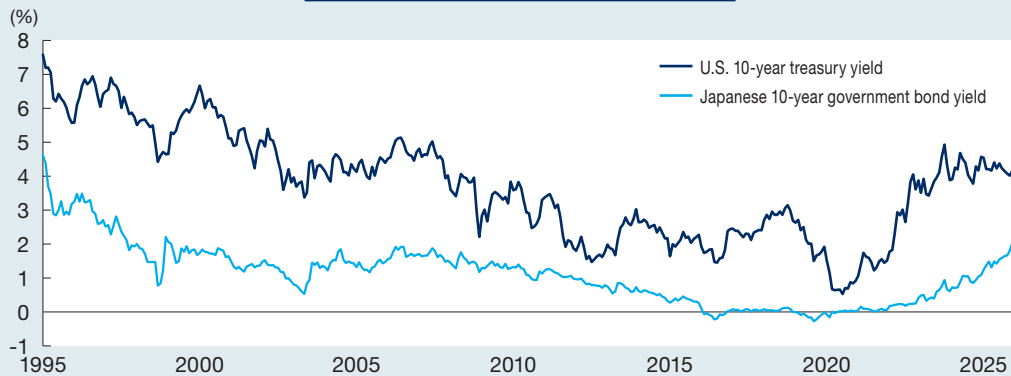
Note: This was also indicated in an analysis of a scenario where all pension reserve funds were invested in domestic bonds, conducted when formulating the Policy Asset Mix. For details, refer to pages 29–30.

Equities usually have greater price fluctuation risk than bonds in the short term, but they are expected to yield higher returns than bonds in the long term. GPIF

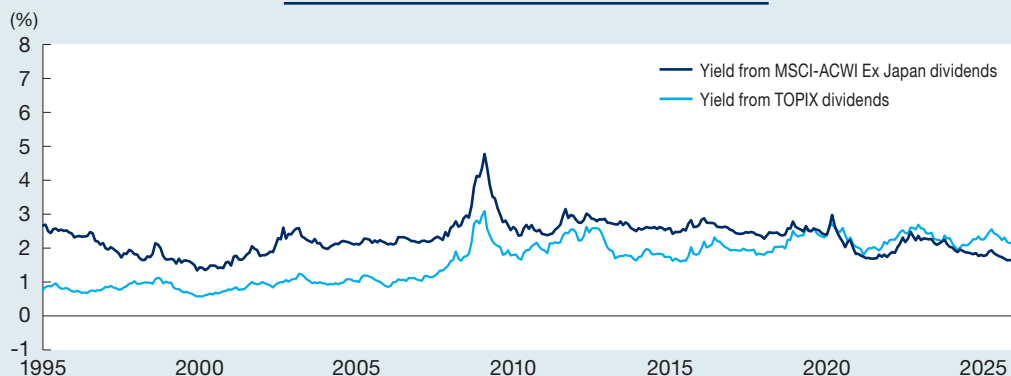
appropriately incorporates equities into the portfolio with the aim of securing the investment return assumed for pension finance with minimum risk. GPIF captures the profits of domestic and foreign companies and the resulting economic growth in the form of dividends and capital gains in equities.

GPIF trades equities to rebalance assets for investment based on the Policy Asset Mix. (For example, its net selling of domestic equities in FY2025 was approximately JPY 10.7 trillion. For details, refer to page 34.) In doing so, GPIF carefully assesses global market trends and takes sufficient care to minimize the impact on the market.

10-year yields, U.S. & Japan bonds



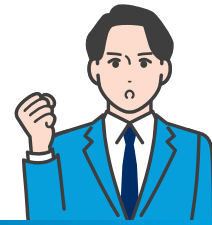
Dividend yields, Japan & outside Japan



Would future withdrawals from the pension reserve funds (selling of equities) negatively affect stock prices, given the significant amount of equities that GPIF holds?

The pension reserve funds managed by GPIF do not require immediate liquidation (although a portion of the investment income may be used for the payment of pension benefits). Even if the need for significant liquidation arises, the pension reserve funds will be drawn down gradually over several decades rather than all at once. In doing so, GPIF carefully assesses global market trends and takes sufficient care to minimize the impact on the market.

GPIF invests in various types of assets both in Japan and other countries.



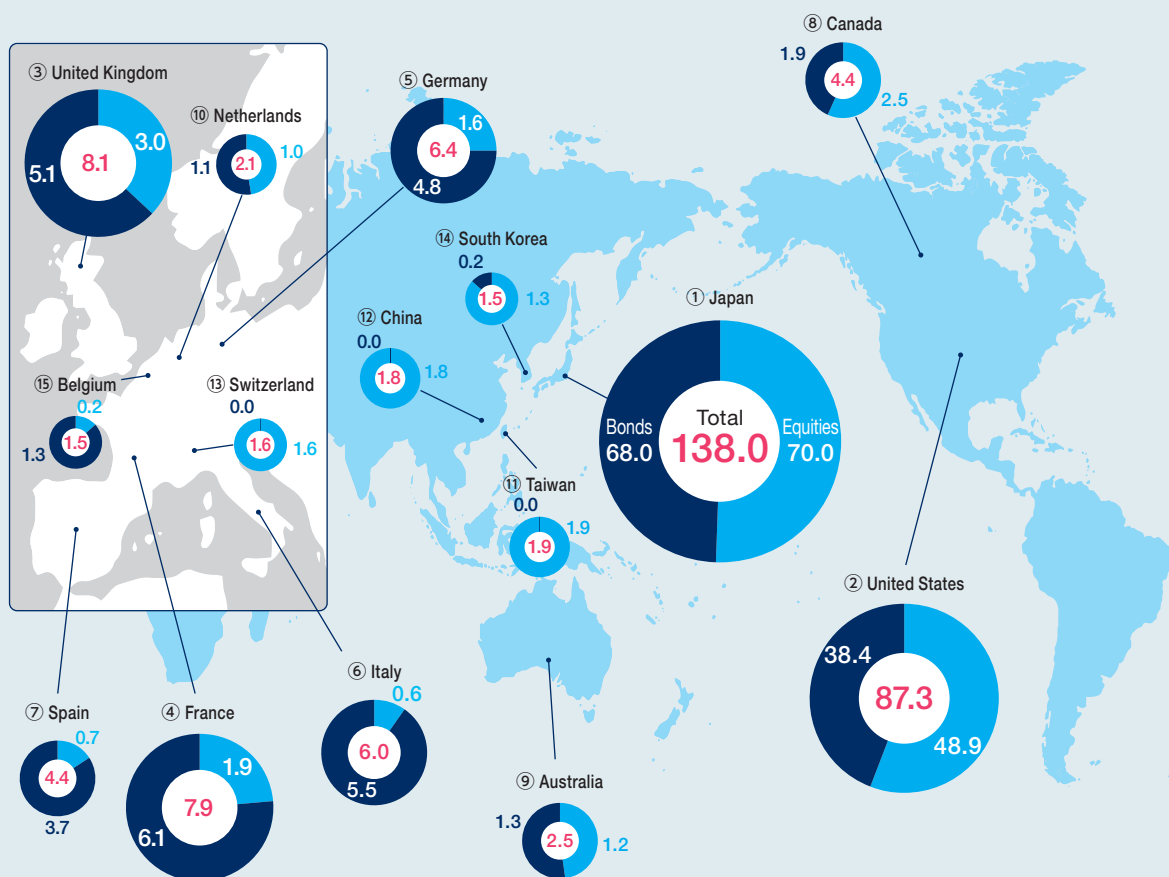
For instance, a temporary fall in asset prices due to market fluctuations could be offset if they subsequently rise again, leaving the portfolio value unaffected in the long run. However, in some cases, a downward trend in asset prices could continue longer than initially assumed. Conversely, if the portfolio does not hold a specific asset whose price is rising, the portfolio would miss the

opportunity to profit from it.

By investing in various types of assets in global markets, GPIF aims to increase opportunities for profits generated from global economic activities while simultaneously mitigating the risk of material losses by curbing fluctuations in the overall value of the diverse assets under management.

Investment amount by country/region (unit: trillions of yen)

The top 15 countries/regions by amount invested as of the end of March 2026 are shown below.



Note 1: Data on equities is generally calculated on the basis of the issuing company's country of incorporation and the primary listing of its securities (country classification in MSCI indexes), while data on bonds is generally calculated on the basis of the country of the issuer or its parent company's headquarters (country classification in Bloomberg indexes).

Note 2: Cash, money market funds (MMFs), and other assets temporarily remaining in the fund are excluded.

Note 3: Investment amounts include alternative assets. Infrastructure and private equity investments are categorized by the primary country where the investee company is engaged in business, and real estate investments are categorized by the country where the property is registered.

Note 4: Due to rounding, the sum of each number may not necessarily match the total.

In addition to equities and bonds, GPIF also invests in alternative assets.

“Alternative assets” is a general term for investment assets that serve as alternatives to traditional investment assets, such as listed equities and bonds. Among the various types of alternative assets, GPIF invests in infrastructure (including renewable energy), private equity (unlisted equities), and real estate (including logistics facilities).

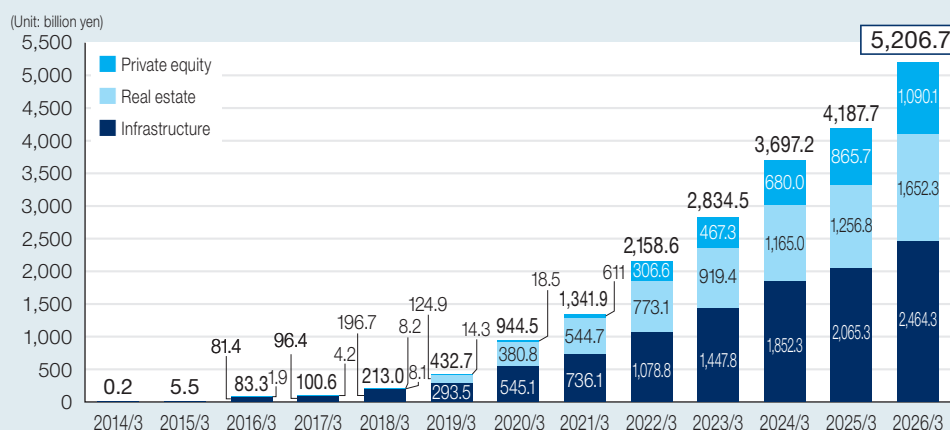


Since alternative assets have different risk-return profiles from equities and bonds, GPIF expects to reduce the volatility of overall returns by holding them alongside traditional assets. Unlike listed equities, which are traded on a daily basis by many investors, alternative asset transactions generally take more time to complete. However, they are considered to yield higher returns.

Due to these characteristics and effects, pension

funds outside Japan are pursuing investment diversification by investing in alternative assets. As a long-term investor, GPIF aims to improve investment efficiency and earn excess returns by steadily accumulating high-quality alternative assets—with due attention to the market environment and investment risks—while also holding equities and bonds that can be traded quickly.

Total value of alternative assets up to FY2025



GPIF promotes sustainability investment, including ESG investment and stewardship activities.



Following the Sustainability Investment Policy established in March 2025, GPIF promotes sustainability investment, including investments that take financial factors into account, as well as non-financial factors such as ESG (environmental, social, and governance) and social and environmental effects (impact), from the perspective of securing long-term investment returns for the benefit of the insured.

With regard to sustainability investment, GPIF aims to improve the long-term investment returns of its entire portfolio by achieving both “reduction of sustainability-related risks and improvement of sustainability of markets” and “the securing of market average return.” Sustainability investment is not intended to directly contribute to solving social issues.

The reason GPIF promotes sustainability investment is that it is a cross-generational investor that manages and invests its assets with a 100-year perspective and a universal owner that diversifies its investments broadly across global capital markets. As a universal owner, GPIF’s investment returns are strongly influenced by the performance of the capital markets as a whole and ultimately by the performance of the economy as a whole.

Over the long term, capital markets cannot avoid sustainability-related risks such as environmental and social issues. To achieve stable returns over the long term, it is essential for the capital markets as a whole to grow sustainably and steadily by reducing sustainability-related risks, including environmental and social issues.

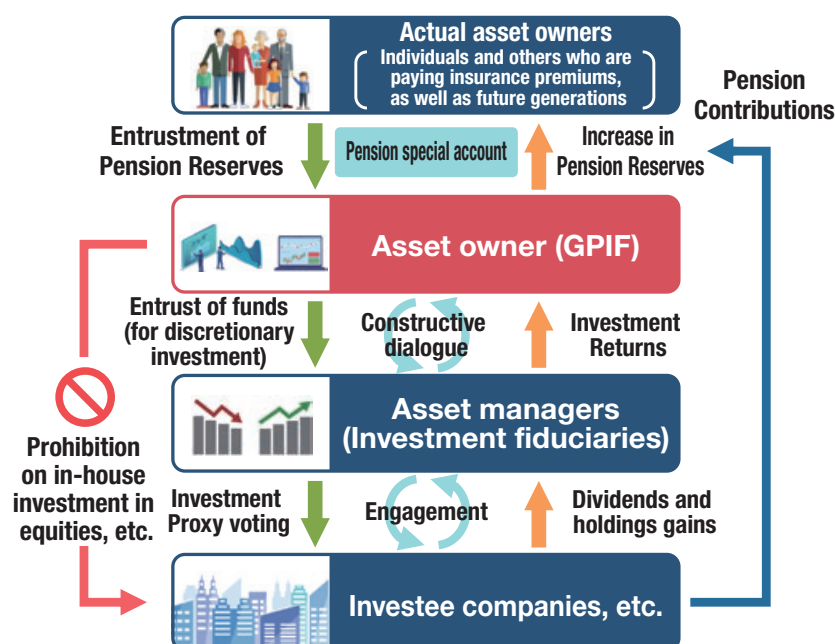
The investment chain is a key concept in achieving this. The investment chain refers to a cyclical structure in which funds flow from investors (beneficiaries) to investees that

require capital, while returns are distributed back from the investees to the investors.

Sustainability investment is one of the key means by which GPIF promotes a virtuous cycle throughout the investment chain. For example, through measures such as “investment that takes ESG and impact into consideration” and “stewardship activities,” GPIF encourages companies, with the support of external asset managers, to change their behavior in ways that contribute to enhancing long-term corporate value, such as reducing sustainability-related risks through measures to address climate change. By contributing to the sustainable growth of the capital markets and the economy as a whole, GPIF aims to improve its long-term investment returns and, ultimately, expand benefits for insured, who are the actual asset owners.

(For details, refer to pages 66–79.)

Virtuous cycle throughout the investment chain to enhance long-term investment returns



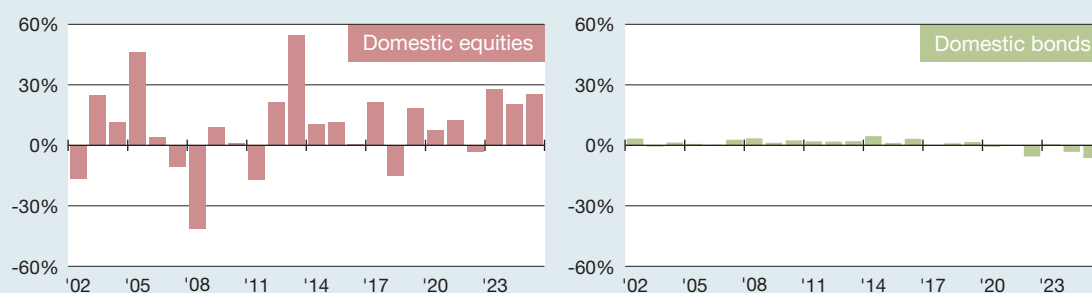
GPIF conducts risk management appropriately to ensure long-term profitability.



Generally speaking, the word “risk” is often used in the sense of danger or the possibility of an unfavorable situation occurring. However, in the field of investment management, risk refers to fluctuations in returns (profit). In other words, it means the extent of variation in returns.

Future returns on equities and bonds may vary and are not set in stone. The diagrams below show the fluctuations in returns for each type of asset, suggesting that higher fluctuations lead to higher risk.

Annual return on domestic equities and bonds from 2002 to 2025



* The average (annual) management and custodian fee ratios are calculated as 0.01% on Japan Equities and 0.01% on Japan Bonds throughout the entire simulation period.

* The calculations here do not consider taxes, rebalancing costs, or other transaction costs. Reinvestment of interest income and dividends is taken into account.

* Past performance does not guarantee future returns.

<Source> Japan Equities: Morningstar Japan GR JPY, Japan Bonds: Morningstar Japan Core Bond GR JPY

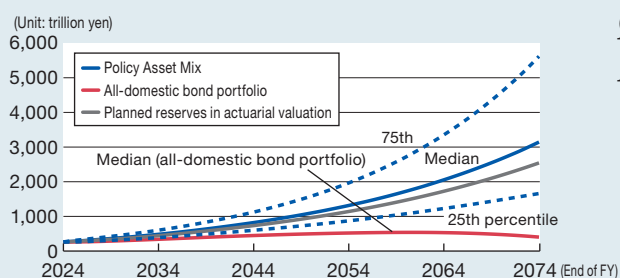
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Legal stipulations require the pension reserve fund to be managed safely and efficiently over the long term. The Medium-Term Objectives set by the Minister of Health, Labour and Welfare require GPIF to secure a long-term real return (net yield on the pension reserve deducting the nominal wage growth rate) of 1.9% with minimum risk.

From a risk management perspective, GPIF focuses not on short-term fluctuations in returns caused by

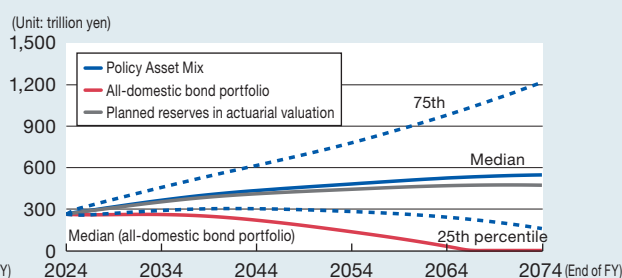
temporary market changes, but on the risk of failing to achieve the long-term investment returns required for pension finance. To manage the pension reserve fund safely and efficiently over the long term, GPIF manages investments with the aim of mitigating the risk of failing to achieve long-term returns by diligently analyzing various indicators, while also carefully observing short-term return fluctuations due to temporary market trends.

Transferring to a Sustainable Growth-Oriented Economic Stage Case



(For details, refer to page 30.)

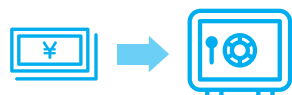
Projection of Past 30-Year Trends Case





Investment Results

► For details, refer to pages 36 and 42.



Rate of return
(Investment returns)

FY2025

16.47% annual

(¥41,399.5 billion annual)

Since FY2001

4.67% annual

(¥196,930.6 billion cumulative)



Asset size

As of the end of FY2025

¥293,643.7 billion

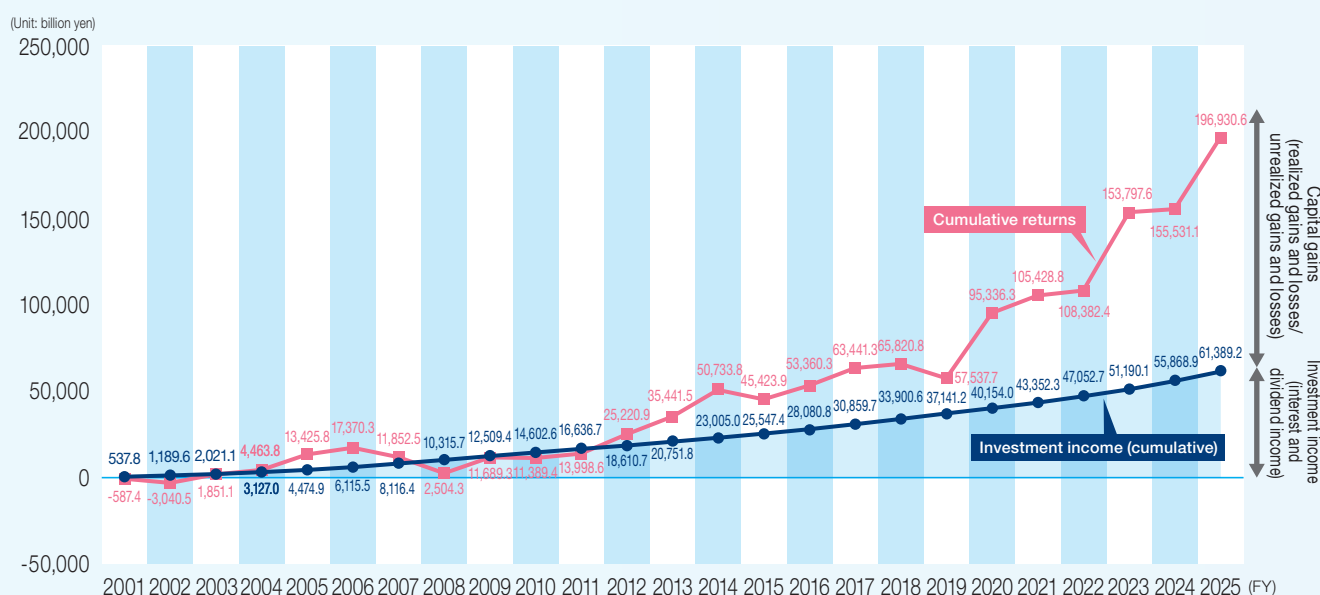
Note 1: The rate of return and investment returns are based on the market value as of the end of FY2025 and therefore include unrealized gains and losses.
Note 2: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

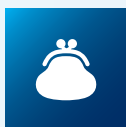
GPIF manages the pension reserve fund with a long-term perspective. While short-term portfolio returns are influenced by transient market fluctuations, it is vital to monitor investment results with a long-term horizon.

Regarding the investment of pension reserve funds, while market fluctuations may cause capital gains and losses (realized and unrealized gains and losses due to price fluctuations) in the short term, investment income (interest and dividend income) is relatively stable despite market volatility. GPIF has steadily generated investment income since FY2001.

GPIF's asset size is valued based on market price. Market price corresponds, for example, to the price at which assets would be expected to be sold on the market. While GPIF's asset size may vary significantly over the short term due to fluctuations in market prices, its mandate is to secure stable returns through long-term investing, as stated above.

Cumulative returns since FY2001





Impact on Public Pension Finance

► For details, refer to page 46.



Real return for the
entire pension
reserve fund

Investment results
(cumulative)

+4.33% [annual]

Under the Medium-Term Objectives established by the Minister of Health, Labour and Welfare, the investment target for the entire pension reserve fund (Note 1) is to secure a long-term real return (net yield on the pension reserve deducting the nominal wage growth rate) of 1.9% with minimum risk.

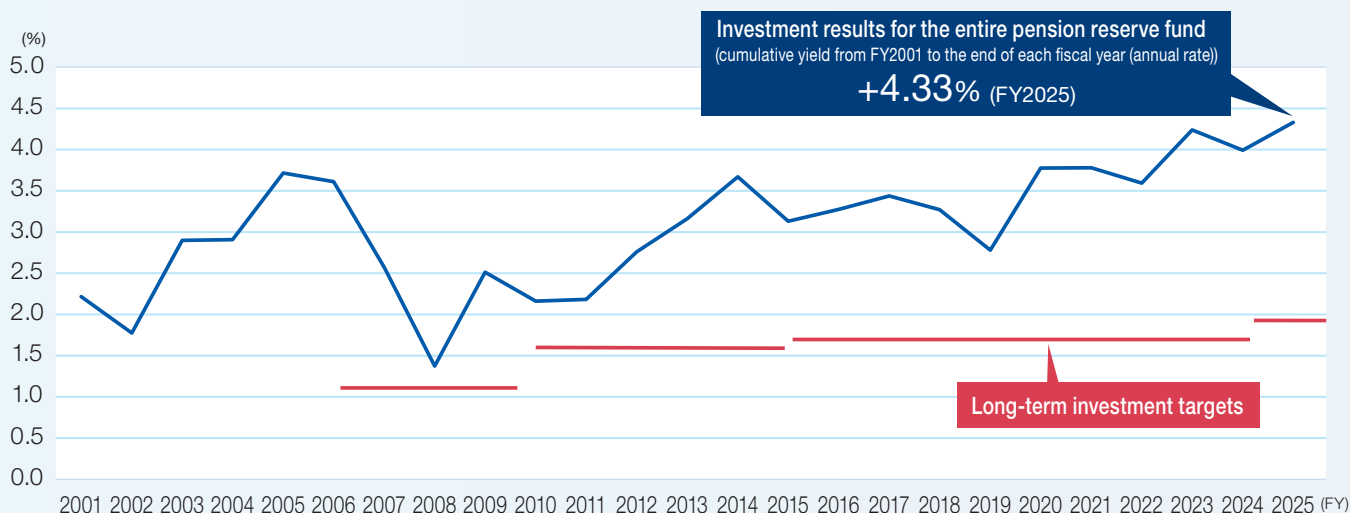
However, it should be noted that the target does not require GPIF to achieve a real return of 1.9% in each individual fiscal year.

Note 1: The entire pension reserve fund includes both the pension reserve fund managed by GPIF and the fund managed by the pension special account.

Note 2: The amount of public pension benefits is designed to increase roughly in parallel with the nominal wage growth rate over the long term. Therefore, the real investment return for the entire pension reserve fund is defined as the portion of returns that exceeds the nominal wage growth rate, as this portion of returns contributes positively to pension finance. Accordingly, GPIF evaluates the impact of investment results on pension finance based on the real return, which is obtained by deducting the nominal wage growth rate from the rate of investment return (nominal return on investment) for the entire pension reserve fund.

► For the role of pension reserve funds in pension finance, refer to pages 87-88.

Real return for the entire pension reserve fund (cumulative) since FY2001



Note 1: Real returns are calculated as $\{(1 + \text{nominal return on investment} \div 100) \div (1 + \text{nominal wage growth rate} \div 100)\} \times 100 - 100$.

Note 2: The nominal return on investment stated in Note 1 is the rate of investment return after deducting investment management fees, etc. (including interest expenses on borrowings in the inherited fund investment account up to FY2010). It is calculated by dividing the amount of returns for the entire pension reserve fund by the average balance of investment principal for the entire pension reserve fund: $\{\text{Assets under management at the end of the previous fiscal year} + (\text{assets under management} - \text{returns at the end of the current fiscal year}) \div 2\}$.

Note 3: The long-term investment target was the nominal wage growth rate plus 1.1% from FY2006 to FY2009, plus 1.6% from FY2010 to FY2014, and plus 1.7% from FY2015 to FY2024. From FY2025 onward, it is the nominal wage growth rate plus 1.9%.

Note 4: Calculations were made using the geometric mean of cumulative yields from FY2001 to the end of each fiscal year (annualized).

Review of FY2025 Investment Activities

In 2025, the market was supported by expectations for monetary easing, particularly in the U.S., and corporate performance has been generally stable. As a result, the equity market has remained stable with no major downturn. While there were several instances that drew attention to U.S. tariff policy and geopolitical risks, the effects were temporary and had no significant impact on the overall market trend. From March 2026 onward, attacks on Iran by the U.S. and Israel sparked concerns over a resurgence in inflation and an economic slowdown driven by higher energy prices. This resulted in a greater level of uncertainty about the future, leading to some risk-averse behavior in the market. Consequently, the rate of investment return for FY2025 was 16.47%, the total investment return was approximately JPY 41.4 trillion, and GPIF's asset size at the end of March was approximately JPY 293.6 trillion.

GPIF achieves international investment diversification through the Policy Asset Mix. The benefit of international investment diversification is that GPIF can incorporate the results of international economic growth through a wide range of asset classes and enjoy those benefits in a stable manner. In 2025, there were inflationary pressures stemming from tariff policies and supply chain restructuring, as well as concerns over an economic slowdown, leading to a stagflationary environment. Moreover, given that central bank balance sheets have not yet been sufficiently scaled back following the increase in public expenditure during the COVID-19 pandemic, there were expectations for both the private sector and public sectors to show greater demands for funding. This has been seen in the case of hyperscalers (IT service providers that run data centers and offer scalable cloud services) making large-scale investments and issuing large-scale corporate bonds, as well as in financial policies in Japan. As a result, volatility affected equity markets through increased interest rates, whereby at times the prices of equities and bonds declined simultaneously.

With the current Policy Asset Mix, GPIF cannot completely avoid the impact of stagflationary developments (such as equities and bonds decreasing in value simultaneously). Nevertheless, it will not lose the effectiveness of its investment diversification within its framework of long-term investment. Particularly at times when price fluctuations among its assets are unstable, it is crucial to make efforts to maintain the structure of its Policy Asset Mix through timely and appropriate rebalancing and while mitigating risks, to reap the benefits of its investment diversification over the long term.

While the degree of risk tolerance in rebalancing varies amongst the investment organizations, GPIF's Medium-Term Objectives require the securing of a sufficient rate of investment return through the Policy Asset Mix with a minimum necessary level of risk. Given the sheer size of assets entrusted, GPIF has pursued more sophisticated rebalancing practices based on its policy of minimizing unintended risks arising from market fluctuations.

The vital factor in rebalancing is managing relative risk against the Policy Asset Mix, in other words, maintaining control over tracking error (TE). A TE of zero means that its investment is completely in line with the Policy Asset Mix. However, realistically it is impossible to maintain a TE of zero amid market fluctuations. Moreover, as GPIF engages in multi-asset

management across four asset classes, this adds some degree of complexity to TE movements. GPIF developed a system that enables us to rapidly understand the status of its portfolio and utilize futures trading to secure liquidity, and a framework for rebalancing that brings the allocations close to 25% for each asset class (the portfolio ratio of the Policy Asset Mix). As the need to focus on risks during the execution process is recognized, GPIF has made continuous efforts to develop an optimized model that incorporates risk factors and correlations among the asset classes.

A key challenge in rebalancing is to strike an effective balance between risk mitigation and cost increase. Risk and cost are inversely related. If rebalancing is increased with an emphasis on risk reduction, costs would increase. Conversely, if rebalancing is decreased with an emphasis on cost, risk would increase. GPIF also has a need to consider the influence it has on the market; therefore, GPIF cannot carry out rebalancing solely to mitigate risk without paying attention to the market impact. Because GPIF may also incur greater costs if it itself is affected by the market impact, cost management is a crucial factor in achieving its objective of securing returns based on the Policy Asset Mix.

GPIF's assets under management increased from approximately JPY 150.6 trillion at the beginning of the 4th Medium-Term Objective Period (April 2020) to approximately JPY 293.6 trillion at the end of March 2026, making it increasingly difficult to secure a balance between risk and cost. GPIF will continue its efforts to enhance and optimize its rebalancing practices.

So far, I have described GPIF's rebalancing efforts to mitigate passive risks arising from market fluctuations. However, GPIF also manages active risks (through active investment strategies) to generate stable excess returns.

In its Medium-Term Plan, GPIF classifies alternative investments into one of the four asset classes in the Policy Asset Mix. Accordingly, it constructs proxy benchmarks that serve as the assessment criteria using policy benchmarks for the four asset classes and utilizes them for managing risk and excess returns. Previously, GPIF mainly focused on return characteristics when defining proxy benchmarks for each type of strategy regarding alternative investments. However, considering the relatively higher risk of alternative assets compared with traditional assets, GPIF increased the equity ratio (private equity managed with an equity ratio of 100%) from the middle of the 4th Medium-Term Objective Period (FY2020–FY2024). Since alternative investments tend to be heavily weighted towards foreign-currency assets, GPIF has strengthened its control of foreign exchange management to ensure that the foreign-currency exposure is maintained at a level consistent with that of the Policy Asset Mix.

Equity markets performed well in FY2025, making it a challenging year for alternative investments to generate excess returns relative to their proxy benchmarks. Given the characteristics of alternative assets, where GPIF uses fair value valuations, it takes a considerable amount of time to evaluate risk and return. However, GPIF believes that risk management, especially managing the relative risk (TE), is important given the 5th Medium-Term Objectives stipulates how it should evaluate alternative

investments from the perspective of gaining excess return relative to the Policy Asset Mix.

Alternative assets such as infrastructure, private equity, and real estate were traditionally thought to behave differently from listed assets. However, risks which span across both private and public markets are increasing, as seen in large-scale data center investments by hyperscalers and large-scale corporate bond issues. Risk assessment is not a simple matter when it comes to alternative assets. However, to properly assess and realize the benefits of investment diversification, it is crucial to enhance risk management, including not only the business risks of the investee but also its relationship with the Policy Asset Mix.

The market value of assets under management in alternative investment has expanded from JPY 0.9 trillion at the start of the 4th Medium-Term Objective Period to JPY 5.2 trillion at the end of FY2025. GPIF intends to enhance and strengthen its ability to identify and select high-quality funds and monitor funds after selection, as well as enhancing its risk management practices.

Regarding traditional assets, GPIF employed a portfolio strategy approach by using statistical methods to identify active funds with a high degree of stability and consistency in generating excess returns, and diversifying the sources of excess returns by combining multiple high-performing funds, while also incorporating passive funds to adjust the overall portfolio style risk to keep the risks low.

GPIF is currently managing its portfolios across four regions. In FY2025, excess returns were strongly positive in Japan, positive in North American stocks and developed country stocks (excluding North America), and negative in developed country stocks (excluding Japan). Its overall portfolio has maintained an information ratio (a measure calculated by dividing excess return by tracking error (TE), indicating the efficiency of active management) of approximately 1, indicating that it has been managed successfully. GPIF has expanded its regional portfolio management through quantitative evaluation of individual funds and a portfolio approach. Now, it has shifted from the portfolio construction stage to the maintenance and improvement stage based on the PDCA cycle. In FY2025, GPIF implemented several initiatives, including adjustments to its North American stocks portfolio to improve its risk profile, conducted additional fund selections to enhance the diversification effects in its developed country portfolio, and pursued additional selections in its domestic portfolio to improve diversification and adjust certain exposures. While GPIF has successfully established a process for fund selection and portfolio construction and adjustment, as well as achieved greater stability in portfolio risks, GPIF recognizes that monitoring has become a challenge as the number of funds has increased. We will continue to work on improving its portfolio management practices.

For its in-house yen-based bond strategy, which manages the overall interest rate risk related to its domestic bond portfolio, GPIF has strengthened its operational framework by directly participating in domestic government bond auctions, along with personnel reinforcement. GPIF also enhanced its market analysis, risk monitoring, and liquidity management capabilities. As a result, while overall domestic

bond earnings were negative against the backdrop of the Bank of Japan raising interest rates, and growing expectations for higher interest rates, GPIF was able to generate positive excess returns relative to the benchmark.

Meanwhile, it was a challenging year for obtaining excess returns with its domestic and foreign equity ESG index investments. While GPIF optimized its ESG index investments in line with the Sustainability Investment Policy established at the end of March 2025 by adjusting the allocation of its domestic and foreign ESG index investments, the portfolio generated negative excess returns for the fiscal year. In particular, its foreign equity ESG index investments generated negative excess returns throughout the fiscal year. Currently, GPIF is working to improve the portfolio through the additional selection of new indices and funds. It also plans to conduct further optimizations in its domestic equity ESG index investment portfolio. GPIF will continue to aim for long-term improvement of overall portfolio performance by mitigating sustainability-related risks and enhancing market sustainability, with the objective of achieving investment returns in line with the broader market.

Building a highly reproducible investment process requires a robust underlying system infrastructure and data. GPIF manages approximately 250 funds based on four policy benchmarks and approximately 80 manager benchmarks. GPIF has built a platform that understands the current portfolio situation by aggregating data such as indices and fund's net asset value (NAV) daily, and estimating the latest NAV close to real-time by reflecting the market data. For active equity strategies, GPIF built a system which can monitor approximately 100 funds on a daily basis. Additionally, it aims to collect data from funds which it currently does not invest in, and develop a platform that enables us to continuously monitor high-performing funds through quantitative analysis. For alternative assets, GPIF has started developing a data platform to collect data at both the fund and individual investment levels, and it is working to link this to its quantitative analysis.

To achieve its investment goals, GPIF has worked to enhance its investment capabilities by identifying and addressing challenges, strengthening the skills of its staff, recruiting new talented hires, and developing systems infrastructure that supports its investment operations. Nevertheless, GPIF will continue to address further challenges with the aim of building highly repeatable investment processes.

YOSHIZAWA Yusuke

Executive Managing Director
(Management and
Investment Operations) / CIO



Part 1 Management and Investment Results in FY2025

Chapter 1 Basic Approach to Management and Investment, and Investment Results

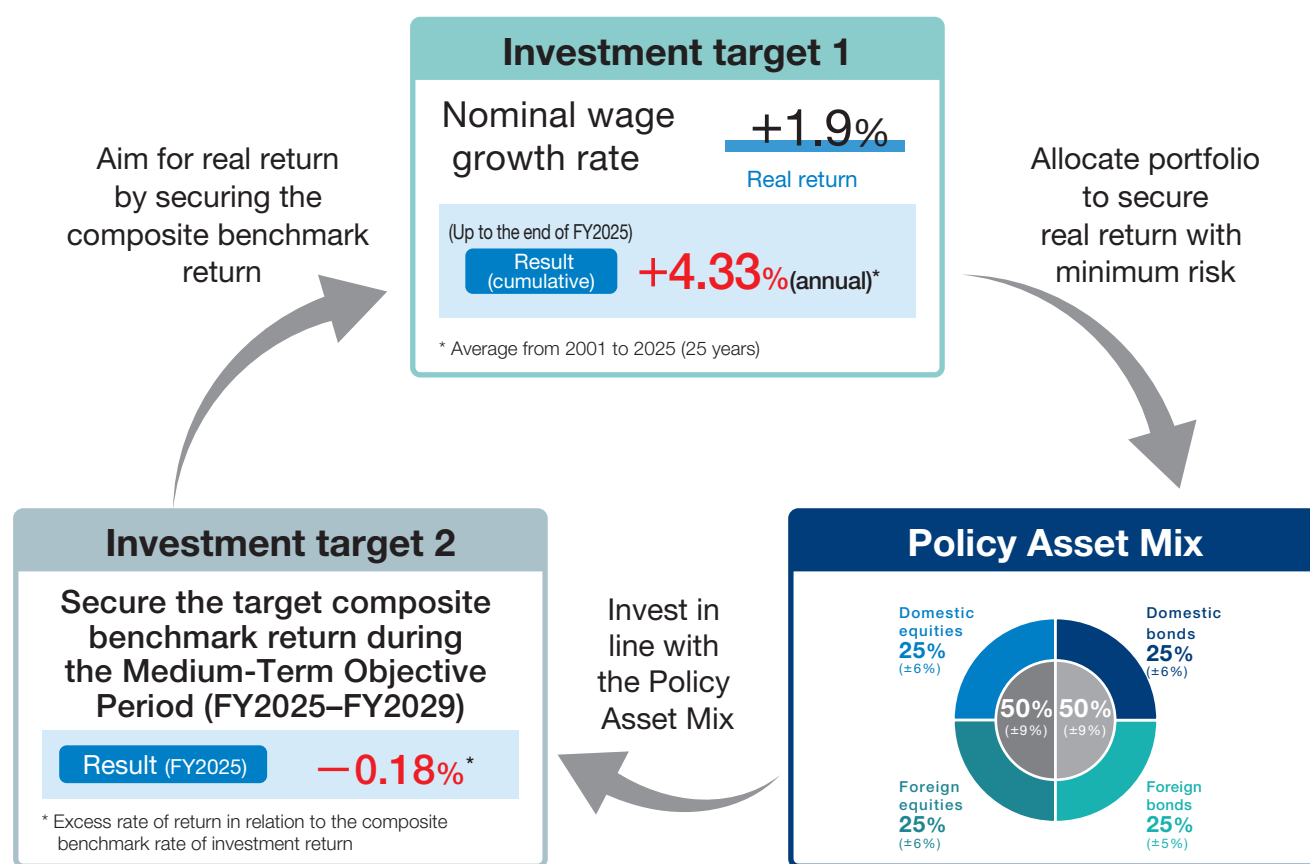
1 | Investment Targets

GPIF has been given investment targets by the Minister of Health, Labour and Welfare within its Medium-Term Objectives.

Firstly, the 5th Medium-Term Objectives from FY2025 to FY2029 state that GPIF should formulate and manage the Policy Asset Mix (asset allocation ratios from a long-term perspective for the management and investment of the

pension reserve fund) with the objective of achieving a long-term real return (net yield on the pension reserve deducting the nominal wage growth rate) of 1.9% with minimum risk.

In accordance with this, GPIF has formulated the Policy Asset Mix (for details, refer to 2 (pages 24–33)) and manages investments based on it.



Secondly, the 5th Medium-Term Objectives are securing benchmark returns. From the perspective of securing the market average rate of investment return, GPIF should secure the composite benchmark return for total assets (calculated as the weighted average of the benchmark returns for each asset, weighted by the Policy Asset Mix ratio) during the Medium-Term Objective Period. Furthermore, GPIF is required to strive to secure the composite benchmark return for total assets and the benchmark returns for each asset class.

Refer to 3[1] (page 34) for the asset size and portfolio allocation as of the end of FY2025, and 3[2] (pages 35–40) for details on investment results. Additionally, refer to 3[3] (pages 42–45) for the cumulative investment income from FY2001, when market investments of the pension reserve funds commenced.

As a result of these investment activities, the long-term real return is as described in 3[4] (page 46). Refer to 4 (pages 47–51) for details on risk management related to these investment activities.

2 | Overview of the Policy Asset Mix

[1] Overview of the Policy Asset Mix

In a long-term investment, it is known that maintaining a basic asset composition (Policy Asset Mix) over the long term is more efficient and yields a better result than changing a portfolio in response to short-term market fluctuations. The majority of long-term investment results are determined by the Policy Asset Mix.

GPIF invests based on a predetermined Policy Asset Mix with the aim of securing investment returns assumed for pension finances with minimum risk over the long term. To respond to market fluctuations, GPIF also defines a range of allowable deviations (deviation limits) from the Policy Asset Mix, a framework that enables flexible investment adjustments within the range.

There is a necessity to first determine the asset classes subject to investment when formulating the Policy Asset Mix. Asset classes are generally defined from perspectives such

as having different sources of returns, having different risk characteristics, and having low correlation between assets. Currently, the asset classes of the GPIF Policy Asset Mix are composed of four types: domestic bonds, foreign bonds, domestic equities, and foreign equities.

After asset classes are defined, it is standard practice to establish a Policy Asset Mix that meets investment targets and risk constraints, using the expected returns, risks, and correlations of each asset. Regarding the management and investment of assets, GPIF estimates the expected returns, risks, and correlations of each asset based on generally recognized specialized knowledge and defines a Policy Asset Mix that meets investment targets and risk constraints to achieve the investment return required for pension finance over the long run at the minimum risk.

[2] Background of Policy Asset Mix formulation

The Japanese public pension scheme (Employees' Pension Insurance and National Pension) is operated based on a pay-as-you-go system in which pension premiums collected from the working generation support the elderly generation. Given Japan's declining birthrate and aging population, funding pension benefits solely by premiums from the working generation would place an unduly excessive burden on this group. Pension reserve funds managed by GPIF will therefore be used to supplement payouts to future generations.

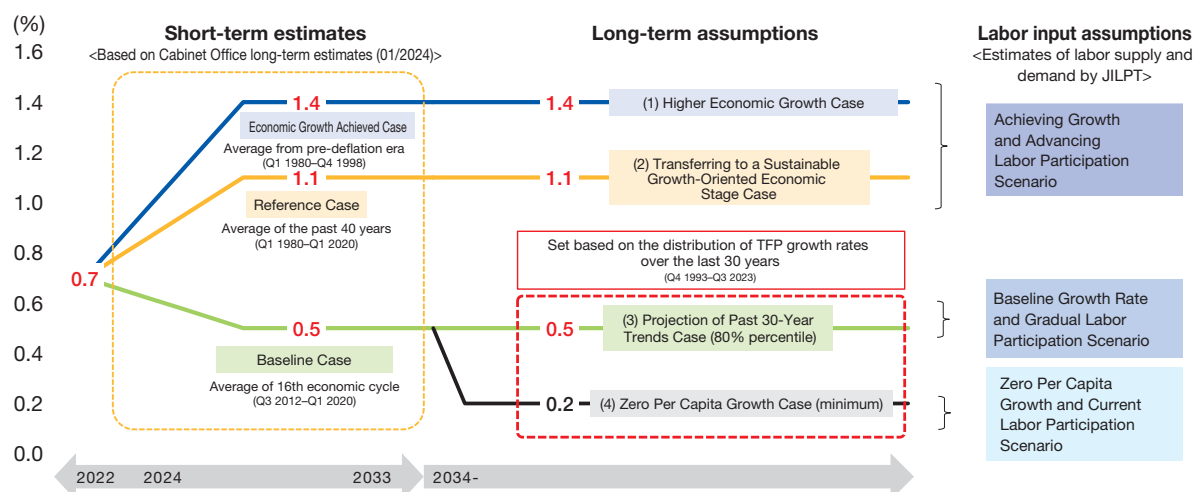
Under this framework, the Ministry of Health, Labour and Welfare (MHLW) carries out an assessment of the current status and outlook (the so-called "Actuarial Valuation") at least every five years based on the outlook for population and economic trends. The most recent Actuarial Valuation conducted in 2024 included four cases that cover a broad scope. The valuation focused particularly on Total Factor Productivity (TFP) growth rate (technological advances, etc.), a critical factor in making long-term economic assumptions.

The investment targets underpinning the GPIF Policy Asset Mix are set in the Medium-Term Objectives established by the Minister of Health, Labour and Welfare as the returns on investment necessary for pension finances. In setting the returns on pension reserve funds underpinning the Policy Asset Mix for the 5th Medium-Term Objective Period, the MHLW first made use of the average investment results of GPIF as the returns on investment in the 2024 Actuarial Valuation, thus setting the real return (spread) at 1.3–1.7%. The MHLW also took into account the level of returns on investment that can reasonably be expected in the future from GPIF investments. Specifically, as a result of back-testing, the MHLW set GPIF investment targets based on the returns on investment assuming that the Policy Asset Mix for the 4th Medium-Term Objective Period had been used for investments from the time when the pension reserve fund began to be invested on the market. Based on this, the MHLW set a real return of 1.9% as the GPIF's investment target for the 5th Medium-Term Objective Period.

Note: For more information on GPIF's investment objectives, refer to the deliberations on GPIF's Medium-Term Objectives at the Committee of Pension Fund Management of the Social Security Council (https://www.mhlw.go.jp/stf/shingi/shingi-hosho_439756.html). (* Available in Japanese language only.)

Long-term economic assumptions in the FY 2024 Actuarial Valuation

Total Factor Productivity (TFP) growth rate



2024 actuarial valuation: Long-term economic estimates for 2034 onward

		Estimates about the future economy		Economic estimates				(Reference)	
		Labor force participation rate	Total Factor Productivity (TFP) growth rate	CPI increase rate	Real wage growth rate (relative to CPI)	Rate of return on investment		Real economic growth rate	Real economic growth rate per capita
						Real (relative to CPI)	Spread (relative to wages)		
Higher Economic Growth Case	Linked to scenario with growth in medium- to long-term estimates	Achieving Growth and Advancing Labor Participation Scenario	1.4%	2.0%	2.0%	3.4%	1.4%	1.6%	2.3%
Transferring to a Sustainable Growth-Oriented Economic Stage Case	Linked to reference scenario in medium- to long-term estimates		1.1%	2.0%	1.5%	3.2%	1.7%	1.1%	1.8%
Projection of Past 30-Year Trends Case (80% percentile)	Linked to baseline scenario in medium- to long-term estimates	Baseline Growth Rate and Gradual Labor Participation Scenario	0.5%	0.8%	0.5%	2.2%	1.7%	-0.1%	0.7%
Zero Per Capita Growth Case		Zero Per Capita Growth and Current Labor Participation Scenario	0.2%	0.4%	0.1%	1.4%	1.3%	-0.7%	0.1%

Note: The above charts were created by GPIF based on the results of the MHLW's 2024 Actuarial Valuation. For details on the 2024 actuarial valuation, refer to the MHLW webpage (<https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/nenkin/nenkin/zaisei-kensyo/index.html>). (https://www.mhlw.go.jp/content/2024_Actuarial_Valuation.pdf)

[3] Current Policy Asset Mix (effective from April 2025)

GPIF's current Policy Asset Mix is set to achieve the investment objective of a real return (net yield on the pension reserve deducting the nominal wage growth rate) of 1.9% with minimum risks, and has been effective since April

2025. In addition to deviation limits set for each of the four asset classes, the deviation limits for bonds as a whole and equities as a whole continue to be set in order to strengthen equity risk management.

Note: For details of the current and previous Policy Asset Mixes, refer to the GPIF website (<https://www.gpif.go.jp/gpif/portfolio.html>).

(* Available in Japanese language only.)

Current Policy Asset Mix

(From April 2025)

(Unit: %)

	Domestic bonds	Foreign bonds	Domestic equities	Foreign equities
Portfolio allocation	25	25	25	25
Permissible range of deviation (four classes)	±6	±5	±6	±6
Permissible range of deviation (bonds/equities)	±9		±9	

Note 1: Alternative assets (infrastructure, private equity, real estate, and other assets to be approved by the Board of Governors) are classified as domestic bonds, domestic equities, foreign bonds, and foreign equities based on their risk-return profiles, and the ratio of such assets in GPIF's total portfolio is limited to 5%. However, exceeding the 5% upper limit due to changes in the economic and market environment may be permitted upon deliberation and approval by the Board of Governors.

Note 2: Foreign bonds with currency hedges and short-term yen assets are classified as domestic bonds, and short-term non-yen assets are classified as foreign bonds.

Note 3: In light of the recent trend of rapid changes in the economic and market environment, tactical investment is permitted within the deviation limits set for the Policy Asset Mix, taking into account the appropriate market forecasts. However, such forecasts must be based on rational grounds.

Previous Policy Asset Mixes

(April 2006 to June 2013)

(Unit: %)

	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities	Short-term assets
Portfolio allocation	67	11	8	9	5
Deviation limits	±8	±6	±5	±5	-



(June 2013 to October 2014)

(Unit: %)

	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities	Short-term assets
Portfolio allocation	60	12	11	12	5
Deviation limits	±8	±6	±5	±5	-



(October 2014 to March 2020)

(Unit: %)

	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities
Portfolio allocation	35	25	15	25
Deviation limits	±10	±9	±4	±8



(April 2020 to March 2025)

(Unit: %)

	Domestic bonds	Foreign bonds	Domestic equities	Foreign equities
Portfolio allocation	25	25	25	25
Permissible range of deviation (four classes)	±7	±6	±8	±7
Permissible range of deviation (bonds/equities)	±11		±11	

[4] Details of the Policy Asset Mix formulation

① Descriptions in the Medium-Term Objectives

The 5th Medium-Term Objectives for the five-year period from FY2025 to FY2029, established by the Minister of Health, Labour and Welfare, include the following investment objectives for GPIF's pension reserve fund:

- Based on the Actuarial Valuation and on the return on investment levels that GPIF can rationally expect going forward, GPIF should formulate and manage the Policy Asset Mix with the objective of securing a long-term real return (net return on the pension reserve deducting the nominal wage growth rate) of 1.9% with minimum risk.
- The Policy Asset Mix must be aligned with the investment objectives and be formulated from a long-term perspective based on forward-looking risk analysis. It should incorporate generally recognized investment expertise as well as domestic and overseas economic trends

regarding management and investment, while taking the model portfolio (for the details, refer to page 31) into consideration.

- The risk that the Policy Asset Mix underperforms the nominal wage growth rate should be smaller than the risk that a portfolio comprised solely of domestic bonds underperforms the nominal wage growth rate, and appropriate consideration should be given to the chance that the downward risks of equities may be larger than expected.
- The probability that GPIF's reserve fund may become smaller than the planned pension reserve funds should be properly evaluated and a thorough analysis of multiple risk scenarios should be conducted.

② Policies for the Policy Asset Mix formulation

Based on the results of the actuarial valuation, the Medium-Term Objectives, and recent economic conditions, GPIF

established the following policies when formulating the Policy Asset Mix for the 5th Medium-Term Objective Period.

- GPIF used multiple methods to estimate expected returns rather than a single method in order to estimate more precisely. In addition to the return estimated using the building block method^(Note 1), GPIF also took into account the equilibrium return^(Note 2) deemed intrinsic to market capitalization.
- Policy benchmarks^(Note 3) were used to estimate expected returns, risks, and correlations. Policy benchmarks were set based on the investment environment in terms of the liquidity and tax rates across various countries when investing in various overseas assets.
- In the 2024 actuarial valuation, four economic cases expressing a broad range of future economies as economic assumptions were set. GPIF thus estimated the expected returns for each asset class in each economic case and confirmed that the Policy Asset Mix can secure the investment return assumed for the pension finances.
- GPIF used monthly data to estimate the risk and correlation of each asset class and sought to improve the precision of estimates. As the levels of risk and correlation varied at the beginning, middle, and end of each month, GPIF took averages over the entire month. Elsewhere, as it is appropriate to treat wage growth rates as annual rates of increase, GPIF used annual data to estimate the risk of wage growth rates and the correlation with each asset class. GPIF also applied a lag to wage growth rates in estimating the correlation between wage growth rates and each asset class, as it takes time for company earnings to be reflected in wages and wage movements tend to lag behind stock prices.
- The improved estimation method for expected returns enhances the accuracy of the optimization and is likely to result in a better target allocation. Therefore, GPIF decided to eliminate the constraint on relative asset class size.
- The risk constraint used in the optimization included the requirement that the risks of the Policy Asset Mix falling below the nominal wage growth rate (lower partial probability) do not exceed that of an "all-domestic bond" portfolio, just as before. GPIF also used the average shortfall rate in case the return is below the nominal wage growth rate (conditional average shortfall rate) in order to measure the risks when optimizing the portfolio.
- Looking at the pension reserve assets' nominal accumulation trends in the actuarial valuation, while asset sizes will peak out at different points in different scenarios, GPIF expects that the investment policy can be maintained without withdrawing the reserve principals for the next 50 years or so. The peak of the size of nominal reserve assets is a critical point in investment operations, as it means that investment income alone will not be able to cover cash payouts after the peak. Given that, GPIF analyzed reserve asset trends based on the Policy Asset Mix over the next 50 years and compared them with planned reserve assets in the actuarial valuation.
- Taking into account the fact that there are cases where the downside probability of equity prices, for example, may be greater than expected, GPIF performed risk analysis using empirical distributions and stress testing.
- GPIF confirmed that the Policy Asset Mix was included in the range of the median of the model portfolio.
- Furthermore, in formulating the current Policy Asset Mix, in light of the current low interest rate environment, short-term yen assets and foreign bonds with currency hedges are classified as domestic bonds, as they are considered to have similar risk-return characteristics to domestic bonds. Short-term non-yen assets are also classified as foreign bonds.

Note 1: The building block method estimates the expected return for each asset class by adding together estimates for expected short-term interest rates and the risk premium (i.e., compensation for taking risk) for each individual asset class. Historical data for policy benchmarks were used to estimate risk premiums.

Note 2: The equilibrium return rate is the implied market return derived from reverse calculation using global market capitalization, risk, and correlations for each asset class.

Note 3: GPIF calls the benchmark used for the Policy Asset Mix formulation a policy benchmark. The policy benchmarks are as shown below.

Asset class	Policy benchmark
Domestic bonds	NOMURA-BPI (excl. ABS)
Foreign bonds	FTSE World Government Bond Index (excl. Japan and China, unhedged, JPY basis)
Domestic equities	TOPIX (incl. dividends)
Foreign equities	MSCI ACWI (excl. Japan and China A, JPY basis, incl. dividends, after accounting for GPIF dividend tax factors)

③ Assumptions of the expected return of each asset, the inflation rate, and the wage growth rate

The expected returns of domestic bonds, domestic equities, foreign bonds, and foreign equities were configured for the four economic cases in the Actuarial Valuation. Each case was estimated using the building block method^(Note 1), in which a risk premium is added to short-term interest rates

and combined with the equilibrium return rate^(Note 2) deemed intrinsic to market capitalization.

Assumptions regarding the inflation rate and nominal wage growth rate were based on the four cases in the Actuarial Valuation.

Note 1: The building block method estimates the expected return for each asset class by adding together estimates for expected short-term interest rates and the risk premium (i.e., compensation for taking risk) for each individual asset class. Historical data for policy benchmarks were used to estimate risk premiums. (refer to Note 3 in “(2) Policies for the Policy Asset Mix formulation”).

Note 2: The equilibrium return rate is the implied market return derived from reverse calculation using global market capitalization, risk, and correlations for each asset class.

GPIF employed multiple methods in setting the expected returns of the four asset classes for the four economic cases in the actuarial valuation and carried this out as per patterns A, B, and C below. For details on each scenario, refer to page 25.

Under Pattern A, the expected short-term interest rate of the “Projection of Past 30-Year Trends Case” was set to the average value of short-term interest rates actually seen over the past 30 years. The expected short-term interest rates for the other three cases were set by adjusting from the “Projection of Past 30-Year Trends Case” only by the difference in the assumed nominal wage growth rate.

Under Pattern B, expected short-term interest rates for a “Projection of Past 30-Year Trends Case” and a “Transferring to a Sustainable Growth-Oriented Economic Stage Case” were assigned in the same way as in Pattern A. The expected short-term interest rate for the “Higher Economic Growth Case” was set to values adjusted to be greater than the difference in the nominal wage growth rate

assumptions between this case and the “Projection of Past 30-Year Trends Case.” The short-term interest rate in June 2016, the historic low-water mark for short-term interest rates, was used as the expected short-term interest rate for the “scenario with zero Per Capita Growth Case.”

Under Pattern C, GPIF changed the risk premium as well as the short-term interest rate. Short-term interest rates for the “Projection of Past 30-Year Trends Case” were assigned in the same way as for Pattern A. The short-term interest rates for the other three cases were set to values adjusted from the “Projection of Past 30-Year Trends Case” only by the difference with the assumed rate of inflation. The risk premium for equities is higher (lower) than the increase (decrease) in wages, whereas the risk premium for bonds is not. Applying this relationship, GPIF adjusted the risk premium based on the difference in real wage growth assumptions for each case.

The table shown below is an example of Pattern A.

Reference: The relationship between short-term interest rates and wage growth rates

Using past data to examine the relationship between short-term interest rates and wage growth rates, GPIF finds that over the period from 1985 to 2024, a 1% increase in wages led to a 1% increase in short-term interest rates. Pattern A applies this relationship uniformly to all cases.

On the other hand, the relationship between wages and

short-term interest rates is observed differently depending on the period. Over the period from 1985 to 1998, which includes periods when the economy was relatively strong, a 1% increase in wages was seen to lead to more than a 1% increase in short-term interest rates. Pattern B applies this relationship to the “Higher Economic Growth Case.”

Expected return of each asset and wage growth rate (Pattern A)

(Unit: %)

Economic estimates	Short-term interest rate	Domestic bonds	Foreign bonds	Domestic equities	Foreign equities	Real wage growth rate
Scenario with strong economic growth	-1.1 (2.9)	-0.8 (3.2)	0.9 (4.9)	3.5 (7.5)	4.1 (8.1)	(4.0)
Scenario with a growth-oriented economy	-1.1 (2.4)	-0.8 (2.7)	0.9 (4.4)	3.5 (7.0)	4.1 (7.6)	(3.5)
Scenario that repeats the past 30 years	-1.1 (0.2)	-0.8 (0.5)	0.9 (2.2)	3.5 (4.8)	4.1 (5.4)	(1.3)
Scenario with zero growth per capita	-1.1 (-0.6)	-0.8 (-0.3)	0.9 (1.4)	3.5 (4.0)	4.1 (4.6)	(0.5)

Note: The numbers on the upper row indicate real returns relative to wage growth rates; those in parentheses on the lower row indicate nominal returns. This is an example of estimated values for expected returns for each of the four cases (Pattern A).

④ Standard deviation and correlation of each asset

The standard deviation and correlation of each asset were estimated by using monthly returns for the 30 years from April 1994 (after the collapse of the bubble economy) to March 2024. Since monthly returns vary depending on the calculation starting date, the risk and correlation were averaged out among various cases where the calculation starting date was changed between the 1st day and 30th

day of each month.

Since it is appropriate to consider the wage growth rates as annual rates of increase, the correlation between the wage growth rates and the four asset classes was estimated using annual returns^(Note 1). Since wage growth rates lag behind equity indexes by approximately one year, a twelve-month lag was applied to wage growth rates^(Note 2).

Note 1: Historical wage data is based on the standard monthly remuneration amount.

Note 2: The wage growth rate in FY2024 was extrapolated using the economic assumptions in the actuarial valuation.

Risk (Standard deviation)

(Unit: %)

Domestic bonds	Foreign bonds	Domestic equities	Foreign equities	Real wage growth rate
2.60	9.72	19.19	20.35	0.94

Correlation

	Domestic bonds	Foreign bonds	Domestic equities	Foreign equities	Real wage growth rate
Domestic bonds	1	0.073	-0.254	-0.125	-0.110
Foreign bonds		1	0.271	0.560	0.193
Domestic equities			1	0.692	0.537
Foreign equities				1	0.619
Real wage growth rate					1

Note: When various assets with different risk-return profiles are combined, the expected return of such a portfolio is the weighted average of the expected returns of the assets, while the risk (standard deviation) of the portfolio can be smaller than the weighted average risk of the individual assets. This is called the “diversification effect.” GPIF aims to achieve stable investment returns by diversifying investments into multiple types of assets that have different characteristics and price fluctuations. For details, refer to the website: <https://www.gpif.go.jp/gpif/> (* Available in Japanese language only.)

⑤ Selection of the Policy Asset Mix

The Policy Asset Mix was selected as follows

- Based on the expected returns (Pattern A), risks, and other factors of the four asset classes, GPIF identified a variety of portfolios and estimated each portfolio's expected return, risk (standard deviation), probability that the return is below the nominal wage growth rate (“lower partial probability”), and the average shortfall rate when the return is below the nominal wage growth rate (“conditional average shortfall rate”).
- Based on the estimation result of many portfolios, GPIF selected a portfolio that achieves the investment return assumed for pension finances (real return of 1.9%), has a “lower partial probability” smaller than that of an all-domestic-bond portfolio, and has the smallest “conditional average shortfall rate.”

GPIF confirmed that the Policy Asset Mix will continue to be comprised of assets with 5% increments and will be included within the median range of the Model Portfolio. GPIF also confirmed that the Policy Asset Mix can achieve the investment return assumed for pension finances (real return of 1.9%) necessary for the pension finances under any economic conditions, regardless of whether Pattern A, B, or C is used as the expected return estimates for the four asset classes.

Profile of the Policy Asset Mix

(Unit: %)

Real return	Nominal return	Standard deviation	Lower partial probability	Conditional average shortfall rate		Average shortfall rate	CVaR (5%)	CVaR (1%)
				Normal distribution	Empirical distribution			
1.9	2.4~5.9	10.34	42.3	-7.2	-8.5	-3.0	-18.3	-24.2

Reference: Profile of an all-domestic-bond portfolio

(Unit: %)

-0.8	-0.3~3.2	2.60	60.8	-2.6	-2.7	-1.6	-6.7	-8.4
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Note: GPIF also conducted a simulation for the conditional average shortfall rate by using the empirical distribution, in addition to the normal distribution, with consideration that equities may have a larger downside probability (tail risk). The empirical distribution is an estimation from realized returns over the 30-year period from April 1994 to March 2024.

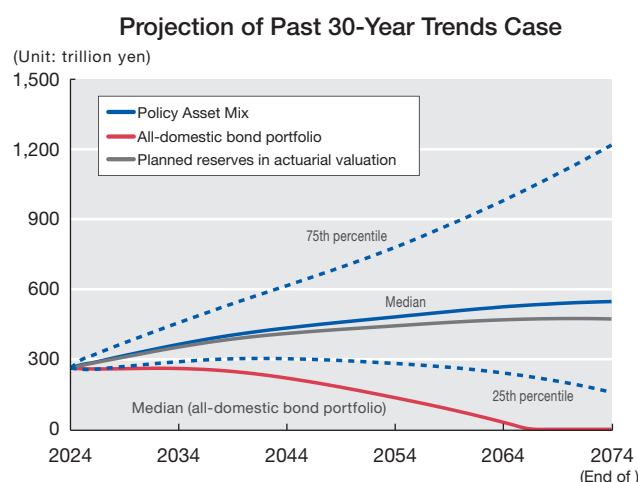
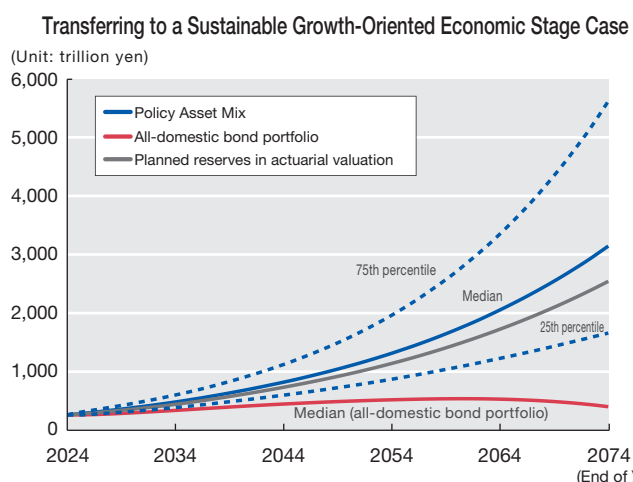
⑥ Risk assessment on the Policy Asset Mix

In order to assess the magnitude of the risk that GPIF's pension reserve fund falls below the level of planned reserves in the pension finances, GPIF conducted numerical simulations one million times by stochastic calculation using random numbers based on the expected return, standard deviation, and correlation of each asset, examined the distribution of future trends in the pension reserves when investing in accordance with the Policy Asset Mix, and compared the results with the planned reserves in the actuarial valuation (a "Transferring to a Sustainable Growth-Oriented Economic Stage Case" and a "Projection of Past 30-Year Trends Case").

This simulation indicates that the median size of pension reserve funds exceeded the planned reserves in both the 25th and 50th years, with a 41–46% probability of falling below the planned reserves. On the other hand, the simulation shows that the pension reserve funds with an all-domestic bond portfolio consistently resulted in reserves below the planned level.

Considering the overall aspects described above, such as lower partial probability and conditional average shortfall rate, the current Policy Asset Mix is the most efficient portfolio that minimizes downside risk while achieving the investment objectives.

Comparison with the amount of planned pension reserve funds



Probability of falling below planned pension reserve funds (risk)

Transferring to a Sustainable Growth-Oriented Economic Stage Case
(Unit: %)

	As of end of 2049 (25 years later)	As of end of 2074 (50 years later)
Policy Asset Mix	40.6	40.8
All-domestic bond portfolio	99.8	100.0

Projection of Past 30-Year Trends Case
(Unit: %)

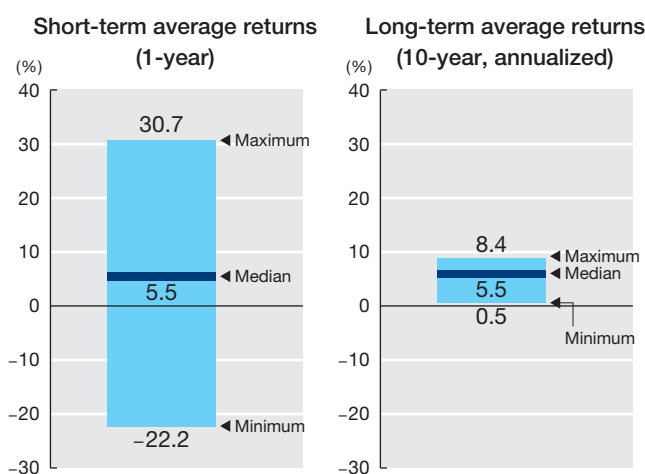
	As of end of 2049 (25 years later)	As of end of 2074 (50 years later)
Policy Asset Mix	45.7	45.8
All-domestic bond portfolio	99.9	100.0

⑦ Verification based on various risk measures (stress tests) (conducted in FY2024)

Using past policy benchmark data, GPIF checked the distribution of short-term (1-year) and long-term (10-year) returns that would have arisen from investing under the Policy Asset Mix. GPIF found that while 1-year returns were volatile, 10-year annualized returns were all positive, and that the minimum return was 0.5%.

GPIF analyzed the returns of investing under the Policy Asset Mix and all-domestic bond portfolio using benchmark data during past stress phases such as Black Monday (1987), the bursting of the dot-com bubble (2000), and the Global Financial Crisis (2008), among others. Investing under the Policy Asset Mix, the maximum temporary loss would have been -33.0% at the time of the Global Financial Crisis. On the other hand, in the case of the all-domestic bond portfolio, the maximum temporary loss would have been -4.7% when the Japanese asset price bubble burst.

However, GPIF confirmed that, in all stress scenarios, the cumulative real return declined temporarily and then largely recovered to expected levels as markets recovered.



Note 1: The average return is calculated assuming that the portfolio is rebalanced to the current Policy Asset Mix at the end of each fiscal year.

Note 2: The analysis period is 39 years from April 1985 to March 2024.

Note: However, with the passage of time since the occurrence of a shock, the market suffers not only the

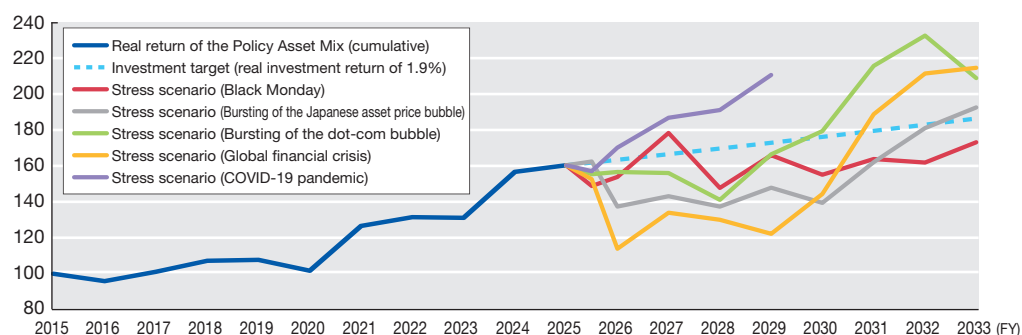
direct impacts of the shock itself, but also various impacts from the economic situation.

Nominal return on investment in past stress phases

(Unit: %)

Past stress phases	Policy Asset Mix	All-domestic bond portfolio
September 1987–December 1987 (Black Monday)	–14.8	5.9
December 1989–September 1990 (Bursting of the Japanese asset price bubble)	–16.9	–4.7
March 2000–September 2001 (Bursting of the dot-com bubble, incl. 9/11 attacks)	–9.9	5.3
December 2007–February 2009 (Global financial crisis)	–33.0	3.0
November 2019–March 2020 (Early stage of the COVID-19 pandemic)	–9.1	–0.7

Actual and estimated real rate of investment return (cumulative)



Note: The vertical axis is the actual cumulative rate of investment return indexed by setting the actual value as of the end of March 2015 as 100.

(Column) Model Portfolio

Since the unification of the employees' pension schemes in October 2015, the four management and investment entities (GPIF, the Federation of National Public Service Personnel Mutual Aid Associations, the Pension Fund Association for Local Government Officials, and the Promotion and Mutual Aid Corporation for Private Schools of Japan) jointly established a model portfolio, and each entity's Policy Asset Mix takes this model portfolio into consideration.

The model portfolio is to be reviewed and revised as necessary when the Government of Japan conducts an actuarial valuation or in other relevant circumstances. After the 2024 actuarial valuation, the four management and investment entities conducted a review and agreed on a new model portfolio, effective April 1, 2025, as follows:

(Unit: %)

Asset	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities
Model portfolio	25	25	25	25
Range of median	Above±6	Above±6	Above±5	Above±6

[5] Verification of the Policy Asset Mix

① Descriptions in the Medium-Term Plan

Regarding GPIF's Policy Asset Mix, GPIF annually verifies, in a timely and appropriate manner, whether the investment environment assumed when the Policy Asset Mix was formulated may have changed significantly. When deemed necessary by the Board of Governors, GPIF considers whether to review the Policy Asset Mix and promptly revises it as necessary, even during the Medium-Term Objective Period.

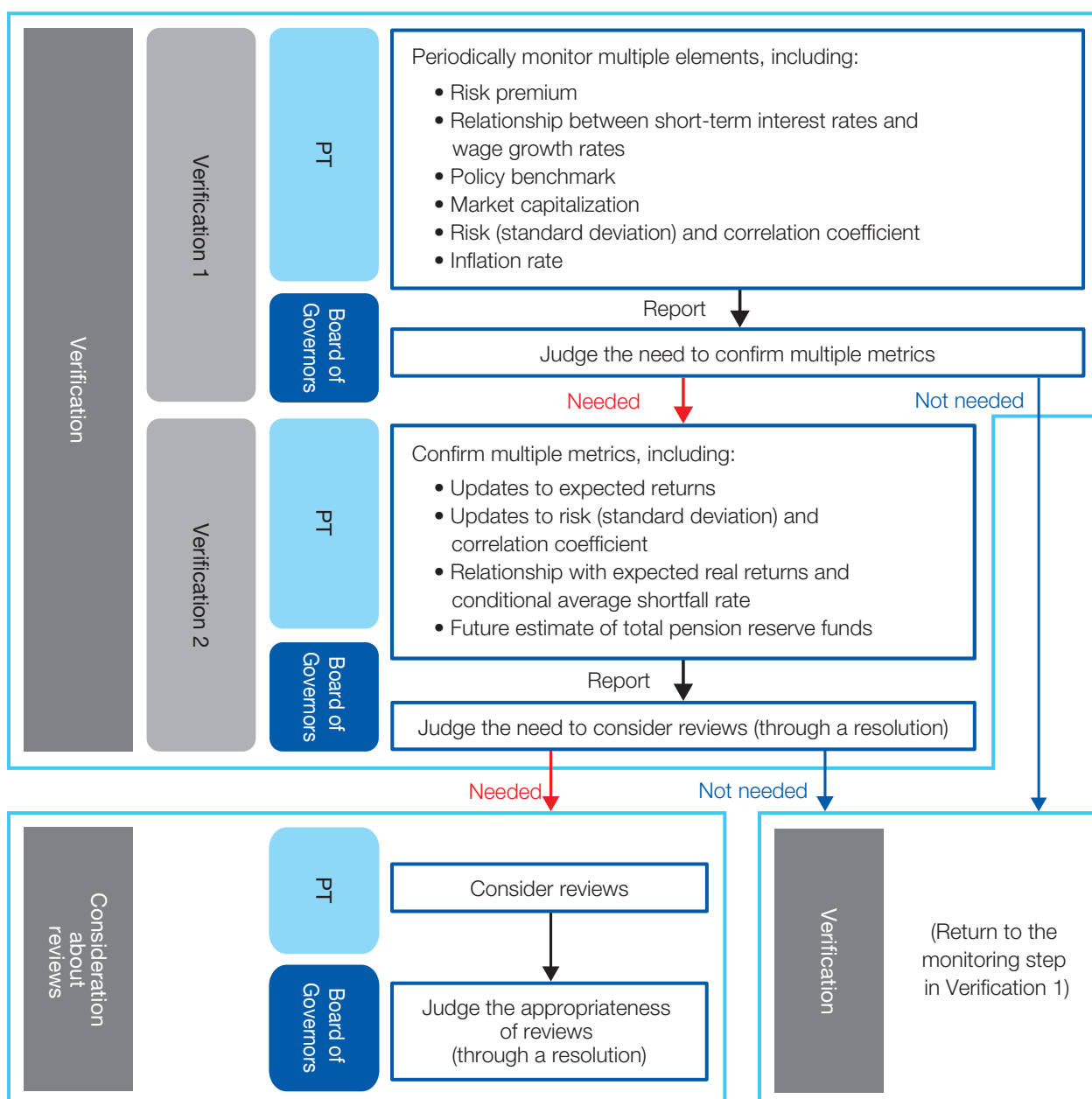
② Verification framework

In order to conduct timely and appropriate annual verification of the Policy Asset Mix, the Policy Asset Mix Verification Project Team ("PT") has been established under the Board of Governors to conduct practical verification and other

tasks regarding the Policy Asset Mix. The PT is composed of members of the Board of Governors, with members possessing specialized expertise in the financial and economic field at its core.

③ Methods of verification

As a new Policy Asset Mix was applied in FY2025, the PT also reviewed the verification methods accordingly. Regarding verification for the 5th Medium-Term Objective Period, the PT carried over the framework from the 4th Medium-Term Objective Period, which includes the two-stage framework of Verification 1 and 2 (described later), while reviewing the indicators to be monitored in Verification 1, along with other activities.



a. Verification 1

- In formulating the Policy Asset Mix, GPIF estimated expected returns, risks (standard deviation), and correlation. Furthermore, in order to estimate expected returns under the premise of multiple economic scenarios, GPIF investigated the relationship between short-term interest rates and wage growth rates. Therefore, GPIF regularly monitors elements such as the equilibrium return rate and risk premium using the building block method, which are components of expected returns, as well as risk, correlation, and the relationship between short-term interest rates and wage growth rates, and other relevant indicators.
- As a result of regular monitoring, if changes in various indicators are observed and there is a possibility that the investment environment has undergone a significant change from that assumed at the time of formulation, the PT shall report to the Board of Governors.

b. Verification 2

- Within regular monitoring (Verification 1), when the PT reports that changes in various indicators have been observed and there is a possibility that the investment environment has undergone a significant change from that assumed at the time of formulation, the Board of Governors will deliberate whether to conduct a verification based on confirmation of various metrics, such as updates to expected returns, risks (standard deviations), and correlations; confirmation of the relationship between real expected returns and conditional average shortfall rates; and estimates of future pension reserve funds.
- As a result of the deliberation, if it is decided that verification is required, such as updates to expected returns and other elements, the PT will conduct the verification and report the results to the Board of Governors.
- Based on the PT report, the Board of Governors will determine whether to conduct a review of the Policy Asset Mix.
- Based on the decision made by the Board of Governors, the PT shall deliberate on the review of the Policy Asset Mix and report the results of the deliberation to the Board of Governors.
- Based on the deliberation results of the PT, the Board of Governors shall promptly revise the Policy Asset Mix, as necessary.
- As a result of regular monitoring (Verification 1), even if there does not appear to be a possibility that the investment environment will undergo a significant change from that assumed at the time of formulation, the PT will still report the status of monitoring to the Board of Governors at least once a year. Based on the PT's reports, the Board of Governors shall decide whether there is a need to conduct verification by confirming various metrics, such as updates to expected returns.

④ Verifications in FY2025

First, in FY2025, the reviewed verification methods described in (3) were reported to the Board of Governors. Furthermore, as a result of Verification 1, GPIF concluded that the investment environment had not necessarily undergone a significant change from that assumed at the

time of formulation. Therefore, it was decided that there was no necessity to conduct Verification 2, which is verification of updates to expected returns, or to conduct a review of the Policy Asset Mix.

3 | Investment Results

[1] Asset size and portfolio allocation

GPIF believes that conducting long-term fund investments based on the Policy Asset Mix, which was explained in 2 (pages 24–33), is effective. As a result of investment management, as of the end of March 2026, the asset size and portfolio allocation were as seen in the graph below.

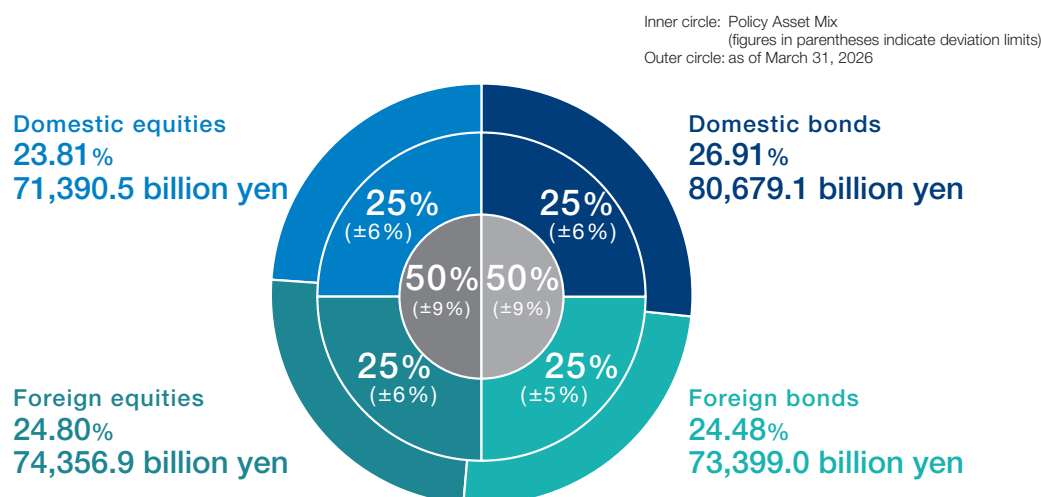
“Conducting investments based on the Policy Asset Mix” refers to investment management that aligns portfolio allocation with the Policy Asset Mix through rebalancing (such as replacing assets), which requires a prompt and accurate understanding of asset status. As equity prices, bond prices, and exchange rates are constantly fluctuating, GPIF is developing advanced systems that can reflect real-

time market data.

Furthermore, as the market value of GPIF's assets is immense, careful execution is required to conduct rebalancing without causing a significant impact on the market. In order to secure liquidity, GPIF is advancing measures such as leveraging various futures trading and executing investments flexibly while carefully assessing market trends.

Along with such enhancements to investment management, GPIF is also reinforcing its framework, which includes strengthening risk management (refer to pages 47–51 regarding risk management).

Asset size and portfolio allocation (overall pension reserve fund)



	Market value (billion yen)	Portfolio allocation (four classes)	Portfolio allocation (bonds/equities)
Domestic bonds	80,679.1	26.91%	51.39%
Foreign bonds	73,399.0	24.48%	
Domestic equities	71,390.5	23.81%	48.61%
Foreign equities	74,356.9	24.80%	
Total	299,825.4	100.00%	100.00%

Note 1: Due to rounding, the sum of each number may not necessarily match the total.

Note 2: Market value amounts include accrued income and accrued expenses.

Note 3: While pension reserve funds as a whole include reserves managed under the pension special account as of the end of FY2025 (about JPY 6.2 trillion), this amount is prior to the adjustment for revenues and expenditures and differs from the amount in the final settlement of accounts.

Note 4: Foreign bonds with currency hedges and yen-denominated short-term assets are classified as domestic bonds, and short-term assets denominated in foreign currencies are classified as foreign bonds.

Note 5: Alternative assets are classified into each asset category in accordance with risk-return profiles. (The same applies hereinafter.)

Note 6: The percentage of alternative investments in the overall pension reserve fund is 1.74% (within the maximum 5% of the total portfolio).

Note 7: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

Allocation changes for each asset class due to rebalancing

(Unit: billion yen)

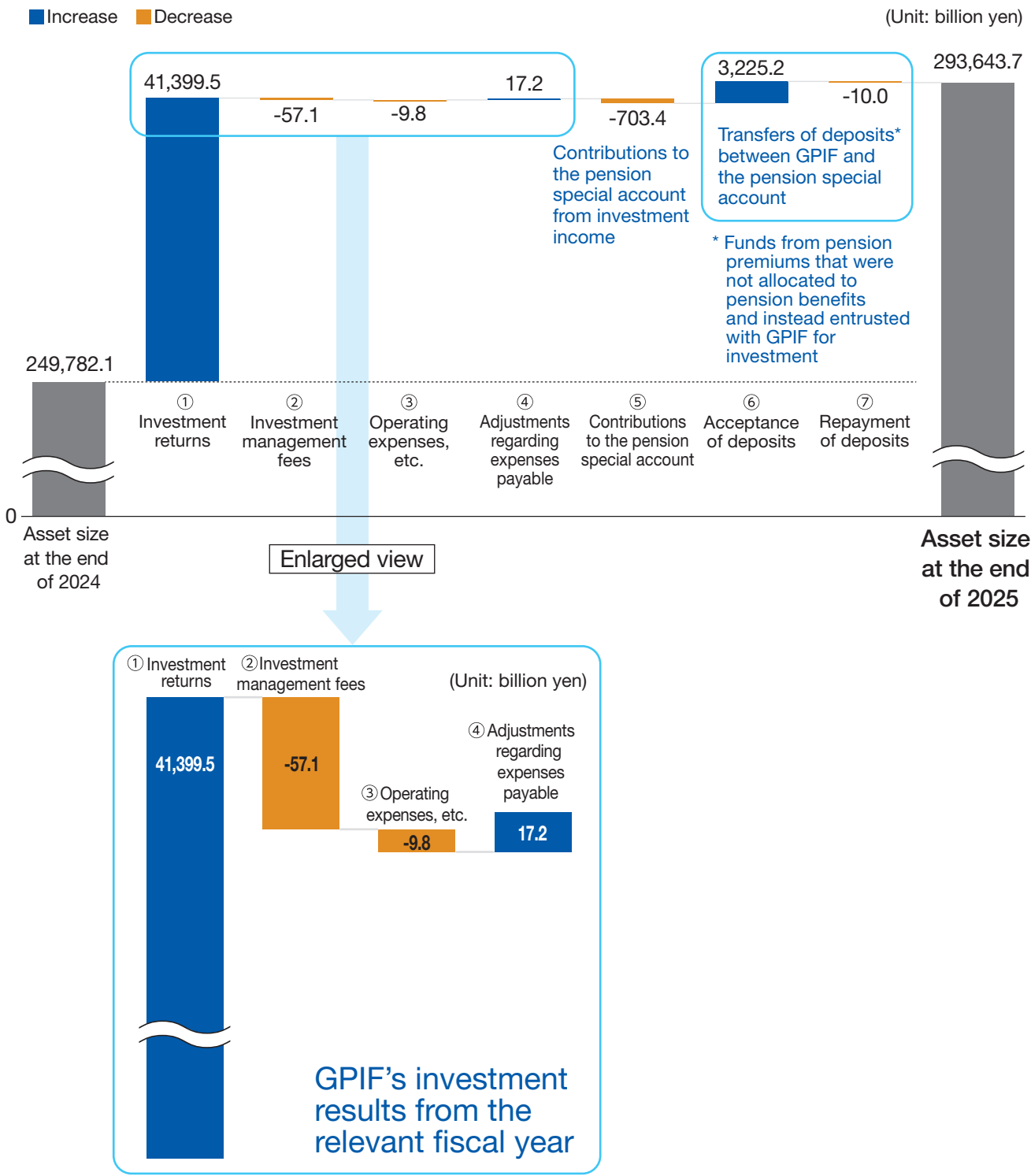
	Domestic bonds	Foreign bonds	Domestic equities	Foreign equities
Allocated/withdrawn	+14,753.2	+2,653.0	-10,693.2	-4,201.3

Note 1: The allocated/withdrawn amount for each asset is the withdrawn amount subtracted from the allocated amount.

Note 2: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[2] GPIF revenue and expenditure for FY2025

Factor Analysis of Changes in Assets Under Management from the End of FY2024 to the End of FY2025



For details on each item, refer to pages 36–38 for ① Investment return (rate of investment return), page 39 for ② Investment management fees (management and custodian fees), and page 40 for ③ Operating expenses (general administrative expenses), ④ Adjustments regarding expenses payable, etc., ⑤ Contributions to the pension special account, ⑥ Acceptance of deposits, and ⑦ Repayment of deposits.

① Rate of investment return / Amount of investment return

The rate of investment return for FY2025 was

The amount of investment return was

16.47%**¥41,399.5billion**

	1Q	2Q	3Q	4Q	Total
Total	4.09%	5.52%	5.84%	0.19%	16.47%
	¥10,205.4 billion	¥14,447.7 billion	¥16,187.8 billion	¥558.5 billion	¥41,399.5 billion
Domestic bonds	-0.19%	-1.36%	-2.07%	-1.57%	-5.11%
	-¥99.7 billion	-¥905.9 billion	-¥1,532.5 billion	-¥1,182.6 billion	-¥3,720.7 billion
Foreign bonds	1.56%	2.96%	7.14%	0.26%	12.33%
	¥1,006.4 billion	¥1,938.9 billion	¥4,896.4 billion	¥198.9 billion	¥8,040.6 billion
Domestic equities	7.48%	11.02%	8.89%	3.60%	34.62%
	¥4,521.5 billion	¥7,048.4 billion	¥6,049.7 billion	¥2,836.0 billion	¥20,455.6 billion
Foreign equities	7.44%	9.75%	9.73%	-1.72%	27.16%
	¥4,777.2 billion	¥6,366.3 billion	¥6,774.2 billion	-¥1,293.7 billion	¥16,624.0 billion

Note 1: GPIF manages and invests its assets at the market value, and the rate of investment return is the time-weighted rate of investment return before deducting management fees, etc. (The same applies hereinafter.) For details of the time-weighted rate of investment return formula, refer to the GPIF website, which contains a glossary of terms (<https://www.gpif.go.jp/gpif/words/index.html>). (* Available in Japanese language only.)

Note 2: The amount of investment return refers to the total investment return before deducting management fees, etc. (The same applies hereinafter.)

Note 3: Foreign bonds with currency hedges and yen-denominated short-term assets are classified as domestic bonds, and short-term assets denominated in foreign currencies are classified as foreign bonds.

Note 4: For alternative assets, the time-weighted rate of investment return in yen for private equity in FY2025 was 15.01%, and the time-weighted rate of investment return in yen for the "Infrastructure + Real Estate" portfolio in FY2025 was 8.71% (of which the contribution from foreign exchange adjustment effect was -4.08%).

Note 5: Due to rounding, the sum of the quarterly figures may not necessarily match the total number for the fiscal year.

Note 6: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

In FY2025,
the total rate of investment return on all
investment assets was

16.47%

while the composite benchmark
return was

16.64%

The excess rate of return was

-0.18%

Note the rate of investment return, etc. for the 5th Medium-Term Objective Period is the same as that for FY2025.

The composite benchmark return is the investment return as the benchmark of each asset (domestic bonds, foreign bonds, domestic equities, and foreign equities), used as an evaluation standard for the benchmark returns of all the assets managed by GPIF. The annual rate of investment return is calculated based on the “composite benchmark return,” which is the weighted average of benchmark returns of each asset based on the proportions of the Policy Asset Mix.

During the 5th Medium-Term Objective Period (from FY2025 to FY2029), GPIF is required to secure the composite benchmark return for all the assets combined.

Effect analysis of the excess rate of return over the composite benchmark return in FY2025

(1) Total assets

(Unit: %)

	Rate of investment return			Effect analysis of the excess rate of return on total assets				
	GPIF's rate of investment return ①	Benchmark return ②	Excess rate of return ①-②	Asset allocation effect ①	Benchmark effect ②	Fund effect ③	Other effects (including rounding errors) ④	Level of contribution ①+②+③+④
Total	16.47	16.64	-0.18	-0.14	+0.05	-0.11	+0.02	-0.18
Domestic bonds	-5.11	-5.37	+0.26	-0.07	+0.02	+0.03	+0.02	+0.01
Foreign bonds	12.33	12.16	+0.17	+0.01	+0.03	+0.01	+0.00	+0.05
Domestic equities	34.62	34.65	-0.03	-0.12	-0.01	+0.01	-0.00	-0.12
Foreign equities	27.16	27.76	-0.60	+0.04	+0.00	-0.15	-0.00	-0.11

Note 1: The “Asset allocation effect” results in the difference between GPIF’s actual asset composition ratio and the Policy Asset Mix. The “Benchmark effect” results in the difference in the rate of investment return between the manager benchmark and each asset’s policy benchmark. The “Fund effect” results in the difference in the rate of investment return between the fund and the manager benchmark.

Note 2: Income from security lending investment is classified as “Other effects.”

Note 3: Each private equity fund is classified as either 100% domestic equities or 100% foreign equities. Infrastructure and real estate funds managed in yen are divided into 50% domestic bonds and 50% domestic equities, and funds managed in foreign currencies are divided into 50% foreign bonds and 50% foreign equities.

Note 4: Foreign bonds with currency hedges and yen-denominated short-term assets are classified as domestic bonds, and short-term assets denominated in foreign currencies are classified as foreign bonds.

Note 5: Calculations are made on a transaction-date basis, and the notional amount of futures and other effects is taken into account.

Among alternative assets, infrastructure and real estate have been managed separately from other assets since FY2023, in light of their characteristics. Therefore, (1) the excess rate of return on assets under management (-0.18%) is comprised of (2) the “Traditional Assets + Private Equity (PE)” portfolio (-0.07%) and (3) the “Infrastructure + Real Estate” portfolio (-0.11%). Alternative assets are based on information available at the end of the fiscal year.

(2) “Traditional Assets + Private Equity (PE)” portfolio

(Unit: %)

	Effect analysis of the excess rate of return of the “Traditional Assets + Private Equity (PE)” portfolio in total assets				
	Asset allocation effect ①	Benchmark effect ②	Fund effect ③	Other effects (including rounding errors) ④	Level of contribution ①+②+③+④
Total:-0.07%	-0.08	+0.01	-0.03	+0.02	-0.07
Domestic bonds	-0.01	-0.00	+0.02	+0.02	+0.03
Foreign bonds	-0.01	+0.02	-0.00	+0.00	+0.02
Domestic equities	-0.07	-0.01 (PE: 0)	+0.03 (PE: -0.00)	-0.00	-0.06
Foreign equities	+0.01	+0.00 (PE: +0.00)	-0.07 (PE: -0.04)	+0.00	-0.06

(3) “Infrastructure + Real Estate” portfolio

(Unit: %)

	Effect analysis of the excess rate of return of the “Infrastructure + Real Estate” portfolio in total assets				
	Infrastructure ①	Real Estate ②	Foreign exchange adjustment ③	Short-term assets ④	Level of contribution ①+②+③+④
Total:-0.11%	-0.02	-0.02	-0.06	-0.00	-0.11

Note 1: The “Asset allocation effect” results in the difference between GPIF’s actual asset composition ratio and the Policy Asset Mix. The “Benchmark effect” results in the difference in the rate of investment return between the manager benchmark and each asset’s policy benchmark. The “Fund effect” results in the difference in the rate of investment return between the fund and the manager benchmark.

Note 2: Income from security lending investment is classified as “Other effects.”

Note 3: “Foreign exchange adjustment” is an effect relating to foreign exchange transactions used to control deviations from the Policy Asset Mix. “Short-term assets” is an effect relating to short-term foreign currency-denominated assets used to meet requests for investment fund contributions.

Note 4: Each private equity fund is classified as either 100% domestic equities or 100% foreign equities. Infrastructure and real estate funds managed in yen are divided into 50% domestic bonds and 50% domestic equities, and funds managed in foreign currencies are divided into 50% foreign bonds and 50% foreign equities.

Note 5: Foreign bonds with currency hedges and yen-denominated short-term assets are classified as domestic bonds, and short-term assets denominated in foreign currencies are classified as foreign bonds.

Note 6: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

② Investment management fees (management and custodian fees)

In FY2025, total management and custodian fees were

¥57.1 billion.

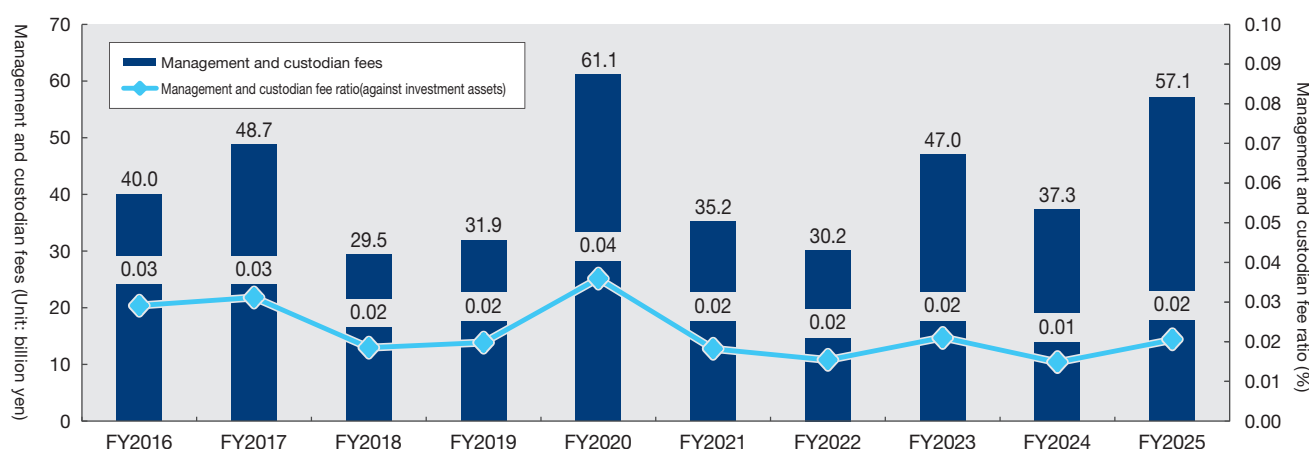
The ratio of management and custodian fees to the asset size under management was

0.02%.

The amount of management and custodian fees increased by JPY 19.8 billion year-on-year, as active foreign equities had acquired excess returns.

GPIF will continue to strive to achieve efficient and reasonable fee levels in accordance with investment methods.

Transition of management and custodian fees



Note 1: For the Fiscal Investment and Loan Program (FILP) funds held under in-house investment management until FY2020, the average monthly book values at the end of each month are calculated using the amortized cost method.

Note 2: Management and custodian fees are rounded off to the nearest JPY 100 million.

Management and custodian fees

(Unit: billion yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Total	40.0	48.7	29.5	31.9	61.1	35.2	30.2	47.0	37.3	57.1
Domestic bonds	3.9	4.0	1.6	2.0	3.0	3.4	2.9	3.8	4.5	3.7
Foreign bonds	12.5	17.2	9.2	7.1	25.4	18.6	13.8	16.3	4.5	4.7
Domestic equities	8.8	10.6	7.5	6.5	12.7	6.0	5.2	5.7	8.6	11.5
Foreign equities	14.9	16.9	10.7	15.5	18.8	5.3	5.7	18.4	16.8	31.7
Alternative assets	0.0	0.0	0.3	0.7	1.0	1.4	1.8	2.0	1.9	2.0

Note 1: Management and custodian fees are rounded off to the nearest JPY 100 million.

Note 2: The Total column includes management and custodian fees with regard to short-term assets and the index licensing fees.

Note 3: Fees paid to custody services providers do not include certain fees to be deducted from the entrusted assets, such as global custody fees and attorney fees.

Note 4: Foreign bonds include foreign bonds with currency hedges.

Management and custodian fees ratio (externally managed assets)

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Total	0.03	0.03	0.02	0.02	0.04	0.02	0.02	0.02	0.01	0.02
Domestic bonds	0.03	0.03	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01
Foreign bonds	0.07	0.08	0.04	0.02	0.06	0.04	0.03	0.03	0.01	0.01
Domestic equities	0.03	0.03	0.02	0.02	0.03	0.01	0.01	0.01	0.01	0.02
Foreign equities	0.05	0.04	0.03	0.04	0.04	0.01	0.01	0.03	0.03	0.05
Alternative assets	—	0.14	0.23	0.14	0.11	0.09	0.07	0.06	0.05	0.05
Average balance (¥trillion)	137.3	155.7	158.9	161.4	170.2	193.1	196.3	223.1	251.9	279.2

Note 1: The Total column includes in-house investment assets and index licensing fees.

Note 2: The average balance includes in-house investment assets. For FILP funds held under in-house investment management until FY2020, the average monthly book values at the end of each month are calculated using the amortized cost method.

Note 3: Foreign bonds include foreign bonds with currency hedges.

③ Operating expenses / General administrative expenses, etc.

In FY2025,

personnel expenses were **¥3.1 billion**, and other miscellaneous expenses were **¥6.7 billion**.
 totaling **¥9.8 billion**.

Operating expenses are costs necessary for GPIF's investment operations, and general administrative expenses are costs necessary for GPIF's administrative operations. The above shows their total amount, divided into personnel expenses and other miscellaneous expenses.

④ Adjustments regarding expenses payable:

¥17.2 billion

Expenses such as investment management fees are recorded as accounting expenses in the fiscal year in which they are incurred and not the fiscal year in which they were actually paid. Returns are also recorded in the fiscal year in which they are incurred. However, as investment assets fluctuate between the fiscal year in which expenses are paid or returns are received and the fiscal year in which they are incurred, this adjustment addresses the difference.

⑤ Contributions to the pension special account

In FY2025, there was a

¥703.4 billion

contribution from the investment income to the pension special account.

As a result, the cumulative contributions through the 25 years since market investments launched in FY2001 reached

¥19,423.3 billion.

Under Article 25 of the Act on the Government Pension Investment Fund, Incorporated Administrative Agency, and Article 18 of the Order for Enforcement of the Act, when there are retained earnings at the end of the fiscal year, they are to be contributed to the pension special account, taking the status of account execution into consideration.

⑥ Acceptance of deposits, and ⑦ Repayment of deposits

Deposited funds are funds entrusted to GPIF by the Minister of Health, Labour and Welfare through the pensions special account. They consist of contributions to the Employees' Pension Insurance and the National Pension that were not used for pension benefits. GPIF received JPY 3,225.2 billion in deposits for FY2025 and redeemed JPY 10.0 billion.

(Column) Investment environment in FY2025

In April of 2025, the U.S. announced that it would introduce reciprocal tariffs. This created persistent and pronounced uncertainty toward the outlook for the global economy and financial markets during the first half of the fiscal year. A recalibrating rate cut was implemented in the latter half of the fiscal year, as downside risks in the U.S. labor market garnered more attention. In Japan, the Bank of Japan raised interest rates in response to broad-based wage increases and a rise in underlying inflation.

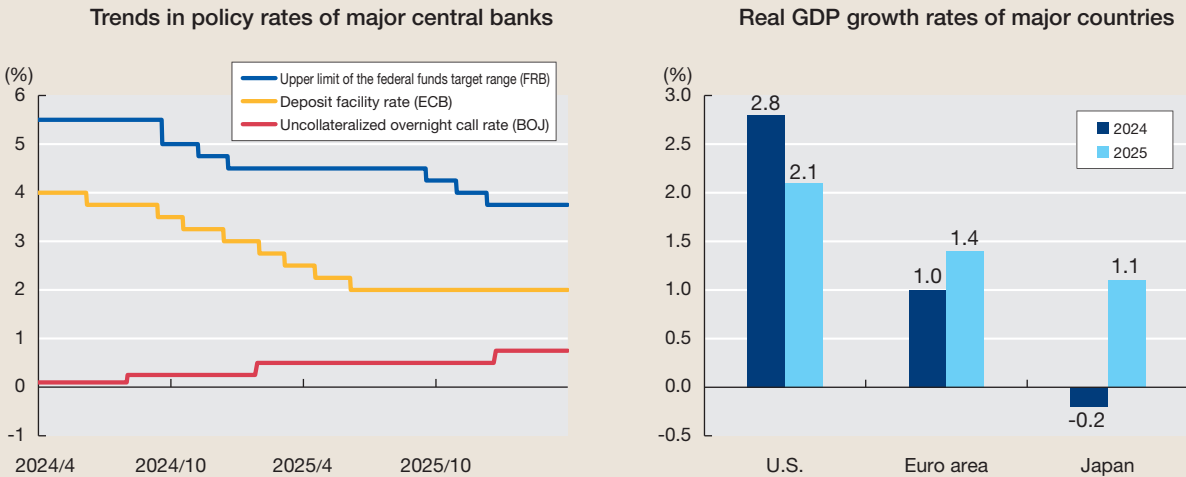
In the U.S., President Trump announced in April 2025 that a 10% tariff would be imposed on all trading partner countries, along with reciprocal tariffs on countries with which the U.S. has significant trade deficits, in an effort to balance the tariff burden with those countries. Various responses were taken by countries that had been targeted for reciprocal tariffs, such as raising tariffs on U.S. exports in retaliation and negotiating reductions in reciprocal tariff rates. The U.S. real GDP growth rate turned negative in one quarter due to a surge in imports in anticipation of the actual tariffs, and growth for 2025 was +2.1% when compared to the previous year, slowing from +2.8% in 2024. The introduction of tariffs also reinforced a sense of caution toward the rising inflation rate, and the market forecast for interest rate cuts by the FRB in the first half of the year faded. The Consumer Price Index (CPI), a key measure of inflation, rose to +2.3% year-on-year in April 2025 and further increased to +3.0% in September. However, as the growth rate of the CPI slowed, the FRB implemented successive cuts to the federal funds rate, its policy rate, at Federal Open Market Committee (FOMC) meetings from September 2025 onward.

In Europe, despite concerns that the introduction of reciprocal tariffs would cause an economic slowdown, the real GDP growth rate in 2025 was +1.4% year-on-year, accelerating steadily from +0.9% in 2024. The Harmonised Indices of Consumer Prices (HICP), which is used for the ECB's 2% inflation target, remained stable, as in the previous year, dropping below 2% in May 2025 to +1.9% year-on-year. In this environment, multiple rate cuts were implemented through June 2025.

Japan's real GDP in 2025 saw a high growth rate of +1.2% year-on-year. However, this reflected a rebound from the -0.2% growth rate in 2024, and exports declined in the latter half of the fiscal year due to the introduction of reciprocal tariffs, indicating underlying weakness. As the CPI continued to transition above the 2% price stability target, the spring wage increase rate that resulted from labor-management negotiations also exceeded 5% for the second consecutive year. Against this backdrop, the Bank of Japan raised its policy interest rate to +0.75% in December 2025, which was the highest level since 1995.

Additionally, in regard to global geopolitical developments, four years had passed since Russia invaded Ukraine in February 2022. Furthermore, the U.S. and Israel attacked Iran in February 2026. As Iran carried out attacks on vessels passing through the Strait of Hormuz, a major shipping route for crude oil exports from the Middle East, crude oil prices rose, raising concerns about price surges for related goods.

Therefore, the investment environment in FY2025 was marked by uncertainty over the future outlook due to the U.S. announcement of reciprocal tariffs and other geopolitical developments. For a review of FY2025, refer to pages 21–22.



[3] Cumulative investment results

① Cumulative returns and asset size

The cumulative returns from when the pension reserve fund started market investments in FY2001 through to FY2025 totaled

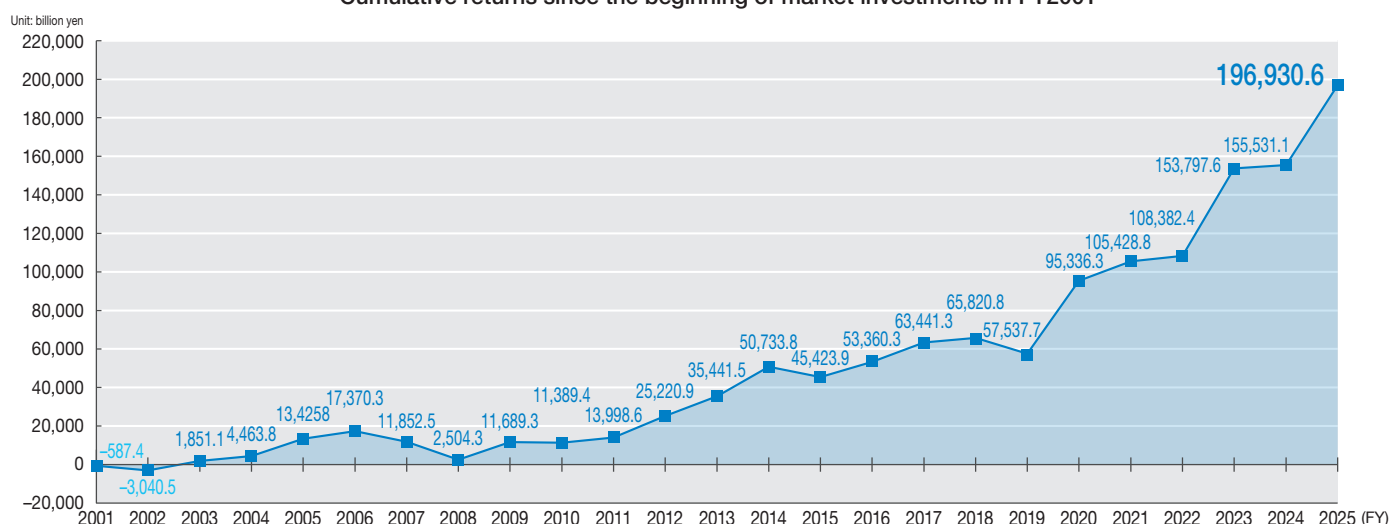
¥196,930.6 billion, and

the asset size of GPIF as of the end of FY2025 was

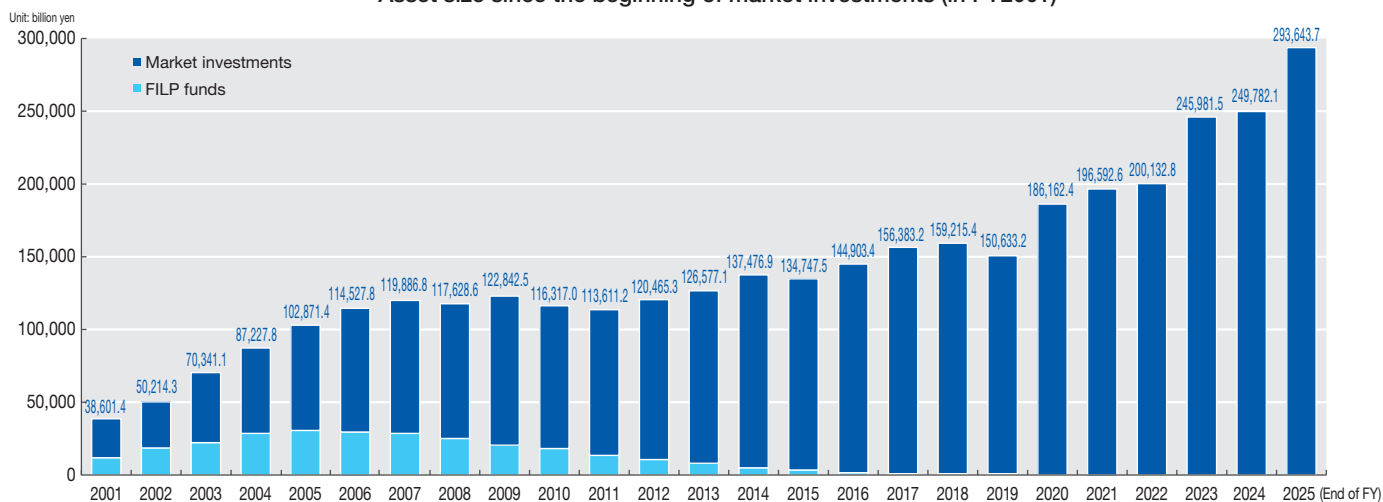
¥293,643.7 billion (¥279,855.5 billion ^(Note)).

Note: Values are for the employees' pension portion. Allocation is proportional according to the principal of deposits.

Cumulative returns since the beginning of market investments in FY2001



Asset size since the beginning of market investments (in FY2001)



Note 1: Investments in FILP funds were terminated during FY2020. For details, refer to the website: <https://www.gpif.go.jp/gpif/words/sa.html> (*Available in Japanese language only.)

② Investment income

Returns on investment assets consist of investment income (interest and dividend income) and capital gains (realized and unrealized gains and losses from price fluctuations).

Long-term investors reinvest investment income and receive greater compounding effects over longer periods of time. Accordingly, GPIF also reinvests the investment income earned on its assets rather than holding it in cash.

The investment income for FY2025 was

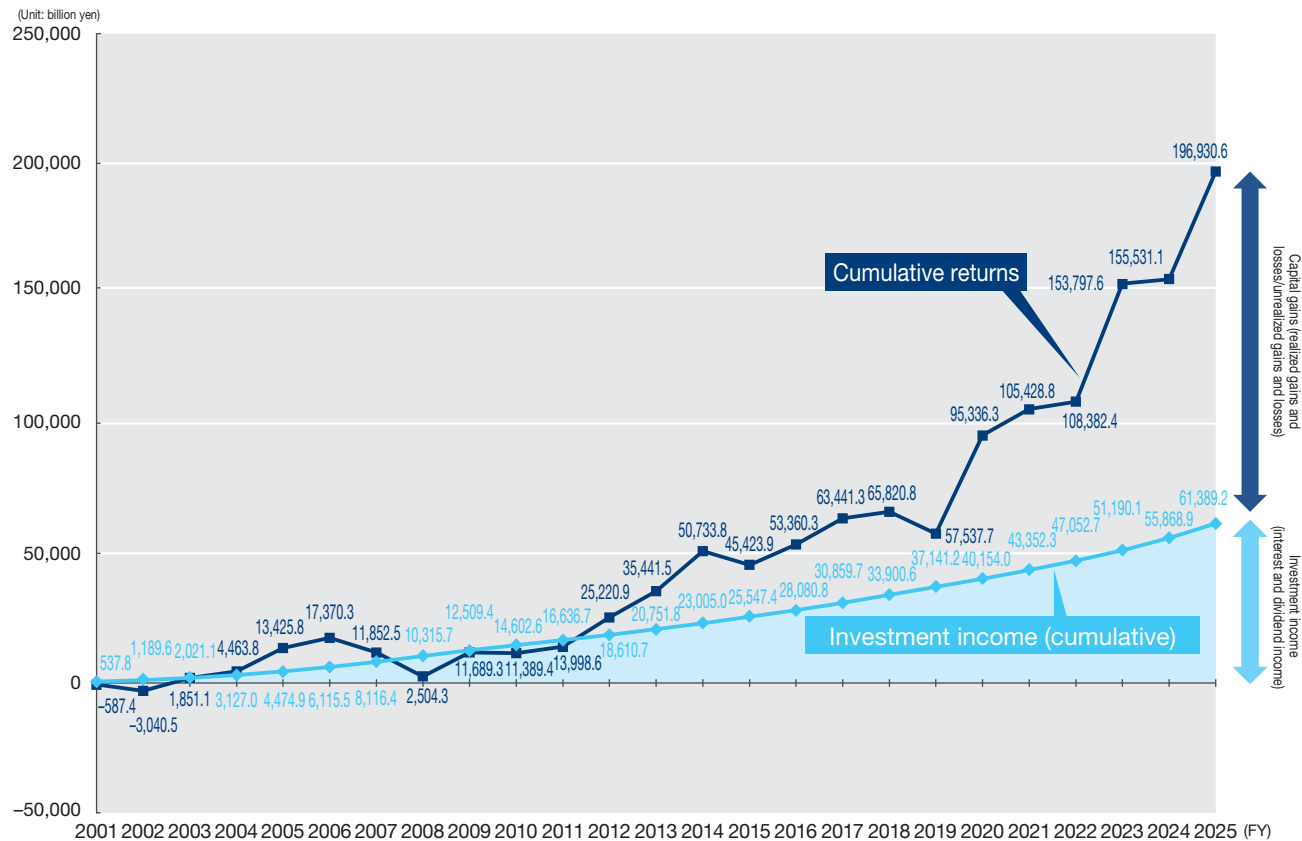
¥5,520.3 billion (the rate of investment return ^(Note 6) was 1.88%),

and the cumulative amount through the 25 years since market investments launched in FY2001 was

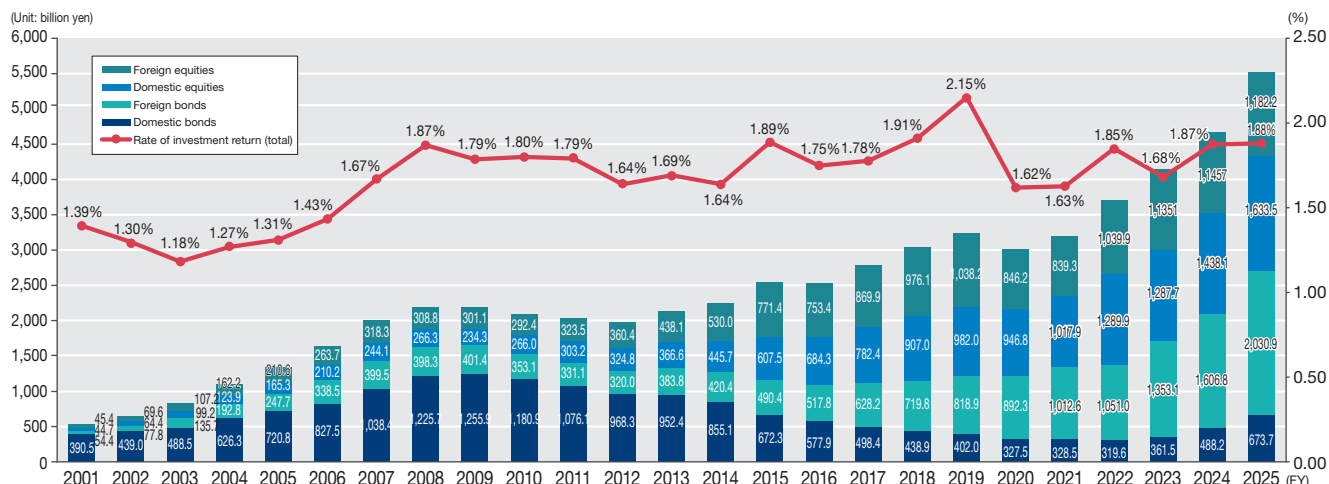
¥61,389.2 billion (the rate of investment return ^(Note 6) was 1.67% annual),

and the cumulative amount for investment income within cumulative returns was more than 30%.

Chart comparing cumulative returns and investment income (cumulative)



Transition of investment income



Amount/rate of investment return (income gains) (FY2001–FY2025)

(Unit: 100 million yen)

	Cumulative	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Domestic bonds	171,339 (1.14%)	3,905 (1.49%)	4,390 (1.26%)	4,885 (1.03%)	6,263 (1.03%)	7,208 (1.10%)	8,275 (1.12%)	10,384 (1.21%)	12,257 (1.41%)	12,559 (1.51%)	11,809 (1.52%)	10,761 (1.50%)	9,683 (1.30%)
Foreign bonds	151,764 (2.96%)	544 (4.04%)	778 (3.06%)	1,357 (3.43%)	1,928 (3.33%)	2,477 (3.28%)	3,385 (3.73%)	3,995 (4.13%)	3,983 (3.98%)	4,014 (3.96%)	3,531 (3.75%)	3,311 (3.33%)	3,200 (2.71%)
Domestic equities	147,358 (1.78%)	447 (0.65%)	644 (0.87%)	992 (0.83%)	1,239 (1.00%)	1,653 (0.87%)	2,102 (1.10%)	2,441 (1.77%)	2,663 (2.34%)	2,343 (1.59%)	2,660 (1.98%)	3,032 (2.14%)	3,248 (1.85%)
Foreign equities	143,285 (2.12%)	454 (1.19%)	696 (1.56%)	1,072 (1.81%)	1,622 (1.99%)	2,106 (1.96%)	2,637 (2.09%)	3,183 (2.92%)	3,088 (3.40%)	3,011 (2.27%)	2,924 (2.23%)	3,235 (2.48%)	3,604 (2.42%)
Total	613,892 (1.67%)	5,378 (1.39%)	6,518 (1.30%)	8,314 (1.18%)	11,060 (1.27%)	13,479 (1.31%)	16,407 (1.43%)	20,008 (1.67%)	21,994 (1.87%)	21,937 (1.79%)	20,932 (1.80%)	20,341 (1.79%)	19,739 (1.64%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Domestic bonds	9,524 (1.36%)	8,551 (1.51%)	6,723 (1.27%)	5,779 (1.21%)	4,984 (1.12%)	4,389 (1.02%)	4,020 (1.08%)	3,275 (0.75%)	3,285 (0.69%)	3,196 (0.64%)	3,615 (0.59%)	4,882 (0.77%)	6,737 (0.90%)
Foreign bonds	3,838 (2.74%)	4,204 (2.31%)	4,904 (2.59%)	5,178 (2.63%)	6,282 (2.63%)	7,198 (2.59%)	8,189 (2.25%)	8,923 (1.89%)	10,126 (2.08%)	10,510 (2.10%)	13,531 (2.24%)	16,068 (2.56%)	20,309 (2.77%)
Domestic equities	3,666 (1.76%)	4,457 (1.41%)	6,075 (1.99%)	6,843 (1.95%)	7,824 (1.92%)	9,070 (2.35%)	9,820 (2.76%)	9,468 (2.00%)	10,179 (2.06%)	12,899 (2.56%)	12,877 (2.09%)	14,381 (2.33%)	16,335 (2.29%)
Foreign equities	4,381 (2.22%)	5,300 (1.76%)	7,714 (2.48%)	7,534 (2.16%)	8,699 (2.25%)	9,761 (2.33%)	10,382 (2.79%)	8,462 (1.77%)	8,393 (1.65%)	10,399 (2.08%)	11,351 (1.80%)	11,457 (1.85%)	11,822 (1.59%)
Total	21,411 (1.69%)	22,532 (1.64%)	25,424 (1.89%)	25,334 (1.75%)	27,789 (1.78%)	30,409 (1.91%)	32,406 (2.15%)	30,128 (1.62%)	31,983 (1.63%)	37,003 (1.85%)	41,374 (1.68%)	46,788 (1.87%)	55,203 (1.88%)

Note 1: Due to rounding, the sum of the figures for each individual fiscal year may not necessarily match the cumulative amount of investment income.

Note 2: The amount of income from short-term assets (investment income) is included in the total amount only until FY2019. From FY2020, the yen-denominated portion is included in domestic bonds and the foreign-currency-denominated portion is included in foreign bonds.

Note 3: The amount of income from foreign bonds with currency hedges (investment income) is included in domestic bonds from FY2020.

Note 4: The amount of income from FILP funds (investment income) is included in domestic bonds until FY2020, when FILP funds were held.

Note 5: The amount of income from convertible corporate bonds (investment income) is included in domestic bonds in FY2001.

Note 6: The rate of investment return for each fiscal year is calculated by dividing the amount of return (investment income) for each asset by the asset size under management.

Note 7: The annual rate of investment return is calculated using the geometric mean of the rates of investment return for each fiscal year (annualized).

Note 8: Calculations for FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

(Column) Response to shareholder benefits

GPIF entrusts the management of all assets to custody services providers. They also manage shareholder benefits, and GPIF instructs them to convert such benefits into cash as much as possible to enhance GPIF's returns.

Specifically, custody services providers convert discount coupons and other items into cash, which is included as part of investment income (approximately JPY 70 million in FY2025). Food and household goods are also donated to welfare facilities through the Tokyo Metropolitan Council of Social Welfare to benefit society.

③ Effect analysis of the difference from the composite benchmark return

Over the 20 years since GPIF was established in FY2006, the average return for the total rate of investment return assets was

5.13%

while the composite benchmark return was

5.15%

The excess rate of return was

-0.03%

Refer to page 37 for information on the composite benchmark return.

Effect analysis of the excess rate of return on total assets (FY2006–FY2025)

(Unit: %)

	Rate of investment return			Effect analysis of the excess rate of return on total assets				
	GPIF's rate of investment return ①	Benchmark return ②	Excess rate of return ①-②	Asset allocation effect ①	Benchmark effect ②	Fund effect ③	Other effects (including rounding errors) ④	Level of contribution ①+②+③+④
FY2006–FY2025	5.13	5.15	-0.03	-0.03	+0.02		-0.01	-0.03
FY2006	4.56	4.64	-0.08	-0.06	-0.00		-0.02	-0.08
FY2007	-6.10	-6.23	+0.13	+0.17	-0.02		-0.02	+0.13
FY2008	-7.57	-8.45	+0.88	+0.90	-0.12		+0.11	+0.88
FY2009	7.91	8.54	-0.63	-0.70	+0.08		-0.01	-0.63
FY2010	-0.25	-0.02	-0.23	-0.26	+0.12		-0.09	-0.23
FY2011	2.32	2.59	-0.27	-0.19	-0.01		-0.07	-0.27
FY2012	10.23	9.00	+1.24	+1.40	+0.03		-0.19	+1.24
FY2013	8.64	7.74	+0.90	+0.92	-0.06		+0.04	+0.90
FY2014 To October 30	3.97	3.50	+0.46	+0.47	-0.03		+0.02	+0.46
FY2014 Starting October 31	8.19	9.98	-1.78	-1.99	+0.01		+0.19	-1.78
FY2015	-3.81	-3.81	+0.00	+0.21	-0.15		-0.06	+0.00
FY2016	5.86	6.22	-0.37	-0.66	+0.33		-0.04	-0.37
FY2017	6.90	7.26	-0.37	-0.36	+0.00		-0.01	-0.37
FY2018	1.52	1.92	-0.40	-0.38	+0.02		-0.04	-0.40
FY2019	-5.20	-4.94	-0.25	-0.20	-0.05		-0.00	-0.25
FY2020	25.15	24.83	+0.32	+0.15	-0.17	+0.37	-0.03	+0.32
FY2021	5.42	5.47	-0.06	-0.05	+0.06	-0.07	-0.00	-0.06
FY2022	1.50	1.57	-0.06	-0.06	-0.11	+0.11	-0.00	-0.06
FY2023	22.67	22.63	+0.04	-0.04	+0.23	-0.16	+0.01	+0.04
FY2024	0.71	0.61	+0.09	+0.05	+0.07	-0.03	+0.01	+0.09
FY2025	16.47	16.64	-0.18	-0.14	+0.05	-0.11	+0.02	-0.18

Note 1: GPIF's annual rates of investment return and benchmark return are calculated using the geometric mean of the rates of investment return for each fiscal year (annualized).

Note 2: From FY2006 to FY2007, analysis was conducted on the difference between the rate of investment return (time-weighted rate of investment return) on funds invested in the markets (hereinafter "market investment") and the composite benchmark return. From FY2008 to FY2019, analysis was conducted on the difference between the rate of investment return (modified total return rate) on all assets under management (including investments in FILP funds outside the market investment portion) and the composite benchmark return. Since FY2020, analysis has been conducted on the difference between the rate of investment return (time-weighted rate of investment return) on all assets under management (including investments in FILP funds outside the market investment portion) and the composite benchmark return. Investments in FILP funds were terminated during FY2020.

Note 3: The "Asset allocation effect" for FY2020 and onward results in the difference between GPIF's actual asset composition ratio and the Policy Asset Mix. The "Benchmark effect" results in the difference in the rate of investment return between the manager benchmark and each asset's policy benchmark. The "Fund effect" results in the difference in the rate of investment return between the fund and the manager benchmark.

Note 4: Income from securities lending investments was classified as "Fund effect" from FY2006 to FY2022, and as "Other effects" from FY2023.

Note 5: Calculations for FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

Note 6: The Policy Asset Mix used as the basis for investments differs by fiscal year. Refer to page 26 for Policy Asset Mix changes over time.

[4] Status of long-term investment target achievements

Comparison with long-term investment targets

The real return ^(Note 2), calculated as the nominal return on investment for the entire pension reserve fund ^(Note 1) deducting the nominal wage growth rate,

has, over the 25 years since market investments launched in 2001, averaged

+4.33%

Long-term investment target for FY2025
(The red line in the chart below)

Nominal wage growth rate: **+1.9%**

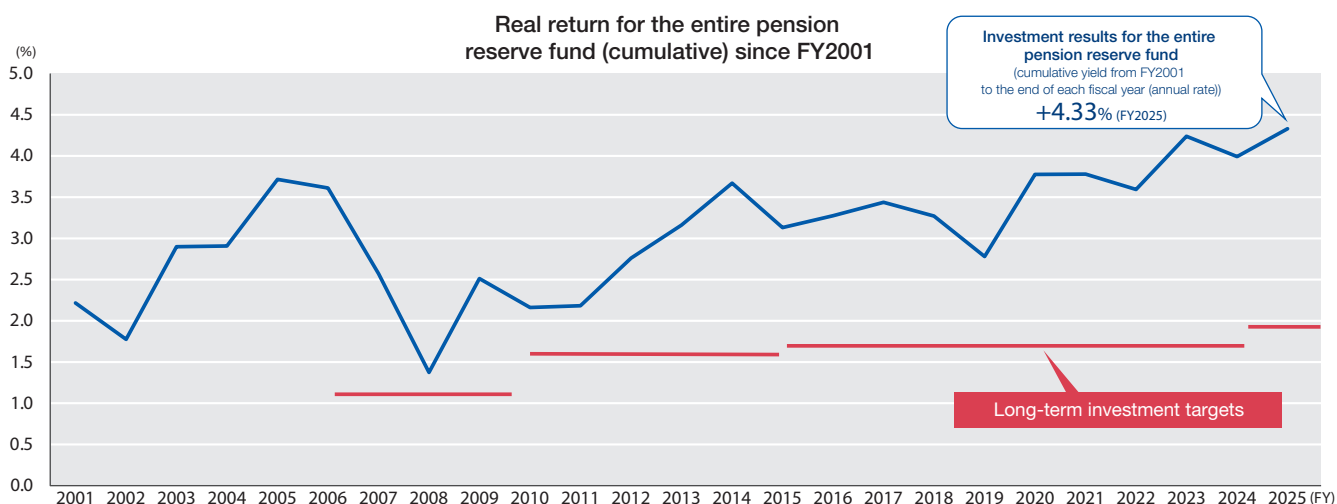
and has exceeded long-term investment targets.

For the role of pension reserve funds in pension finance, refer to pages 87–88.

Note 1: The entire pension reserve fund includes both the pension reserve fund managed by GPIF and the fund managed by the pension special account.

Note 2: The amount of public pension benefits is designed to increase roughly in parallel with the nominal wage growth rate over the long term. Therefore, the real investment return for the entire pension reserve fund is defined as the portion of returns that exceeds the nominal wage growth rate, as this portion of returns contributes positively to pension finance. The long-term investment target was a nominal wage growth rate of +1.1% from FY2006 to FY2009, +1.6% from FY2010 to FY2014, and +1.7% from FY2015 to FY2024. From FY2025 onward, it is +1.9%.

Note that these are provided solely as long-term investment targets and are not necessarily required to be achieved on a yearly basis or over a certain period (such as the five-year period of a Medium-Term Plan).



Investment results for the entire pension reserve fund (FY2001–FY2025)

(Unit: %)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Last 25 years (annualized)
Results																										
Nominal return on investment	1.94	0.17	4.90	2.73	6.83	3.10	-3.53	-6.86	7.54	-0.26	2.17	9.56	8.23	11.62	-3.64	5.48	6.52	1.43	-5.00	23.98	5.17	1.42	21.69	0.66	15.86	4.62
Nominal wage growth rate	-0.27	-1.15	-0.27	-0.20	-0.17	0.01	-0.07	-0.26	-4.06	0.68	-0.21	0.21	0.13	0.99	0.50	0.03	0.41	0.95	0.70	-0.51	1.26	1.67	1.84	2.19	2.75	0.28
Real investment return	+2.22	+1.34	+5.18	+2.94	+7.01	+3.09	-3.46	-6.62	+12.09	-0.93	+2.39	+9.33	+8.09	+10.53	-4.12	+5.45	+6.09	+0.48	-5.66	+24.62	+3.86	-0.25	+19.49	-1.50	+12.76	+4.33

Note 1: Real returns are calculated as $\{(1 + \text{nominal return on investment} \div 100) \div (1 + \text{nominal wage growth rate} \div 100)\} \times 100 - 100$.

Note 2: The nominal return on investment is the rate of investment return after deducting investment management fees, etc. (including interest expenses on borrowings in the inherited fund investment account up to FY2010). It is calculated by dividing the amount of returns for the entire pension reserve fund by the average balance of investment principal for the entire pension reserve fund: $\{\text{Assets under management at the end of the previous fiscal year} + (\text{assets under management} - \text{returns at the end of the current fiscal year}) \div 2$.

Note 3: The long-term investment target was a nominal wage growth rate of +1.1% from FY2006 to FY2009, +1.6% from FY2010 to FY2014, and +1.7% from FY2015 to FY2024. From FY2025 onward, it is +1.9%.

Note 4: Calculations were made using the geometric mean of cumulative yields from FY2001 to the end of each fiscal year (annualized).

Note 5: The nominal return on investment and nominal wage growth rate up to FY2024 were based on the MHLW's "Investment Status of the Pension Reserve Funds for FY2024 (public documents under Article 28 of the Act on the Government Pension Investment Fund, Incorporated Administrative Agency)," and the values for FY2025 are preliminary figures from the MHLW.

Note 6: The nominal wage growth rate used here is the nominal wage growth rate for insured persons under Category 1 Employees' Pension (the growth rate for nominal standard remuneration excluding the effects of changes in the composition of sex and age for FY2021 and before, and of sex, age, and designated working hours from FY2022 and onward).

Note 7: The nominal return on investment and nominal wage growth rate for the latest 25 years (annualized) are the geometric averages of each fiscal year (annualized).

4 | Portfolio Risk Management

[1] Basic approach

The purpose of investing the pension reserve fund is to contribute to the stable operation of the public pension schemes into the future by safely and efficiently managing and investing pension reserve funds from a long-term perspective, solely for the benefit of the insured. The 5th Medium-Term Objectives set by the Minister of Health, Labour and Welfare require GPIF to secure a long-term real return (net yield on the pension reserve deducting the nominal wage growth rate) of 1.9% of the pension reserve fund with minimum risk.

Amid heightened uncertainties about the recent market and economic environments, the risk GPIF focuses on is not the risk due to short-term market fluctuations but the risk of failing to achieve the long-term investment return required for pension finances.

In a long-term investment, it is known that maintaining a basic asset composition (Policy Asset Mix) over the long term is more efficient and yields a better result than portfolio revisions in response to short-term market fluctuations. From FY2025, a transition was made to a new Policy Asset Mix, and since the majority of long-term investment results are determined by the Policy Asset Mix, GPIF believes that it is the core of its portfolio risk management.

In addition to appropriately managing the Policy Asset

Mix, GPIF monitors various indicators from multiple perspectives to secure the rate of investment return of the entire portfolio, while diversifying investments across multiple assets and managing risks at the level of the entire portfolio, individual asset classes, and individual external asset managers. In cases when it becomes necessary to take certain measures, GPIF takes appropriate measures in line with predetermined rules.

The basic policy of portfolio risk management described above is expressly described in the “Basic Policy” of the “Portfolio Risk Management Policy” established by the Board of Governors. In accordance with this policy, GPIF appropriately manages market risks, liquidity risks, credit risks, and country risks, and monitors domestic and overseas economic trends, financial market conditions, geopolitical risks, as well as various risk indicators, including tracking error, Value at Risk (VaR), and stress tests. These topics are discussed at the Investment Committee and the Portfolio Risk Management Committee and are periodically reported to the Board of Governors. As such, GPIF implements appropriate measures in consideration of long-term risk-return profiles.

Basic Policy for Portfolio Risk Management

- (1) GPIF formulates a Policy Asset Mix to secure the return on investment required for pension finances with minimum risk and appropriately manages the mix.
- (2) GPIF adopts a basic principle for risk management for portfolio investment diversification across multiple assets with different risk-return profiles, etc.
- (3) GPIF conducts risk management at the level of the entire portfolio, individual asset classes, and individual external asset managers.
- (4) In light of the recent trend of rapid changes in the economic and market environment, flexible investment is permitted within the deviation limits set for the Policy Asset Mix, taking into account the appropriate market forecasts. However, such forecasts must be based on rational grounds.
- (5) Although there are short-term fluctuations in market prices, GPIF aims to earn investment returns more stably and efficiently by taking advantage of its long-term investment horizon and maintaining the liquidity necessary for pension payouts. In terms of securing liquidity, GPIF takes appropriate measures to sell assets smoothly and secure funds without cash shortages, while considering market price formation.
- (6) Regarding the management and investment of the pension reserve funds, GPIF constantly strives to enhance its expertise, clarify the system of accountability, and implement thorough compliance with the duty of care and fiduciary duty of a prudent expert.

[Types of investment risk]

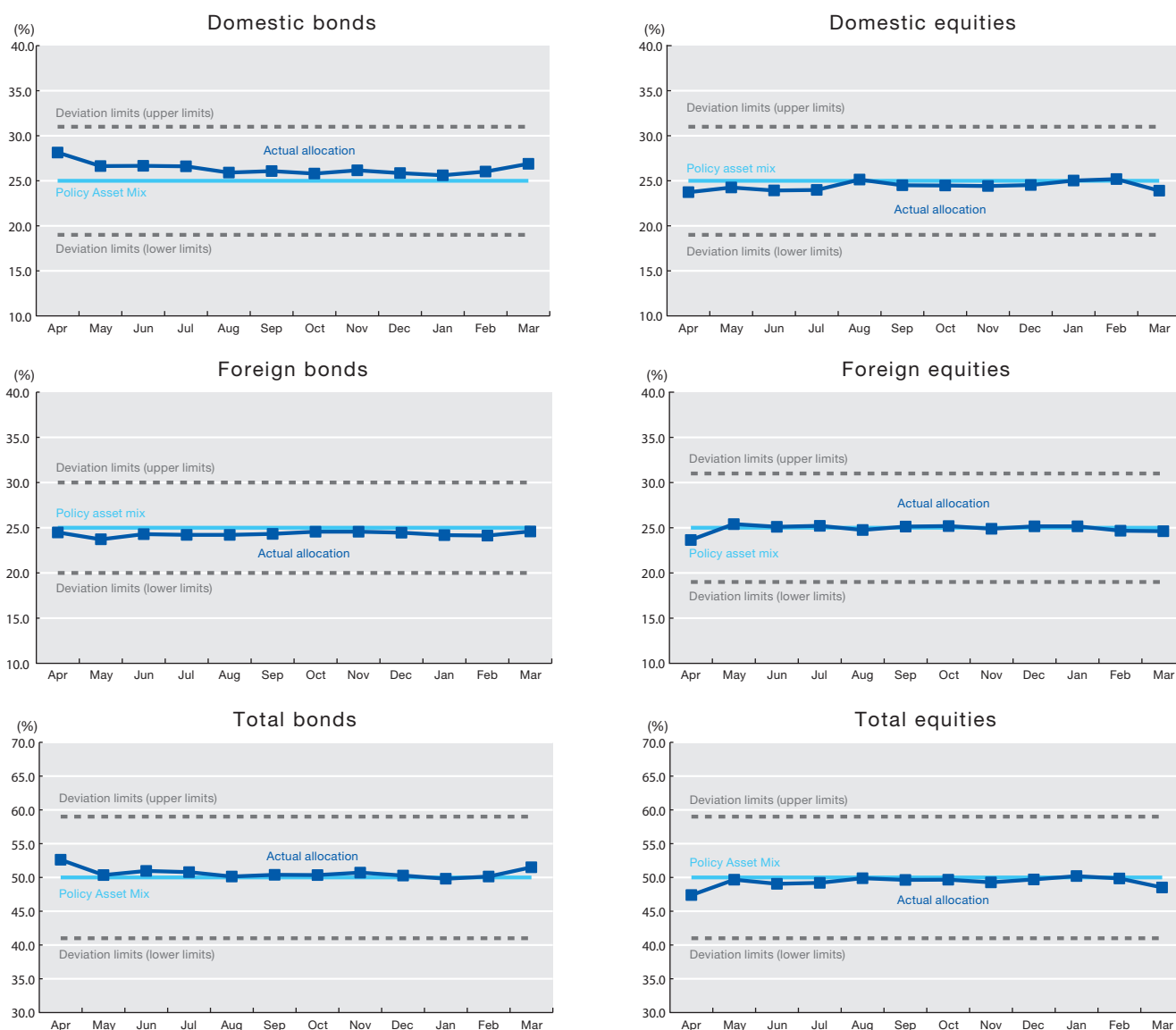
Market risk	The risk of changes in the value of assets held (including derivatives) due to fluctuations in various market risk factors such as interest rates, foreign exchange, stocks, and alternative assets.
Liquidity risk	The risk of incurring losses due to difficulties in securing necessary cash for the public pension system or being forced to raise cash at interest rates significantly higher than usual (funding risk), and the risk of incurring losses due to the inability to execute transactions in the market or being forced to sell assets at significantly lower prices than usual due to market turmoil, etc. (market liquidity risk).
Credit risk	The risk of incurring losses due to a decrease in or elimination of asset value (including derivatives) caused by the deterioration of the financial conditions of issuers of portfolio assets, the institutions entrusted with asset management, or counterparties of the derivative transactions.
Country risk	The risk of incurring losses in foreign assets due to foreign currency situations or the political and economic conditions, etc. of the countries relevant to the assets.

[2] Risk management based on the Policy Asset Mix

GPIF believes that the most important aspect of portfolio risk management is to appropriately manage asset allocation based on the Policy Asset Mix. Since markets are constantly changing, it is essential to establish a framework that enables flexible investment within a reasonable range while conducting actual investments based on the Policy Asset Mix. Accordingly, GPIF flexibly invests within deviation limits defined for each of the four asset classes (domestic bonds, foreign bonds, domestic equities, and foreign equities), as well as for overall bonds and overall equities. At the same

time, GPIF establishes alarm points within the deviation limits in order to smoothly and appropriately manage its asset allocations and stipulate the response process in the event that the deviation limits or alarm points are exceeded. While the upper limit for alternative assets is set at 5% of total assets, GPIF also establishes alarm points for these assets and stipulates the process for responding to any excess. During FY2025, no assets exceeded the deviation limits or alarm points.

Management of deviation limits



Note 1: Asset allocation is calculated based on the monthly average balance and includes pension reserve funds managed in the pension special account.

Note 2: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

Note 3: The deviation limits for the Policy Asset Mix under the 5th Medium-Term Plan are $\pm 6\%$ for domestic bonds, $\pm 5\%$ for foreign bonds, $\pm 6\%$ for domestic equities, $\pm 6\%$ for foreign equities, $\pm 9\%$ for overall bonds, and $\pm 9\%$ for overall equities.

In addition to risk management based on the abovementioned deviation limits and upper limit for alternative assets, GPIF continues to monitor the estimated tracking error^(Note 1) of overall assets and the VaR ratio as indicators from a multifaceted risk management perspective.

The investment environment for FY2025 is as described on page 41, with market conditions fluctuating significantly throughout the fiscal year. Against this backdrop, regarding major market risks, including equity and foreign exchange risks, GPIF conducted rebalancing to control deviations between the actual portfolio rate of investment return and

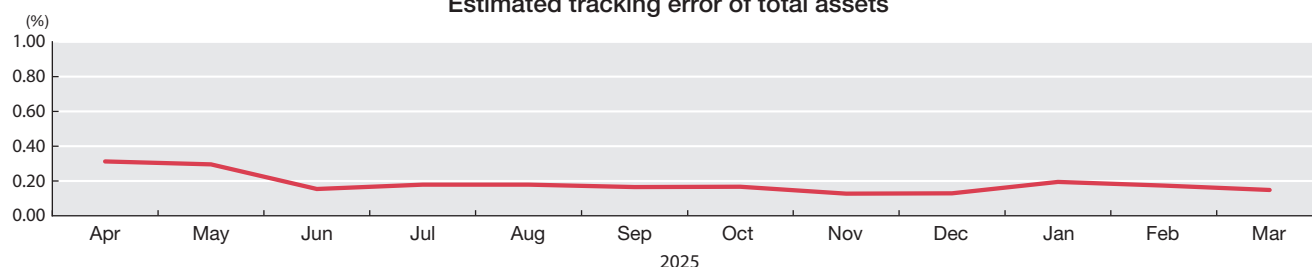
the composite benchmark return of the Policy Asset Mix, along with measures such as optimization of ESG index investments according to the Sustainability Investment Policy. As a result, the estimated tracking error for total assets maintained a low level throughout the fiscal year, ranging from 13 to 31bp (1bp is 0.01%).

The VaR ratio^(Note 2) is an indicator for monitoring the degree of deviation between the risk of the actual portfolio and that of the Policy Asset Mix. In FY2025, the VaR ratio maintained a low level of 0.98 to 1.02.

Note 1: The estimated tracking error is one standard that measures portfolio risks. It represents the difference (excess rate of return) between the composite benchmark return weighted by the Policy Asset Mix's allocation (the average market rate of investment return) and the rate of investment return of the investment portfolio. This range is calculated using analytical tools and estimated based on statistically estimated mutual dependencies among securities in the portfolio, and is used as a risk profile.

Note 2: VaR (Value at Risk) indicates the maximum loss ratio that may occur when assets are held for a certain period (holding period) with a given probability (confidence level). The VaR ratio is calculated by dividing the VaR calculated based on the actual asset composition ratio (actual portfolio) by the VaR calculated based on the Policy Asset Mix's asset allocation, and is used as a risk profile.

Estimated tracking error of total assets

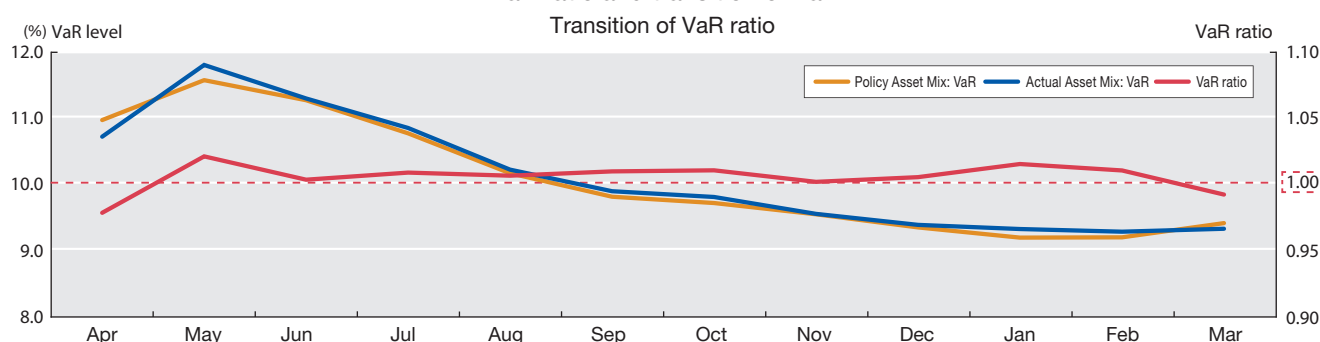


Note 1: The estimated tracking error is calculated by the delta method with the Policy Asset Mix as a benchmark, based on a confidence level of 1σ , a one-year holding period, and a two-year observation period.

Note 2: Values for each month are monthly averages calculated by the risk estimation model at the time of creation.

Note 3: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

VaR ratio and transition of VaR

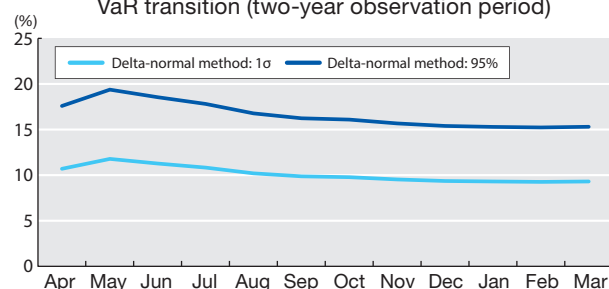


Note 1: VaR is calculated by the delta method based on a 1σ confidence level over a one-year holding period and a two-year observation period.

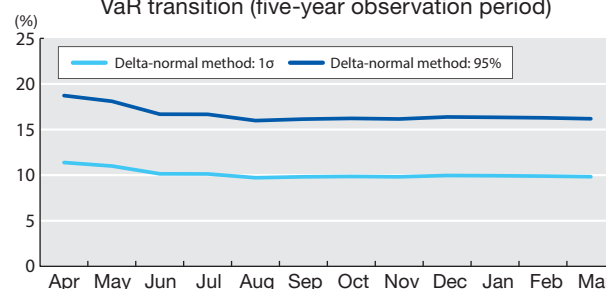
Note 2: Values for each month are monthly averages calculated by the risk estimation model at the time of creation.

Note 3: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

VaR transition (two-year observation period)



VaR transition (five-year observation period)



Note 1: Calculated by the delta method with the actual portfolio as a benchmark, based on a confidence level of 1σ and 95% over a one-year holding period and two-year and five-year observation periods.

Note 2: Values for each month are monthly averages calculated by the risk estimation model at the time of creation.

Note 3: Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[3] Risk management of alternative assets

Alternative assets (investment objectives such as infrastructure, private equity, and real estate) have risk-return profiles different from those of traditional assets such as listed equities and bonds. Considering these profiles, the inclusion of alternative assets in GPIF's portfolio is expected to contribute to diversification effects and excess returns over the long term.

Accordingly, GPIF has been making efforts to enhance its alternative assets since FY2017. However, as each

investment objective calls for its own specific expertise, risk management for alternative assets covers assessment items specifically required for alternative investments, in addition to those common to traditional assets.

GPIF has strengthened the necessary frameworks and advanced initiatives toward comprehensive and detailed risk management. For details of these initiatives, refer to pages 64–65.

[4] Risk management from a long-term perspective

① Stress tests

Stress testing is a method for measuring the impact on returns and capital in the event of significant market movements and for implementing appropriate actions accordingly.

It is essential that the pension reserve fund be managed safely and efficiently from a long-term perspective, and GPIF analyzes the impacts that may arise over the medium to long term. (Refer to the graph on page 31.)

In each scenario, the real return on investment since

GPIF's launch of market investments was temporarily affected by past stressful situations such as the Global Financial Crisis, in which markets fell sharply, the bursting of the dot-com bubble, in which markets were slow to recover, and the COVID-19 pandemic. However, markets subsequently recovered, and the expected level of return on investment was eventually secured.

② Valuation of risk reduction through long-term investment

Based on historical portfolio return data, GPIF analyzed the distribution of returns under the current Policy Asset Mix by using market investment results over the past 39 years. It was found that, in the short term, there was a maximum single-year gain of over +30% and a maximum single-year loss of over -20%, suggesting the possibility of a temporary loss equivalent to the record-high earnings of FY2023. (Refer to the graph on page 30.) However, returns are stable over the long term, and the ten-year moving-average annual

returns over the past 39 years have all been positive. The current Policy Asset Mix was established to secure the real investment return of 1.9%, which is required for pension finances over the long term. Without placing excessive emphasis on market fluctuations, GPIF envisions a variety of stress scenarios that could occur in the near future and gives due consideration to such short-term risks in order to conduct portfolio risk management over the long term.

③ Sustainability investment expected to reduce risks from a long-term perspective

The management of pension reserve funds is required by law to be conducted safely and efficiently from a long-term perspective, making long-term risk management all the more important for GPIF. GPIF invests with consideration for sustainability, including ESG factors, in order to improve the long-term return of overall assets by reducing the negative

impacts of environmental and social issues on capital markets. Since sustainability-related risks, such as climate change risks, are likely to materialize over longer investment periods, GPIF believes that engaging in sustainability investment is highly significant.

[5] Other portfolio risk management

① Credit risk

[External asset managers / Custody services providers]

a. Domestic and foreign bond holdings

○ Holding status by rating

In principle, investments are for bonds rated BBB or higher. However, investments in bonds not rated BBB or higher are permitted if there are legitimate reasons, such as the characteristics of the investment style, and if GPIF approves such strategies in advance. In FY2025, GPIF invested in bonds that were not rated BBB or higher due to the investment style ^(Note).

Note: Domestic government bonds, local government bonds, and bonds issued by corporations under special laws (limited to bonds guaranteed by the government) are not included. For foreign bonds, all types of bonds are eligible.

[In-house investment]

a. Domestic bond fund

○ Holding status by rating

Domestic bond funds invest in bonds rated BBB or higher. However, GPIF may acquire or hold bonds that are rated below BBB if there are legitimate reasons, such as the characteristics of the investment style.

During FY2025, there were no investments in bonds not rated BBB or higher ^(Note).

○ Security lending counterparties

A counterparty to security lending transactions (domestic bonds) must be rated BBB or higher by at least two rating agencies and must not be rated BB or lower by any rating agency. In FY2025, there were no counterparties that did not meet the criteria.

Note: Government bonds, municipal bonds, and bonds issued by corporations under special laws (limited to bonds guaranteed by the government) are not included.

b. Short-term asset fund

○ Counterparties of short-term asset funds

A counterparty of a short-term asset fund must be rated BBB or higher by at least two rating agencies and must not be rated BB or lower by any rating agency. In FY2025, there were no counterparties that did not meet the criteria.

② Status of domestic and foreign equity holdings

○ Status of holdings of equities issued by the same issuer

Investments in shares issued by the same company are limited to 5% or less of the total number of shares outstanding of that company for each external investment manager. In FY2025, no investments exceeded this limit for either domestic or foreign equities.

Chapter 2 Specific Initiatives

1 | Investment in Traditional Assets

[1] Basic approach

① Securing the market average rate of investment return and earning excess returns

GPIF's investment strategy for the four traditional asset classes consists of two tiers: stably securing market average returns while pursuing returns that exceed the market average. First, the Policy Asset Mix serves as the foundation for investment. By investing in accordance with the Policy Asset Mix, GPIF is able to efficiently secure returns that are aligned with the overall equity and bond markets. To further increase returns, GPIF also makes efforts to earn returns that

exceed the market average by making investment decisions (active risks) that differ from the Policy Asset Mix.

In this manner, by appropriately combining investments that secure market average returns while pursuing returns that exceed the market average, GPIF strives to proactively improve its investment results based on expert knowledge, instead of simply following the market average.

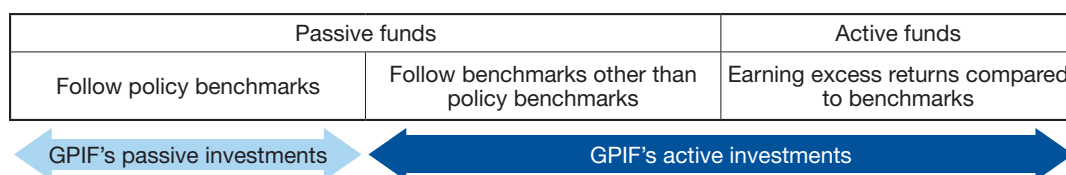
② Approaches to passive/active investment management and funds

For overall risk management of traditional assets, GPIF categorizes its management into “passive management,” which makes efforts to follow policy benchmarks (the benchmarks for each asset used to formulate the Policy Asset Mix), and “active management,” which aims to achieve returns that exceed the policy benchmarks (excess returns) by taking on the risk of deviating from them.

On the other hand, in risk management at the individual fund level, GPIF categorizes its investments into “passive funds,” which use management methods that follow policy benchmarks or other benchmarks, and “active funds,” which use management methods that aim to achieve excess returns relative to each benchmark.

Therefore, “passive funds” that follow benchmarks other than the policy benchmarks are considered “active management” for the purpose of overall asset risk management, since they entail the risk of deviating from the policy benchmarks. For example, passive funds that track ESG indexes for domestic and foreign equities are considered “active management” for the purpose of overall asset risk management.

Note that passive funds that track benchmarks that break down the policy benchmarks by region and maturity are considered “passive management” for the purpose of overall asset risk management.



[2] Specific initiatives

① Rebalancing between asset classes

To secure the return for the Policy Asset Mix, GPIF conducts rebalancing in a timely and appropriate manner among the four asset classes (domestic bonds, foreign bonds, domestic equities, and foreign equities) that comprise the Policy Asset Mix. While rebalancing reduces the risk of failing to achieve a return for the Policy Asset Mix, it also entails transaction costs. Therefore, GPIF manages

rebalancing by balancing these risks and associated costs.

As the assets managed by GPIF have grown, GPIF not only buys and sells physical assets through external asset managers but also uses sufficiently liquid stock index futures and bond futures in its in-house investment operations to alleviate market impact and the resulting increase in transaction costs.

② Equities portfolio

Although equities are a highly volatile asset class, they are also recognized as an asset class that provides opportunities to earn excess returns. For this reason, GPIF conducts investments with the goal of stably earning excess returns while appropriately managing active risk against the Policy Asset Mix.

Regarding risk management, GPIF has established a manager structure that enables flexible rebalancing among asset classes and expansion of funds. Furthermore, GPIF also continuously monitors the status of risks taken through active management to identify any risks that were not intentionally taken by GPIF.

Regarding risks taken intentionally, GPIF categorizes them into ESG investments and active portfolios by region and addresses each of them accordingly. For ESG investments, it conducts investment management that maintains low risk levels while taking into account its Sustainability Investment Policy. Regarding active portfolios by region, GPIF conducts rebalancing in accordance with market trends in each region and selects additional funds based on continuous research into a broad fund universe (a group of funds that are candidates for selection), in its efforts to improve risk and return.

③ Bond portfolio

The bond portfolio is managed with multiple objectives. As with equities, it pursues excess returns from the bond portfolio itself, while adjusting factor exposures (mainly currency risks) across the overall portfolio and securing liquidity to prepare for payouts to the pension special account.

In terms of generating excess returns, GPIF has constructed active fund portfolios through externally managed funds for both domestic and foreign bonds. In addition to risk management, such as monitoring the investment status of individual funds and the market environment, GPIF makes efforts to earn stable excess returns by promoting a cycle of portfolio reviews based on activities such as universe research to spot new funds.

GPIF also actively utilizes passive funds and in-house investments in connection with maintaining active

management and adjusting factor exposures across overall assets. It conducts various rebalancing activities through these funds to appropriately manage risks relative to the Policy Asset Mix, both across overall assets and for bonds alone. In light of this, in-house investment funds in particular differ from typical externally entrusted funds, as they do not aim to follow specific indexes but instead serve as an adjustment mechanism for the overall portfolio.

With regard to securing liquidity, it is important to ensure that GPIF can meet cash outflows associated with repayments of deposits at any time without issue. For the domestic bond portfolio, it seeks to achieve optimal allocation from a payout perspective, taking care to minimize any impact on overall risk and return.

④ Securities Lending

One of GPIF's characteristics is the large number of issues and substantial value of securities it holds. It leverages this characteristic by positioning the economic benefits generated through securities lending as one source of excess returns, solely for the benefit of insured persons, and engages in securities lending through external lending agents mandated to conduct such activities.

In conducting securities lending, GPIF takes lending ratios into account. With respect to the lending of foreign equities, it implements initiatives aimed at balancing the generation of excess returns through securities lending with its stewardship responsibilities. Domestic equities are not eligible for securities lending.

2 | Investment in Alternative Assets

[1] Overview

“Alternative assets” is a general term for investment assets that serve as alternatives to traditional investment assets, such as listed equities and bonds. Among the wide variety of alternative assets, GPIF invests in infrastructure, private equity, and real estate. The 5th Medium-Term Plan (from FY2025

to FY2029) stipulates that alternative assets are categorized as domestic bonds, foreign bonds, domestic equities, and foreign equities in accordance with risk-return profiles and may be invested up to an upper limit of 5% of the total portfolio.

① Investment purpose

Alternative assets have different risk-return profiles from traditional investment assets such as listed equities and bonds. Furthermore, unlike traditional assets, which are traded on a daily basis by many investors, transactions of alternative assets generally take more time to complete, while alternative assets are capable of generating higher returns. As a long-term investor with substantial liquid assets, GPIF strategically holds alternative assets with lower liquidity in its portfolio and aims to earn excess returns while improving the investment efficiency of the portfolio.

Overseas pension funds have been promoting investment diversification by investing in alternative assets that offer these characteristics and effects. Prior to starting investment in alternative assets, GPIF carried out careful examinations through commissioned research projects. In particular, commissioned research conducted in FY2012 reported that alternative asset management could be expected to yield investment premiums in exchange for accepting lower liquidity, while also improving portfolio efficiency through diversification.

Alternative assets



② Investment history

Based on the results of the abovementioned research projects, GPIF started investing in alternative assets through a co-investment platform with institutional investors from FY2013 (in infrastructure since FY2013 and in private equity since FY2015). In FY2017, GPIF started accepting applications for alternative asset investment management utilizing the Asset Manager Registration System and conducted a screening process for external asset managers (fund of funds managers, who select multi-managers, and gatekeepers, who evaluate the capabilities of fund of funds managers) to execute customized multi-manager strategies^(Note) tailored to GPIF's specifications under the discretionary investment agreement method. GPIF started investing in investment limited partnerships (LPSs) in FY2022 to enhance its alternative asset management. In

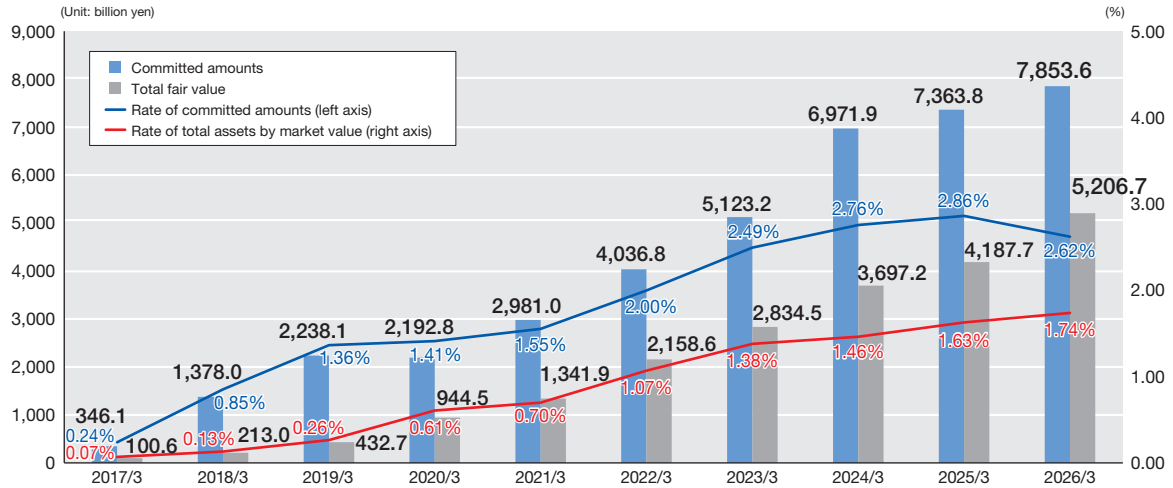
FY2025, GPIF also incorporated the Asset Manager Registration System into its in-house LPS investments and started managing investments under the system.

During this time, GPIF has developed and strengthened its alternative asset investment structure through various measures, such as establishing a specialized unit (Private Market Investment Department), employing external advisors to consider investment strategies (since FY2015), and developing a risk management framework. As the management of alternative assets is highly individualized and their liquidity is low, risk management at the time of investment evaluation and after investment execution is an important issue. GPIF will continuously enhance its framework for investing in alternative assets, including risk management.

Note: A multi-manager strategy is an investment approach that diversifies the investment into multiple funds. A multi-manager strategy is also referred to as a fund of funds, an investment vehicle that invests in multiple funds. GPIF selected external asset managers to implement multi-manager strategies for each alternative asset investment style and delegated all individual fund investment decisions to the appointed external asset managers.



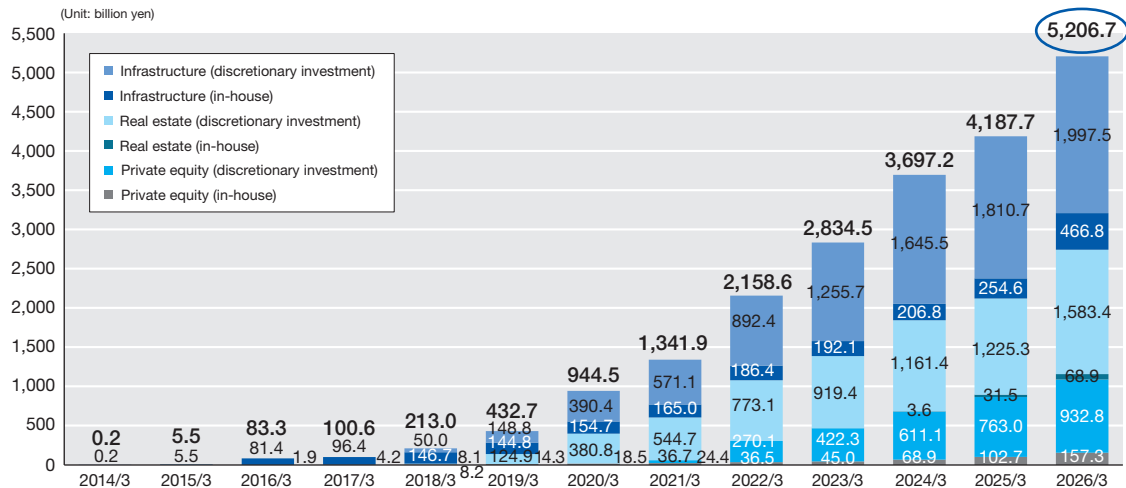
Total fair value and committed amounts of alternative assets, and their shares in the pension reserve fund



Since starting investments in alternative assets, GPIF has steadily built up its asset balance while developing its investment capabilities. The total fair value of alternative assets as of the end of March 2026 was JPY 5,206.7 billion (1.74% of the total

value of the pension reserve fund). Note that although committed amounts are increasing, the committed amount ratio has declined because the overall scale of pension reserve funds has also grown.

Transition of the fair value of alternative assets



③ Main activities in FY2025

a. Expansion of investment methods (addition of investments through Tokumei Kumiai arrangements)

Following the amendment in September 2017 that added investment limited partnerships (LPSs) to the list of securities eligible for in-house investment of pension reserve funds, a government ordinance was amended in September 2025 to add investments through Tokumei Kumiai arrangements, which are domestic contractual investment arrangements which have features similar to those of LPSs. Investment

through Tokumei Kumiai is a method commonly used in domestic real estate investments, and this amendment was made from the perspective of broadening access to investment opportunities and further diversifying the sources of excess returns, thereby enabling GPIF to steadily advance its investments in alternative assets.

b. Request for proposals and selection of external asset managers (gatekeepers and fund of funds managers)

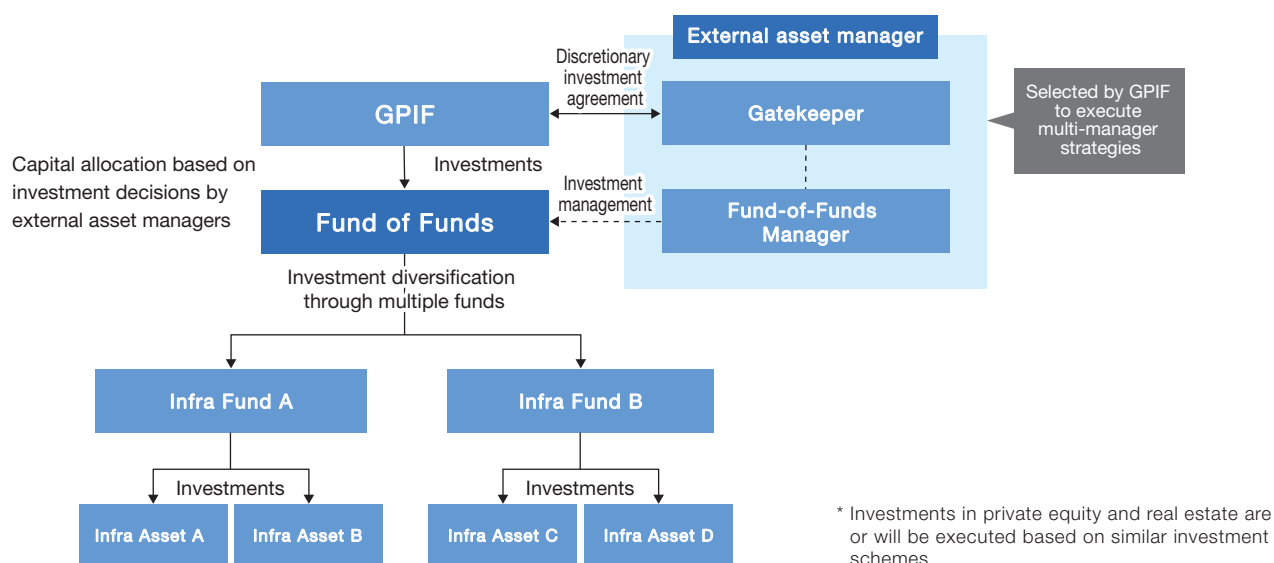
GPIF has continued calling for applications for alternative asset management through the Asset Manager Registration System and has conducted a screening process for external asset managers (in alternative asset management, this refers to gatekeepers and fund of funds managers) to implement customized multi-manager strategies for GPIF.

In FY2024, GPIF made a call for the selection of new external asset managers in the domestic infrastructure

sector and continued the screening process into FY2025.

To select external asset managers, GPIF conducted multiple rounds of document reviews and interviews, with the support of external advisors in addition to its own specialized team, carefully examining the capabilities, investment strategies, investment track records, risk management systems, etc. of the external asset managers.

<Example: Infrastructure investment scheme>



The fund of funds is managed using the discretionary investment agreement method. Appointed external asset managers set up a fund of funds exclusively for GPIF and invest in funds in accordance with guidelines agreed upon in advance that define investment objectives, strategies, certain restrictions, etc.

Each fund then invests in individual alternative assets. However, it generally takes each fund a certain amount of time to identify investment opportunities, conduct various investigations (due diligence), and complete transactions. It

is also important to diversify investment timing over multiple years for optimal portfolio construction. Therefore, GPIF invests in alternative assets over an extended period.

GPIF receives periodic reports from external asset managers on the status of investment management and monitors their performance and risks. In addition, GPIF conducts annual overall assessments of external asset managers and properly manages investment, confirming whether their investment frameworks have changed and monitoring the progress of their investment plans.

c. Introduction of the Asset Manager Registration System for in-house investments

In addition to alternative investments under the discretionary investment agreement method, GPIF also conducts in-house investments by independently selecting single funds, such as LPSs. Up to this point, the Asset Manager Registration System had been used for alternative investments exclusively under the discretionary investment

agreement method. However, to further enhance transparency and fairness in the selection process and to broaden information gathering when selecting investment objectives for in-house investments, GPIF introduced the Asset Manager Registration System and launched its operation in March 2026.

d. Further enhancement of portfolio risk management for alternative assets

With regard to portfolio risk management for alternative assets, GPIF further enhanced the following initiatives in FY2025.

- (i) Establishment of a data analysis team within the Private Market Investment Department
- (ii) Start of building a database for advanced investment management of alternative assets

For details on each item, refer to page 65.

e. Investment status of alternative assets

<Investment status as of the end of March 2026>

	Total of alternative assets	Infrastructure	Real estate	Private equity
Committed amounts (Unit: billion yen) ^(Note 2)	7,853.6	3,652.0	2,451.0	1,750.6
Of which: domestic assets (in JPY terms)	810.0	205.0	455.0	150.0
Of which: foreign assets (in USD terms)	6,530.3	3,208.8	1,904.3	1,417.3
Of which: foreign assets (in EUR terms)	513.2	238.3	91.7	183.3
Total fair value (Unit: billion yen)	5,206.7	2,464.3	1,652.3	1,090.1
The internal rate of investment return (IRR) since the start of investments (IRR) (in JPY terms)	10.83%	10.80%	8.90%	15.23%
Of which: domestic assets (in JPY terms) ^(Note 3)	7.25%	3.78%	8.00%	11.30%
Of which: foreign assets (in USD terms) ^(Note 4)	5.31%	5.61%	2.88%	8.27%
Conversion to yen ^(Note 5)	11.24%	11.08%	9.21%	15.39%
Of which: foreign assets (in EUR terms) ^(Note 6)	4.51%	4.72%	9.96%	3.68%
Conversion to yen ^(Note 7)	13.22%	12.79%	21.36%	12.39%

Note 1: Figures are aggregated by funds of funds, investment trusts, and LPSs.

Note 2: Committed amounts are the sum of the amounts agreed on as the maximum amounts of capital to be contributed by GPIF to each external asset manager at the start of investment.

Note 3: This calculation covers assets under management in Japan (denominated in JPY, the main operating currency) for which more than one year has passed since the start of management.

Note 4: This calculation covers assets under management overseas (denominated in USD, the main operating currency) for which more than one year has passed since the start of management.

Note 5: Figures are calculated by converting the above USD-denominated assets into yen.

Note 6: This calculation covers assets under management overseas (denominated in EUR, the main operating currency) for which more than one year has passed since the start of management.

Note 7: Figures are calculated by converting the above EUR-denominated assets into yen.

(Column) Analysis of changes in total fair value in FY2025

During FY2025 (ending March 31, 2026), the total fair value of GPIF's alternative assets increased by JPY 1.019 trillion. The increase can be attributed to five factors:

① **Capital contributions to new investments (+JPY 1,007.1 trillion):**

A fund makes a capital call (request for a capital contribution) to investors when executing a new investment. Investors make capital contributions to the fund, increasing the fair value of their alternative assets. In FY2025, investments have progressed across all three alternative asset categories.

② **Realized gains and losses (changes in fair value) (+JPY 129.5 billion):**

After a fund executes its investments, the fair value of the alternative assets increases or decreases according to the realized gains and losses. In FY2025, the fair value of all three alternative asset categories increased.

Note 1: Changes in fair value for realized gains and losses include changes resulting from the sale of investees.

③ **Unrealized gains and losses (changes in fair value: +JPY 206.7 billion; fluctuations in foreign exchange: +JPY 286.2 billion):**

After a fund executes its investments, unrealized gains and losses may occur due to changes in fair value. For asset investment management conducted overseas, the yen-denominated fair value also fluctuates according to changes in the exchange rate between the key currency and yen. Fair value increased due to the depreciation of the yen in FY2025.

Note 2: changes in fair value for unrealized gains and losses include changes based on the valuation of investees.

④ **Fees and expenses (-JPY 21.2 billion):**

The amount includes fees and expenses for funds of funds, investment trusts, and LPSs (equivalent to 0.46% of the average outstanding amount of alternative assets in FY2025).

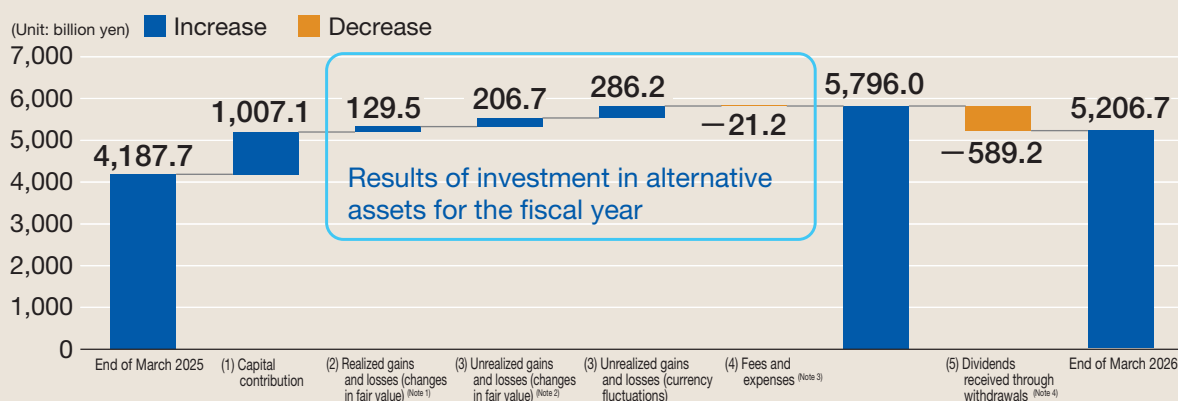
Note 3: The fees and expenses paid to fund-of-funds managers under discretionary investment agreements, and to investment trusts and LPSs under in-house investment, are aggregated by GPIF (the fees and expenses of investment trusts are a rough estimate). However, fees and expenses paid to LPSs in which GPIF has made investments through funds of funds have already been deducted in the process of calculating fair value.

⑤ **Dividends received through withdrawals (-JPY 589.2 billion):**

When a fund receives returns from investee companies and distributes the realized income and capital to investors, the fair value of alternative assets decreases. In FY2025, GPIF received dividends from investees, mainly from its investments in the infrastructure sector.

Note 4: Uncollected dividends (retained in trust accounts) have been deducted.

Analysis of changes in the fair value of alternative investments (from April 2025 to March 2026)



(Column) Method for measuring the rate of investment return on alternative assets

While the investment performance of listed assets such as equities and bonds is often measured using the time-weighted rate of return, the investment performance of alternative assets is generally measured using the internal rate of return (IRR) since inception. The IRR, also known as the money-weighted rate of return, is a rate of investment return calculated by taking into account the timing and size of cash flows (including capital contributions and distributions) between investors and funds.

While traditional asset investments allow investors to specify the timing of capital allocation and withdrawals, alternative asset investments allow asset managers of the funds to specify the timing of asset acquisitions and dispositions, request investors to contribute capital accordingly (capital calls), and distribute the realized capital and income (distributions). Therefore, the IRR is used based on the understanding that decisions regarding the timing and size of cash flows are part of the asset managers' investment capabilities. In GPIF's Annual Report, the investment results of GPIF's overall assets, including alternative assets, are presented using the time-weighted rate of return, while the investment results of alternative assets are also presented using the IRR.

[2] Infrastructure

① Overview

GPIF's infrastructure strategy invests in assets such as power generation plants, electricity transmission grids, renewable energy, transportation infrastructure (ports, railways, roads, etc.), public utilities, and telecommunication infrastructure.

GPIF mainly focuses on investing in infrastructure funds targeting various projects or companies that are essential for social and economic activities under a well-established regulatory environment, and expects to generate stable revenues based on long-term contracts.

② GPIF's investments

a. Investment approach

Through investments in infrastructure funds with equity stakes in infrastructure projects or companies, GPIF aims to

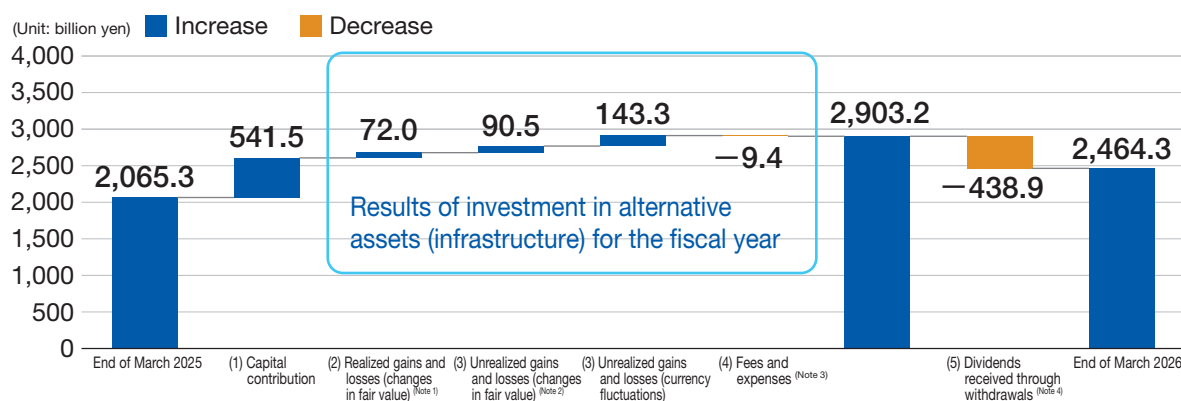
secure stable returns and contribute to excess returns for the entire portfolio.

b. Investment status

The total fair value of its infrastructure investment as of the end of March 2026 was JPY 2,464.3 billion, which increased by JPY 399 billion from the end of March 2025.

The total fair value of infrastructure assets increased mainly due to the progress in new investments.

Analysis of changes in the fair value of infrastructure investments (from April 2025 to March 2026)



Note 1: Changes in fair value for realized gains and losses include changes resulting from the sale of investees.

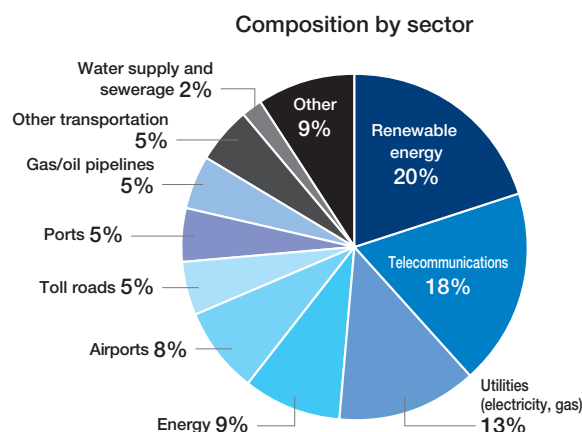
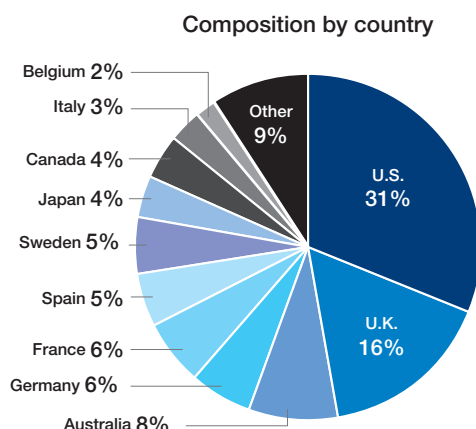
Note 2: Changes in fair value for unrealized gains and losses include changes based on the valuation of investees.

Note 3: The fees and expenses paid to fund-of-funds managers under discretionary investment agreements, and to investment trusts and LPSs under in-house investment, are aggregated by GPIF (the fees and expenses of investment trusts are a rough estimate). However, fees and expenses paid to LPSs in which GPIF has made investments through funds of funds have already been deducted in the process of calculating fair value.

Note 4: Uncollected dividends (retained in trust accounts) have been deducted.

The country breakdown of its infrastructure portfolio shows the U.S. with the largest share at 31%, followed by the U.K. at 16%, Australia at 8%, and Japan at 4%. Investment opportunities in Japan are still limited, but GPIF is steadily progressing with investment through infrastructure funds that invest in Japanese companies and through fund of funds specializing in Japan, and also continues to request proposals from asset managers. As for the sector breakdown, investments were diversified, with renewable energy accounting for the largest share at 20%, followed by telecommunications at 18% and utilities (electricity/gas) at

13%. As of the end of March 2026, the IRR stood at +5.61% in USD terms (+11.08% in JPY terms) for foreign infrastructure investments with USD as the main operating currency, +4.72% in EUR terms (+12.79% in JPY terms) for foreign infrastructure investments with EUR as the main operating currency, and +3.78% in JPY terms for domestic infrastructure investments since its inception in February 2014. The total dividends (excluding return of capital) received from foreign investment trusts, funds of funds, etc. during FY2025 were JPY 222.1 billion.



[3] Private equity

① Overview

GPIF invests primarily in funds that invest in the equity of private companies (private equity, or “PE” funds). PE funds generally identify and invest in companies at various stages of development while diversifying investments over time. Types of PE funds include buyout funds (which seek to enhance the enterprise value of portfolio companies by improving post-investment management practices and

corporate governance), growth equity funds (which provide capital for the growth and expansion of companies), venture capital funds (which invest in start-up and other early-stage companies with growth potential), and turnaround funds (which seek to rehabilitate underperforming companies through debt restructuring and other measures). GPIF makes diversified investments in PE funds of these types.

② GPIF's investments

a. Investment approach

By diversifying investments mainly in the equity and other interests of private companies at various stages of development, including start-up, growth, expansion, and

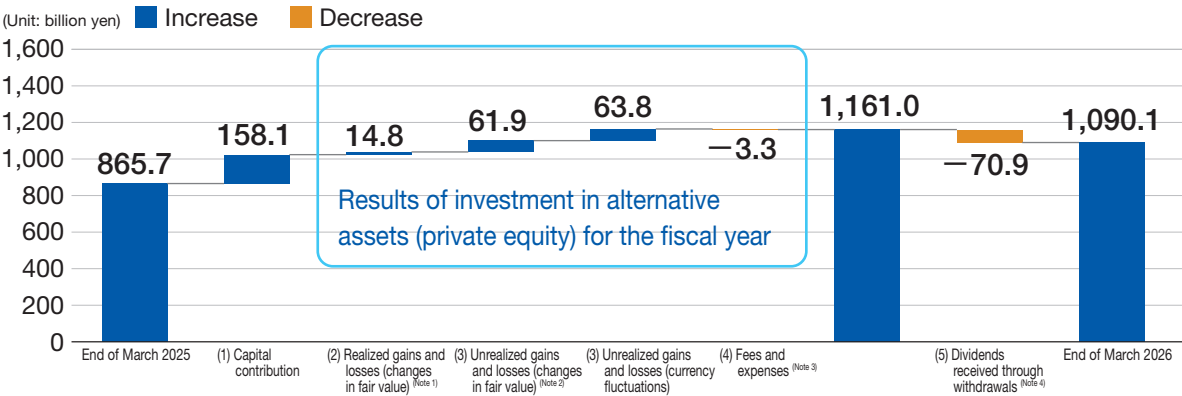
turnaround, GPIF aims to secure relatively high returns primarily through growth in enterprise value, thereby contributing to improved returns across its overall portfolio.

b. Investment status

The total fair value of its PE investments as of the end of March 2026 was JPY 1,090.1 billion, which increased by JPY 224.4 billion from the end of March 2025. The fair value

of the overall private equity portfolio increased mainly due to new investments and an increase in the fair value of portfolio companies.

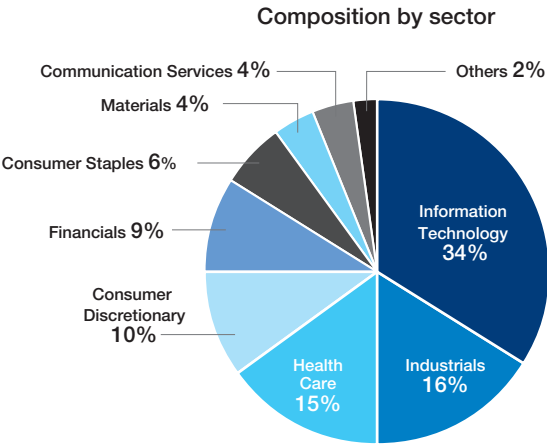
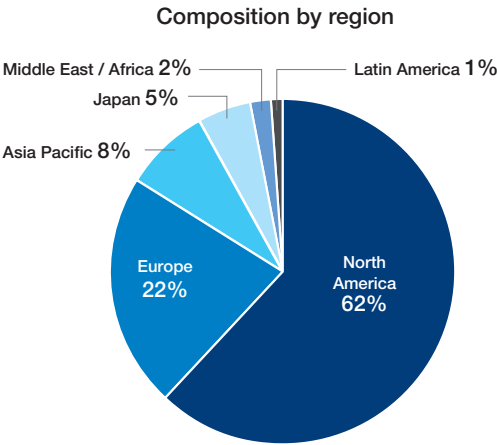
Analysis of changes in the fair value of private equity investments (from April 2025 to March 2026)



Note 1: Changes in fair value for realized gains and losses include changes resulting from the sale of investees.
Note 2: Changes in fair value for unrealized gains and losses include changes based on the valuation of investees.
Note 3: The fees and expenses paid to fund-of-funds managers under discretionary investment agreements, and to investment trusts and LPSs under in-house investment, are aggregated by GPIF (the fees and expenses of investment trusts are a rough estimate). However, fees and expenses paid to LPSs in which GPIF has made investments through funds of funds have already been deducted in the process of calculating fair value.
Note 4: Uncollected dividends (retained in trust accounts) have been deducted.

By region, North America accounted for the largest share of the portfolio at 62%, followed by Europe and Asia. Japan's share was 5%, which increased from 3% in the previous year. GPIF is moving forward with commitments to PE funds that invest in Japanese companies through Japan-focused fund of funds and other vehicles. By sector, information technology accounted for the largest share (34%), while other investments were diversified across a wide range

of sectors, including capital goods and healthcare. As of the end of March 2026, the IRR since inception stood at +8.27% in USD terms (+15.39% in JPY terms) for foreign PE investments with USD as the main operating currency, +3.68% in EUR terms (+12.39% in JPY terms) for foreign PE investments with EUR as the main operating currency, and +11.30% in JPY terms for domestic PE investments.



Note: The data is broken down by region, as PE investments span a wide range of countries.

[4] Real estate

① Overview

GPIF's real estate investments focus on real estate funds that hold properties such as logistics, offices, residential, and retail properties.

Among these, GPIF generally implements a "core-style" investment strategy, which is expected to generate stable rental income from tenants. This strategy has also been adopted as a major investment strategy by pension funds in other countries. It is important to diversify the timing, regions, sectors, etc., of investments (investment diversification), considering the fact that the real estate

market is cyclical (with prices fluctuating according to supply and demand, the financial market, etc.) and that each investment amount/unit tends to be relatively large.

At the same time, it is necessary to fully engage with specialized companies that are capable of appropriately managing and operating properties (asset managers and/or property managers, etc.) to sustain asset value over the long term. GPIF promotes real estate investments while taking these characteristics into account.

② GPIF's investments

a. Investment approach

Taking market conditions into account, GPIF contributes to enhancing the returns of its overall portfolio by conducting investment diversification efficiently and in a timely manner

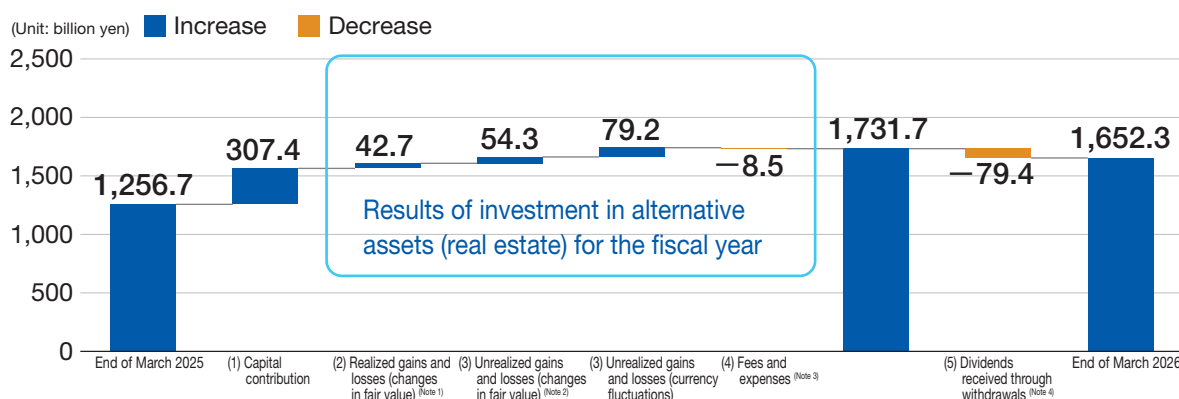
for core real estate funds as a primary strategy, as well as opportunistic real estate funds, etc. (investment strategies of which returns are obtained mainly from sales).

b. Investment status

The total fair value of its real estate investments as of the end of March 2026 was JPY 1,652.3 billion, which increased by JPY 395.6 billion from the end of March 2025. The total

fair value of real estate assets increased mainly due to the progress in new investments.

Analysis of changes in the fair value of real estate investments (from April 2025 to March 2026)



Note 1: Changes in fair value for realized gains and losses include changes resulting from the sale of investees.

Note 2: Changes in fair value for unrealized gains and losses include changes based on the valuation of investees.

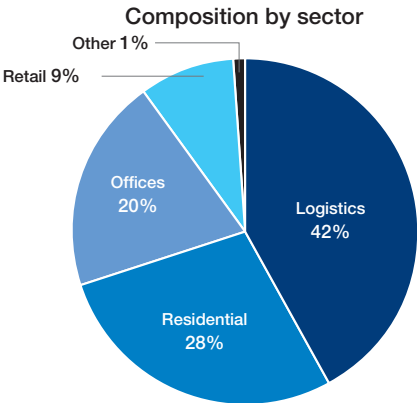
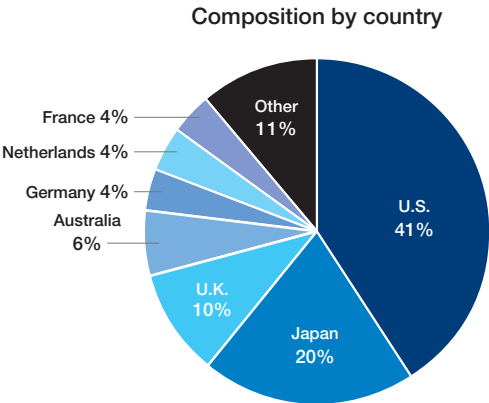
Note 3: The fees and expenses paid to fund-of-funds managers under discretionary investment agreements, and to investment trusts and LPSs under in-house investment, are aggregated by GPIF (the fees and expenses of investment trusts are a rough estimate). However, fees and expenses paid to LPSs in which GPIF has made investments through funds of funds have already been deducted in the process of calculating fair value.

Note 4: Uncollected dividends (retained in trust accounts) have been deducted.

The country breakdown of the portfolio shows the U.S. with the largest share at 41%, followed by Japan at 20%, the U.K. at 10%, and Australia at 6%. As for the sector breakdown, the logistics sector accounted for the largest share at 42% of the total portfolio, followed by residential properties at 28%, offices at 20%, and retail properties at 9%. Investments are diversified and focused on core-style real estate funds in developed countries.

As of the end of March 2026, the IRR stood at +8.00% in JPY terms for domestic real estate investments (since inception in December 2017), +2.88% in USD terms

(+9.21% in JPY terms) for foreign real estate investments with USD as the main operating currency (since inception in September 2018), and +9.96% in EUR terms (+21.36% in JPY terms) for foreign real estate investments with EUR as the main operating currency (since inception in October 2024). Dividends received from fund of funds in FY2025 (excluding return of capital) were JPY 36.8 billion in total. GPIF will continue investing in real estate funds while monitoring market conditions and utilizing external consultants.



[5] Portfolio risk management of alternative assets

① Approach to investment risk of alternative assets

a. Overview

As the investment objectives of alternative investments are mainly unlisted assets, they have multiple characteristics that differ from traditional assets, such as low liquidity, information asymmetry, and difficulty in assessing fair value.

GPIF has a multilateral grasp on the risks unique to alternative assets that arise from these characteristics and manages them on an ongoing basis.

b. Fair value measurement of alternative assets

Fair value measurement is important both for performance evaluation and risk management of financial assets. In the case of traditional assets (listed equities and bonds), fair value is determined using market prices, which change with

each trade. However, since alternative assets have several characteristics that differ from those of traditional assets (see the table below), fair value is measured using different methods as well.

Chart: Differences in fair value measurement between alternative assets and traditional assets

Alternative assets Trading based on appraised values	Traditional assets (listed equities and bonds) Trading based on market prices
• Low liquidity ⇒ Trading opportunities are limited primarily to bilateral transactions, making transactions difficult. • Difficulty in obtaining information ⇒ There is limited publicly available information on companies and projects, including their financial condition, resulting in information asymmetry and making pricing difficult. • Pricing based on unobservable market inputs ⇒ Price formation reflects the expectations of the parties in a transaction and valuations by external institutions. • Time required for price adjustments ⇒ Market influences and information are not reflected in prices immediately, so price adjustments take time. • Management flexibility ⇒ There are fewer reporting obligations to investors, making it easier to change business operations.	• High liquidity ⇒ Trading on exchanges and over-the-counter markets is relatively easy. • Ease of obtaining information ⇒ There is ample publicly available information on companies and projects, including their financial condition, making investment decisions relatively straightforward. • Market-based pricing ⇒ Price formation reflects market supply and demand as well as the expectations of many investors. • Time required for price adjustments ⇒ Market influences and information are quickly reflected in prices, allowing prices to adjust rapidly.

Under the accounting standards applicable in each country (Accounting Principles in Japan, U.S. GAAP in the U.S., and IFRS in Europe), alternative assets are classified as “Level 3 assets,” for which observable market prices are not available. Fund managers calculate their fair values using internal models and third-party valuation models. To ensure the transparency and reliability of fair values, valuation methods, major assumptions, and valuation

uncertainties are periodically reviewed by external auditors. Therefore, the calculation and verification of fair values of alternative assets require time, and investors are usually notified two to five months after the end of the fund’s fiscal period.

GPIF conducts performance and risk measurements based on this fair value calculation process and various assumptions regarding recent conditions.

c. Considerations in fund selection

Among the many existing funds, GPIF selects funds that are capable of generating sustainable and repeatable excess returns, based on the selection of individual investment projects that reliably generate excess returns and the constructed portfolios that combine them. Dialogues between fund managers and GPIF are also important in selecting funds. In alternative investments, information asymmetry between buyers and sellers is generally considered to be one of the causes of excess returns. GPIF believes that excess returns can be achieved by building

relationships with fund managers based on aligned interests as investors, rather than relationships between buyers and sellers. Furthermore, as alternative investments are generally conducted over the medium to long term, the stability and sustainability of a fund managers’ organization have a significant effect on performance. GPIF appropriately monitors the organizational structure of fund managers, the effects of structure revisions, and whether there are any deviations from the established investment processes, among other matters.

d. Sources of returns on alternative assets

The sources of returns on alternative asset investments include earnings growth, leverage, and changes in asset valuation multiples. Fund managers seek to increase both the growth and stability of earnings and enhance asset values by increasing sales or reducing costs. It is also essential to implement risk management when using leverage (borrowing) to expand investments and increase returns. Asset valuations vary according to factors such as the economic environment and are assessed using metrics such as EV/EBITDA (enterprise value-to-earnings before

interest, taxes, depreciation, and amortization ratio), PER (price-to-earnings ratio), and Cap-Rate (capitalization rate). Among the sources of fund excess returns, the level of the fund managers' involvement in the earnings growth of the underlying investments is considered to be the most important. Through continuous dialogue with fund managers, GPIF works to identify and understand the sources of excess returns.

e. Risk management methods for alternative assets

As alternative assets involve limited information disclosure and are less susceptible to market movements of traditional assets, they are characterized by fewer price changes, which makes statistical analysis difficult. For these reasons, funds have generally been selected based on absolute return measures such as IRR and TVPI (total value to paid-in capital). Historically, whether funds would produce excess returns in the future as they had in the past was assessed primarily through qualitative analysis; however, this approach also presented the challenge that such assessments could become subjective. Going forward, GPIF expects that quantitative data analysis of unlisted assets will become

increasingly more important, supported by the growing number of transactions involving listed alternative assets in public markets along with advances in IT. Therefore, in addition to conventional qualitative analysis, objective quantitative data analysis is expected to play an important role and obtaining excess returns over traditional assets is also emphasized. As described below, GPIF has started establishing a data analysis team within the Private Market Investment Department and constructing a database related to alternative assets, from the perspective of reinforcing risk management.

② Main initiatives in FY2025

In FY2025, GPIF made further efforts to strengthen portfolio risk management for alternative assets.

a. Establishment of a data analysis team for the Private Market Investment Department

In the 5th Medium-Term Plan and the annual plan starting from FY2025, alternative investments have been positioned as investments to be conducted from the perspective of obtaining excess returns while enhancing investment efficiency, and GPIF is required to further enhance the degree of confidence in obtaining excess returns through alternative investment management. Accordingly, GPIF established a data analysis team within the Private Market Investment Department in FY2025 in light of the situation in which data analysis is becoming increasingly important for alternative assets.

Going forward, GPIF will make efforts to reinforce the foundations of alternative investments by improving decision-making and monitoring methods based on quantitative analysis regarding individual investment projects, along with considering more appropriate risk management methods for the Policy Asset Mix in light of promoting a deeper understanding of risk-return profiles of alternative assets. Through these efforts, GPIF will advance initiatives to obtain excess returns over the Policy Asset Mix that are required of alternative assets.

b. Start of building database for alternative assets

In general, the selection and evaluation of each alternative asset fund have focused on qualitative analysis, while quantitative analysis has focused on comparing funds of the same type using a limited number of metrics (IRR, TVPI, etc.). GPIF believes that more detailed quantitative analysis will become increasingly important in order to enhance confidence in obtaining excess returns from alternative assets over public markets. For obtaining and analyzing

detailed quantitative data, such as investment performance data for each fund, periodically and efficiently, GPIF has been considering the establishment of a new alternative asset database. In FY2025, GPIF selected a service provider to collect data from individual funds and started efforts toward implementation.

3 | Sustainability Investment

[1] Basic approach

① What is GPIF's sustainability investment?

In March 2025, GPIF established its Sustainability Investment Policy ^(Note1) in line with the objectives of the government's Asset Owner Principles ^(Note2) and has been promoting investments that take sustainability into consideration (hereinafter "sustainability investment").

With regard to sustainability investment, GPIF aims to improve the long-term investment returns of its entire portfolio by achieving both "reduction of sustainability-related risks and improvement of sustainability of markets" and "the securing of market average return."

From the perspective of securing long-term returns for the benefit of the insured, sustainability investment includes investments that take financial factors into account, as well as non-financial factors such as ESG (environmental, social, and governance) and social and environmental effects (impact), together with stewardship activities. As sustainability-related issues do not affect only specific companies or asset classes,

GPIF promotes sustainability investment across all of its assets. GPIF pursues more effective approaches by selecting and combining various methods according to the characteristics of each asset class.

Note 1: For details on the Sustainability Investment Policy, refer to the GPIF website (https://www.gpif.go.jp/esg-stw/policy_sustainability.html)
*Available in Japanese language only.

Note 2: Based on the Policy Plan for Promoting Japan as a Leading Asset Management Center (formulated in December 2023), the Government of Japan formulated the Common Principles for Asset Owners' Investment, Governance, and Risk Management (Asset Owner Principles) (hereinafter the "Principles") on August 28, 2024. The Principles are described as "a set of common principles that are considered useful for asset owners in fulfilling their responsibilities (fiduciary duties) to manage their assets while taking into account the best interests of beneficiaries and others." Each asset owner was expected to confirm the purpose of the Principles and, after giving them sufficient consideration, decide whether to endorse that purpose and accept the Principles. GPIF accepted the Principles in September 2024 and announced its implementation policy.

② Why does GPIF promote sustainability investment?

GPIF promotes sustainability investment because it has the characteristics of both a "cross-generational investor" and a "universal owner."

GPIF manages and invests a portion of pension premiums paid by the current working generation as a pension reserve, with the aim of preventing the burden of pension contributions on future working generations from becoming excessively large. The pension reserve funds managed and invested by GPIF will be used to finance future pension benefits. Accordingly, as a cross-generational investor that ensures the stability of the pension system for both the current and future generations, GPIF manages and invests its assets with a 100-year perspective.

The pension reserve funds managed and invested by GPIF amount to approximately JPY 294 trillion. To achieve stable investment returns while managing such a massive pool of pension reserve funds, GPIF broadly diversifies its investments across global capital markets. Investors of this kind are referred to as "universal owners." As a universal owner, GPIF's investment returns depend heavily on the performance of capital markets as a whole (and consequently, on the performance of the economy as a whole).

Over the long term, capital markets cannot avoid sustainability-related risks such as environmental and social issues. For example, even if the share price of an investee company rises as a result of business activities that place significant burdens on the environment or society in pursuit of short-term profit growth, the overall portfolio of a universal owner could suffer substantial damage if the broader

economy and society, including other companies, are adversely affected. Reducing the negative impacts of sustainability-related issues on capital markets is essential for universal owners such as GPIF to pursue long-term investment returns.

At the same time, companies and projects whose business activities generate positive environmental and social impacts have the potential to transform the resolution of such issues into a source of sustainable growth.

Accordingly, for GPIF, which has the dual characteristics of a cross-generational investor and a universal owner, to achieve stable investment returns over the long term, it is important to reduce sustainability-related risks, such as environmental and social issues, thereby contributing to the long-term enhancement of the value of individual companies and, in turn, the sustainable and stable growth of capital markets and the economy as a whole.

Based on this approach, and from the perspective of securing long-term investment returns for the benefit of the insured, GPIF promotes sustainability investment, including investments that take financial factors into account as well as non-financial factors such as ESG (environmental, social, and governance) and social and environmental effects (impact).

This approach is consistent with the spirit of the Employees' Pension Insurance Act and the National Pension Act, which provide that pension reserve funds must be managed in accordance with the principle of "safely and efficiently managing and investing pension reserve funds from a long-term perspective, solely for the benefit of the insured."

③ Toward a virtuous cycle throughout the investment chain

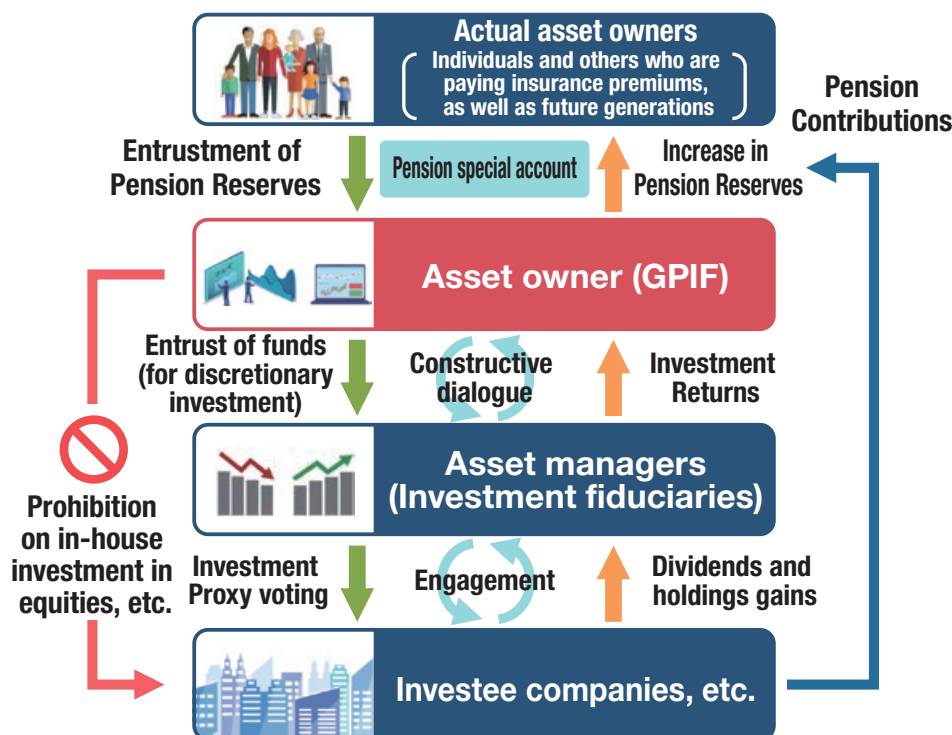
The concept of the “investment chain” is key to GPIF’s achievement of its sustainability investment goals. The investment chain refers to a cyclical structure in which, on the one hand, funds are invested from investors (beneficiaries) into investee companies that require capital, and on the other hand, profits are returned from the investee companies to the investors. More specifically, pension reserves—which are funded by pension premiums paid by insureds (individuals and others)—are invested in listed companies and other investees through a chain that includes these insureds (who are the actual asset owners), GPIF (which acts as the “asset owner” managing and investing the pension reserves on behalf of the actual asset owners), and the asset managers (investment management firms) selected by GPIF. After investments are made, profits are returned from the investee companies to the asset managers in the form of dividends and capital gains. These investment returns are then passed from the asset managers to GPIF, the asset owner, and ultimately reflected in the pension reserves of the insureds, who are the actual asset owners.

Given this structure, a virtuous cycle throughout the

investment chain is crucial for increasing GPIF’s long-term investment returns. The Asset Owner Principles also state that “asset owners play an important role in the investment chain through the financial and capital markets, directly or indirectly, in bringing financial returns enabled by corporate and economic growth to beneficiaries.” As an asset owner, GPIF has a role to play in promoting a virtuous cycle throughout the investment chain.

Sustainability investment is one of the key means by which GPIF promotes a virtuous cycle throughout the investment chain. For example, through investment that takes ESG and impact into consideration, as well as stewardship activities, GPIF encourages companies, through its external asset managers, to change their behavior in ways that contribute to enhancing long-term corporate value, such as reducing sustainability-related risks through climate change measures. As a result, by contributing to the sustainable growth of capital markets and the economy as a whole, GPIF aims to improve its long-term investment returns and, ultimately, increase the benefits for the actual asset owners.

Virtuous cycle throughout the investment chain to enhance long-term investment returns



[2] Main initiatives regarding sustainability investment

① Investment that takes ESG and impact into consideration

GPIF has been investing in equities using ESG indexes as benchmarks (ESG index investment) since FY2017 as part of its investments that take ESG (environmental, social, and governance) factors into consideration. In July 2025, based on its Sustainability Investment Policy and related guidelines, GPIF began inviting submissions of new domestic and foreign equity ESG indexes and ESG funds via the Index Posting System (IPS, a system for continuously accepting information on indexes) and Manager Entry (for details, refer to page 82). In addition, GPIF conducted research during FY2025 on investments that take social and environmental

impact into consideration.

Furthermore, the Sustainability Investment Policy identifies ESG integration—the explicit and systematic incorporation of ESG factors into investment analysis and investment decision-making—as one of its main initiatives. GPIF places particular emphasis on ESG integration as an important element in evaluating the investment processes of the asset managers entrusted with the management of its equity, bonds, and alternative assets.

a. ESG index-based investment

ESG index-based investment is characterized by its ability to improve the ESG characteristics of the overall portfolio by increasing the weighting of companies with high ESG ratings while maintaining broad diversification across the entire market. Furthermore, by investing in a manner that reflects ESG ratings, this approach is expected to encourage companies to strengthen their ESG initiatives, which in turn is expected to enhance these companies' long-term corporate value and improve the sustainability of capital markets as a whole. As a universal owner, GPIF invests broadly across the entire market. It is crucial for GPIF to adopt an approach that secures returns by improving the overall quality of the market. GPIF believes ESG index investing is an effective means of achieving this objective.

In FY2017, GPIF selected a total of three domestic equity ESG indexes—two comprehensive indexes that take overall ESG factors into account and one thematic index focused on the advancement of women in the workplace—and began managing funds based on these indexes. In FY2018, in response to the increasingly serious issue of climate change, GPIF selected and adopted environmental equity indexes—

one for domestic equity and one for foreign equity. These indexes evaluate corporate carbon efficiency (greenhouse gas emissions per unit of net sales). In FY2019, GPIF launched Index Posting, a system that accepts index-related information on an ongoing basis, with the aim of further enhancing GPIF's investment management. In FY2020, GPIF established the Practical Guidelines for the Selection of ESG Indexes, which set forth the basic policies for selecting ESG indexes, and adopted two new foreign equity ESG indexes. Since then, GPIF has continued to add new indexes (for a total of nine as of the end of FY2025) and has consistently worked to improve the quality of existing ESG indexes. At the end of FY2024, together with the establishment of the Sustainability Investment Policy, GPIF published its "Initiatives for Sustainability Investment" and established a framework that includes ESG index-based investments in rebalancing, to ensure smooth investment management aligned with the Policy Asset Mix into the future. (for details, refer to page 77). As of the end of FY2025, GPIF manages total assets of approximately JPY 12.4 trillion based on ESG indexes.

Domestic Equities: Comprehensive Indexes

	 FTSE JPX Blossom Japan Index	 FTSE JPX Blossom Japan Sector Relative Index	MSCI Nihonkabu ESG Select Leaders Index 
Concept and characteristics of index	- This index uses the ESG assessment scheme used in the FTSE4Good Japan Index Series, which has one of the longest track records globally for ESG Russell indexes. - It is a comprehensive ESG index that selects stocks with high absolute ESG scores and adjusts industry weights to neutral at the industry level.	- Assessments are performed based on the same FTSE Russell's ESG rating as the FTSE JPX Blossom Japan Index. For the companies with high carbon intensity (greenhouse gas emissions/sales), management attitude toward climate-change risks and opportunities is also assessed. - The index selects stocks with relatively high ESG ratings within each industry, and adjusts industry weights to neutral.	- The MSCI Nihonkabu ESG Select Leaders Index is a comprehensive ESG index that integrates various ESG risks into today's portfolio. The index is based on MSCI ESG Research used globally by more than 1,000 clients. - The index is composed of stocks with relatively high ESG scores in each industry.
Index construction	Best-in-class	Best-in-class	Best-in-class
Constituent universe (parent index)	FTSE JAPAN ALL CAP INDEX [1,368 securities]	FTSE JAPAN ALL CAP INDEX [1,368 securities]	MSCI Nihonkabu IMI [918 securities]
Number of index constituents	406	662	454
Asset under management	750.9 billion	1,578.7 billion	896.8 billion

Domestic Equities: ESG Thematic Indexes (women's advancement/climate change)

	 MSCI Japan Empowering Women Index ("Win")	 Morningstar Japan ex-REIT Gender Diversity Tilt Index ("GenDi J")	 S&P/JPX Carbon Efficient Index
Concept and characteristics of index	- MSCI calculates, from multiple perspectives, gender diversity scores based on information disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace and selects companies with higher gender diversity scores from each sector. - It is the first index designed to cover a broad range of factors related to gender diversity.	- Domestic equities index that determines investment weighting based on assessment of companies' commitment to gender equality, using the Equileap Gender Equality Scorecard. - Ratings are conducted in four categories: (1) gender balance in leadership and workforce; (2) equal compensation and work-life balance; (3) policies promoting gender equality; and (4) commitment, transparency, and accountability.	- Constructed by S&P Dow Jones Indexes based on carbon data provided by Trucost, a pioneer in environmental assessment. - This index is designed to overweight, in each industry, companies that have lower carbon intensity (annual greenhouse gas emissions divided by annual revenues) and that actively disclose their carbon emissions information.
Index construction	Best-in-class	Tilted	Tilted
Constituent universe (parent index)	MSCI JAPAN IMI TOP 700 [693 securities]	Morningstar Japan ex-REIT Index [828 securities]	TOPIX [1,654 securities]
Number of index constituents	344	828	1,610
Asset under management	490.2 billion	1,245.7 billion	2,598.2 billion

Foreign Equities: Comprehensive Indexes and ESG Thematic Indexes (women's advancement/climate change)

	 MSCI ACWI ESG Universal Index	 Morningstar Developed Markets Ex-Japan Gender Diversity Index ("GenDi")	 S&P Global Ex-Japan LargeMidCap Carbon Efficient Index
Concept and characteristics of index	- One of MSCI's flagship ESG indexes, this comprehensive index adjusts the weight of constituents based on each issuer's current ESG rating and ESG trends to improve the overall ESG profile of the index. - The index was developed for large investors seeking to enhance ESG integration while achieving the same level of investment opportunity and risk exposure as the parent index.	- Foreign equities index that determines investment weighting based on assessment of companies' commitment to gender equality, using the Equileap Gender Equality Scorecard. - Ratings are conducted in four categories: (1) gender balance in leadership and workforce; (2) equal compensation and work-life balance; (3) policies promoting gender equality; and (4) commitment, transparency, and accountability.	- Constructed by S&P Dow Jones Indexes based on carbon data provided by Trucost, a pioneer in environmental assessment. - This index is designed to overweight, in each industry, companies that have lower carbon intensity (annual greenhouse gas emissions divided by annual revenues) and that actively disclose their carbon emissions information.
Index construction	Tilted	Tilted	Tilted
Constituent universe (parent index)	MSCI ACWI (ex Japan and ex China A-shares) [1,928 securities]	Morningstar Developed Markets Ex-Japan Large-Mid Cap [1,638 securities]	S&P Global ex-Japan LargeMidCap [3,634 securities]
Number of index constituents	1,866	1,635	2,369
Asset under management	1,468.7 billion	1,091.1 billion	2,302.8 billion

Note: Data is current as of March 31, 2026.

Source: Prepared by GPIF based on data from FactSet, etc.

b. Impact conscious investment

In March 2025, GPIF revised its Investment Principles and identified “investment that takes social and environmental impact into consideration” as one of its key initiatives in sustainability investment. In addition, GPIF explicitly identified impact-conscious investment as one of the main initiatives in both its Sustainability Investment Policy and its 5th Medium-Term Plan. This is based on the belief that taking non-financial factors, including social and environmental impact, into account when making investment decisions contributes to improving medium- to long-term investment returns, just as consideration of ESG factors does.

GPIF’s mission is “to contribute to the stable operation of the public pension schemes into the future by safely and efficiently managing and investing pension reserve funds from a long-term perspective, solely for the benefit of the insured.” Under applicable laws and regulations, GPIF is prohibited from managing and investing pension reserve funds for purposes other than “solely for the benefit of the insured,” such as pursuing other policy objectives or implementing specific policy measures (considerations unrelated to the interests of the insured). Accordingly, GPIF cannot make investments with the direct purpose of achieving a particular impact.

At the same time, as environmental and social issues become increasingly important, technological development and business innovation that contribute to addressing these challenges have the potential to drive

rapid market expansion and sustainable growth among investee companies. Evaluating the impact generated by such business activities can therefore be an important consideration in securing long-term investment returns. Accordingly, from the perspective of improving medium- to long-term investment returns, taking non-financial factors—including impact—into account, as with ESG factors, is not considered to constitute “considerations unrelated to the interests of the insured.”

In accordance with the 5th Medium-Term Objectives and Medium-Term Plan, GPIF conducted research on impact-conscious investment in FY2025. Specifically, in addition to an overview of the impact investing market, GPIF conducted extensive research and information gathering on the following: the measurement and reporting of impact metrics; the relationship between impact and investment returns; how impact investing is viewed and positioned from the perspective of fiduciary responsibility among overseas asset owners and other institutional investors; initiatives undertaken by asset owners engaged in impact investing; investment performance; and the status of information disclosure, including monitoring methods incorporating impact and investment reports (for details, refer to page 78). Going forward, GPIF will continue to examine the significance and definition of impact-conscious investment at GPIF, as well as the specific content and approach of its initiatives.

② Stewardship activities

a. Objectives, significance, and main initiatives of stewardship activities

As an asset owner, GPIF conducts activities to fulfill its stewardship responsibilities (hereinafter “stewardship activities”) as part of its sustainability investment initiatives, with the aim of securing long-term investment returns for the benefit of the insured by enhancing long-term corporate value and promoting the sustainable growth of investee companies and the market as a whole.

Note 1: “Stewardship responsibilities” refers to the responsibilities of institutional investors to enhance the medium- to long-term returns for their clients and beneficiaries (including the ultimate beneficiaries; the same shall apply hereafter) by improving and fostering investee companies’ corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment and consideration of sustainability (medium- to long-term sustainability including ESG factors) consistent with their investment strategies.

Note 2: In the Stewardship Principle formulated when GPIF endorsed the Asset Owner Principles in 2024, GPIF explicitly states its commitment to fulfilling its stewardship responsibilities as an asset owner.

Note 3: With regard to sustainability investment, GPIF formulated its Sustainability Investment Policy in 2025, clarifying that stewardship activities, including engagement and the exercise of voting rights, constitute one of the main initiatives of its sustainability investment.

Except for certain assets, GPIF conducts its day-to-day investment activities through external asset managers and entrusts them with the exercise of all voting rights relating to equities. Accordingly, as part of its stewardship activities, GPIF encourages its external asset managers to engage with investee companies and issuers while taking sustainability considerations, including non-financial factors such as ESG, into account. GPIF will continue to fulfill its stewardship responsibilities with the aim of promoting a virtuous cycle throughout the investment chain, whereby engagement and other stewardship activities conducted by external asset managers enhance long-term corporate value, leading to the sustainable growth of capital markets and the economy as a whole, and ultimately to enhanced long-term investment returns (for details of the virtuous cycle throughout the investment chain, refer to page 67).

GPIF, as an asset owner, will mainly engage in the following stewardship initiatives:

- ① GPIF engages in two-way dialogue with asset managers through the evaluation of stewardship activities in line with each asset manager's investment strategies.
- ② GPIF actively communicates about its approach and initiatives as an asset owner through engagement with asset managers.
- ③ GPIF exchanges views and information with stakeholders, including investee companies, related organizations, and other asset owners.
(for details on communications and the exchange of

opinions and information with stakeholders, refer to page 76).

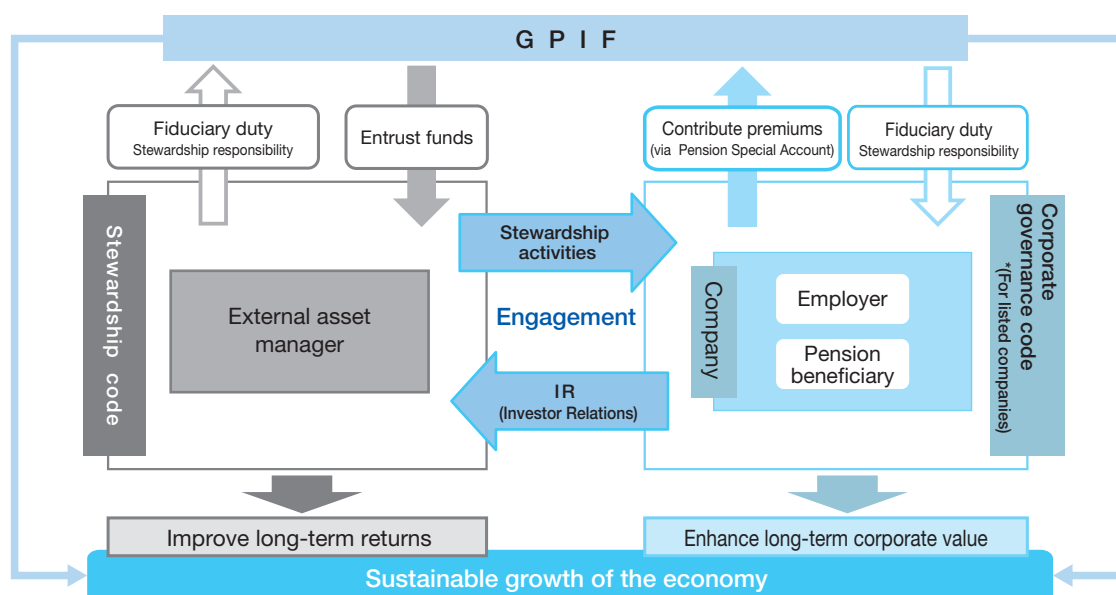
In promoting its stewardship activities, GPIF is committed to strengthening its organizational framework and improving and reviewing its initiatives through the implementation of the PDCA cycle, including evaluations of their effectiveness. As part of these efforts, GPIF conducted an “evaluation of engagement effectiveness” in FY2023 and an “evaluation of the exercise of voting rights by external asset managers” in FY2024. GPIF will continue implementing initiatives that maintain the PDCA cycle, including conducting effectiveness evaluations.

b. Policies and principles for fulfilling stewardship responsibilities

GPIF began its stewardship activities in earnest upon accepting Japan's Stewardship Code (hereinafter the “Japan

Code”) in May 2014.

GPIF's stewardship activities based on the Japan Code



Upon accepting the Japan Code, GPIF established its Policy to Fulfill Stewardship Responsibilities in line with the Code and has conducted its stewardship activities based on this policy ^(Note 1). In 2017, GPIF established the Stewardship Principles and Proxy Voting Principles, which its asset managers are required to follow, based on its Policy to Fulfill Stewardship Responsibilities ^(Note 2).

Note 1: In addition, GPIF's Code of Conduct requires its executives and employees to pledge to fulfill their responsibilities as fiduciaries solely for the benefit of the insured. GPIF's Investment Principles also provide that GPIF shall promote stewardship activities with a view to enhancing long-term investment returns.

Note 2: For details of the Policy to Fulfill Stewardship Responsibilities, the Stewardship Principles, and the Proxy Voting Principles, refer to the GPIF website (https://www.gpif.go.jp/esg-stw/policy_stewardship.html *Available in Japanese language only).

The Japan Code has been revised three times: in 2017, 2020, and 2025. GPIF has revised its Policy to Fulfill Stewardship Responsibilities and other guidelines in line with these revisions to Japan's Code, and has expanded its stewardship activities accordingly.

i. Policy to Fulfill Stewardship Responsibilities

Under the Policy to Fulfill Stewardship Responsibilities, GPIF sets forth its basic approach regarding stewardship, how it engages in stewardship activities, and how these activities align with each principle of Japan's Code.

In 2025, GPIF endorsed the Third Revised Japan Code and revised and published its Policy to Fulfill Stewardship Responsibilities to clearly articulate its views and responses regarding the revisions, particularly with respect to improving the transparency of beneficial ownership and promoting collaborative engagement. Of these, improving the transparency of beneficial ownership was considered to have the greatest impact on external asset managers and to require a response from them. Accordingly, GPIF reviewed the approaches adopted by each external asset manager.

ii. Stewardship Principles and Proxy Voting Principles

The Stewardship Principles and Proxy Voting Principles set out the requirements and principles that GPIF, as an ultra-long-term asset owner, expects external asset managers to follow when conducting stewardship activities, including exercising proxy voting rights.

The Stewardship Principles are comprised of the following five items, namely (1) Corporate Governance Structure of Asset Managers, (2) Management of Conflicts of Interest by Asset Managers, (3) Policy for Stewardship Activities, including Engagement, (4) Sustainability Consideration including ESG Integration into the Investment Process,

and (5) Exercise of Voting Rights. In 2025, in line with the Third Revised Japan Code, GPIF revised its Stewardship Principles to address the improvement of beneficial ownership transparency and the promotion of collaborative engagement.

GPIF requires its external asset managers to comply with the Stewardship Principles and the Proxy Voting Principles. Where compliance is considered inappropriate in light of an external asset manager's particular circumstances, GPIF requires the manager to explain the reasons for not implementing the relevant principles.

c. Stewardship activities by external asset managers

In GPIF's stewardship activities, the stewardship activities conducted by external asset managers with respect to investee companies, including engagement and the exercise of proxy voting rights, play a major role. For this reason, GPIF evaluates the implementation status of external asset managers' stewardship activities in accordance with the Stewardship Principles and the Proxy Voting Principles^(Note).

Note: When GPIF first accepted the Japan Code in 2014, it began by evaluating stewardship activities related to equity investments. Since FY2017, these evaluations have been expanded to include alternative investments and, since FY2022, bond investments as well.

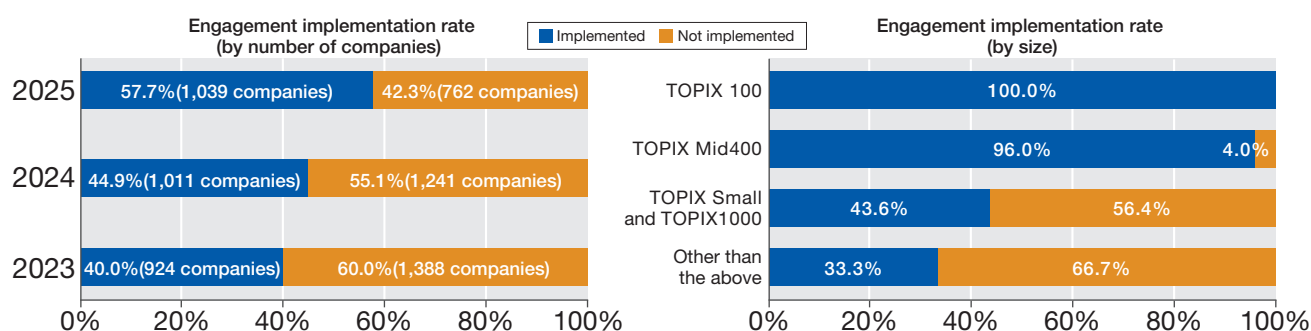
With regard to the stewardship activities of external asset managers, the level of such activities varies among external asset managers, as the number of mainly foreign external asset managers, particularly relatively small asset managers, that had not previously been entrusted with assets by GPIF has increased.

Meanwhile, among existing external asset managers, more structured approaches to stewardship activities have been developed through efforts to strengthen their organizational frameworks. Furthermore, among external asset managers with a high standard of stewardship

activities, initiatives to enhance the effectiveness of engagement through milestone management have become increasingly widespread. These initiatives involve setting objectives for individual engagements and managing progress toward those objectives by dividing the engagement process and the responses of investee companies into several stages.

i. Engagement by external asset managers for domestic equity

GPIF's external asset managers for domestic equities conducted engagement with 1,039 companies between January and December 2025. In terms of the number of companies, engagement activities were performed with 58% of portfolio companies, and in terms of market capitalization, GPIF engaged with 97% of the companies. While the number of companies held has decreased over the past year due to the revision of the TOPIX constituents, the number of companies engaged with has increased slightly compared with the previous year, resulting in a 13 percentage point increase in the engagement ratio based on the number of companies.



ii. Survey of Listed Companies on External Asset Managers' Stewardship Activities

Since FY2015, GPIF has conducted an annual "Survey of Listed Companies Regarding Institutional Investors' Stewardship Activities" with the aim of further strengthening the investment chain.

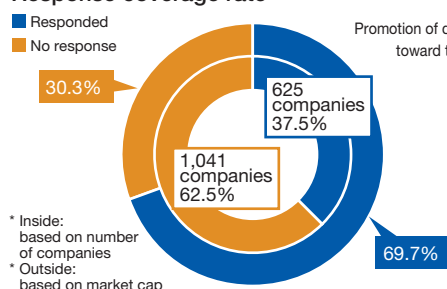
For the 11th survey, conducted in FY2025, GPIF

surveyed TOPIX constituents (1,666 companies*) to assess the stewardship activities of its external asset managers, understand the current state of engagement, and identify changes over the year since the previous survey. Of these, 625 companies, representing 37.5%, responded. (*As of December 19, 2025)

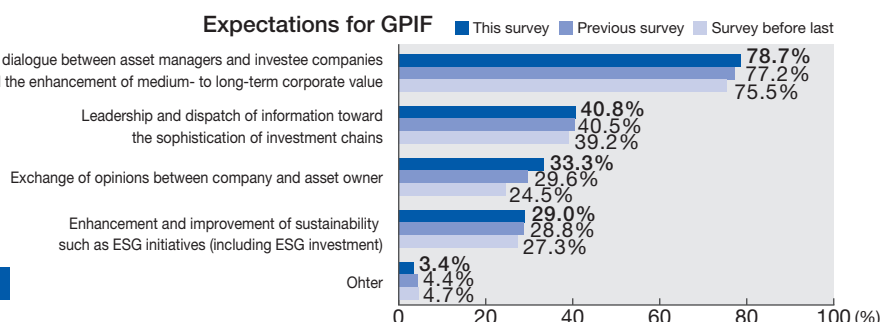
One of the most significant changes over the past year was a 19.3 percentage point increase from the previous survey in the number of companies that had implemented initiatives in response to the Tokyo Stock Exchange's (hereinafter the "TSE") request to "Action to Implement Management that is Conscious of Cost of Capital and Stock Price." With regard to specific initiatives, while the FY2024 survey showed that responses primarily concerned shareholder returns and improving balance sheet efficiency, the FY2025 survey also showed an increase in responses concerning initiatives aimed at sustainable corporate growth, such as "growth investments" and "improving the profitability of existing businesses." With regard to sustainability issues, many companies had established KPIs aimed at

enhancing long-term corporate value and integrated them into their management strategies. In addition, with regard to disclosure, the survey indicated that companies are making progress in expanding the information disclosed and developing their disclosure frameworks in coordination with relevant departments. As shown in the graph below, the most common expectation for GPIF is that it promote dialogue between asset managers and investee companies aimed at enhancing medium- to long-term corporate value. For detailed survey results, refer to the GPIF website (<https://www.gpif.go.jp/esg-stw/stewardship/> *Available in Japanese language only).

Response coverage rate



Expectations for GPIF



iii. Engagement-enhanced passive investment funds

Since FY2018, GPIF has adopted "engagement-enhanced passive investment funds" as one of its stewardship-focused passive investment outsourcing models. (In FY2025, management was entrusted to Asset Management One Co., Ltd., FIL Investments (Japan) Limited, Sumitomo Mitsui Trust Asset Management Co., Ltd., and Resona Asset Management Co., Ltd.)

For the selected funds, GPIF monitors and evaluates the achievement of the KPIs set out in the engagement plans and the milestones established for the following fiscal year, with the aim of encouraging external asset managers to conduct deeper and more advanced engagement with investee companies on a continuous basis than under conventional passive funds.

iv. ESG funds

In July 2025, in conjunction with its solicitation of ESG indexes, GPIF announced that it would also invite proposals for ESG funds for both domestic and foreign equities (funds in which asset managers construct portfolios based on ESG factors, though not necessarily on ESG indexes). As with ESG indexes, GPIF requires ESG funds to demonstrate the potential to reduce sustainability-related risks and provide other related benefits, as well as to establish KPIs related to ESG factors (for details of the solicitation of ESG indexes and ESG funds, refer to pages 77–78).

d. Exercise of voting rights

i. Approach to the exercise of voting rights

The Medium-Term Objectives established by the Minister of Health, Labour and Welfare stipulate that GPIF "should take appropriate measures including the exercise of voting rights while giving due consideration to influence on corporate management." In this regard, GPIF in its Medium-Term Plan states, "GPIF itself does not exercise voting rights and instead entrusts the external asset managers with the exercise of voting rights so as to avoid giving a direct influence on corporate management. However, from the viewpoint of further promoting its stewardship activities, GPIF shall conduct effective engagement when entrusting an external asset manager, with an awareness of the importance of sustainability including ESG (environmental,

social, and governance) factors that lead to long-term investment returns. When doing so, GPIF shall clarify that stewardship activities, including the exercise of voting rights by the external asset managers, aim to improve long-term investment returns solely for the benefit of the insured."

Regarding the exercise of voting rights, GPIF evaluates external asset managers' initiatives as part of its overall annual assessment of their stewardship activities. Specifically, GPIF evaluates these initiatives from the perspectives of the status of establishing guidelines for the exercise of voting rights, the organizational framework for exercising voting rights, and the status of the exercise of voting rights.

ii. Status of the exercise of voting rights in FY2025

GPIF held meetings based on the reports on the status of exercise of voting rights from April to June 2025. As a result, GPIF confirmed that, generally speaking, voting rights were appropriately exercised.

The status of exercise of voting rights by external asset managers for domestic equities (April 2025–March 2026)

Number of external asset managers that exercised voting rights:

70 funds

Number of external asset managers that did not exercise voting rights:

none

(Unit: Number of proposals, %)

Proposal	Proposals pertaining to company organization					Proposals pertaining to directors remuneration, etc.				Proposals pertaining to capital management (excluding items pertaining to amendment of the articles of incorporation)			Proposals pertaining to amendment of the articles of incorporation	Poison Pills (Rights plan)		Other proposals	Total	
	Appointment of directors	External directors	Appointment of auditors	External auditors	Appointment of accounting auditors	Director remuneration	Director bonuses	Director retirement benefits	Granting of stock options	Dividends	Acquisition of treasury stock	Mergers, acquisitions, etc.		Warning-type	Trust-type			
Number of voting rights exercised	239,988	110,188	15,805	10,481	553	10,270	1,153	466	619	18,556	490	638	10,247	547	0	517	299,849	
Management proposals	Total	238,990	109,446	15,784	10,460	553	9,988	1,153	466	583	18,047	1	638	5,739	547	0	442	292,931
		(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(0.0%)	(100.0%)	(100.0%)	
	Approved	213,064	98,929	14,706	9,437	547	9,639	1,063	9	456	17,720	0	627	5,653	23	0	380	263,887
		(89.2%)	(90.4%)	(93.2%)	(90.2%)	(98.9%)	(96.5%)	(92.2%)	(1.9%)	(78.2%)	(98.2%)	(0.0%)	(98.3%)	(98.5%)	(4.2%)	(0.0%)	(86.0%)	(90.1%)
	Opposed	25,926	10,517	1,078	1,023	6	349	90	457	127	327	1	11	86	524	0	62	29,044
		(10.8%)	(9.6%)	(6.8%)	(9.8%)	(1.1%)	(3.5%)	(7.8%)	(98.1%)	(21.8%)	(1.8%)	(100.0%)	(1.7%)	(1.5%)	(95.8%)	(0.0%)	(14.0%)	(9.9%)
Shareholder proposals	Total	998	742	21	21	0	282	0	0	36	509	489	0	4,508	0	0	75	6,918
		(100.0%)	(100.0%)	(100.0%)	(100.0%)	(0.0%)	(100.0%)	(0.0%)	(0.0%)	(100.0%)	(100.0%)	(0.0%)	(100.0%)	(0.0%)	(0.0%)	(100.0%)	(100.0%)	
	Approved	19	19	0	0	0	17	0	0	0	89	59	0	279	0	0	20	483
		(1.9%)	(2.6%)	(0.0%)	(0.0%)	(0.0%)	(6.0%)	(0.0%)	(0.0%)	(0.0%)	(17.5%)	(12.1%)	(0.0%)	(6.2%)	(0.0%)	(0.0%)	(26.7%)	(7.0%)
	Opposed	979	723	21	21	0	265	0	0	36	420	430	0	4,229	0	0	55	6,435
		(98.1%)	(97.4%)	(100.0%)	(100.0%)	(0.0%)	(94.0%)	(0.0%)	(0.0%)	(100.0%)	(82.5%)	(87.9%)	(0.0%)	(93.8%)	(0.0%)	(0.0%)	(73.3%)	(93.0%)

Note 1: If a proposal has multiple items to exercise, the number of votes exercised for each item is shown.

Note 2: The figures in parentheses are percentages out of the total number of votes exercised for each proposal.

Note 3: The negative votes include 5 abstentions.

The status of exercise of voting rights by external asset managers for foreign equities (April 2025–March 2026)

Number of external asset managers that exercised voting rights:

106 funds

Number of external asset managers that did not exercise voting rights:

none

(Unit: Number of proposals, %)

Proposal		Proposals pertaining to company organization			Proposals pertaining to director remuneration, etc.				Proposals pertaining to capital management (excluding items pertaining to amendment of the articles of incorporation)			Proposals pertaining to amendment of the articles of incorporation	Poison Pills for warning type	Other proposals		Total
		Appointment of directors	Appointment of auditors	Appointment of accounting auditors	Director remuneration	Director bonuses	Director retirement benefits	Granting of stock options	Dividends	Acquisition of treasury stock	Mergers, acquisition, etc.			Approval of financial statement, etc.	Other proposals	
Number of voting rights exercised		201,664	9,155	20,337	41,929	660	244	8,692	14,194	9,114	15,638	14,034	284	17,168	85,846	438,959
Management proposals	Total	199,994	8,708	20,318	41,551	657	155	8,652	14,173	9,073	15,507	12,630	266	17,138	74,719	423,541
		(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
	Approved	170,188	8,273	18,019	32,813	577	147	6,663	14,007	8,738	13,090	11,474	234	16,718	65,874	366,815
		(85.1%)	(95.0%)	(88.7%)	(79.0%)	(87.8%)	(94.8%)	(77.0%)	(98.8%)	(96.3%)	(84.4%)	(90.8%)	(88.0%)	(97.5%)	(88.2%)	(86.6%)
	Opposed	29,806	435	2,299	8,738	80	8	1,989	166	335	2,417	1,156	32	420	8,845	56,726
		(14.9%)	(5.0%)	(11.3%)	(21.0%)	(12.2%)	(5.2%)	(23.0%)	(1.2%)	(3.7%)	(15.6%)	(9.2%)	(12.0%)	(2.5%)	(11.8%)	(13.4%)
Shareholder proposals	Total	1,670	447	19	378	3	89	40	21	41	131	1,404	18	30	11,127	15,418
		(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
	Approved	888	284	8	65	3	2	25	21	0	125	563	11	20	3,872	5,887
		(53.2%)	(63.5%)	(42.1%)	(17.2%)	(100.0%)	(2.2%)	(62.5%)	(100.0%)	(0.0%)	(95.4%)	(40.1%)	(61.1%)	(66.7%)	(34.8%)	(38.2%)
	Opposed	782	163	11	313	0	87	15	0	41	6	841	7	10	7,255	9,531
		(46.8%)	(36.5%)	(57.9%)	(82.8%)	(0.0%)	(97.8%)	(37.5%)	(0.0%)	(100.0%)	(4.6%)	(59.9%)	(38.9%)	(33.3%)	(65.2%)	(61.8%)

Note 1: Total number of votes exercised does not include the number of voting rights that were not exercised.

Note 2: If a proposal has multiple items to exercise, the number of votes exercised for each item is shown.

Note 3: The figures in parentheses are percentages out of the total number of votes exercised for each proposal.

Note 4: The negative votes include 7,030 abstentions.

e. Three priority issues in the “Direction and Medium-Term Initiatives of GPIF’s Stewardship Activities”

At the start of its 5th Medium-Term Objective Period (FY2025–FY2029), GPIF published the “Direction and Medium-Term Initiatives of GPIF’s Stewardship Activities.” GPIF aims to promote, as its priority issues for the 5th Medium-Term Objective Period: (1) corporate action to implement management that is conscious of the cost of capital and stock price; (2) corporate sustainability-related initiatives and disclosure; and (3) effective corporate governance, through engagement and other activities by its external asset managers.

Regarding these three priority issues, GPIF implemented the following initiatives in FY2025.

i. Engagement interviews on “management that is conscious of cost of capital and stock price”

In FY2025, GPIF conducted individual interviews with several external asset managers entrusted with domestic equity investments, focusing exclusively on the theme of “management that is conscious of cost of capital and stock price” with a focus on actual engagement cases. (for details, refer to page 79).

ii. Consolidation of the “Excellent Disclosure” series, such as “Excellent Integrated Reports,” into “Excellent Sustainability Disclosure from the Perspective of Materiality”

GPIF has conducted surveys of external asset managers regarding corporate disclosure and published the results as part of its “Excellent Disclosure” series, such as “Excellent Integrated Reports.” In 2025, in light of changes in the environment surrounding GPIF’s Sustainability Investment Policy and sustainability disclosures, including integrated reports, GPIF consolidated the “Excellent Disclosure” series

into “Excellent Sustainability Disclosure from the Perspective of Materiality.”

As a result, it became clear that the disclosure documents selected by external asset managers differed significantly between domestic and foreign companies (while voluntary disclosures accounted for the overwhelming majority of selections for domestic companies, mandatory disclosures accounted for a notable proportion of selections for foreign companies). Examples shown by foreign companies will provide useful references for domestic companies, which are beginning phased disclosures under SSBJ standards (the sustainability disclosure standards developed by the Sustainability Standards Board of Japan), particularly in considering how to strategically differentiate between statutory and voluntary disclosures going forward. At the same time, external asset managers are expected to explain how sustainability information is utilized by investors.

iii. Dialogue with external asset managers entrusted with domestic equity investment on Japan’s corporate governance reforms

In view of ongoing discussions toward the revision of the Corporate Governance Code, GPIF held dialogues with its external asset managers entrusted with domestic equity investment regarding corporate governance reform. It was confirmed that some external asset managers had exchanged views with the authorities and business organizations. GPIF recognizes the importance of institutional investors proactively expressing their opinions on corporate governance reform. Also, as an asset owner, GPIF will continue to engage in dialogue with external asset managers regarding engagement and proxy voting practices related to corporate governance toward the revisions of the Code.

③ Sustainability-related risk analysis

GPIF analyzes sustainability-related risks, including climate change, and publishes the results in its Sustainability Investment Report. In particular, GPIF has conducted an annual analysis of climate change-related risks since FY2019, and has continued to enhance its analysis.

Risks associated with climate change are not only highly likely to materialize over the long term but also affect all asset classes and individual securities simultaneously. Because these risks cannot be fully mitigated through investment diversification alone, they must be managed from a medium- to long-term perspective as an institutional investor. Against this backdrop, GPIF believes it is important to proactively assess the future impact on its portfolio through analysis and translate the findings into initiatives aimed at reducing risk.

Specifically, based on its portfolio, GPIF measures greenhouse gas (GHG) emissions and analyzes the financial impact of climate-related risks and opportunities on the portfolio. The FY2025 analysis confirmed that GHG emissions (Scopes 1 and 2) for both domestic and foreign equities have generally been on a downward trend since

FY2016, with emissions continuing to decline in recent years. Furthermore, based on projections of climate-related costs and benefits through 2100, GPIF calculated the impact on the market value of its equity portfolio (Climate Value-at-Risk, hereinafter “CVaR”). The results showed that, for the domestic equity portfolio, losses tend to be lower under a scenario in which future temperature increases are limited through progress in climate change policies. In addition, an analysis of the projected temperature increase by 2100 based on future GHG emissions showed that all four asset classes—domestic bonds, foreign bonds, domestic equities, and foreign equities—would exceed the Paris Agreement’s “2°C target.” For details, refer to the FY2024 Sustainability Investment Report.

GPIF will continue to work toward reducing sustainability-related risks by enhancing and in-sourcing its analytical capabilities. Beyond climate change, GPIF will also actively analyze nature-related risks and opportunities, as well as themes relating to society and governance.

④ Sustainability information disclosure, collaboration with related organizations, and other initiatives

a. Sustainability information disclosure

As a “cross-generational investor” managing its assets with a perspective that extends across several generations, GPIF provides clear and accessible information and disclosures on its investment initiatives and their results to a broad range of stakeholders.

In accordance with its Sustainability Investment Policy, GPIF actively provides and discloses sustainability-related information through the publication of its annual Sustainability Investment Report, Excellent Sustainability Disclosures from the Perspective of Materiality and Most Improved Sustainability Disclosures from the Perspective

of Materiality, nominated by GPIF’s external asset managers, as well as the Survey of Listed Companies Regarding Institutional Investors’ Stewardship Activities. In addition, GPIF communicates information on sustainability investment, including its stewardship activities, through social media platforms such as YouTube and X (formerly Twitter). In FY2025, GPIF published 63 posts on X related to sustainability investment.

GPIF will continue to actively communicate new initiatives, the results of various surveys, and the insights gained from them through all available communication channels.

b. Dialogue and collaboration with related organizations

GPIF engages in dialogue and collaboration with relevant organizations in accordance with its Policy for Implementing the Asset Owner Principles and its Policy for Fulfilling Stewardship Responsibilities. GPIF also considers it important to engage in dialogue and collaboration, within the scope permitted by applicable law and regulations, with asset owners, initiatives, institutional investor organizations,

business organizations, and other relevant entities in Japan and overseas. Through ongoing dialogue and collaboration with a broad range of stakeholders, GPIF aims to promote a virtuous cycle throughout the investment chain. Specifically, since becoming a signatory to the Principles for Responsible Investment (PRI) in September 2015, GPIF has participated in a variety of global initiatives.

Signatory of:



In FY2025, President Uchida delivered a keynote speech on GPIF’s sustainability investment at the TSE event, Maximizing the Impact of Engagement. In addition, GPIF participated in the annual general meeting of the Council of Institutional Investors (CII) and spoke at the ICGN Exchange: Governance & Stewardship in Japan, organized by the International Corporate Governance Network (ICGN), where it also exchanged views with participants.

Furthermore, in October 2024, GPIF established the Keidanren–GPIF Asset Owner Roundtable in collaboration with the Japan Business Federation (Keidanren). Although

GPIF had already been holding regular discussions with Keidanren member companies, the Roundtable was established to build on these existing efforts by providing a forum for ongoing dialogue with companies as part of initiatives to promote constructive dialogue between companies and institutional investors. In September 2025, the third session was held, during which GPIF introduced the initiatives undertaken by various asset owners in accordance with the Asset Owner Principles and exchanged views with participating companies.

[3] New initiatives for FY2025

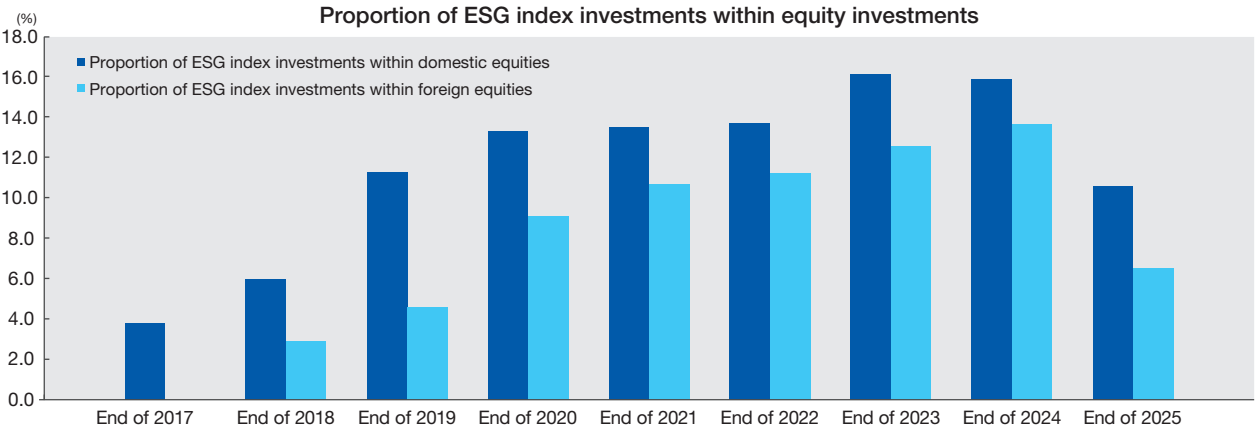
① Selection of ESG indexes and ESG funds

Optimization of ESG index investment allocations

In March 2025, GPIF formulated its Sustainability Investment Policy and separately established GPIF's Initiatives for Sustainability Investment. With regard to ESG index investments made prior to the formulation of the investment policy, GPIF had excluded such investments from rebalancing so as not to affect its holdings of the individual securities included in those indexes. As a result, the proportion of ESG index investments within the domestic and foreign equity portfolios increased. Accordingly, with a view to ensuring that assets continue to be managed and invested in line with the Policy Asset Mix, GPIF formulated the Sustainability Investment Policy and the related

guidelines and, beginning in FY2025, included ESG index investments in domestic and foreign equities in the scope of rebalancing.

At the same time, taking market conditions and other factors into account, GPIF sought to optimize the amount of ESG index investments by reviewing the allocations to each ESG index and adjusting the allocation balance among the ESG indexes and the overall balance of ESG index investments. This review was first conducted for domestic equities and was extended to foreign equities in FY2025. As a result, as of the end of March 2026, the proportion of ESG index investments in domestic and foreign equities had declined to approximately 10.6% and 6.5%, respectively.



Future outlook for ESG investment

Furthermore, in GPIF's Initiatives for Sustainability Investment, published simultaneously with the Sustainability Investment Policy, GPIF announced that it would solicit proposals for new ESG indexes through the Index Posting System, with the aim of contributing to improvements in medium- to long-term risk and return characteristics.

Currently, GPIF's ESG index investments utilize six indexes for domestic equities and three indexes for foreign equities. However, the influence of any single index on the portfolio has become increasingly significant. Against this backdrop, based on the Sustainability Investment Policy and related guidelines, GPIF began soliciting proposals through the Index Posting System in July 2025 for new ESG indexes for domestic and foreign equities that are expected to contribute to achieving both the "reduction of sustainability-related risks and improvement of sustainability of markets"

and "the securing of market average return." At the same time, with the same objectives as the ESG indexes, GPIF began soliciting proposals for ESG funds for domestic and foreign equity through the Asset Manager Registration System. The major requirements for ESG indexes and ESG funds, for which GPIF calls for applications in this announcement, are as follows.

- Investment in the ESG index is expected to help reduce sustainability-related risks, including climate change risks and risks associated with companies' ability to address social issues.
- Specific KPIs for each ESG factor must be established to enable the quantitative and continuous monitoring and measurement of these effects.
- The market average return is expected to be secured on a stable basis.

ESG index investments and ESG fund investments are long-term investments, and their performance will likewise be evaluated from a long-term perspective. Furthermore, with regard to the expected benefits of sustainability investment, namely the reduction of sustainability-related risks and improvement of sustainability of markets, GPIF will continue to conduct multifaceted evaluations through such measures as measuring a wide range of sustainability-related KPIs, conducting surveys and interviews with companies, and performing causal analyses of how sustainability investment contributes to improvements in corporate value and investment returns. At the same time, it is important to steadily implement the PDCA cycle over the long term

for each strategy. GPIF will continuously evaluate these initiatives. If it determines that the expected investment outcomes at the outset of an investment—namely, the reduction of sustainability-related risks and improvement of sustainability of markets, and the securing of market average return are unlikely to materialize as expected over the long term—it will take decisive action, including reviewing the adoption of indexes and funds as well as its investment methodologies. Through this PDCA cycle, GPIF will strive to enhance the effectiveness of its sustainability investments, including ESG index investments and ESG fund investments, and thereby improve long-term investment performance.

② Research on impact investing

As the first step in examining impact-conscious investment, an initiative set out in GPIF's FY2025 Annual Plan, GPIF conducted research to better understand the current state of impact investing and published the results on its website. In addition to a literature review, the study gathered information from multiple perspectives through interviews with overseas pension funds and other sources. An overview of the findings is presented below.

First, with regard to the concept of impact investing, the study focused on the intent of the investing entity and classified it into three categories: Instrumental Intent, Universal Owner-type Intent, and Ultimate Ends Intent. It also examined differences in intent between asset owners and external asset managers, as well as the diversity of possible combinations of these intentions. Furthermore, the analysis of investor contributions highlighted the importance of investor engagement with investee companies, collaboration with other investors, market development through capital mobilization, and engagement with policymakers and regulators. With regard to investment returns, findings from existing studies are not uniform, with some suggesting that impact investing can achieve returns comparable to those of conventional investments, while others point to the possibility of lower returns. Accordingly, the study concluded that further accumulation of empirical research is needed before any definitive conclusions can be drawn.

The analysis of market trends confirmed that, as impact investing expands globally, pension funds in particular have become important providers of capital. It also found regional

differences in investment sectors and asset classes. Outside Japan, investments are diversified across a broad range of sectors, including finance, energy, agriculture and food, and healthcare. In Japan, by contrast, the analysis confirmed distinctive characteristics, including a relatively high share of climate change-related investments and an exceptionally high proportion of loans and bonds.

Interviews with overseas pension funds confirmed that all of the funds surveyed invest in impact funds. However, the definition of the term "impact investing" and the role assigned to such investments vary from fund to fund, reflecting differences in how they interpret the three categories of intent described above. Nevertheless, all of the funds share a common priority of ensuring appropriate investment risk–return from the perspective of fiduciary responsibility. Although impact measurement across the entire portfolio and the establishment of clear numerical targets remain limited at present, some funds have introduced innovative initiatives to visualize the contributions their investments make to local communities and their home countries.

Impact investing remains a field that is evolving dynamically, both conceptually and in practice. Going forward, the accumulation of empirical research and the refinement of practical methodologies are expected to deepen GPIF's understanding of how to achieve both investment returns and impact.

③ Engagement interviews on “management that is conscious of cost of capital and stock price”

In the “Direction and Medium-term Initiatives of GPIF’s Stewardship Activities” discussed in Section 2e, GPIF identifies promoting corporate initiatives to achieve “management that is conscious of cost of capital and stock price” through engagement by external asset managers and other means as one of the priority areas for its 5th Medium-Term Objective Period.

In FY2025, GPIF conducted individual interviews with several external asset managers entrusted with domestic equity investments, focusing exclusively on the theme of “management that is conscious of cost of capital and stock price” and centering on actual engagement cases.

Through these interviews, it was confirmed that, over the past two to three years, companies’ awareness and perceptions of this theme have changed significantly, making it easier for external asset managers to engage with companies. Among the companies highlighted as successful cases, relatively common changes observed included revisions to shareholder return policies, reductions in cross-shareholdings, clarification of balance sheet policies, and improvements in disclosures relating to ROE (return on equity), ROIC (return on invested capital), and the cost of capital.

At the same time, the interviews confirmed that actual engagement had already progressed beyond these areas. Rather than limiting their discussions to shareholder returns and improvements in disclosure, external asset managers were focusing on the quality of corporate management itself, including investment discipline, business portfolios, capital allocation priorities, and board oversight, which directly influence future cash flows.

The interviews also confirmed that external asset managers were employing a variety of approaches to make

such engagement more substantive. Rather than imposing conclusions, they sought to frame discussion points and questions in ways that encouraged companies to take the initiative, prepared materials and analyses that could be shared internally, and used examples from other companies to provide relative perspectives and raise management ambitions. They also sought to bring these discussions to the forums where internal discussions and management decisions take place, such as meetings involving the CFOs (Chief Financial Officers), the CEOs, outside directors, and the board of directors. In addition, engagement activities are planned around key corporate milestones, such as medium-term management plans and the period before and after annual general meetings of shareholders.

The interviews also provided insight into the differences between companies where change is more likely to occur and those where it is less likely. Companies where change tended to occur were often characterized by relatively strong financial foundations and top management’s awareness of the issues.

Going forward, GPIF intends to place particular emphasis not only on engagement relating to information disclosure and addressing market valuation discounts, but also on ensuring that substantive engagement is conducted on issues more directly linked to future cash flows, such as business strategy and capital allocation. Because such dialogue takes place over the long term, GPIF will continue to promote a virtuous cycle throughout the investment chain by carefully monitoring developments taking place in practice and widely sharing the effective practices and innovative approaches, so as to ensure that substantive engagement is carried out steadily.

4 | Promoting Research and Other Activities

[1] GPIF Finance Awards

Amid the increasing enhancement of investment methods and diversification of financial products, GPIF believes that, in order to ensure safe and efficient management of pension reserve funds, it is necessary to create an environment where academic research on pension management is continuously strengthened. As part of this effort, the GPIF Finance Awards were established in FY2016 to recognize young researchers who have made outstanding achievements in the field of pension management. The program also widely disseminates information about their achievements and social significance, and promotes the activities of excellent researchers.

In addition, since FY2023, GPIF has hosted the GPIF Finance Awards for Students for undergraduate and graduate students nationwide. The GPIF Finance Awards for Students provide an opportunity for students and groups of students who are conducting research related to pension reserve fund investment and its surrounding fields to present their research and deepen their understanding through interaction with each other. In addition, GPIF recognizes those who have conducted useful research, widely publicizes the content of the research, and encourages the further development of their research.

For the third Awards in FY2025, there were four applicants, and judging was conducted based on submitted materials and reports at the research presentation meeting. Judging resulted in awards being presented to one recipient of the Excellent Research Award and one recipient of the Research Incentive Award.



Excellent Research Award: Shunta Fujiwara, second-year student at the Graduate School of Science, Kyoto University

Research title:

Will Investors Be Able to Control Transaction Costs That Come with Large Orders?: A Theoretical Analysis Based on a Price Impact Micro Model

Research Incentive Award: Reo Tachibana, fourth-year student at the Faculty of Policy Management, Keio University

Research title:

Regime Switching and Dynamic Correlation between Stocks and Bonds: Evidence from the US Futures Market

Note: For details on the FY2025 award recipients' research, other applicants, and other information, refer to the GPIF website (https://www.gpif.go.jp/investment/research/awards/gpif_finance_awards_for_students_2025-2026.html *Available in Japanese language only).

[2] Research

GPIF believes that it is necessary to conduct research and accumulate expertise to ensure the safe and efficient management and investment of pension reserve funds for

the future.

Note: For details on the research, refer to the GPIF website (<https://www.gpif.go.jp/en/investment/research/>).

a. Research on impact investing

From the perspective of securing long-term returns for the benefit of the insured, while also securing a market average rate of investment return, GPIF is considering whether to make investments that take into account the social and environmental impact generated by the business activities of investee companies, as one of the non-financial factors considered when evaluating investee companies' potential for sustainable growth and other factors. To begin, in order to better understand the current state of impact conscious investment, GPIF conducted literature reviews regarding impact investing and related concepts, trends in markets and industry organizations related to impact investing,

policy and regulatory trends on impact investing overseas, case studies of impact funds overseas, and case studies of initiatives on impact investing and pension funds overseas, along with interviews with pension funds (for details, refer to page 78). Based on the findings of this research and in line with its Sustainability Investment Policy, GPIF will examine the significance and definition of impact-conscious investment at GPIF, as well as the specific content and approach of its initiatives.

(Contractor: Nissay Asset Management Corporation)

b. Research and studies on policy benchmarks

GPIF established policy benchmarks for traditional assets (domestic bonds, domestic equities, foreign bonds, and foreign equities) when formulating the current Policy Asset Mix^(Note). The policy benchmarks were established by taking into account factors such as whether the allocation reflected the market, whether they were composed of investable securities, and whether index details were disclosed. However, among traditional assets, there are many indexes, including those currently used, that could be candidates for policy benchmarks. Furthermore, within the current Policy Asset Mix, alternative assets (infrastructure, private equity, and real estate) are not positioned as independent asset classes, and no policy benchmarks have been established for them. Against this backdrop, a request for information on a wide range of indexes (benchmarks) was made for traditional assets and alternative assets. Based on the significant amount of information provided, GPIF

organized information on benchmarks used by large-scale asset owners, items for consideration when establishing benchmarks, case studies of benchmark revisions by large-scale asset owners, and transaction costs associated with benchmark revisions. Furthermore, in FY2025, GPIF conducted a review of academic literature on topics including comparisons of returns between government bonds and corporate bonds within the foreign bonds asset class, thereby deepening fundamental knowledge. GPIF will conduct further research on other assets in the future.

Note: GPIF calls the benchmark used for the Policy Asset Mix formulation a policy benchmark. For information on policy benchmarks, refer to page 28.

5 | Other Initiatives

[1] Call for applications for external asset managers and their management

① Call for applications through the Manager Registration System

a. Status of registration from the Manager Registration System

GPIF conducts calls for applications through the Manager Registration System in order to promptly gather information on a wide range of investment strategies and select investment managers in a more flexible manner. As of the end of FY2025, the registration status was as shown on the right.

	The number of entries	The number of responses provided
Domestic bonds	20	1
Foreign bonds	377	38
Domestic equities	145	5
Foreign equities	631	118
Public REITs	21	4

b. Selection of asset managers for four traditional asset classes

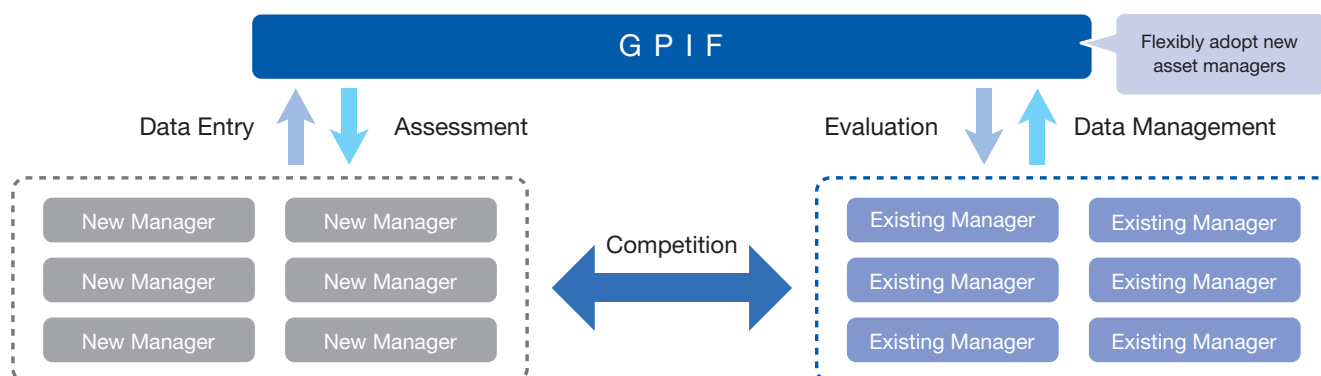
In FY2025, with the aim of enhancing the long-term returns of the overall investment portfolio, 3 active domestic bond funds, 9 active domestic equity funds, and 16 active foreign

equity funds (developed-market equities excluding Japan) were selected.

c. Request for asset managers for alternative assets

GPIF has been calling for applications from asset managers for alternative assets (infrastructure, private equity (PE), and real estate) since April 2017, with the aim of improving efficiency through investment diversification. Following the selection of one external asset manager for a domestic real estate mandate and three external asset managers for an infrastructure mandate in FY2017, GPIF selected one external asset manager for a foreign real estate mandate

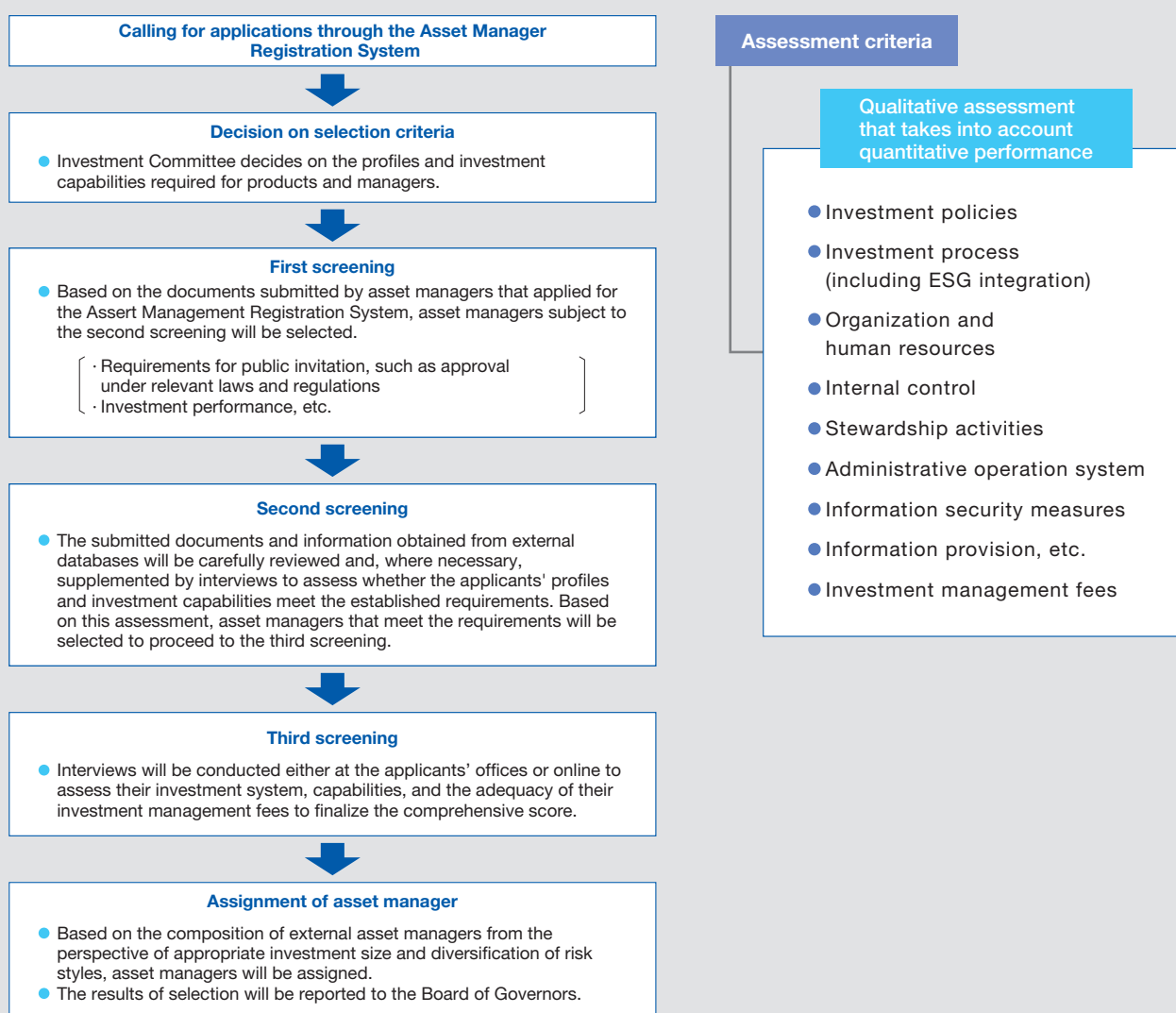
in FY2018, one external asset manager for a global PE mandate in FY2019, one external asset manager for a global PE mandate and one external asset manager for a foreign real estate mandate in FY2020, one external asset manager for a domestic PE mandate in FY2021, one external asset manager for a foreign real estate mandate in FY2022, and one external asset manager for a real estate mandate in FY2023. GPIF has started investing in these assets.



② The selection process and screening criteria for external asset managers

- a. In order to conduct each selection effectively, GPIF specifies the profiles and investment capabilities of the products and managers to be selected. In the first screening process, GPIF checks whether applicant managers meet the necessary qualifications. In the second screening process, GPIF examines the content of the application materials. To enhance consistency in the evaluation process, the third-stage review is dedicated solely to the evaluation of the candidates. Following the completion of the evaluation, the final selection of investment managers is made, taking into account the overall composition of the asset managers.
- b. In accordance with the Stewardship Principles, which include a provision on “consideration of sustainability, including ESG, in investment decisions” requiring external asset managers to integrate ESG factors (for details, refer to page 68), GPIF assesses whether they explicitly and systematically integrate ESG into investment analysis and investment decisions as part of the “investment process,” which is one of the assessment criteria.

Selection Process for Asset Managers



③ Management and assessment of external asset managers, etc.

a. Management and assessment of external asset managers

The management of external investment managers was conducted by regularly requesting reports on investment performance and risk conditions, monitoring compliance with the investment guidelines, and, as necessary, holding meetings with the investment managers to obtain explanations and discuss relevant matters.

In addition, a comprehensive annual evaluation was conducted. In fiscal 2025, appropriate measures were taken, including requesting improvement measures from 1 domestic equity passive fund, 2 domestic equity active funds, and 5 foreign equity active funds whose evaluations fell below a certain level.

In addition to the comprehensive annual evaluation, the composition of external investment managers was reviewed, resulting in decisions to terminate 2 domestic equity active funds and 1 foreign equity active fund. Furthermore, 1 domestic equity active fund was terminated due to concerns regarding its investment capabilities following a change in its investment management structure.

In addition, the transition managers among the external

investment managers (i.e., investment managers that provide centralized transaction management services, including the matching of holdings across funds, when assets are transferred between different funds) are managed by requiring the submission of reports on transactions conducted in connection with transitions, confirming transaction costs and compliance with the investment guidelines, and, as necessary, holding meetings with the transition managers to obtain explanations and discuss relevant matters. In fiscal 2025, 7 transition manager mandates were terminated for investment management reasons.

With regard to the fee structure for active funds, a performance-based fee structure has been adopted, under which the fee rate is determined based on excess returns. When no excess returns are generated, the management fee is set at a level comparable to that of passive funds, which serves as the base fee.

b. Management and assessment of custody services providers

GPIF manages custody services providers by holding regular meetings, at which explanations are received on the progress of operations and other related matters, as well as additional meetings as needed to address specific issues. In addition, GPIF requests the submission of materials related to custody services once a year to assess custody services providers' organizations, human resources, operational

structures, internal controls, asset management systems, global custody, and information security measures. Based on the information received, GPIF conducts overall assessments of each custody services provider based on the Investment and Operation Policy with an understanding of each custody services provider's strengths and issues.

c. Reviewing asset management activities

In recent years, as GPIF's investment activities have become more diversified and enhanced, the approaches taken by custody services providers have become more complicated. Facing this trend, GPIF has been optimizing its use of custody services providers (including those for global custody services) to accommodate further diversification and enhancement of its investments, based on an overall assessment of the custody services providers and other factors, including management costs and business continuity plans (BCP).

To appropriately manage the risks associated with the

increasing diversification and complexity of investments, while enhancing the effectiveness of engagement with external asset managers, it is necessary to collect transaction data more promptly than before for use in risk analysis and other purposes. Therefore, GPIF has established a system to collect data for investment decision-making at an early stage, separate from the accounting data collected from custody services providers. GPIF will continue to consider how operations regarding data acquisition should be conducted going forward.

Note: For the list of external asset managers, refer to pages 107–125.

[2] The Legal proceedings arising from false statements, etc. in securities reports

As of March 31, 2026, custody services providers were participating in or otherwise involved in the following legal proceedings to recover losses incurred by GPIF funds as a result of false statements and the like in securities reports and other documents.

Foreign Jurisdictions

Defendant	Date of filing, etc.	Custody services provider	Amount in dispute	Status
Volkswagen AG	March 14, 2016	MTBJ ^{*1} (participating in the class action)	EUR 105,831,738	Litigation pending (Germany)
Volkswagen AG	September 19, 2016	SSTB ^{*2} (participating in the class action)	-	Litigation pending (Germany)
Porsche Automobil Holding SE	September 19, 2016	MTBJ (participating in the class action)	EUR 10,800,509	Litigation pending (Germany)
Danske Bank A/S	October 16, 2019	MTBJ (participating in the class action)	-	Litigation pending (Denmark)
Daimler AG	December 22, 2021	MTBJ (participating in the class action)	EUR 238,985,530	Litigation pending (Germany)
Vale S.A.	January 21, 2022	MTBJ (participating in the arbitration proceedings)	-	Arbitration proceedings ongoing (Brazil)
Glencore Plc	September 28, 2022	MTBJ (participating in the class action)	GBP 273,796,132.65	Litigation pending (U.K.)
Instituto de Resseguros do Brasil	February 2, 2023	MTBJ (participating in the class action)	-	Arbitration proceedings ongoing (Brazil)
Petrobras Brasileiro S.A.	February 28, 2023	SSTB (participating in the class settlement proceedings)	-	Class settlement proceedings ongoing (Netherlands)
Petrobras Brasileiro S.A. and its affiliates	March 22, 2023	MTBJ (participating in the class settlement proceedings)	-	Class settlement proceedings ongoing (Appeal filed on January 29, 2025) (Netherlands)
Telefonaktiebolaget LM Ericsson	August 4, 2023	MTBJ (participating in the class action)	SEK 133,682,136.67	Litigation pending (Sweden)
Ernst & Young GmbH	September 17, 2023	MTBJ (participating in the class action)	EUR 95,060,295.14	Litigation pending (Germany)
Wirecard AG	December 21, 2023	MTBJ (participating in the insolvency proceedings)	EUR 95,060,295.14	Insolvency proceedings ongoing (Germany)
Bayer AG	September 27, 2024	MTBJ (participating in the class action)	EUR 70,050,663.27	Litigation pending (Germany)
Stellantis N.V. and its affiliates	July 29, 2025	MTBJ (participating in the class settlement proceedings)	-	Class settlement proceedings ongoing (Netherlands)

*1: The Master Trust Bank of Japan, Ltd.

*2: State Street Trust and Banking Co., Ltd.

[3] New initiatives in FY2025

① Establishment of a Human Resources Department

A Human Resources Department was newly established in January 2026, creating a framework to promote initiatives for the systematic and sustainable acquisition, development, and retention of GPIF's human resources.

GPIF has a strong mission to contribute to the stability of pension finances. The acquisition, development, and retention of human resources are key challenges for GPIF, as we are required to maintain a strong sense of public responsibility, expertise, and sustainability. To address the diversification of investment management, advancements in risk management, and the evolution of digital technology in recent years, GPIF has grown to include executives and employees with a broad range of knowledge and experience. The challenge lies in fostering a shared purpose and vision of GPIF among executives and employees and generating synergy through mutual respect and cooperation to evolve into an organization of true professionals.

Within the Human Resources Department, the Human Resources Division, Career Development and Planning Division, and Compensation and Welfare Division will cooperate organically to promote the acquisition,

development, and retention of human resources in a well-planned and strategic manner. Specifically, GPIF will clearly define the essential requirements for talent, fields of expertise, and career paths to secure necessary human resources. GPIF will also make efforts to strengthen staff members' expertise and ability to perform their duties by conducting individual interviews, providing systematic and advanced training, offering support for obtaining qualifications, and implementing other initiatives. At the same time, GPIF will advance efforts to promote women's active participation in the workplace, support work-life balance with childcare and nursing care, and develop a flexible working environment. Furthermore, through these measures, GPIF aims to enhance employee engagement (defined as staff members' understanding of GPIF's purpose and role in society, which results in increased motivation to take proactive action) and is committed to creating a workplace in which diverse human resources are able to demonstrate their capabilities and play an active role over the long term.

② Establishment of a Compliance Department

A Compliance Department was established in September 2025 with the aim of reinforcing compliance and related matters. Previously, GPIF's compliance focused on the interpretation and application of its Code of Conduct, with staff members from the Planning and Communication Department also handling compliance-related tasks. However, recognizing that strengthening compliance in investment activities was essential in an environment in which investments continued to become increasingly advanced and diversified, GPIF launched the Compliance Framework Reinforcement Project in October 2024 across all departments. Ultimately, the project team proposed initiatives such as the establishment of a new organization responsible for investment compliance and the Three Lines of Defense (a framework that reinforces governance systems across the organization by dividing risk management roles into three different tiers: Line One, Line Two, and Line Three). Based on these recommendations, a

Compliance Team was established within the Legal Department in March 2025.

The Legal Department Compliance Team formulated GPIF's first-ever compliance program (annual plan) and enhanced compliance and risk management through the PDCA cycle, while hiring expert staff in preparation for its reorganization into the Compliance Department in September 2025. Furthermore, to reinforce compliance functions related to investments, GPIF appointed a compliance officer with expertise in financial compliance and, in cooperation with the Securities & Exchange Surveillance Commission, conducted training related to financial transactions, such as regulations on market manipulation and insider trading. Going forward, GPIF will strive to cultivate a sound compliance culture and strengthen its Line Two monitoring functions related to investment management.

③ Establishing an information platform for enhancing investment and supporting operational efficiency and stability

Under the conventional operation framework, the external and internal environments were separated for security reasons. This significantly limited operational convenience when using external services, such as financial data services. The new Common Operation Platform utilizes zero-trust network technologies and cloud technologies to unify the external and internal environments while ensuring cutting-edge security, thereby improving the operational efficiency of executives and employees. Additionally, GPIF developed an operational environment that enables seamless integration of working from home and working at the office.

Furthermore, to accommodate increasingly enhanced and diversified investments, GPIF completed the development of an Investment Operation Platform that enables the appropriate management and accumulation of large volumes of data for investment decision-making, along with advanced analysis based on this rich dataset.

Both platforms launched operations in March 2026, marking the completion of the initial framework of the investment data platform for the decision-making concept that has been under development since FY2023.

Roles and Organizational Management of the Government Pension Investment Fund

1 | GPIF's Roles in the Public Pension Scheme

[1] GPIF's position

① GPIF and the pension finance system

Japan's public pension scheme is managed as a pay-as-you-go system founded upon the concept of intergenerational support. It utilizes pension premiums collected from the working generation to support the elderly generation, rather than adopting an advance funding method whereby the funds required to cover pension benefits are accumulated in advance.

Under a pay-as-you-go pension system, it is generally not necessary to hold a large amount of reserve funds beyond those required as a payment reserve. However, to respond appropriately to changes in the population and economy and prepare for future trends of further aging and declining birthrates, GPIF maintains a set amount of pension reserve funds within the public pension scheme, even while operating under a pay-as-you-go structure. It is stipulated that the portion of pension premiums not allocated to benefits must be invested as reserve funds to stabilize pension finances.

Japan's declining birthrate and aging population are progressing significantly faster than in the rest of the world. Under the pension system revision implemented in 2004 (hereinafter the "2004 revision"), the pension premium level remains fixed for the future, and the finite period of financial equilibrium is set at approximately 100 years, covering the period until the generations already born at the time of the 2004 revision finish receiving pension benefits. This measure was implemented to balance pension finances over a 100-year period (the finite financial equilibrium method). Because future pension payments are carried out based on firmly defined funding sources, the 2004 revision also

included a mechanism (the macroeconomic slide formula) to automatically adjust the balance between pension benefits and premium contributions. These measures aim to enhance the sustainability of the public pension scheme (Note).

There are three laws relevant to investments with the pension reserve fund: the Employees' Pension Insurance Act, the National Pension Act, and the Act on the Government Pension Investment Fund, Incorporated Administrative Agency (hereinafter the "GPIF Act"). These laws stipulate that the pension reserve fund must be managed safely and efficiently over the long term solely for the benefit of the insured (Employees' Pension Insurance Act and National Pension Act) and that the pension reserve fund must be managed safely and efficiently (GPIF Act). Accordingly, the most fundamental legal requirement regarding the management of the pension reserve fund is that it be conducted safely and efficiently over the long term.

As with other incorporated administrative agencies, the relevant minister stipulates GPIF's objectives for a set period (Act on General Rules for Incorporated Administrative Agencies). The Medium-Term Objectives established by the Minister of Health, Labour and Welfare require GPIF to secure a long-term real investment return (the net return from the pension reserve fund after deducting the nominal wage growth rate) with minimum risk. In light of these requirements, GPIF established the asset composition ratio (Policy Asset Mix) in its Medium-Term Plan from a long-term perspective based on investment diversification. GPIF carries out the investment and management of the pension reserve fund on the basis of the Policy Asset Mix.

(Note) For details on the 2004 revision and the public pension scheme, refer to the website of the Ministry of Health, Labour and Welfare (<https://www.mhlw.go.jp/index.html>). (* Available in Japanese language only.)

② Role of the pension reserve fund in pension finances

The reserve fund is used to stabilize pension finances. As mentioned above, the current system aims to balance pension finances over a period of approximately 100 years. To this end, a fiscal plan has been formulated under which investment returns from the reserve fund are initially allocated toward covering a portion of pension benefits, and the accumulated pension reserve funds are later withdrawn gradually alongside investment returns after a set period of time. The plan is designed so that, after approximately 100 years, the remaining pension reserve funds will amount to one year's worth of pension benefits. About 90% of the funding for pension benefits (the average of approximately 100 years based on the assumptions used

in the actuarial valuation) is funded by pension premiums income and government contributions during the same year, while approximately 10% are obtained from pension reserve funds (repayments of trust money or payments to the national treasury). There is no need to immediately withdraw from the pension reserve funds. Moreover, GPIF holds sufficient pension reserve funds to cover the payment of pension benefits; therefore, short-term market fluctuations associated with investments using the pension reserve funds do not affect payments to pension beneficiaries. In other words, unrealized gains or losses in a specific fiscal year will not affect the amount of pension benefits in the following fiscal year.

[2] Regulatory requirements for pension reserve fund management and outline of the Medium-Term Objectives and Medium-Term Plan

① Basic policy for management and investment of the pension reserve fund

The Employees' Pension Insurance Act stipulates that investment of the pension reserve fund must be undertaken with particular mindfulness of the fact that the reserves are part of the insurance premiums collected from the insured and are a valuable source of future pension payments, whereupon such investment must be undertaken to contribute to the stable management of employees' pension insurance services for years to come, through safe and efficient management with a long-term perspective for the

sole benefit of the insured. The Medium-Term Objectives also stipulate that GPIF must not invest the pension reserve fund for the sake of other policy objectives or to achieve other measures unrelated to "the sole benefit of the insured." In addition, the GPIF Act stipulates that it must consider the impact of pension reserve fund investments on markets and other private-sector activity. GPIF's Medium-Term Objectives also stipulate that GPIF is not allowed to select individual equities in equity investment.

- Article 79-2 of the Employees' Pension Insurance Act (similar stipulations are included in Article 75 of the National Pension Act)
"Any investment of the reserves ... is to be undertaken with particular mindfulness of the fact that the reserves are a part of the insurance premiums collected from insured covered under employees' pension insurance and that they are a valuable source of future pension benefit payments; all investment of those reserves is to be undertaken with the purpose of contributing to the sound management of employees' pension insurance services for years to come, and is to be undertaken safely and efficiently from a long-term perspective, and for the sole benefit of the insured covered under employees' pension insurance."
- Article 20, Paragraph 2 of the Act on the Government Pension Investment Fund, Incorporated Administrative Agency
"[The basic policy and other details regarding the management and investment of the pension reserve fund] must consider generally recognized expertise and global macroeconomic trends, as well as the impact of pension reserve fund investment on markets and other private-sector activity, in relation to asset management and investment. Investment of the pension reserve fund must be carried out under the principle of safety and reliability, must not concentrate on any particular style, and must also satisfy the objectives under Article 79-2 of the Employees' Pension Insurance Act and Article 75 of the National Pension Act."

In light of these requirements, GPIF establishes the Policy Asset Mix in the Medium-Term Plan from a long-term perspective based on the principle of investment diversification. When establishing the Policy Asset Mix,

GPIF must take into consideration the model portfolio jointly established by the following management and investment entities: GPIF, the Federation of National Public Service Personnel Mutual Aid Associations, the Pension

Fund Association for Local Government Officials, and the Promotion and Mutual Aid Corporation for Private Schools of Japan.

In addition to formulating and publishing specific policies on the management and investment of the pension reserve

fund (the Investment and Operation Policy), GPIF must review the Investment and Operation Policy in a timely and proper manner in light of changes in the economic environment and revise it promptly as required.

② Investment objectives, risk management, and other matters

The Medium-Term Objectives stipulate that the pension reserve fund must secure a long-term real return (net yield on the pension reserve after deducting the nominal wage growth rate) with minimum risk based on the actuarial valuation. The Medium-Term Objectives also require GPIF to pay due attention in order to avoid impacts on market prices and private-sector investment activities, and to achieve the composite benchmark return (the market average rate of investment return) for the total portfolio during the Medium-Term Objective Period.

Regarding pension reserve fund risk management, GPIF must maintain diversified investments and manage and control risks associated with the overall portfolio, as well as each asset, external asset manager, and custodian banks. At the same time, GPIF must reinforce the required functions for appropriate and smooth rebalancing and manage risk in light of the composite benchmark return. Moreover, GPIF must refine portfolio risk management through forward-looking risk analysis and long-term analysis, and the Board

of Governors must appropriately monitor the status of individual portfolio risk management.

Regarding the diversification and enhancement of investment activities, the Medium-Term Objectives stipulate that GPIF must combine passive and active investments, and that GPIF may only conduct active investments if there are sufficient grounds to expect excess returns in light of historical performance.

In addition, when introducing new investment methods and investment targets, the Board of Governors must conduct extensive deliberations based on generally accepted expert knowledge about investment and the fundamental principle of benefiting pension recipients. Moreover, appropriate risk management must be carried out under the supervision of the Board of Governors. An outline of the Board of Governors' deliberations is promptly published upon obtaining approval from the Board to ensure the transparency of GPIF's organizational operations.

③ Other important matters for pension reserve fund management and investment

The Medium-Term Objectives call for GPIF to thoroughly uphold its duty of care and fiduciary duty as a prudent expert.

When managing the pension reserve fund, GPIF must consider market size, pay due attention to avoiding excessive market impacts, and avoid concentrating investment or withdrawal activities within any specific period.

GPIF must also take appropriate measures regarding the exercise of voting rights and must not select individual

equities on its own, while giving due consideration to the impact on corporate management and other matters.

Moreover, GPIF must secure sufficient liquidity for pension payouts while considering the outlook for pension finances and the status of revenues and expenditures. At the same time, GPIF is required to enhance the functions necessary to reliably secure sufficient funds without shortages, including the smooth sale of assets while considering market price formation and other factors.

④ Acquiring, developing, and retaining human resources to support GPIF's operations and improve operational efficiency

The Medium-Term Objectives require GPIF to pay particular attention to establishing an efficient operational system while diversifying and enhancing investment activities, enhancing risk management, and digitalizing operations. Moreover, to secure long-term, stable operations, GPIF must pursue initiatives for acquiring, developing, and retaining highly skilled human resources with expertise, as well as other vital personnel.

With regard to improvements in operational efficiency, GPIF is required to secure an efficient operational system, aim to reduce costs by boosting operational efficiency (including streamlining total general administrative expenses and operational expenses by at least a set percentage during the Medium-Term Objective Period), and optimize contracts.

2 | Organization and Internal Control System

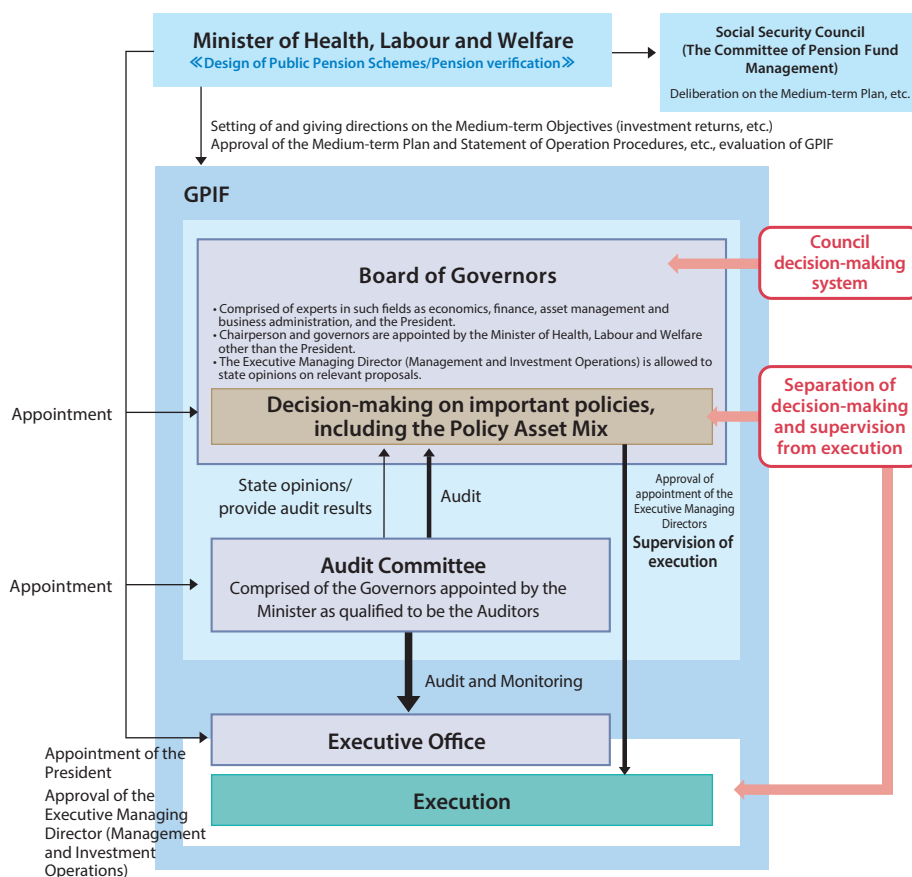
[1] Basic governance framework

GPIF has adopted a governance framework in which the Board of Governors, established in October 2017, makes important decisions through deliberation under a council system and also exercises supervisory authority to determine whether actions have been taken in line with these decisions. Three Governors (one of whom is a full-time member) concurrently serve as Auditors and form the Audit Committee. The Audit Committee audits GPIF's management and investment activities and is entrusted by the Board of Governors with the authority to supervise the status of management and investment activities carried out by the President or Executive Managing Directors. The President presides over GPIF's operations on the basis of the policies stipulated by the Board of Governors, in accordance with the provisions of Article 7, Paragraph 1 of the GPIF Act. This governance system upholds the council system and ensures the separation of decision-making and supervision from the execution and implementation of said decisions.

The Board of Governors consists of 10 members: the President and nine experts with academic or practical experience in economics, finance, asset management,

business administration, or other fields relevant to GPIF's operations. The Board of Governors carries out important decision-making related to material matters in GPIF's operations. These matters include decisions on the development of the Policy Asset Mix and the Medium-Term Plan; the preparation of annual plans and annual reports; key matters related to the organization, staff numbers, and management and investment operations (such as the formulation of basic policies on portfolio risk management and internal controls and the establishment of organizational rules); and the appointment of Executive Managing Directors.

It has been eight and a half years since the governance system shifted from individual decision-making by the President to the current council system. The root of the word "governance" is a Greek word meaning "steering." In the practice of governance, it is essential to go beyond formal initiatives and promote substantive reforms, appropriately steering the organization to make GPIF an organization worthy of greater trust from the Japanese public.



[2] Board of Governors

At meetings of the Board of Governors, experts in various fields, such as economics, finance, asset management, and business administration, conduct multifaceted discussions on a broad range of agenda items related to GPIF's investment and operations and make timely and appropriate decisions. The Board of Governors held a total of 14 meetings in FY2025. The table below includes summaries of these meetings.

In FY2025, the Board of Governors deliberated on matters including the new establishment of the Human

Resources Department and Compliance Department and revisions to GPIF's policy for fulfilling stewardship responsibilities. The Board also received reports from the President and other executives on the asset allocation ratio and the status of portfolio risk management, whereupon they engaged in active discussions. Details of the discussions at the Board of Governors are published after a set period of time on the GPIF website (<https://www.gpif.go.jp/operation/board/index.html>) in the form of brief agendas.

※ Available in Japanese language only.

Outline of meetings of the Board of Governors

(FY2025)

	Date of meeting	Main agenda items (only matters for resolution/deliberation are recorded)
107th meeting	April 1, 2025	(Resolution) Consent to the appointment of the Executive Managing Director (Management and Investment Operations) and Executive Managing Directors (other than the Executive Managing Director (Management and Investment Operations))
108th meeting	April 21, 2025	(Deliberation) (i) Amendments to the Regulations on Procurement Procedures for Goods and Specified Services under the Agreement on Government Procurement and Other International Agreements, (ii) Renewal of the Lease for the Existing Secretariat, (iii) Expansion of Secretariat Space
109th meeting	May 19, 2025	(Resolution and Deliberation) (i) Amendments to the Guidelines for the Establishment of the Policy Asset Mix Review PT, (ii) Contract for the Expansion of Secretariat Space
110th meeting	June 4, 2025	(Deliberation) (i) 2024 Annual Report of GPIF (Draft), (ii) 2024 Business Performance Evaluation (Draft), (iii) Performance Evaluation for the 4th Medium-Term Objective Period (Draft), (iv) Financial Statements, Business Report, and Settlement Report for 2024; Appropriation of Profit and Treatment of Loss; and Other Important Accounting Matters (Draft)
111th meeting	June 27, 2025	(Resolution and Deliberation) (i) 2024 Annual Report of GPIF (Draft), (ii) Disclosure of All Holdings (as of the End of 2024), (iii) 2024 Business Performance Evaluation (Draft), (iv) Performance Evaluation for the 4th Medium-Term Objective Period (Draft), (v) Financial Statements, Business Report, and Settlement Report for 2024; Appropriation of Profit and Treatment of Loss; and Other Important Accounting Matters (Draft), (vi) Amendments to the Staff Salary Regulations, etc.
112th meeting	July 31, 2025	(Deliberation) Amendments to the Organizational Regulations, etc.
113th meeting	September 26, 2025	No Matters for Resolution or Deliberation
114th meeting	October 16, 2025	No Matters for Resolution or Deliberation
115th meeting	November 4, 2025	(Deliberation) (i) Amendments to the Operational Procedures, (ii) Amendments to the Organizational Regulations, etc.
116th meeting	December 8, 2025	(Resolution and Deliberation) (i) Amendments to the Organizational Regulations, etc., (ii) Amendments to the Policy for Fulfilling Stewardship Responsibilities, (iii) Amendments to the Information Security Management Regulations
117th meeting	January 26, 2026	(Deliberation) Amendments to the Executive Remuneration Regulations and the Staff Salary Regulations
118th meeting	February 26, 2026	(Deliberation) (i) Amendments to the Organizational Regulations, etc., (ii) Amendments to the Accounting Regulations
119th meeting	March 6, 2026	(Deliberation) 2026 Annual Plan (Draft)
120th meeting	March 26, 2026	No Matters for Resolution or Deliberation

[3] Audit Committee

The Audit Committee performs its duties with the assistance of staff members in the Secretariat for Audit Committee, who support the operations of the Audit Committee and are independent from the President and Executive Managing Directors. The Audit Committee also coordinates closely with the Internal Audit Department and the Accounting Auditor (Deloitte Touche Tohmatsu LLC).

The Audit Committee held 14 meetings in FY2025. The Committee performed audits with a primary focus on the status of five elements: the achievement of the Medium-Term Objectives, the duties performed by the Board of Governors and Governors, the duties performed by the President and other executives and employees, the internal control system, and accounting.

As part of the monitoring operations entrusted to it by the Board of Governors, the Audit Committee attends committee meetings organized by the Executive Office (including

meetings of the Investment Committee, the Portfolio Risk Management Committee, the Planning and Management Committee, and the Procurement Committee) as needed. The Audit Committee also assesses and analyzes the status and soundness of GPIF's operations through interviews with the persons in charge of each department, the President, and the Executive Managing Directors, as well as through periodic surveys. The Audit Committee then reports and shares information obtained through these activities with the Board of Governors as appropriate and presents opinions to the Board of Governors and the President on organizational management issues as needed to further strengthen internal controls.

The results of these audits are published on the GPIF website in its Audit Report (one of the items on its financial tables page: <https://www.gpif.go.jp/info/finance/>).

※ Available in Japanese language only.

[4] Operational framework

① Organization

As of April 1, 2026, GPIF has 12 executives, consisting of the Chairperson of the Board of Governors, eight Governors (including three Governors concurrently serving as Auditors), the President, and two Executive Managing Directors (one in charge of planning and general affairs, and the other in charge of management and investment operations while also serving as the CIO), as well as 217 staff members (including 51 female staff members and excluding part-time staff).

To diversify its investments and enhance risk management, GPIF strives to secure and develop highly skilled human resources with expertise. GPIF has recruited specialist personnel with qualifications in various fields, including securities analysts, attorneys, MBAs, and real estate appraisers.

GPIF manages a significant amount of assets—approximately JPY 294 trillion—and GPIF expects continued gradual growth from these assets in the future. The investment environment is constantly changing, and advances in areas such as data science and financial engineering continue to enhance asset management techniques. For GPIF to continue investing in a long-term and stable manner, it believes that it is imperative to achieve further diversification and enhancement in its asset management. To support these efforts, it is recruiting additional specialist personnel. At the same time, GPIF has appointed a senior IT advisor who is well-versed in asset management operations and possesses technical knowledge and experience related to information systems, and it is currently considering the development of an information processing platform.

GPIF is also making efforts to improve the working environment so that a diverse range of personnel can work with a sense of satisfaction. As part of its efforts to build a work-friendly environment for employees engaged in childcare or nursing care, GPIF encourages employees to actively take childcare leave and flexibly utilize early- and late-start work systems, as well as work-from-home systems.

The organization consists of the Secretariat for Board of Governors, the Secretariat for Audit Committee, the General Affairs Department (General Affairs Division and Property Management Division), the Human Resources Department (Human Resources Division, Career Development and Planning Division, and Compensation and Welfare Division), the Accounting Department (Accounting Division and Procurement Division), the Planning and Communication Department (Planning and Communication Division, Business Improvement Division, Public Relations Division, and Information Security Division), the Research and Actuary Department (Research and Actuary Division), the Portfolio Risk Management Department (Portfolio Risk Management Group and Operation Management Division), the IT Strategy and Management Department (IT Strategy and Management Division and IT Outsourcing Management Division), the Investment Department (Portfolio Management Group, Fund Management Group, Investment Analysis Group, and Operation Management Division), the ESG & Stewardship Department (ESG & Stewardship Group and Operation Management Division), the Private Market Investment Department (Private Equity & Infrastructure, Real Estate, and Operation and Risk Management), the Investment Administration Department (Asset Management Division, Treasury Division, and Operation Management Division), the Legal Department, the Compliance Department, and the Internal Audit Department (the last three departments are under the direct supervision of the President).

Number of personnel with expert qualifications

Securities Analysts: 69

MBA Holders, etc.: 19

Attorneys: 4

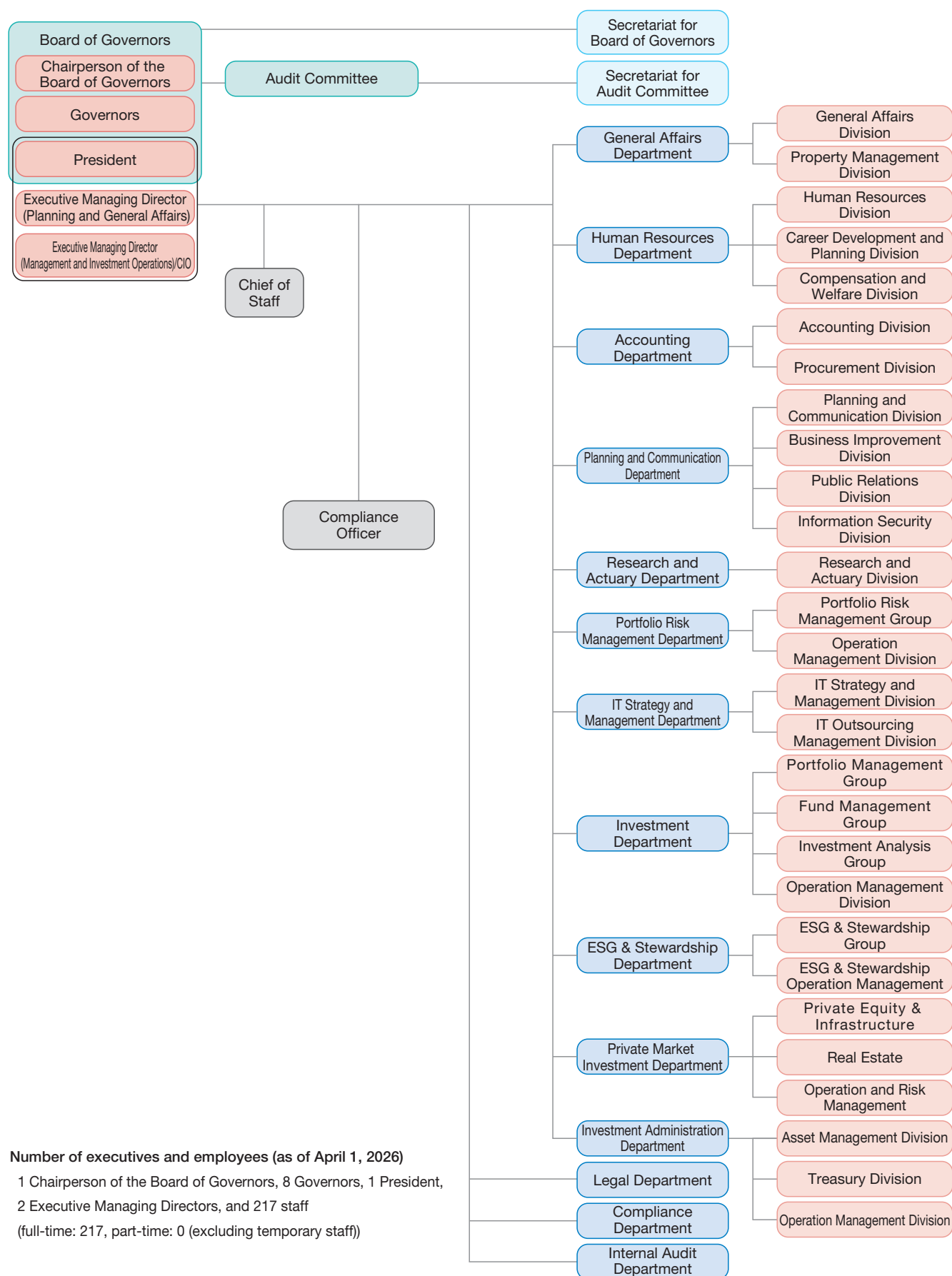
Certified Public Accountants: 3

PhD Holders, etc.: 9

Real Estate Appraisers: 1

※ As of April 1, 2026.
Some individuals are counted in more than one category

Organization chart (as of April 1, 2026)



② Internal control system

GPIF has put an internal control system in place in accordance with the Basic Policy on Internal Controls (Note 1) established by the Board of Governors.

Specifically, GPIF has a system to ensure that the President, Executive Managing Directors, and staff members perform their duties in compliance with laws and regulations. In relation to this system, GPIF has established the Internal Control Committee to promote internal controls, with the Compliance Committee serving under the Internal Control Committee to ensure compliance with laws and regulations, fiduciary responsibility, and other matters. GPIF has also appointed a Compliance Officer. GPIF ensures that all executives and employees are aware of the need to comply with the Investment Principles and the Code of Conduct and act as an organization worthy of the Japanese public's trust. In addition, GPIF has secured internal and external whistleblowing systems and it will carry out corrective actions and preventive measures according to its internal control rules whenever GPIF executives or employees engage in acts that violate laws, regulations, or GPIF's rules, or act in a manner that does not befit their position. Moreover, GPIF has established the Legal Department and Compliance Department (for details, refer to "New initiatives in FY2025" on page 86) and is working to further strengthen its internal controls and ensure enhanced compliance with laws, regulations, and other rules. Additionally, GPIF has established the Internal Audit Department to conduct internal audits of GPIF's operations, among other functions.

With regard to rules and other systems for managing risks of losses, GPIF has established the Portfolio Risk Management Committee to appropriately monitor and handle various risks (portfolio risks) related to the management and investment of the pension reserve fund. In addition, the Internal Control Committee identifies, analyzes, and assesses risks (such as operational risks and reputational risks) that could impede GPIF's operations and responds to these risks. In this way, it manages risk by planning and promoting the necessary measures to maintain continual awareness of risk factors, prevent risks, and minimize losses should risks materialize.

GPIF has established rules and regulations regarding the management of operational and other risks, including risk management rules established by the Board of Governors. Once a year, GPIF identifies, analyzes, and assesses potential risks based on these rules and regulations. The rules and regulations also require each department to promptly and appropriately respond to risks and report every identified risk to the designated department responsible for operational risk management and the Internal Audit Department. The status of risk management activities conducted by executives and employees for operational and other risks is reported to the Board of Governors once a year. In addition, the emergence of significant operational or other risks must be promptly reported to the Board of Governors.

With regard to compliance risk, GPIF established a

compliance program (in the annual plan) for the first time in FY2025 and implemented a system to appropriately manage compliance risk. In addition, it is enhancing its management framework through the PDCA cycle. In FY2025, to reinforce its compliance functions related to investments, GPIF appointed a Compliance Officer with expertise in financial compliance. In cooperation with the Securities & Exchange Surveillance Commission, GPIF conducted training on topics related to financial transactions, such as regulations on market manipulation and insider trading. The Compliance Committee appoints a highly skilled attorney as an external committee member and deliberates on the status of the compliance program as well as the content of the program for the next fiscal year.

As a system to secure the efficiency and fairness of duties, GPIF has established the Investment Committee under the supervision of the Chief Investment Officer. The Committee deliberates and makes resolutions before decisions are made on important matters related to the execution of management operations (including decisions on external asset managers and custodian banks, decisions on candidate business partners for in-house investment and short-term borrowing, and standards for deciding on individual business partners in relation to these matters).

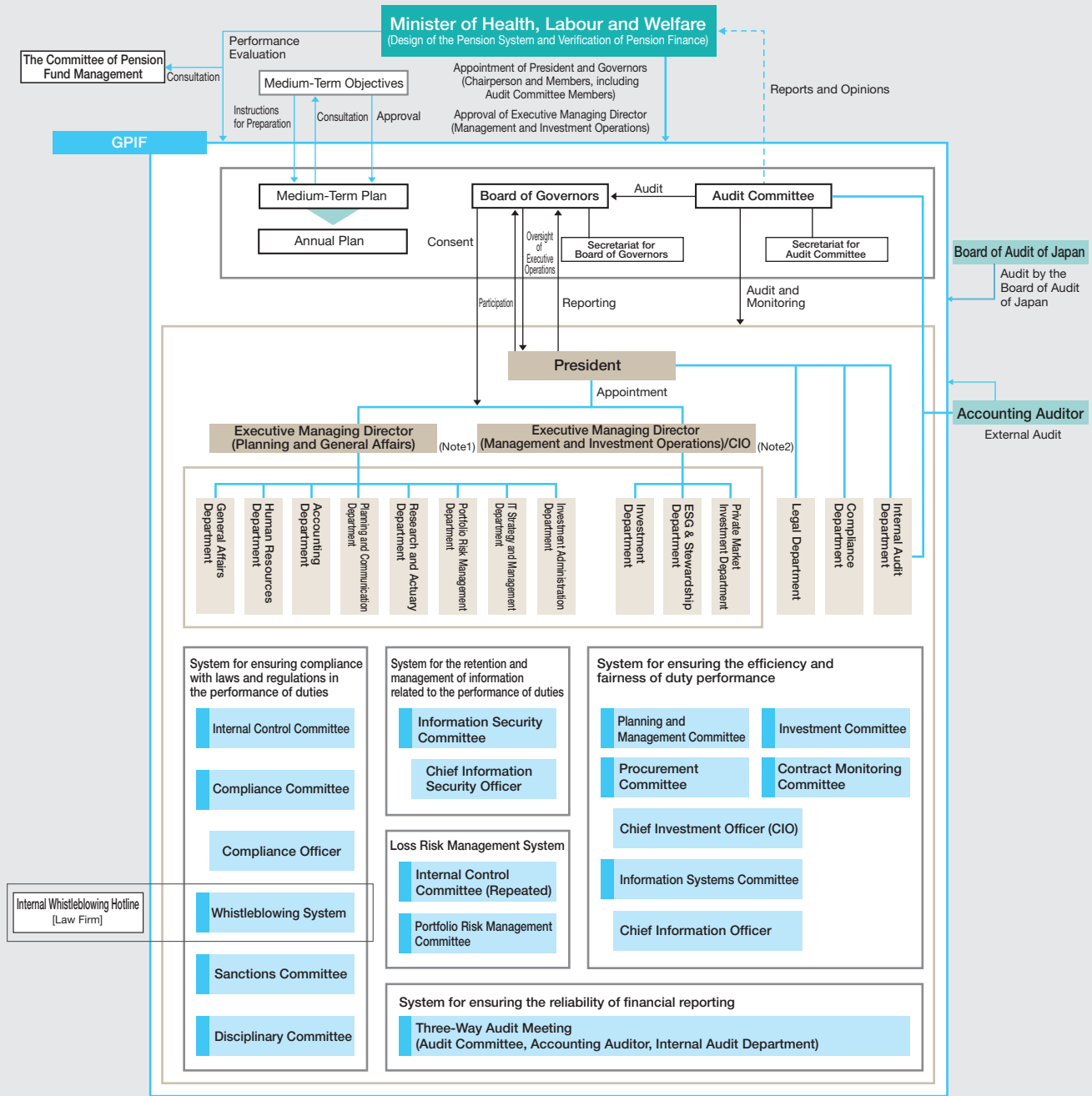
In addition to the above, the Information Security Committee promotes GPIF's information security measures, and the Planning and Management Committee carries out deliberations prior to decisions on important matters related to the execution of GPIF's operations. Moreover, the Procurement Committee ensures fairness in contract projects (excluding contracts with external asset managers), and the Contract Monitoring Committee, which includes external experts, conducts procurement-related inspections. Through the establishment of these committees, alongside other measures, GPIF seeks to establish a robust corporate internal control system.

The Internal Audit Department implements the Three Lines Model within GPIF's internal controls and conducts internal audits covering a broad range of corporate risks. More specifically, the Department formulates an audit plan based on Enterprise-Wide Risk Assessment, conducts risk-based audits, and then reports the results to the President, the Audit Committee, and others to strengthen GPIF's internal controls.

(Note 1) For details on the Basic Policy on Internal Controls, refer to the GPIF website (<https://www.gpif.go.jp/about/philosophy>). (* Available in Japanese language only.)

(Note 2) GPIF's financial tables are published following an audit by the Audit Committee and Accounting Auditor and a resolution by the Board of Governors based on the stipulations of the GPIF Act, as well as following approval of the Minister of Health, Labour and Welfare based on the stipulations of the Act on General Rules for Incorporated Administrative Agencies. For GPIF's financial tables, refer to the GPIF website (<https://www.gpif.go.jp/info/finance>). (* Available in Japanese language only.)

Concept of internal control

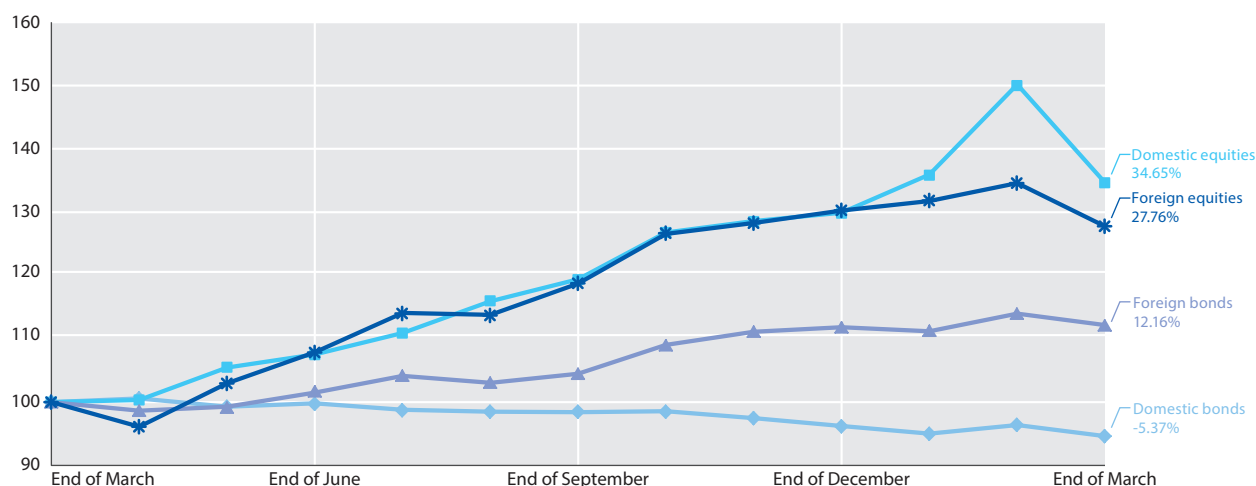


(Note 1) The Executive Managing Director (Planning and General Affairs) is responsible for matters relating to the General Affairs Department, Human Resources Department, Accounting Department, Planning and Communication Department, Research and Actuary Department, Portfolio Risk Management Department, IT Strategy and Management Department, and the Investment Administration Department.

(Note 2) The Executive Managing Director (Management and Investment Operations)/CIO is responsible for matters relating to the Investment Department, ESG & Stewardship Department, and Private Market Investment Department.

Part 3 Reference Data

1 | Benchmark Indexes (FY2025)



※ Benchmark indexes, indexed to 100 as of the end of March 2024 (the beginning of the fiscal year)

○ Benchmark returns (April 2025–March 2026)

(Unit: %)

Domestic bonds: NOMURA-BPI (excl. ABS)	-5.37
Foreign bonds: FTSE World Government Bond Index (excl. Japan and China, unhedged, JPY basis)	12.16
Domestic equities: TOPIX (incl. dividends)	34.65
Foreign equities: MSCI ACWI (excl. Japan and China A, JPY basis, incl. dividends, after accounting for GPIF dividend tax factors) (Note 1)	27.76

○ Reference indicators

		End of March 2025	End of March 2026
Domestic bonds	Japanese 10-Year Government Bond Yield (%)	1.49	2.35
Foreign bonds	U.S. 10-Year Treasury Yield (%)	4.21	4.32
	German 10-Year Government Bond Yield (%)	2.74	3.00
Domestic equities	TOPIX (excl. dividends) (points)	2,658.73	3,497.86
	Nikkei 225 (JPY)	35,617.56	51,063.72
Foreign equities	Dow Jones Industrial Average (USD)	42,001.76	46,341.51
	DAX (points)	22,163.49	22,680.04
	Shanghai Composite Index (points)	3,335.75	3,891.86
Foreign exchange	USD/JPY (JPY)	149.54	159.09
	EUR/JPY (JPY)	161.53	183.30

(Note 1) Foreign exchange rates are based on the WM/Refinitiv London 4:00 p.m. mid-market rate (against the U.S. dollar).

(Note 2) Prepared by GPIF based on data from FactSet, etc.

2 | Investment Results, Etc.

The tables in 2. Investment Results, Etc. (pages 98–101) and 3. Asset Size Categorized by Investment Method and Manager, Etc. (pages 102–105) are available in Excel format on the GPIF website (<https://www.gpif.go.jp/operation/the-latest-results.html>), including data from FY2001 onward. Please refer to the website for these tables.

[1] Rate of investment return

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (FY2016–FY2025)	Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Since the Start of Market-Based Investment Management (FY2001–FY2025)
Total assets	5.86	6.90	1.52	–5.20	25.15	5.42	1.50	22.67	0.71	16.47	7.69	5.16	4.67

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (FY2016–FY2025)	Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Since the Start of Market-Based Investment Management (FY2001–FY2025)
Time-weighted rate of return	5.93	6.99	1.54	–5.26	25.15	5.42	1.50	22.67	0.71	16.47	7.70	5.17	4.88
Domestic bonds	–0.85	0.80	1.43	–0.36	–0.68	–0.99	–1.74	–2.00	–4.47	–5.11	–1.42	0.51	0.56
Foreign bonds	–3.22	3.71	2.70	3.55	7.06	2.29	–0.12	15.83	1.70	12.33	4.45	4.28	5.02
Domestic equities	14.89	15.66	–5.09	–9.71	41.55	2.12	5.54	41.41	–1.46	34.62	12.54	5.74	6.04
Foreign equities	14.20	10.15	8.12	–13.08	59.42	18.48	1.84	40.06	6.62	27.16	15.75	10.01	9.02

(Note 1) Rates of investment return are calculated before deducting management fees and other expenses.

(Note 2) The rates of investment return for the most recent 10 years, as well as those since the establishment of the incorporated administrative agency and the commencement of market-based investment operations, are calculated using the geometric mean of the rates of investment return for each fiscal year (annualized).

(Note 3) Total assets and domestic bonds for FY2020 include FILP funds. Although the accounting classification of FILP funds was changed from held-to-maturity securities to trading securities at the end of January 2021, FILP funds have been valued at market value since April 2020 for the purpose of calculating the rate of investment return, in the same manner as other assets.

(Note 4) The rate of investment return on total assets for FY2001 through FY2019 is calculated as the weighted average of the modified total return rate on assets managed through market-based investment operations (hereinafter “market-managed assets”) and the rate of investment return on FILP funds, weighted by their respective average outstanding principal balances.

(Note 5) The rate of investment return on total assets for FY2020 onward is the time-weighted rate of investment return.

(Note 6) From FY2020 onward, domestic bonds include yen-denominated short-term assets, while foreign bonds include foreign currency-denominated short-term assets.

(Note 7) Foreign bonds with currency hedges were classified as foreign bonds through FY2019 and have been classified as domestic bonds from FY2020 onward.

(Note 8) For details of the calculation formulas for the modified total return rate and the time-weighted rate of investment return, refer to the glossary available on the GPIF website (<https://www.gpif.go.jp/gpif/words/index.html>). (* Available in Japanese language only.)

(Note 9) Calculations for FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

Reference:

Modified total return rate

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (FY2016–FY2025)	Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Since the Start of Market-Based Investment Management (FY2001–FY2025)
Total assets	5.86	6.90	1.52	–5.20	25.19	5.40	1.50	22.09	0.68	16.25	7.62	5.12	4.64
Market investment portfolio	5.94	6.94	1.51	–5.24	25.31	5.40	1.50	22.09	0.68	16.25			

Fiscal Investment and Loan Program (FILP) Funds (Held-to-Maturity Bonds) (Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Rate of investment return	1.77	1.82	1.93	1.93	1.41	—	—	—	—	—

(Note 1) Rates of investment return are calculated before deducting management fees and other expenses.

(Note 2) The rates of investment return for the most recent 10 years, as well as those since the establishment of the incorporated administrative agency and the commencement of market-based investment operations, are calculated using the geometric mean of the rates of investment return for each fiscal year (annualized).

(Note 3) Rates of investment return on FILP funds are calculated based on valuations using the amortized cost method. The rate of investment return on FILP funds for FY2020 represents the rate of investment return for the period from April 2020 through the end of January 2021, during which the bonds were classified as held-to-maturity securities. Investments in FILP funds were terminated during FY2020.

(Note 4) The rate of investment return on total assets is calculated as the weighted average of the modified total return rate on market-managed assets and the rate of investment return on FILP funds, weighted by their respective average outstanding principal balances. For FY2020, the rate of investment return on FILP funds is based on the rate of investment return for the period from April 2020 through the end of January 2021, during which the bonds were classified as held-to-maturity securities for accounting purposes.

(Note 5) For details of the calculation formulas for the modified total return rate, refer to the glossary available on the GPIF website (<https://www.gpif.go.jp/gpif/words/index.html>). (* Available in Japanese language only.)

(Note 6) Calculations for FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[2] Amount of investment return

(Unit: billion yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (FY2016–FY2025)	Cumulative Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Cumulative Since the Start of Market- Based Investment Management (FY2001–FY2025)
Investment return	7,936.3	10,081.0	2,379.5	-8,283.1	37,798.6	10,092.5	2,953.6	45,415.3	1,733.4	41,399.5	151,506.7	183,504.9	196,930.6

Reference:

(Market investment portfolio)

(Unit: billion yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (FY2016–FY2025)	Cumulative Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Cumulative Since the Start of Market- Based Investment Management (FY2001–FY2025)
Total return rate	7,889.9	10,057.8	2,362.3	-8,300.3	37,788.1	10,092.5	2,953.6	45,415.3	1,733.4	41,399.5	151,392.2	181,142.1	193,684.3
Domestic bonds	-395.8	362.2	595.9	-122.1	-250.3	-496.0	-851.7	-1,142.1	-2,842.6	-3,720.7	-8,863.2	4,835.5	5,425.5
Foreign bonds	-596.2	674.0	697.5	1,015.4	2,673.8	1,072.4	-56.2	7,869.4	1,085.7	8,040.6	22,476.4	27,301.4	28,640.1
Domestic equities	4,554.6	5,507.6	-2,073.2	-3,701.5	14,698.9	1,087.1	2,728.8	19,392.8	-820.0	20,455.6	61,830.6	63,656.0	71,135.8
Foreign equities	4,327.3	3,514.0	3,141.1	-5,488.7	20,665.8	8,429.0	1,132.7	19,295.2	4,310.3	16,624.0	75,950.6	85,337.5	88,497.2
Short-term assets	0.0	-0.0	1.1	-3.4	—	—	—	—	—	—	-2.3	11.8	7.6

(Fiscal Investment and Loan Program (FILP) Funds (Held-to-Maturity Bonds))

(Unit: billion yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (FY2016–FY2025)	Cumulative Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Cumulative Since the Start of Market- Based Investment Management (FY2001–FY2025)
Investment return	46.4	23.2	17.2	17.2	10.5	—	—	—	—	—	114.5	2,362.7	3,246.3

(Note 1) Amounts of investment return are calculated before deducting management fees and other expenses.

(Note 2) Due to rounding, the sum of each number may not necessarily match the total.

(Note 3) FILP funds were valued in accordance with the Accounting Standards for Incorporated Administrative Agencies at acquisition cost (or, where there was a difference between the underwriting price and the face value, at the price calculated using the amortized cost method) until the end of January 2021, when they were classified as held-to-maturity securities. From February 2021, when they were reclassified as trading securities, until their sale, the amount of investment return was calculated based on valuation at market value. The amount of investment return after the reclassification to trading securities is included in domestic bonds.

(Note 4) Investments in FILP funds were terminated during FY2020.

(Note 5) From FY2020 onward, domestic bonds include yen-denominated short-term assets, while foreign bonds include foreign currency-denominated short-term assets.

(Note 6) Foreign bonds with currency hedges were classified as foreign bonds through FY2019 and have been classified as domestic bonds from FY2020 onward.

(Note 7) The total amount of investment return reflects returns on a market-value basis by incorporating unrealized gains and losses arising from the valuation of assets at market value in addition to realized gains and losses. For details of the calculation formulas and other information, refer to the glossary available on the GPIF website (<https://www.gpif.go.jp/gpif/words/index.html>). (* Available in Japanese language only.)

(Note 8) Calculations for FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[3] Profit and loss amount

(Unit: billion yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Cumulative Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Cumulative Since the Start of Market-Based Investment Management (FY2001–FY2025)
Investment Return (A)	7,935.6	10,081.0	2,379.5	-8,283.1	37,798.6	10,092.5	2,953.6	45,415.3	1,733.4	41,399.5	183,504.9	196,930.6
Investment Management Fees, etc. (B)	43.0	52.0	33.6	37.0	66.0	43.1	37.8	55.7	47.8	66.9	783.1	901.9
Interest on Borrowings from the Fiscal Investment and Loan Program (FILP) Fund, etc. (C)	—	—	—	—	—	—	—	—	—	—	298.8	2,621.4
Investment Profit or Loss (D=A-B-C)	7,892.5	10,029.0	2,345.9	-8,320.1	37,732.6	10,049.3	2,915.8	45,359.6	1,685.6	41,332.6	182,446.8	193,431.3

(Unit: billion yen)

	End of FY2015	End of FY2016	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End of FY2023	End of FY2024	End of FY2025
Cumulative Investment Profit or Loss (E=Previous Fiscal Year's E+D)	40,719.2	48,611.8	58,640.8	60,986.7	52,666.5	90,399.1	100,448.4	103,364.2	148,723.8	150,409.4	191,742.0
Cumulative Investment Profit or Loss on Entrusted Funds (FY2001–)	43,696.7	51,589.2	61,618.2	63,964.1	55,643.9	93,376.5	103,425.9	106,341.6	151,701.2	153,386.8	194,719.4
Cumulative Interest Margin Profit or Loss on Transferred Assets (FY1986–)	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4	-2,977.4

(Note 1) Due to rounding, the sum of each number may not necessarily match the total.

(Note 2) "Cumulative profit and loss from investment operations" refers to the cumulative profit and loss (including cumulative contributions to the pension special account) since FY1986, when the Pension Welfare Service Public Corporation (hereinafter the "former Corporation") commenced its investment management operations.

(Note 3) "Investment management fees, etc." includes investment management fees, operating expenses, general and administrative expenses, and other related expenses.

(Note 4) The "Amount of investment return" for FY2016 is calculated based on accounting figures (for foreign currency-denominated investment trust funds, the classification of holdings was changed to trading securities for valuation purposes).

(Note 5) "Investment profit and loss" for the cumulative period since the establishment of the independent administrative agency and the cumulative period since the commencement of market-based investment operations includes the JPY 23.6 billion in accrued receivables and the corresponding increase of JPY 0.3 billion recorded in FY2006.

[4] Contributions to pension special accounts

(Unit: billion yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Cumulative Since the Establishment of the Independent Administrative Agency (FY2006–FY2025)	Cumulative Since the Start of Market-Based Investment Management (FY2001–FY2025)
Contributions to the pension special account	290.7	909.6	730.0	772.1	1,581.8	750.0	380.0	440.0	320.2	703.4	18,611.0	19,423.3 (19,436.5)

(Note) The cumulative amount shown in parentheses (JPY 19,436.5 trillion) for the period since the commencement of market-based investment operations includes the JPY 13.3 billion contribution to the pension special account made in FY1992 as part of the former Corporation's investment management operations.

[5] Management and custodian fees

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Management and custodian fees (Unit: billion yen)	40.0	48.7	29.5	31.9	61.1	35.2	30.2	47.0	37.3	57.1
Average balance (Unit: trillion yen)	137.3	155.7	158.9	161.4	170.2	193.1	196.3	223.1	251.9	279.2
Management and custodian fee ratio (%)	0.03	0.03	0.02	0.02	0.04	0.02	0.02	0.02	0.01	0.02

(Note 1) The average balance is based on the average month-end market value and includes in-house investment. For the FILP funds held under in-house investment management until FY2020, the average monthly book values at the end of each month are calculated using the amortized cost method.

(Note 2) Fees paid to custody services providers do not include certain fees to be deducted from the entrusted assets, such as global custody fees and attorney fees.

(Note 3) Management and custodian fees include index licensing fees.

[6] Assets under management and asset allocation ratios

	End of FY2016 (end of March 2017)		End of FY2017 (end of March 2018)		End of FY2018 (end of March 2019)		End of FY2019 (end of March 2020)	
	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)
Domestic bonds	47,870.7	33.04	44,517.8	28.47	43,162.7	27.11	37,125.9	24.65
Market investments	46,223.6	31.90	43,621.4	27.89	42,266.4	26.55	36,229.7	24.05
FILP funds								
Book value	1,647.2	1.14	896.4	0.57	896.3	0.56	896.2	0.59
Market value	(1,748.5)	—	(972.7)	—	(957.6)	—	(937.1)	—
Foreign bonds	19,681.7	13.58	23,910.9	15.29	27,818.7	17.47	36,408.7	24.17
Domestic equities	35,178.4	24.28	40,699.5	26.03	38,655.6	24.28	35,563.0	23.61
Foreign equities	34,926.2	24.10	38,662.9	24.72	41,897.5	26.32	37,163.9	24.67
Short-term assets	7,246.3	5.00	8,592.0	5.49	7,680.8	4.82	4,371.6	2.90
Total	144,903.4	100.00	156,383.2	100.00	159,215.4	100.00	150,633.2	100.00

	End of FY2020 (end of March 2021)		End of FY2021 (end of March 2022)		End of FY2022 (end of March 2023)		End of FY2023 (end of March 2024)		End of FY2024 (end of March 2025)		End of FY2025 (end of March 2026)	
	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)	Asset size (Unit: billion)	Percentage of total (%)
Domestic bonds	43,822.9	23.54	47,630.6	24.23	49,690.2	24.83	61,157.3	24.86	63,514.5	25.43	74,497.3	25.37
Foreign bonds	47,294.3	25.40	48,678.4	24.76	50,122.5	25.04	60,372.1	24.54	62,730.2	25.11	73,399.0	25.00
Domestic equities	47,227.3	25.37	49,513.7	25.19	50,333.7	25.15	61,553.2	25.02	61,618.6	24.67	71,390.5	24.31
Foreign equities	47,818.0	25.69	50,770.0	25.82	49,986.5	24.98	62,898.9	25.57	61,918.8	24.79	74,356.9	25.32
Total	186,162.4	100.00	196,592.6	100.00	200,132.8	100.00	245,981.5	100.00	249,782.1	100.00	293,643.7	100.00

(Note 1) Due to rounding, the sum of each number may not necessarily match the total.

(Note 2) Investments in FILP funds were terminated during FY2020.

(Note 3) Calculations for the end of FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[7] Excess rate of return for each asset class (last 10 years)

Domestic bonds

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (annualized)
Time-weighted rate of return	-0.85	0.80	1.43	-0.36	-0.68	-0.99	-1.74	-2.00	-4.47	-5.11	-1.42
Benchmark return	-0.90	0.74	1.38	-0.49	-0.70	-1.22	-1.65	-2.20	-4.73	-5.37	-1.54
Excess rate of return	+0.05	+0.06	+0.05	+0.13	+0.02	+0.23	-0.09	+0.20	+0.26	+0.26	+0.12
Passive funds	Time-weighted rate of return	-0.87	0.65	1.54	-0.23	-1.04	-1.37	-2.12	-2.60	-4.74	-1.64
	Benchmark return	-0.89	0.63	1.51	-0.30	-0.70	-1.22	-1.65	-2.20	-4.73	-1.51
	Excess rate of return	+0.02	+0.02	+0.03	+0.07	-0.34	-0.15	-0.46	-0.40	-0.03	-0.13
	Passive investment ratio	80.65	77.95	75.91	74.24	66.52	76.30	58.52	53.43	50.53	—
Active funds	Time-weighted rate of return	-0.76	1.34	1.09	-0.69	0.08	0.29	-0.85	-1.28	-4.23	-1.01
	Benchmark return	-0.93	1.14	0.98	-1.01	-0.70	-1.22	-1.65	-2.20	-4.73	-1.59
	Excess rate of return	+0.18	+0.20	+0.11	+0.31	+0.78	+1.51	+0.80	+0.92	+0.50	+0.58
	Active investment ratio	19.35	22.05	24.09	25.76	33.48	23.70	41.48	46.57	49.47	—

Foreign bonds

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (annualized)
Time-weighted rate of return	-3.22	3.71	2.70	3.55	7.06	2.29	-0.12	15.83	1.70	12.33	4.45
Benchmark return	-5.41	4.23	2.46	4.37	5.43	1.88	-0.56	15.32	1.61	12.16	4.00
Excess rate of return	+2.19	-0.52	+0.24	-0.82	+1.63	+0.41	+0.44	+0.51	+0.09	+0.17	+0.45
Passive funds	Time-weighted rate of return	-5.37	4.47	2.31	5.82	4.23	1.75	-0.63	15.67	1.56	12.27
	Benchmark return	-5.41	4.23	2.46	4.37	5.43	1.88	-0.56	15.32	1.61	12.16
	Excess rate of return	+0.05	+0.24	-0.16	+1.45	-1.20	-0.13	-0.06	+0.35	-0.04	+0.10
	Passive investment ratio	63.43	61.65	64.37	69.66	71.31	76.75	83.73	95.48	96.02	—
Active funds	Time-weighted rate of return	0.50	2.55	3.35	-2.50	14.18	4.14	1.88	14.74	5.61	13.67
	Benchmark return	-5.41	4.23	2.46	4.37	5.43	1.88	-0.56	15.32	1.61	12.16
	Excess rate of return	+5.91	-1.68	+0.89	-6.87	+8.75	+2.26	+2.44	-0.59	+4.00	+1.51
	Active investment ratio	36.57	38.35	35.63	30.34	28.69	23.25	16.27	4.52	3.98	—

Domestic equities

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (annualized)
Time-weighted rate of return	14.89	15.66	-5.09	-9.71	41.55	2.12	5.54	41.41	-1.46	34.62	12.54
Benchmark return	14.69	15.87	-5.04	-9.50	42.13	1.99	5.81	41.34	-1.55	34.65	12.62
Excess rate of return	+0.20	-0.21	-0.05	-0.20	-0.59	+0.13	-0.27	+0.07	+0.09	-0.03	-0.08
Passive funds	Time-weighted rate of return	14.65	15.44	-4.91	-9.51	41.20	2.26	5.48	41.74	-1.53	34.64
	Benchmark return	14.69	15.87	-5.04	-9.50	42.13	1.99	5.81	41.34	-1.55	34.65
	Excess rate of return	-0.04	-0.43	+0.13	-0.01	-0.93	+0.27	-0.34	+0.40	+0.02	-0.01
	Passive investment ratio	90.70	90.48	90.57	90.65	92.20	93.31	93.33	95.18	95.88	—
Active funds	Time-weighted rate of return	17.30	17.91	-6.65	-11.58	45.13	0.06	6.71	36.49	0.34	34.41
	Benchmark return	14.69	15.87	-5.04	-9.50	42.13	1.99	5.81	41.34	-1.55	34.65
	Excess rate of return	+2.61	+2.04	-1.62	-2.08	+3.00	-1.92	+0.89	-4.85	+1.89	-0.24
	Active investment ratio	9.30	9.52	9.43	9.35	7.80	6.69	6.67	4.82	4.12	—

Foreign equities

(Unit: %)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Past 10 Years (annualized)
Time-weighted rate of return	14.20	10.15	8.12	-13.08	59.42	18.48	1.84	40.06	6.62	27.16	15.75
Benchmark return	14.61	9.70	8.21	-13.40	60.21	19.38	1.88	40.63	6.88	27.76	15.99
Excess rate of return	-0.41	+0.46	-0.09	+0.32	-0.79	-0.90	-0.05	-0.57	-0.26	-0.60	-0.24
Passive funds	Time-weighted rate of return	14.63	9.73	8.12	-13.38	59.68	19.31	1.93	40.37	6.63	27.82
	Benchmark return	14.64	9.70	8.21	-13.40	60.21	19.38	1.88	40.63	6.88	27.76
	Excess rate of return	-0.01	+0.04	-0.09	+0.02	-0.53	-0.07	+0.05	-0.26	-0.25	+0.06
	Passive investment ratio	85.79	86.50	88.16	90.36	89.00	87.75	92.21	88.33	84.00	—
Active funds	Time-weighted rate of return	11.98	12.85	9.06	-10.23	57.69	12.93	0.31	37.15	6.19	23.91
	Benchmark return	14.47	9.70	8.21	-13.40	60.21	19.38	1.88	40.63	6.88	27.76
	Excess rate of return	-2.49	+3.16	+0.85	+3.17	-2.52	-6.45	-1.57	-3.48	-0.69	-3.85
	Active investment ratio	14.21	13.50	11.84	9.64	11.00	12.25	7.79	11.67	16.00	—

(Note 1) Rates of investment return are calculated before deducting management fees and other expenses.

(Note 2) The passive-to-active ratios for each asset class are the averages of the quarter-end ratios for each fiscal year.

(Note 3) Through FY2019, short-term assets were excluded. From FY2020 onward, active domestic bond funds include yen-denominated short-term assets, while active foreign bond funds include foreign currency-denominated short-term assets.

(Note 4) Through FY2019, domestic bonds did not include FILP funds. In FY2020, domestic bonds included FILP funds. Investments in FILP funds were terminated during FY2020.

(Note 5) Foreign bonds with currency hedges were classified as foreign bonds through FY2019 and have been classified as domestic bonds from FY2020 onward.

(Note 6) Calculations for FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

3 | Asset Size Categorized by Investment Method and Manager, Etc.

[1] Assets under management by investment method and asset class (market value at the end of FY2025)

	Market value (billion yen)	Percentage of total (%)
Total managed assets	293,643.7	100.00
Passive funds	234,249.5	79.77
Active funds	56,183.4	19.13
Other	3,210.8	1.09

		Market value (billion yen)	Percentage of total (%)
Total managed assets		293,643.7	100.00
Domestic bonds	Total	74,497.3	25.37
	Passive funds	35,372.0	12.05
	Active funds	36,163.7	12.32
	Other	2,961.6	1.01
Foreign bonds	Total	73,399.0	25.00
	Passive funds	70,318.0	23.95
	Active funds	2,831.8	0.96
	Other	249.2	0.08
Domestic equities	Total	71,390.5	24.31
	Passive funds	67,095.6	22.85
	Active funds	4,295.0	1.46
Foreign equities	Total	74,356.9	25.32
	Passive funds	61,464.0	20.93
	Active funds	12,892.9	4.39

(Note 1) Due to rounding, the sum of the individual figures may not necessarily match the total.

(Note 2) "Other" under domestic bonds consists of yen-denominated short-term assets, while "Other" under foreign bonds consists of foreign currency-denominated short-term assets.

(Note 3) Calculations are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[2] Trends in the proportion of passive and active funds

(Unit: %)

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Domestic bonds	Passive funds	79.38	77.03	75.54	71.45	72.93	76.60	58.12	48.92	54.33	47.48
	Active funds	20.62	22.97	24.46	28.55	27.07	23.40	41.88	51.08	45.67	52.52
Foreign bonds	Passive funds	60.89	61.98	66.24	73.81	76.12	79.22	86.28	96.79	96.00	95.80
	Active funds	39.11	38.02	33.76	26.19	23.88	20.78	13.72	3.21	4.00	4.20
Domestic equities	Passive funds	90.62	90.44	90.58	90.93	92.97	93.65	93.06	95.51	95.40	93.98
	Active funds	9.38	9.56	9.42	9.07	7.03	6.35	6.94	4.49	4.60	6.02
Foreign equities	Passive funds	86.45	86.32	90.50	90.17	87.99	90.82	93.57	87.97	82.20	82.66
	Active funds	13.55	13.68	9.50	9.83	12.01	9.18	6.43	12.03	17.80	17.34
Total	Passive funds	77.31	76.28	77.87	79.21	82.69	85.21	82.82	82.31	81.84	79.77
	Active funds	22.69	23.72	22.13	20.79	17.31	14.79	17.18	17.69	18.16	20.23

(Note 1) Through the end of FY2019, figures do not include short-term assets and FILP funds. There has been no outstanding balance of FILP funds since the end of FY2020.

(Note 2) From the end of FY2020 onward, active domestic bond funds include yen-denominated short-term assets, while active foreign bond funds include foreign currency-denominated short-term assets.

(Note 3) Through the end of FY2019, foreign bonds with currency hedges were classified under passive foreign bond funds. From the end of FY2020 onward, they have been classified under passive domestic bond funds.

(Note 4) Calculations for the end of FY2023 and subsequent years are made on a transaction-date basis, and the notional amount of futures and other factors are taken into account.

[3] Assets under management, actual rates of investment return, and fees paid to external asset managers

Refer to pages 107–123 at the end of this document. The same tables are also available on the GPIF website (<https://www.gpif.go.jp/operation/the-latest-results.html>).

※ Available in Japanese language only.

[4] Fees paid to custody services providers, investment income and fees from securities lending operations, index licensing fees, etc.

Refer to page 124 at the end of this document. The same tables are also available on the GPIF website (<https://www.gpif.go.jp/operation/the-latest-results.html>).

※ Available in Japanese language only.

[5] Trends in the number of funds by asset class and by passive/active management (externally managed funds)

		FY2016			FY2017			FY2018			FY2019			FY2020			FY2021			FY2022			FY2023			FY2024			FY2025		
		Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end	Terminations, etc.	New appointments of funds	Year-end
Domestic bonds	Passive	0	0	5	0	0	5	0	0	5	0	0	5	0	0	5	0	0	5	-1	4	8	0	0	8	0	0	8	0	0	8
	Active	0	0	9	0	0	9	0	0	9	0	0	9	0	0	9	0	5	14	-1	0	13	0	0	13	-2	0	11	0	0	11
Foreign bonds	Passive	0	5	11	0	9	20	-6	9	23	-3	2	22	0	2	24	0	2	26	0	8	34	0	1	35	0	1	36	0	14	50
	Active	0	0	21	-1	0	20	-2	0	18	-1	4	21	0	0	21	-4	0	17	-3	0	14	-7	0	7	0	7	14	0	0	14
Domestic equities	Passive	-1	2	11	0	4	15	0	3	18	-1	0	17	-4	2	15	0	0	15	0	1	16	-1	8	23	-3	7	27	0	0	27
	Active	-3	0	14	0	0	14	0	0	14	0	0	14	-3	5	16	-4	0	12	0	0	12	-1	23	34	-6	0	28	-1	0	27
Foreign equities	Passive	0	0	6	0	4	10	-2	2	10	-1	0	9	0	3	12	0	3	15	0	12	27	-1	12	38	-7	4	35	0	0	35
	Active	-2	0	12	-1	0	11	-3	0	8	0	0	8	-1	0	7	0	0	7	-1	19	25	-5	14	34	-1	29	62	-3	16	75
Alternative					0	4	4	0	1	5	0	1	6	0	2	8	0	3	11	0	1	12	0	3	15	0	0	15	0	1	16
Total		-6	7	89	-2	21	108	-13	15	110	-6	7	111	-8	14	117	-8	13	122	-6	45	161	-15	61	207	-19	48	236	-4	31	263

(Note 1) The number of passive foreign bond funds includes six foreign bond funds with currency hedges.

(Note 2) Terminations and new appointments of funds result from reviews of the composition of external asset managers, the results of overall assessments, and the addition of funds to existing passive fund managers.

[6] Complete list of holdings

This list presents the top 10 holdings by security, aggregated from holdings indirectly owned through discretionary investment agreements with external asset managers and holdings managed in-house, as of the end of March 2026 (the end of FY2025).

This list does not represent GPIF's evaluation of individual companies. For the complete list of holdings, including those ranked 11th and below, refer to the GPIF website (<https://www.gpif.go.jp/operation/the-latest-results.html>).

※ Available in Japanese language only.

Russia-related assets included in the market value as of the end of March 2026 are generally valued at zero due to factors such as trading restrictions imposed on investors outside Russia, difficulties in settlement and foreign exchange transactions, and the limited availability of sufficient information on transaction conditions.

In the complete holdings data published on the GPIF website, these securities are identified with an asterisk (*).

○ Domestic bond holdings (sorted by market value)

No.	Security name	Market value (Unit: billion yen)
1	10-year JGB #379	2,511.3
2	5-year JGB #181	1,856.6
3	10-year JGB #380	1,711.1
4	5-year JGB #178	1,619.4
5	10-year JGB #381	1,607.9
6	5-year JGB #183	1,363.9
7	5-year JGB #174	940.8
8	10-year JGB #373	933.0
9	5-year JGB #179	922.8
10	10-year JGB #371	896.2
Total	5,115 securities	68,088.2

○ Domestic equity holdings (sorted by market value)

No.	Security name	Shares	Market value (Unit: billion yen)
1	TOYOTA MOTOR CORPORATION	754,927,100	2,424.8
2	MITSUBISHI UFJ FINANCIAL GROUP, INC.	889,796,600	2,348.1
3	HITACHI, LTD.	365,768,400	1,641.2
4	SONY GROUP CORPORATION	501,034,000	1,614.1
5	SUMITOMO MITSUI FINANCIAL GROUP, INC.	310,374,700	1,578.3
6	MITSUBISHI CORPORATION	283,002,300	1,520.3
7	MITSUMI & CO., LTD.	212,303,800	1,277.8
8	MIZUHO FINANCIAL GROUP, INC.	197,890,800	1,218.9
9	TOKYO ELECTRON LIMITED	30,104,900	1,130.9
10	MITSUBISHI HEAVY INDUSTRIES, LTD.	262,375,200	1,111.2
Total	1,749 securities		69,718.5

○ Foreign bond holdings (sorted by market value)

No.	Security name	Market value (Unit: billion yen)
1	US TREASURY N/B 4.625% 02/15/2035	357.2
2	US TREASURY N/B 4.375% 05/15/2034	351.2
3	US TREASURY N/B 4.25% 11/15/2034	339.1
4	US TREASURY N/B 4.5% 11/15/2033	335.3
5	US TREASURY N/B 3.5% 02/15/2033	323.6
6	US TREASURY N/B 4.25% 05/15/2035	322.6
7	US TREASURY N/B 3.875% 08/15/2033	313.3
8	US TREASURY N/B 2.75% 08/15/2032	310.8
9	US TREASURY N/B 3.875% 08/15/2034	309.0
10	US TREASURY N/B 4.125% 11/15/2032	304.4
Total	10,040 securities	72,821.3

○ Foreign equity holdings (sorted by market value)

No.	Security name	Shares	Market value (Unit: billion yen)
1	NVIDIA CORP	130,365,850	3,617.2
2	APPLE INC	77,903,653	3,145.4
3	MICROSOFT CORP	37,837,552	2,228.3
4	AMAZON.COM INC	50,861,936	1,685.2
5	ALPHABET INC-CL A	31,310,367	1,432.4
6	ALPHABET INC-CL C	26,240,995	1,197.5
7	BROADCOM INC	24,200,406	1,194.1
8	TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD	122,376,373	1,075.0
9	META PLATFORMS INC-CLASS A	11,588,255	1,054.8
10	TESLA INC	14,235,885	841.9
Total	4,007 securities		70,993.9

○ Alternative asset holdings (by category, sorted by market value)

No.	Alternative assets	Security name	Market value (Unit: billion yen)
1	Infrastructure	StepStone G Infrastructure Opportunities, L.P.	676.5
2	Infrastructure	Toranomon Infrastructure 1, L.P.	435.1
3	Infrastructure	Pantheon G Infrastructure Opportunities LP	417.5
4	Infrastructure	Toranomon Infrastructure 2, LP	283.5
5	Infrastructure	Global Alternative Co-Investment Fund I	224.3
6	Infrastructure	DG Infrastructure Opportunities L.P.	91.4
7	Infrastructure	DG Infrastructure, ILP	61.7
8	Infrastructure	APG Infrastructure Asset Owner Fund II C.V.	45.9
9	Infrastructure	Brookfield Infrastructure Co-Invest (G), L.P.	44.9
10	Infrastructure	Toranomon Infrastructure 3 Investment Limited Partnership	31.7

1	Private Equity	Toranomon Private Equity 1 AIV, L.P.	484.7
2	Private Equity	TORANOMON PRIVATE EQUITY 2 AIV, L.P.	394.2
3	Private Equity	Global Alternative Co-Investment Fund II	56.2
4	Private Equity	Toranomon Private Equity 3 Investment Limited Partnership	53.8
5	Private Equity	EQT X (No.1) EUR SCSp	45.5
6	Private Equity	CVC Capital Partners IX (A) L.P.	28.8
7	Private Equity	TA XV-B, L.P.	19.1
8	Private Equity	Thoma Bravo Fund XVI-A, L.P.	7.3
9	Private Equity	The Veritas Capital Fund IX, L.P.	0.3
10	Private Equity	Hg Saturn 4 H L.P. Hg Saturn 4 G AIV L.P.	0.2

1	Real Estate	CBRE G Real Estate Investments, LP	859.1
2	Real Estate	Toranomon Real Estate 1, LP	249.8
3	Real Estate	MUTB G Real Estate Fund	238.4
4	Real Estate	Toranomon Real Estate 2, LP	165.5
5	Real Estate	Toranomon Real Estate 3 Investment Limited Partnership	70.4
6	Real Estate	Blackstone Real Estate Partners X.F L.P.	36.8
7	Real Estate	BREP Europe VII (ONT) L.P.	16.4
8	Real Estate	Brookfield Strategic Real Estate Partners V-A L.P.	14.0
9	Real Estate	North Haven Real Estate Japan Strategy Fund I-A, LP	0.8
10	Real Estate	BentallGreenOak Asia IV Japan Investment Feeder, LP	0.8

(Note 1) Security names are those used as of the end of March 2026.

(Note 2) As a general rule, surplus U.S. dollar funds held in trust accounts are invested in money market funds (MMFs). The MMF balance as of the end of FY2025 was JPY 479.7 billion.

Appendix

Assets under management, actual rates of investment return, and fees paid to external asset managers

Assets under management, actual rates of investment return, and fees paid to external asset managers (traditional assets)

Fund type	External asset manager name	Subcontractor name	Custodian	Manager benchmark	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)	Actual rate of investment return														
							Past five years (04/2021–03/2026)					Past three years (04/2023–03/2026)					Past year (04/2025–03/2026)				
							< 3y	Time-weighted rate of return (A)	Benchmark return (B)	Excess rate of return (C) = (A) – (B)	Result tracking error (D)	Information ratio (C) / (D)	Time-weighted rate of return (E)	Benchmark return (F)	Excess rate of return (G) = (E) – (F)	Result tracking error (H)	Information ratio (G) / (H)	Time-weighted rate of return (I)	Benchmark return (J)	Excess rate of return (K) = (I) – (J)	< 1y
Domestic bonds: passive funds	Asset Management One Co., Ltd.	-	MTBJ	BPI	2,162.2	119,479,005		-3.03%	-3.05%	+0.02%	0.04%	-	-4.10%	-4.11%	+0.01%	0.03%	-	-5.34%	-5.37%	+0.04%	
	Asset Management One Co., Ltd.	-	MTBJ	BPI-JGBs	7,023.4	50,618,856		-	-	-	-	-	-4.35%	-4.36%	+0.01%	0.03%	-	-5.64%	-5.65%	+0.02%	
	AllianceBernstein Japan Ltd.	AllianceBernstein L.P., etc.	MTBJ	USMBS-H	-	24,375,600		-3.40%	-4.62%	+1.22%	1.67%	-	-2.25%	-2.81%	+0.56%	1.64%	-	-	-	-	-
	BlackRock Japan Co., Ltd.	-	MTBJ	USGOV-H	1,113.6	59,252,990		-4.05%	-4.07%	+0.01%	0.32%	-	-2.73%	-2.59%	-0.13%	0.20%	-	-0.60%	-0.65%	+0.05%	
	BlackRock Japan Co., Ltd.	-	MTBJ	EGBI-H	-	1,997,378		-4.65%	-4.51%	-0.13%	0.80%	-	-0.88%	-0.92%	+0.04%	0.28%	-	-	-	-	-
	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc.	MTBJ	USMBS-H	-	5,865,626		-3.58%	-4.70%	+1.13%	1.64%	-	-2.48%	-2.95%	+0.48%	1.75%	-	-	-	-	-
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	BPI	1,102.3	253,035,971		-3.03%	-3.05%	+0.02%	0.03%	-	-4.09%	-4.11%	+0.02%	0.03%	-	-5.35%	-5.37%	+0.03%	
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	BPI-JGBs	6,966.6	50,224,430		-3.23%	-3.23%	+0.00%	0.04%	-	-4.35%	-4.36%	+0.01%	0.03%	-	-5.65%	-5.65%	+0.01%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	BPI	551.4	147,460,305		-	-	-	-	-	-4.09%	-4.11%	+0.02%	0.05%	-	-5.39%	-5.37%	-0.01%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	BPI-JGBs	7,321.6	71,241,597		-3.22%	-3.23%	+0.01%	0.06%	-	-4.36%	-4.36%	+0.01%	0.04%	-	-5.67%	-5.65%	-0.01%	
	Resona Asset Management Co., Ltd.	-	MTBJ	BPI	1,974.4	49,492,469		-	-	-	-	-	-4.12%	-4.11%	-0.01%	0.03%	-	-5.40%	-5.37%	-0.03%	
	Resona Asset Management Co., Ltd.	-	MTBJ	BPI-JGBs	6,660.0	315,818,441		-	-	-	-	-	-4.37%	-4.36%	-0.00%	0.03%	-	-5.65%	-5.65%	+0.00%	
	Resona Asset Management Co., Ltd.	-	MTBJ	USGOV-H	496.4	52,126,943		-4.06%	-4.07%	+0.01%	0.24%	-	-2.64%	-2.59%	-0.04%	0.20%	-	-0.76%	-0.65%	-0.11%	
	Resona Asset Management Co., Ltd.	-	MTBJ	EGBI-H	-	4,390,428		-4.63%	-4.65%	+0.02%	0.49%	-	-1.16%	-1.16%	-0.00%	0.13%	-	-	-	-	-
Domestic bonds: active funds	Asset Management One Co., Ltd.	-	MTBJ	BPI	395.1	835,838,740		-2.51%	-3.05%	+0.54%	0.36%	1.50	-3.43%	-4.11%	+0.68%	0.40%	1.72	-4.52%	-5.37%	+0.85%	
	Amundi Japan Ltd	-	MTBJ	BPI	553.8	552,623,364		-	-	-	-	-	-3.87%	-4.11%	+0.24%	0.18%	1.38	-5.42%	-5.37%	-0.05%	
	Amova Asset Management Co.,Ltd.	-	MTBJ	BPI	394.6	367,829,315		-	-	-	-	-	-3.67%	-4.11%	+0.44%	0.23%	1.90	-5.02%	-5.37%	+0.35%	
	Tokio Marine Asset Management Co., Ltd.	-	MTBJ	BPI	4.4	42,414,876		-1.43%	-1.51%	+0.08%	0.22%	0.38	-1.33%	-1.59%	+0.26%	0.17%	1.50	-	-	-	-
	Nissay Asset Management Corporation	-	MTBJ	BPI	626.2	798,800,324		-	-	-	-	-	-3.77%	-4.11%	+0.34%	0.23%	1.47	-5.16%	-5.37%	+0.22%	
	Nomura Asset Management Co., Ltd.	-	MTBJ	BPI	655.6	717,789,129		-	-	-	-	-	-3.66%	-4.11%	+0.45%	0.24%	1.89	-5.19%	-5.37%	+0.18%	
	PGIM Japan Co., Ltd.	-	MTBJ	BPI	1,064.1	1,563,891,285		-2.55%	-3.05%	+0.50%	0.18%	2.82	-3.51%	-4.11%	+0.60%	0.18%	3.42	-4.97%	-5.37%	+0.40%	
	PIMCO Japan Ltd	Pacific Investment Management Company LLC (PIMCO), etc.	MTBJ	BPI	1,148.2	2,363,368,883		-2.46%	-3.06%	+0.60%	0.31%	1.97	-3.62%	-4.11%	+0.49%	0.35%	1.41	-5.34%	-5.37%	+0.03%	
	Manulife Investment Management (Japan) Limited	-	MTBJ	BPI	381.0	1,112,750,122		-2.32%	-3.06%	+0.74%	0.48%	1.54	-3.07%	-4.11%	+1.05%	0.47%	2.23	-4.20%	-5.37%	+1.17%	
	Sumitomo Mitsui DS Asset Management Company, Limited	-	MTBJ	BPI	485.0	677,046,945		-	-	-	-	-	-3.61%	-4.11%	+0.50%	0.30%	1.65	-4.85%	-5.37%	+0.52%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	BPI	453.1	748,109,778		-2.66%	-2.97%	+0.30%	0.21%	1.42	-3.77%	-4.11%	+0.34%	0.23%	1.49	-5.12%	-5.37%	+0.25%	
	In-house investment	-	MTBJ	BPI	7,828.0	-		-	-	-	-	-	-4.01%	-4.11%	+0.11%	0.08%	1.30	-5.35%	-5.37%	+0.03%	
	In-house investment	-	MTBJ	-	21,732.5	-		-	-	-	-	-	-4.30%	-	-	-	-	-5.58%	-	-	-
	In-house investment	-	MTBJ	-	262.4	-		2.16%	-	-	-	-	1.18%	-	-	-	-	0.60%	-	-	-
Domestic bonds: others	In-house investment	-	MTBJ	-	2,973.8	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign bonds: passive funds	Asset Management One Co., Ltd.	-	MTBJ	WGBI-EXC	4,942.0	157,060,641		5.93%	5.89%	+0.03%	0.14%	-	9.56%	9.54%	+0.02%	0.09%	-	12.14%	12.16%	-0.03%	
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Limited, etc.	MTBJ	WGBI-EXC	8,980.9	302,141,848		5.92%	5.89%	+0.02%	0.16%	-	9.59%	9.54%	+0.05%	0.11%	-	12.20%	12.16%	+0.04%	
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Limited, etc.	MTBJ	WGBI-O-EXC	1,258.2	-		-	-	-	-	-	-	-	-	-	-	17.04%	16.89%	+0.15%	✓
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Trust Company, etc.	MTBJ	USGOV	3,551.7	-		-	-	-	-	-	-	-	-	-	-	17.66%	17.65%	+0.01%	✓
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Limited	MTBJ	EGBI	2,712.3	-		-	-	-	-	-	-	-	-	-	-	12.86%	12.79%	+0.07%	✓
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Trust Company, etc.	MTBJ	USIG	45.4	117,052,626		-	-	-	-	-	11.06%	11.12%	-0.06%	0.30%	-	11.61%	11.47%	+0.14%	
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Trust Company, etc.	MTBJ	USHY2%	49.8	-		-	-	-	-	-	-	-	-	-	-	21.51%	21.49%	+0.02%	✓
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Limited, etc.	MTBJ	EUROIG	-	48,782,652		-	-	-	-	-	5.57%	5.77%	-0.20%	0.25%	-	-	-	-	-
	State Street Global Advisors (Japan) Co., Ltd.	State Street Global Advisors Limited, etc.	MTBJ	EUROHY2%	48.3	-		-	-	-	-	-	-	-	-	-	-	17.04%	17.91%	-0.87%	✓
	Nomura Asset Management Co., Ltd.	-	MTBJ	WGBI-EXC	4,414.8	72,098,375		5.98%	5.89%	+0.09%	0.19%	-	9.67%	9.54%	+0.13%	0.10%	-	12.27%	12.16%	+0.11%	
	BlackRock Japan Co., Ltd.	-	MTBJ	WGBI-EXC	6,458.5	402,163,763		5.94%	5.89%	+0.05%	0.19%	-	9.64%	9.54%	+0.10%	0.11%	-	12.24%	12.16%	+0.08%	
	BlackRock Japan Co., Ltd.	-	MTBJ	WGBI-O-EXC	1,083.7	127,858,711		4.83%	4.79%	+0.04%	0.35%	-	9.76%	9.67%	+0.09%	0.16%	-	14.65%	14.56%	+0.09%	
	BlackRock Japan Co., Ltd.	-	MTBJ	USGOV	4,303.6	376,731,925		7.50%	7.46%	+0.05%	0.20%	-	8.96%	8.90%	+0.07%	0.15%	-	9.94%	9.85%	+0.09%	
	BlackRock Japan Co., Ltd.	-	MTBJ	USGOV 1-3Y	-	3,156,814		3.39%	3.02%	+0.36%	0.69%	-	6.47%	6.04%	+0.43%	1.04%	-	-	-	-	-
	BlackRock Japan Co., Ltd.	-	MTBJ	USGOV 10+Y	104.1	6,433,526		-	-	-	-	-	-	-	-	-	-	6.91%	6.89%	+0.02%	
	BlackRock Japan Co., Ltd.	-	MTBJ	EGBI	3,102.2	289,363,119		4.40%	4.38%	+0.02%	0.38%	-	10.52%	10.46%	+0.06%	0.16%	-	14.92%	14.88%	+0.04%	
	BlackRock Japan Co., Ltd.	-	MTBJ	EGBI 1-3Y	162.3	10,838,729		-	-	-	-	-	11.24%	11.01%	+0.23%	0.24%	-	14.70%	14.79%	-0.09%	
	BlackRock Japan Co., Ltd.	-	MTBJ	EGBI 10+Y	95.0	5,817,333		-	-	-	-	-	-	-	-	-	-	14.23%	14.10%	+0.13%	
	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc., etc.	MTBJ	USIG	35.8	160,607,756		-	-	-	-	-	11.07%	11.12%	-0.05%	0.31%	-	11.51%	11.47%	+0.04%	
	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc., etc.	MTBJ	USLONG	66.8	-		-	-	-	-	-	-	-	-	-	-	10.39%	10.30%	+0.09%	
	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc., etc.	MTBJ	USHY2%	-	10,632,110		5.90%	5.71%	+0.19%	0.72%	-	4.50%	4.51%	-0.01%	0.17%	-	-	-	-	-
	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc., etc.	MTBJ	EUROIG	-	118,881,679		-	-	-	-	-	6.84%	6.80%	+0.04%	0.28%	-	-	-	-	-

Fund type	External asset manager name	Subcontractor name	Custodian	Manager benchmark	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)		Actual rate of investment return													
						< 3y	Past five years (04/2021–03/2026)					Past three years (04/2023–03/2026)					Past year (04/2025–03/2026)				
							Time-weighted rate of return (A)	Benchmark return (B)	Excess rate of return (C) = (A) – (B)	Result tracking error (D)	Information ratio (C) / (D)	Time-weighted rate of return (E)	Benchmark return (F)	Excess rate of return (G) = (E) – (F)	Result tracking error (H)	Information ratio (G) / (H)	Time-weighted rate of return (I)	Benchmark return (J)	Excess rate of return (K) = (I) – (J)	< 1y	
Foreign bonds: passive funds	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc., etc.	MTBJ	EUROHY2%	-	11,765,129		3.50%	3.31%	+0.19%	0.69%	-	4.38%	4.20%	+0.17%	0.90%	-	-	-	-	-
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	WGBI-EXC	6,616.0	33,799,637		5.87%	5.89%	-0.02%	0.16%	-	9.56%	9.54%	+0.02%	0.10%	-	12.14%	12.16%	-0.02%	
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	WGBI-O-EXC	1,096.2	-		-	-	-	-	-	-	-	-	-	-	16.89%	16.89%	-0.00%	✓
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	USGOV	3,836.0	-		-	-	-	-	-	-	-	-	-	-	17.64%	17.65%	-0.01%	✓
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	EGBI	2,732.5	-		-	-	-	-	-	-	-	-	-	-	12.70%	12.79%	-0.09%	✓
	Resona Asset Management Co., Ltd.	-	MTBJ	WGBI-EXC	6,799.5	62,003,858		5.90%	5.89%	+0.01%	0.14%	-	9.56%	9.54%	+0.02%	0.10%	-	12.14%	12.16%	-0.03%	
	Resona Asset Management Co., Ltd.	-	MTBJ	WGBI-O-EXC	1,997.6	34,842,665		4.76%	4.79%	-0.03%	0.13%	-	9.60%	9.67%	-0.07%	0.09%	-	14.47%	14.56%	-0.09%	
	Resona Asset Management Co., Ltd.	-	MTBJ	USGOV	3,636.5	100,948,300		7.45%	7.46%	-0.01%	0.20%	-	8.85%	8.90%	-0.05%	0.17%	-	9.88%	9.85%	+0.02%	
	Resona Asset Management Co., Ltd.	-	MTBJ	USGOV 1-3Y	-	3,398,156		2.06%	2.01%	+0.05%	0.16%	-	6.25%	6.17%	+0.09%	0.27%	-	-	-	-	-
	Resona Asset Management Co., Ltd.	-	MTBJ	USGOV 10+Y	5.2	2,581,745		-	-	-	-	-	-	-	-	-	-	6.90%	6.89%	+0.01%	
	Resona Asset Management Co., Ltd.	-	MTBJ	EGBI	2,749.0	74,294,022		4.39%	4.38%	+0.01%	0.32%	-	10.47%	10.46%	+0.01%	0.13%	-	14.85%	14.88%	-0.03%	
	Resona Asset Management Co., Ltd.	-	MTBJ	EGBI 1-3Y	73.2	1,799,120		-	-	-	-	-	11.23%	11.01%	+0.22%	0.25%	-	14.78%	14.79%	-0.01%	
	Resona Asset Management Co., Ltd.	-	MTBJ	EGBI 10+Y	30.8	6,549,327		-	-	-	-	-	-	-	-	-	-	14.05%	14.10%	-0.04%	
Foreign bonds: active funds	Asset Management One Co., Ltd.	Allspring Global Investments, LLC	MTBJ	USIG	67.9	-		-	-	-	-	-	-	-	-	-	-	11.57%	11.47%	+0.10%	
	abrdn Japan Limited	abrdn Inc.	MTBJ	USIG	58.4	-		-	-	-	-	-	-	-	-	-	-	12.08%	11.47%	+0.61%	
	AllianceBernstein Japan Ltd.	AllianceBernstein L.P., etc.	MTBJ	USIG	88.0	-		-	-	-	-	-	-	-	-	-	-	11.92%	11.47%	+0.45%	
	Sompo Asset Management Co.,Ltd.	Agincourt Capital Management, LLC	MTBJ	USIG	87.7	-		-	-	-	-	-	-	-	-	-	-	11.90%	11.47%	+0.43%	
	T.Rowe Price Japan, Inc.	T.Rowe Price International Ltd.	MTBJ	EUROHY2%	48.5	212,527,054		10.10%	10.05%	+0.05%	1.55%	0.03	16.27%	15.78%	+0.49%	0.95%	0.51	17.17%	16.86%	+0.31%	
	Natixis Investment Managers Japan Co., Ltd.	Loomis, Sayles & Company, L.P.	MTBJ	USIG	76.7	-		-	-	-	-	-	-	-	-	-	-	11.80%	11.47%	+0.33%	
	Nissay Asset Management Corporation	NISA Investment Advisors, LLC	MTBJ	USINT	93.8	-		-	-	-	-	-	-	-	-	-	-	12.12%	12.04%	+0.08%	
	PineBridge Investments Japan Co., Ltd.	PineBridge Investments LLC	MTBJ	USHY2%	102.5	241,686,997		12.29%	12.10%	+0.18%	0.81%	0.23	15.25%	15.26%	-0.01%	0.71%	-0.01	14.56%	13.84%	+0.72%	
	Franklin Templeton Japan Co., Ltd.	Brandywine Global Investment Management, LLC.	SSTB	G-AGG-EXC	0.8	280,098,376		2.83%	2.18%	+0.66%	3.77%	0.17	2.05%	2.69%	-0.64%	4.36%	-0.15	-	-	-	-
	Barings Japan Limited	Barings LLC, etc.	MTBJ	USHY2%	106.3	348,522,505		12.76%	12.10%	+0.66%	0.81%	0.82	15.94%	15.26%	+0.68%	0.56%	1.20	14.83%	13.84%	+0.98%	
	Morgan Stanley Investment Management (Japan) Co., Ltd.	Morgan Stanley Investment Management Inc., etc.	SSTB	G-AGG-EXC	0.2	697,797,227		2.21%	2.18%	+0.03%	0.60%	0.05	2.58%	2.69%	-0.11%	0.29%	-0.39	-	-	-	-
	Morgan Stanley Investment Management (Japan) Co., Ltd.	Morgan Stanley Investment Management Inc.	MTBJ	USHY2%	50.2	220,466,207		12.34%	12.10%	+0.24%	1.10%	0.22	15.60%	15.26%	+0.34%	0.81%	0.42	14.28%	13.84%	+0.43%	
	UBS Asset Management (Japan) Ltd	UBS Asset Management (UK) Ltd	MTBJ	EUROHY2%	161.6	1,108,824,989		11.73%	10.05%	+1.67%	0.86%	1.96	17.43%	15.78%	+1.64%	0.59%	2.81	18.26%	16.86%	+1.40%	
	Legal & General Investment Management Japan KK	Legal & General Investment Management America Inc.	MTBJ	USINT	44.1	-		-	-	-	-	-	-	-	-	-	-	12.08%	12.04%	+0.04%	
	Foreign bonds: others	In-house investment	-	SSTB	-	76.3	-		-	-	-	-	-	-	-	-	-	-	-	-	-
In-house investment		-	MTBJ	-	120.9	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic equities: passive funds	Asset Management One Co., Ltd.	-	MTBJ	TOPIX	10,737.9	572,734,278		15.18%	15.12%	+0.06%	0.08%	-	23.36%	23.28%	+0.07%	0.09%	-	34.74%	34.65%	+0.10%	
	Asset Management One Co., Ltd.	-	MTBJ	FTSE-BL	750.9	51,398,723		17.31%	17.34%	-0.04%	0.07%	-	26.07%	26.09%	-0.02%	0.05%	-	38.10%	38.10%	-0.00%	
	Asset Management One Co., Ltd.	-	MTBJ	FTSE-BLSR	1,578.7	-		-	-	-	-	-	-	-	-	-	-	35.69%	35.69%	+0.00%	
	Asset Management One Co., Ltd.	-	MTBJ	GPIF-CUSTOM	312.2	-		-	-	-	-	-	-	-	-	-	-	32.80%	32.68%	+0.12%	
	Asset Management One Co., Ltd.	-	MTBJ	GPIF-CUSTOM	659.4	-		-	-	-	-	-	-	-	-	-	-	32.69%	32.59%	+0.09%	
	Nomura Asset Management Co., Ltd.	-	MTBJ	MSCI-IR	-	28,604,293		0.24%	0.44%	-0.20%	0.41%	-	2.08%	2.30%	-0.21%	0.88%	-	-	-	-	-
	FIL Investments (Japan) Limited	Geode Capital Management, LLC	MTBJ	TOPIX	319.6	352,864,381		15.13%	15.12%	+0.01%	0.03%	-	23.30%	23.28%	+0.02%	0.03%	-	34.72%	34.65%	+0.08%	
	BlackRock Japan Co., Ltd.	-	MTBJ	TOPIX	13,014.1	83,535,015		15.11%	15.12%	-0.01%	0.07%	-	23.28%	23.28%	-0.01%	0.06%	-	34.73%	34.65%	+0.09%	
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	TOPIX	9,933.4	432,636,380		15.22%	15.12%	+0.10%	0.13%	-	23.45%	23.28%	+0.17%	0.17%	-	34.73%	34.65%	+0.08%	
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	SP-C	2,598.2	37,018,534		14.75%	14.77%	-0.01%	0.05%	-	22.98%	22.99%	-0.02%	0.04%	-	33.24%	33.24%	+0.01%	
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	HRZ-DM-EXNA-DE	218.2	-		-	-	-	-	-	-	-	-	-	-	36.69%	36.69%	-0.00%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	TOPIX	9,617.2	148,684,628		15.01%	15.12%	-0.11%	0.18%	-	23.09%	23.28%	-0.19%	0.22%	-	34.48%	34.65%	-0.17%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	MSCI-N-ESG	896.8	79,310,960		15.40%	15.45%	-0.04%	0.05%	-	24.33%	24.39%	-0.06%	0.05%	-	34.27%	34.32%	-0.05%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	MSCI-WIN	490.2	46,405,708		14.64%	14.68%	-0.04%	0.06%	-	25.21%	25.26%	-0.05%	0.06%	-	32.74%	32.74%	-0.00%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	GPIF-CUSTOM	470.3	-		-	-	-	-	-	-	-	-	-	-	33.85%	33.86%	-0.01%	
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	GPIF-CUSTOM	277.8	-		-	-	-	-	-	-	-	-	-	-	33.52%	33.67%	-0.15%	
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX	11,871.4	383,239,195		15.11%	15.12%	-0.02%	0.06%	-	23.27%	23.28%	-0.01%	0.06%	-	34.72%	34.65%	+0.08%	
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-30G	400.4	3,013,507		-	-	-	-	-	-	-	-	-	-	21.25%	21.20%	+0.05%	
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-30V	444.9	2,974,661		-	-	-	-	-	-	-	-	-	-	45.76%	45.73%	+0.02%	
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-70G	128.4	1,098,444		-	-	-	-	-	-	-	-	-	-	35.17%	35.21%	-0.04%	

Fund type	External asset manager name	Subcontractor name	Custodian	Manager benchmark	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)	Actual rate of investment return															
							Past five years (04/2021–03/2026)					Past three years (04/2023–03/2026)					Past year (04/2025–03/2026)					
						< 3y	Time-weighted rate of return (A)	Benchmark return (B)	Excess rate of return (C) = (A) – (B)	Result tracking error (D)	Information ratio (C) / (D)	Time-weighted rate of return (E)	Benchmark return (F)	Excess rate of return (G) = (E) – (F)	Result tracking error (H)	Information ratio (G) / (H)	Time-weighted rate of return (I)	Benchmark return (J)	Excess rate of return (K) = (I) – (J)	< 1y		
Domestic equities: passive funds	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-70V	282.5	1,888,638	-	-	-	-	-	-	-	-	-	-	38.14%	38.09%	+0.05%			
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-400G	47.7	409,329	-	-	-	-	-	-	-	-	-	-	25.48%	25.31%	+0.17%			
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-400V	190.9	1,428,411	-	-	-	-	-	-	-	-	-	-	45.36%	45.28%	+0.09%			
	Resona Asset Management Co., Ltd.	-	MTBJ	TOPIX-SMALLV	9.6	-	-	-	-	-	-	-	-	-	-	-	48.00%	47.84%	+0.16%			
	Resona Asset Management Co., Ltd.	-	MTBJ	MO-GD-J	1,245.7	12,939,812	-	-	-	-	-	23.83%	23.86%	-0.03%	0.08%	-	34.55%	34.61%	-0.06%			
	Resona Asset Management Co., Ltd.	-	MTBJ	GPIF-CUSTOM	599.6	-	-	-	-	-	-	-	-	-	-	-	33.35%	33.53%	-0.18%			
Domestic equities: active funds	Asset Management One Co., Ltd.	-	MTBJ	TOPIX	50.6	1,725,381,678		21.47%	15.12%	+6.35%	3.93%	1.62	31.60%	23.28%	+8.31%	4.14%	2.01	50.91%	34.65%	+16.26%		
	Asset Management One Co., Ltd.	-	MTBJ	TOPIX	119.6	613,386,006		-	-	-	-	-	-	-	-	-	-	51.68%	34.65%	+17.03%		
	Asset Management One Co., Ltd.	-	MTBJ	TOPIX	39.1	55,120,868		-	-	-	-	-	-	-	-	-	-	30.38%	34.65%	-4.27%		
	Asset Management One Co., Ltd.	-	MTBJ	TOPIX	112.4	389,204,268		-	-	-	-	-	-	-	-	-	-	49.18%	34.65%	+14.54%		
	Asset Management One Co., Ltd.	-	MTBJ	RN-SG	34.3	66,461,705		-1.60%	4.52%	-6.12%	9.39%	-0.65	0.17%	9.82%	-9.64%	8.25%	-1.17	22.08%	18.39%	+3.70%		
	Amova Asset Management Co.,Ltd.	-	MTBJ	TOPIX	-	54,277,854	✓	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Amova Asset Management Co.,Ltd.	-	MTBJ	TOPIX	101.1	228,818,016		-	-	-	-	-	-	-	-	-	-	38.19%	34.65%	+3.54%		
	Invesco Asset Management (Japan) Limited	-	MTBJ	TOPIX	47.3	104,450,617		10.53%	15.12%	-4.59%	4.96%	-0.93	15.96%	23.28%	-7.32%	5.26%	-1.39	26.19%	34.65%	-8.45%		
	Wellington Management Japan Pte Ltd.	Wellington Management Company LLP	MTBJ	TOPIX	57.3	259,815,899		-	-	-	-	-	-	-	-	-	-	35.20%	34.65%	+0.56%		
	Goldman Sachs Asset Management Co., Ltd.	Goldman Sachs Asset Management (Singapore) Pte. Ltd.	MTBJ	TOPIX	66.5	388,682,703		-	-	-	-	-	-	-	-	-	-	17.08%	34.65%	-17.57%		
	JPMorgan Asset Management (Japan) Limited	-	MTBJ	TOPIX	45.6	156,282,058		-	-	-	-	-	-	-	-	-	-	31.50%	34.65%	-3.15%		
	JPMorgan Asset Management (Japan) Limited	-	MTBJ	MSCI-J	294.4	743,019,573		-	-	-	-	-	-	-	-	-	-	32.04%	34.38%	-2.33%		
	Sompo Asset Management Co.,Ltd.	GLG Partners LP	MTBJ	TOPIX	83.6	944,936,841		-	-	-	-	-	-	-	-	-	-	44.52%	34.65%	+9.87%		
	Tokio Marine Asset Management Co., Ltd.	-	MTBJ	TOPIX	43.4	51,105,960		-	-	-	-	-	-	-	-	-	-	36.10%	34.65%	+1.45%		
	Nomura Asset Management Co., Ltd.	-	MTBJ	TOPIX	195.2	573,711,293		-	-	-	-	-	-	-	-	-	-	46.78%	34.65%	+12.14%		
	Nomura Asset Management Co., Ltd.	Columbia Management Investment Advisers, LLC	MTBJ	MSCI-J	47.9	399,497,855		-	-	-	-	-	-	-	-	-	-	37.42%	34.38%	+3.04%		
	Pictet Asset Management (Japan) Ltd.	Pictet Asset Management Ltd.	MTBJ	MSCI-J	41.5	116,632,253		-	-	-	-	-	-	-	-	-	-	25.43%	34.38%	-8.94%		
	FIL Investments (Japan) Limited	-	MTBJ	RN-TG	39.2	601,303,287		8.90%	9.78%	-0.88%	4.26%	-0.21	14.84%	15.49%	-0.66%	2.91%	-0.23	24.96%	25.70%	-0.74%		
	BlackRock Japan Co., Ltd.	BlackRock Institutional Trust Company, etc.	MTBJ	TOPIX	372.1	1,737,790,918		-	-	-	-	-	-	-	-	-	-	36.68%	34.65%	+2.03%		
	Manulife Investment Management (Japan) Limited	Manulife Investment Management (Europe) Limited	MTBJ	TOPIX	158.7	1,274,937,985		-	-	-	-	-	-	-	-	-	-	26.01%	34.65%	-8.63%		
	Sumitomo Mitsui DS Asset Management Company, Limited	-	MTBJ	TOPIX	88.0	1,386,493,788		-	-	-	-	-	-	-	-	-	-	54.29%	34.65%	+19.64%		
	Sumitomo Mitsui DS Asset Management Company, Limited	-	MTBJ	TOPIX	81.8	462,299,781		-	-	-	-	-	-	-	-	-	-	38.30%	34.65%	+3.65%		
	Sumitomo Mitsui DS Asset Management Company, Limited	-	MTBJ	TOPIX	49.8	434,746,644		-	-	-	-	-	-	-	-	-	-	39.52%	34.65%	+4.88%		
	Sumitomo Mitsui DS Asset Management Company, Limited	-	MTBJ	TOPIX	156.4	1,005,282,590		-	-	-	-	-	-	-	-	-	-	43.45%	34.65%	+8.81%		
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	TOPIX	93.5	1,588,151,876		-	-	-	-	-	-	-	-	-	-	58.36%	34.65%	+23.71%		
	Mitsubishi UFJ Trust and Banking Corporation	-	MTBJ	TOPIX	367.7	739,297,316		-	-	-	-	-	-	-	-	-	-	37.40%	34.65%	+2.75%		
	Lazard Japan Asset Management K.K.	-	MTBJ	TOPIX	44.9	2,277,697,058		19.04%	15.15%	+3.89%	4.75%	0.82	25.93%	23.28%	+2.65%	4.38%	0.60	28.82%	34.65%	-5.83%		
Russell Investments Japan Co., Ltd.	M&G Investment Management Limited	MTBJ	MSCI-J	228.2	1,675,927,550		-	-	-	-	-	-	-	-	-	-	38.68%	34.38%	+4.31%			
Foreign equities: passive funds	State Street Global Advisors (Japan) Co., Ltd.	-	MTBJ	MSCI-A-EXC	2,778.1	234,599,277		18.36%	18.47%	-0.11%	0.30%	-	24.23%	24.30%	-0.07%	0.32%	-	27.81%	27.76%	+0.05%		
	State Street Global Advisors (Japan) Co., Ltd.	-	MTBJ	MSCI-N	5,976.8	125,204,595		20.12%	20.11%	+0.01%	0.42%	-	25.74%	25.72%	+0.03%	0.44%	-	26.02%	26.11%	-0.09%		
	State Street Global Advisors (Japan) Co., Ltd.	-	MTBJ	MSCI-EU	1,379.5	30,452,415		17.17%	17.57%	-0.40%	0.39%	-	20.38%	20.88%	-0.51%	0.34%	-	26.96%	27.52%	-0.56%		
	State Street Global Advisors (Japan) Co., Ltd.	-	MTBJ	MSCI-P	284.3	8,901,880		13.33%	13.44%	-0.11%	0.42%	-	17.46%	17.46%	+0.00%	0.46%	-	31.28%	31.75%	-0.47%		
	State Street Global Advisors (Japan) Co., Ltd.	-	MTBJ	MSCI-E-EXC	1,887.2	64,346,623		11.84%	11.81%	+0.03%	0.51%	-	22.49%	22.48%	+0.01%	0.33%	-	37.77%	38.20%	-0.43%		
	State Street Global Advisors (Japan) Co., Ltd.	-	MTBJ	SP-GC	2,302.8	442,896,390		18.48%	18.64%	-0.15%	0.12%	-	23.77%	23.98%	-0.21%	0.14%	-	26.17%	26.59%	-0.42%		
	BlackRock Japan Co., Ltd.	-	MTBJ	MSCI-A-EXC	6,706.8	626,908,987		18.42%	18.47%	-0.05%	0.20%	-	24.22%	24.30%	-0.08%	0.20%	-	27.65%	27.76%	-0.11%		
	BlackRock Japan Co., Ltd.	-	MTBJ	MSCI-N	3,303.5	126,219,434		-	-	-	-	-	25.77%	25.72%	+0.05%	0.44%	-	25.61%	26.11%	-0.50%		
	BlackRock Japan Co., Ltd.	-	MTBJ	MSCI-EU	788.6	48,554,369		-	-	-	-	-	20.99%	20.88%	+0.11%	0.23%	-	27.49%	27.52%	-0.02%		
	BlackRock Japan Co., Ltd.	-	MTBJ	MSCI-E-EXC	468.1	18,491,852		-	-	-	-	-	-	-	-	-	-	38.43%	38.20%	+0.23%		
	BlackRock Japan Co., Ltd.	-	MTBJ	HRZ-NA	2,656.4	-		-	-	-	-	-	-	-	-	-	-	27.44%	27.45%	-0.01%		
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	MSCI-N	8,085.3	-		-	-	-	-	-	-	-	-	-	-	26.11%	26.11%	+0.00%		
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	MSCI-EU	747.6	-		-	-	-	-	-	-	-	-	-	-	26.24%	27.52%	-1.28%		
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	MSCI-P	150.9	-		-	-	-	-	-	-	-	-	-	-	31.04%	31.75%	-0.71%		
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	MSCI-E-EXC	2,118.3	85,285,625		-	-	-	-	-	-	-	-	-	-	39.56%	38.20%	+1.36%		

Fund type	External asset manager name	Subcontractor name	Custodian	Manager benchmark	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)		Actual rate of investment return															
						< 3y	Past five years (04/2021–03/2026)					Past three years (04/2023–03/2026)					Past year (04/2025–03/2026)						
							Time-weighted rate of return (A)	Benchmark return (B)	Excess rate of return (C) = (A) – (B)	Result tracking error (D)	Information ratio (C) / (D)	Time-weighted rate of return (E)	Benchmark return (F)	Excess rate of return (G) = (E) – (F)	Result tracking error (H)	Information ratio (G) / (H)	Time-weighted rate of return (I)	Benchmark return (J)	Excess rate of return (K) = (I) – (J)	< 1y			
Foreign equities: passive funds	Sumitomo Mitsui Trust Asset Management Co., Ltd.	-	MTBJ	HRZ-DM-EXNA-FE	1,091.4	-	-	-	-	-	-	-	-	-	-	-	30.75%	30.85%	-0.10%				
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-A-EXC	11,696.1	879,013,977		18.57%	18.47%	+0.10%	0.13%	-	24.37%	24.30%	+0.07%	0.10%	-	27.80%	27.76%	+0.04%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-N	3,043.6	114,991,925		18.87%	19.02%	-0.15%	0.16%	-	25.53%	25.72%	-0.18%	0.18%	-	26.06%	26.11%	-0.05%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-US30	325.8	110,730,089		-	-	-	-	-	-	-	-	-	-	30.29%	30.33%	-0.04%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-US100	33.4	26,831,217		-	-	-	-	-	-	-	-	-	-	28.27%	28.29%	-0.02%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-USLG	219.8	46,789,277		-	-	-	-	-	-	-	-	-	-	31.64%	31.64%	-0.00%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-USLV	377.7	102,109,702		-	-	-	-	-	-	-	-	-	-	18.26%	18.31%	-0.04%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-CA	40.3	11,933,883		-	-	-	-	-	-	-	-	-	-	45.68%	45.78%	-0.10%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-EU	696.3	63,029,509		16.62%	16.62%	-0.01%	0.13%	-	20.81%	20.88%	-0.07%	0.09%	-	27.57%	27.52%	+0.05%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-P	130.5	13,915,310		12.45%	12.48%	-0.02%	0.14%	-	17.42%	17.46%	-0.04%	0.18%	-	31.62%	31.75%	-0.13%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-EASEALG	46.0	26,682,067		-	-	-	-	-	-	-	-	-	-	15.90%	15.95%	-0.05%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-EASEALV	206.2	47,594,661		-	-	-	-	-	-	-	-	-	-	37.82%	38.13%	-0.31%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-E-EXC	726.3	50,977,417		-	-	-	-	-	22.58%	22.48%	+0.10%	0.25%	-	38.36%	38.20%	+0.17%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MSCI-A-ESG	1,468.7	181,171,481		18.67%	18.69%	-0.02%	0.06%	-	24.35%	24.38%	-0.03%	0.07%	-	27.78%	27.86%	-0.08%			
	Legal & General Investment Management Japan KK	Legal & General Investment Management Limited, etc.	MTBJ	MO-GD	1,091.1	281,201,425		18.63%	18.76%	-0.13%	0.06%	-	23.27%	23.39%	-0.12%	0.05%	-	24.92%	25.04%	-0.12%			
Domestic equities: active funds	Asset Management One Co., Ltd.	WorldQuant Millennium Institutional Advisor JP LLC	MTBJ	MSCI-K	249.9	-		-	-	-	-	-	-	-	-	-	8.65%	7.49%	+1.16%	✓			
	Asset Management One Co., Ltd.	Life Cycle Investment Partners Limited	MTBJ	MSCI-K	80.2	-		-	-	-	-	-	-	-	-	-	5.07%	7.49%	-2.43%	✓			
	Asset Management One Co., Ltd.	WorldQuant Millennium Institutional Advisor JP LLC	MTBJ	MSCI-EAFE	279.8	-		-	-	-	-	-	-	-	-	-	34.13%	29.36%	+4.77%				
	Asset Management One Co., Ltd.	Allspring Global Investments, LLC	MTBJ	MSCI-E	0.7	52,814,109		-1.82%	-0.45%	-1.37%	4.00%	-0.34	1.34%	1.91%	-0.57%	2.30%	-0.25	-	-	-			
	Asset Management One Co., Ltd.	WorldQuant Millennium Institutional Advisor JP LLC	MTBJ	FR-1000	565.1	-		-	-	-	-	-	-	-	-	-	-	28.51%	25.26%	+3.25%			
	Amundi Japan Ltd	Victory Capital Management Inc.	MTBJ	SP-500	330.5	3,916,234,857		-	-	-	-	-	31.78%	25.57%	+6.21%	4.84%	1.28	41.70%	25.33%	+16.38%			
	Amova Asset Management Co.,Ltd.	Osmosis Investment Management UK Limited	MTBJ	MSCI-K	-	483,935,967	✓	-	-	-	-	-	-	-	-	-	-	-	-	-			
	AllianceBernstein Japan Ltd.	AllianceBernstein L.P.	MTBJ	MSCI-K	83.4	-		-	-	-	-	-	-	-	-	-	-	8.57%	7.49%	+1.08%	✓		
	Wellington Management Japan Pte Ltd.	Wellington Management Company LLP	MTBJ	SP-500	47.4	333,494,242		-	-	-	-	-	25.36%	25.57%	-0.21%	2.09%	-0.10	24.33%	25.33%	-0.99%			
	MFS Investment Management K.K.	Massachusetts Financial Services Company	MTBJ	MSCI-EAFE	160.8	-		-	-	-	-	-	-	-	-	-	-	17.90%	29.36%	-11.46%			
	MFS Investment Management K.K.	Massachusetts Financial Services Company	MTBJ	MSCI-EAFEG	48.5	-		-	-	-	-	-	-	-	-	-	-	12.19%	20.08%	-7.89%			
	Goldman Sachs Asset Management Co., Ltd.	Goldman Sachs Asset Management, L.P.	MTBJ	MSCI-EAFE	54.4	-		-	-	-	-	-	-	-	-	-	-	21.70%	29.36%	-7.66%			
	Goldman Sachs Asset Management Co., Ltd.	Goldman Sachs Asset Management, L.P.	MTBJ	MSCI-EAFE	95.1	-		-	-	-	-	-	-	-	-	-	-	34.00%	29.36%	+4.64%			
	JPMorgan Asset Management (Japan) Limited	JPMorgan Asset Management (UK) Limited, etc.	MTBJ	MSCI-K	64.2	1,053,880,984		-	-	-	-	-	-	-	-	-	-	20.24%	26.52%	-6.28%			
	JPMorgan Asset Management (Japan) Limited	JPMorgan Asset Management (UK) Limited, etc.	MTBJ	MSCI-K	247.6	-		-	-	-	-	-	-	-	-	-	-	7.63%	7.49%	+0.14%	✓		
	JPMorgan Asset Management (Japan) Limited	J.P. Morgan Investment Management Inc.	MTBJ	SP-500	113.9	608,726,250		-	-	-	-	-	26.73%	25.57%	+1.16%	2.23%	0.52	21.59%	25.33%	-3.74%			
	JPMorgan Asset Management (Japan) Limited	J.P. Morgan Investment Management Inc.	MTBJ	SP-500	473.8	-		-	-	-	-	-	-	-	-	-	-	20.64%	25.33%	-4.69%			
	JPMorgan Asset Management (Japan) Limited	J.P. Morgan Investment Management Inc.	MTBJ	FR-3000G	236.1	1,560,025,701		-	-	-	-	-	28.08%	28.03%	+0.05%	2.48%	0.02	25.03%	26.33%	-1.30%			
	Sompo Asset Management Co.,Ltd.	Numeric Investors LLC	MTBJ	MSCI-K	51.5	651,702,942		-	-	-	-	-	-	-	-	-	-	30.00%	26.52%	+3.48%			
	Sompo Asset Management Co.,Ltd.	Montrusco Bolton Investments Inc	MTBJ	MSCI-K	44.7	705,362,837		-	-	-	-	-	-	-	-	-	-	12.71%	26.52%	-13.81%			
	Sompo Asset Management Co.,Ltd.	Los Angeles Capital Management LLC	MTBJ	MSCI-EAFE	62.2	-		-	-	-	-	-	-	-	-	-	-	36.97%	29.36%	+7.61%			
	Sompo Asset Management Co.,Ltd.	Numeric Investors LLC	MTBJ	MSCI-EAFE	233.7	-		-	-	-	-	-	-	-	-	-	-	39.88%	29.36%	+10.52%			
	T.Rowe Price Japan, Inc.	T.Rowe Price Associates, Inc.	MTBJ	MSCI-K	131.8	-		-	-	-	-	-	-	-	-	-	-	7.43%	7.49%	-0.06%	✓		
	T.Rowe Price Japan, Inc.	T.Rowe Price Associates, Inc.	MTBJ	MSCI-K	67.3	-		-	-	-	-	-	-	-	-	-	-	1.92%	7.49%	-5.58%	✓		
	T.Rowe Price Japan, Inc.	T.Rowe Price Associates, Inc.	MTBJ	SP-500	547.8	3,765,852,857		-	-	-	-	-	-	26.80%	25.57%	+1.23%	1.01%	1.22	24.78%	25.33%	-0.54%		

Fund type	External asset manager name	Subcontractor name	Custodian	Manager benchmark	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)	Actual rate of investment return														
							Past five years (04/2021–03/2026)					Past three years (04/2023–03/2026)					Past year (04/2025–03/2026)				
							< 3y	Time-weighted rate of return (A)	Benchmark return (B)	Excess rate of return (C) = (A) – (B)	Result tracking error (D)	Information ratio (C) / (D)	Time-weighted rate of return (E)	Benchmark return (F)	Excess rate of return (G) = (E) – (F)	Result tracking error (H)	Information ratio (G) / (H)	Time-weighted rate of return (I)	Benchmark return (J)	Excess rate of return (K) = (I) – (J)	< 1y
Domestic equities: active funds	T.Rowe Price Japan, Inc.	T.Rowe Price Associates, Inc.	MTBJ	FR-3000	84.9	2,073,374,641	-	-	-	-	-	-	25.00%	25.08%	-0.08%	3.72%	-0.02	19.09%	25.63%	-6.54%	
	Tokio Marine Asset Management Co., Ltd.	Epoch Investment Partners, Inc.	MTBJ	MSCI-K	43.5	251,161,606	-	-	-	-	-	-	-	-	-	-	-	19.05%	26.52%	-7.47%	
	Tokio Marine Asset Management Co., Ltd.	Threadneedle Asset Management Limited	MTBJ	MSCI-EAFE	135.3	-	-	-	-	-	-	-	-	-	-	-	-	18.60%	29.36%	-10.76%	
	Tokio Marine Asset Management Co., Ltd.	Great Lakes Advisors, LLC	MTBJ	MSCI-EAFE	111.3	-	-	-	-	-	-	-	-	-	-	-	-	39.36%	29.36%	+10.00%	
	Tokio Marine Asset Management Co., Ltd.	Applied Finance Capital Management, LLC	MTBJ	FR-1000	54.0	-	-	-	-	-	-	-	-	-	-	-	-	27.95%	25.26%	+2.68%	
	Tokio Marine Asset Management Co., Ltd.	Applied Finance Capital Management, LLC	MTBJ	FR-1000V	47.5	833,957,043	-	-	-	-	-	-	19.14%	21.31%	-2.17%	3.91%	-0.56	20.53%	23.27%	-2.74%	
	Tokio Marine Asset Management Co., Ltd.	Columbia Management Investment Advisers, LLC	MTBJ	FR-1000V	88.8	-	-	-	-	-	-	-	-	-	-	-	-	25.59%	23.27%	+2.32%	
	Tokio Marine Asset Management Co., Ltd.	M.D. SASS, LLC	MTBJ	FR-1000V	57.8	-	-	-	-	-	-	-	-	-	-	-	-	22.81%	23.27%	-0.45%	
	Tokio Marine Asset Management Co., Ltd.	Epoch Investment Partners, Inc.	MTBJ	FR-3000	48.4	-	-	-	-	-	-	-	-	-	-	-	-	20.47%	25.63%	-5.16%	
	Tokio Marine Asset Management Co., Ltd.	Jacobs Levy Equity Management, Inc.	MTBJ	FR-3000G	43.9	-	-	-	-	-	-	-	-	-	-	-	-	22.55%	26.33%	-3.78%	
	Tokio Marine Asset Management Co., Ltd.	Jacobs Levy Equity Management, Inc.	MTBJ	FR-3000V	177.8	-	-	-	-	-	-	-	-	-	-	-	-	19.13%	23.81%	-4.68%	
	Tokio Marine Asset Management Co., Ltd.	Jacobs Levy Equity Management, Inc.	MTBJ	FR-T200	168.1	619,597,873	-	-	-	-	-	-	23.72%	27.02%	-3.30%	3.19%	-1.03	22.83%	25.80%	-2.96%	
	Tokio Marine Asset Management Co., Ltd.	Columbia Management Investment Advisers, LLC	MTBJ	FR-MV	51.9	407,044,368	-	-	-	-	-	-	22.92%	20.07%	+2.84%	3.33%	0.85	34.90%	25.14%	+9.76%	
	Natixis Investment Managers Japan Co., Ltd.	WCM Investment Management, LLC	MTBJ	MSCI-K-IMI	46.9	-	-	-	-	-	-	-	-	-	-	-	-	0.84%	7.87%	-7.03%	✓
	Nissay Asset Management Corporation	PanAgora Asset Management, Inc.	MTBJ	MSCI-K	71.0	-	-	-	-	-	-	-	-	-	-	-	-	6.57%	7.49%	-0.93%	✓
	Nissay Asset Management Corporation	Nordea Investment Management AB	MTBJ	MSCI-K	121.1	-	-	-	-	-	-	-	-	-	-	-	-	7.67%	7.49%	+0.18%	✓
	Nissay Asset Management Corporation	Mackenzie Investments Corporation	MTBJ	MSCI-K	63.6	-	-	-	-	-	-	-	-	-	-	-	-	11.13%	7.49%	+3.64%	✓
	Nissay Asset Management Corporation	Jupiter Asset Management Limited	MTBJ	MSCI-K-IMI	136.5	5,187,413,205	-	-	-	-	-	-	-	-	-	-	-	33.83%	27.28%	+6.55%	
	Nissay Asset Management Corporation	Jupiter Asset Management Limited	MTBJ	MSCI-EAFE	137.0	-	-	-	-	-	-	-	-	-	-	-	-	37.09%	29.36%	+7.73%	
	Nissay Asset Management Corporation	Mackenzie Investments Corporation	MTBJ	MSCI-EAFE	60.2	-	-	-	-	-	-	-	-	-	-	-	-	35.66%	29.36%	+6.30%	
	Nissay Asset Management Corporation	The Putnam Advisory Company, LLC	MTBJ	FR-1000V	415.9	4,867,146,328	-	-	-	-	-	-	27.95%	21.31%	+6.64%	3.15%	2.11	31.37%	23.27%	+8.11%	
	Nissay Asset Management Corporation	The Putnam Advisory Company, LLC	MTBJ	FR-3000	170.1	-	-	-	-	-	-	-	-	-	-	-	-	25.19%	25.63%	-0.44%	
	Neuberger Berman East Asia Limited	Neuberger Berman Investment Advisers LLC	MTBJ	MSCI-K-IMI	62.4	-	-	-	-	-	-	-	-	-	-	-	-	0.18%	7.87%	-7.68%	✓
	Neuberger Berman East Asia Limited	Neuberger Berman Investment Advisers LLC	MTBJ	FR-1000G	44.4	168,919,645	-	-	-	-	-	-	25.91%	28.61%	-2.70%	3.58%	-0.76	22.62%	26.40%	-3.78%	
	Nomura Asset Management Co., Ltd.	-	MTBJ	MSCI-K	51.7	174,029,165	-	-	-	-	-	-	-	-	-	-	-	26.04%	26.52%	-0.48%	
	Nomura Asset Management Co., Ltd.	-	MTBJ	MSCI-K	84.4	164,477,966	-	-	-	-	-	-	-	-	-	-	-	25.74%	26.52%	-0.78%	
	Nomura Asset Management Co., Ltd.	Acadian Asset Management LLC	MTBJ	MSCI-K	250.3	-	-	-	-	-	-	-	-	-	-	-	-	8.52%	7.49%	+1.02%	✓
	Nomura Asset Management Co., Ltd.	Hotchkis and Wiley Capital Management, LLC	MTBJ	MSCI-KV	47.2	350,491,969	-	-	-	-	-	-	-	-	-	-	-	15.98%	33.22%	-17.24%	
	Nomura Asset Management Co., Ltd.	CIBC Asset Management Inc.	MTBJ	MSCI-CA	53.6	119,030,408	-	-	-	-	-	-	23.54%	27.32%	-3.78%	2.41%	-1.57	36.28%	45.78%	-9.49%	
	Nomura Asset Management Co., Ltd.	Acadian Asset Management LLC	MTBJ	MSCI-EAFE	131.4	-	-	-	-	-	-	-	-	-	-	-	-	34.14%	29.36%	+4.78%	
	Nomura Asset Management Co., Ltd.	NS Partners Ltd	MTBJ	MSCI-EAFE	143.1	-	-	-	-	-	-	-	-	-	-	-	-	18.46%	29.36%	-10.90%	
	Nomura Asset Management Co., Ltd.	Connor, Clark & Lunn Investment Management Ltd.	MTBJ	SP-TSX	202.2	-	-	-	-	-	-	-	-	-	-	-	-	47.00%	47.93%	-0.93%	
	Nomura Asset Management Co., Ltd.	Acadian Asset Management LLC	MTBJ	FR-1000	517.0	-	-	-	-	-	-	-	-	-	-	-	-	26.65%	25.26%	+1.39%	
	Nomura Asset Management Co., Ltd.	Acadian Asset Management LLC	MTBJ	FR-1000V	47.3	-	-	-	-	-	-	-	-	-	-	-	-	24.38%	23.27%	+1.11%	
	BNP Paribas Asset Management Japan Limited	BNP Paribas Asset Management Europe	MTBJ	MSCI-K	55.0	424,286,403	-	-	-	-	-	-	-	-	-	-	-	25.05%	26.52%	-1.47%	
	BNP Paribas Asset Management Japan Limited	Impax Asset Management LLC	MTBJ	SP-500	-	198,210,876	✓	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fisher Investments Japan Limited	Fisher Asset Management, LLC	MTBJ	MSCI-K	50.8	-	-	-	-	-	-	-	-	-	-	-	-	9.95%	7.49%	+2.46%	✓
	FIL Investments (Japan) Limited	Fidelity Institutional Asset Management (FIAM)	MTBJ	MSCI-K-IMI	46.1	287,343,912	-	-	-	-	-	-	-	-	-	-	-	10.25%	27.28%	-17.03%	
	FIL Investments (Japan) Limited	Fidelity Institutional Asset Management (FIAM)	MTBJ	FR-1000G	77.9	912,872,351	-	-	-	-	-	-	36.73%	28.61%	+8.12%	5.27%	1.54	34.27%	26.40%	+7.87%	
	BlackRock Japan Co., Ltd.	BlackRock Institutional Trust Company, etc.	MTBJ	MSCI-K	256.4	2,304,370,299	-	-	-	-	-	-	-	-	-	-	-	30.35%	26.52%	+3.83%	
	BlackRock Japan Co., Ltd.	BlackRock Institutional Trust Company, etc.	MTBJ	MSCI-EAFE	388.9	-	-	-	-	-	-	-	-	-	-	-	-	30.31%	29.36%	+0.95%	
	BlackRock Japan Co., Ltd.	BlackRock Institutional Trust Company, N.A., etc.	MTBJ	FR-1000	296.7	1,723,103,446	-	-	-	-	-	-	27.13%	25.38%	+1.75%	1.24%	1.41	29.51%	25.26%	+4.25%	
	BlackRock Japan Co., Ltd.	BlackRock Financial Management, Inc.	MTBJ	FR-1000V	-	37,709,396	✓	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Franklin Templeton Japan Co., Ltd.	Franklin Advisers, Inc.	MTBJ	MSCI-EAFE	91.4	-	-	-	-	-	-	-	-	-	-	-	-	30.35%	29.36%	+0.99%	
	Franklin Templeton Japan Co., Ltd.	Brandywine Global Investment Management, LLC.	MTBJ	FR-1000V	249.9	195,705,224	-	-	-	-	-	-	17.86%	21.31%	-3.46%	3.40%	-1.02	18.17%	23.27%	-5.10%	
	Bayview Asset Management Co., Ltd.	Victory Capital Management Inc.	MTBJ	MSCI-K	159.0	-	-	-	-	-	-	-	-	-	-	-	-	10.82%	7.49%	+3.33%	✓
	Bayview Asset Management Co., Ltd.	Victory Capital Management Inc.	MTBJ	MSCI-EAFE	260.2	-	-	-	-	-	-	-	-	-	-	-	-	27.71%	29.36%	-1.65%	
	Manulife Investment Management (Japan) Limited	Manulife Investment Management (US) LLC	MTBJ	FR-3000	90.7	362,117,764	-	-	-	-	-	-	19.94%	25.08%	-5.14%	5.20%	-0.99	12.06%	25.63%	-13.57%	

Fund type	External asset manager name	Subcontractor name	Custodian	Manager benchmark	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)	Actual rate of investment return														
							Past five years (04/2021–03/2026)					Past three years (04/2023–03/2026)					Past year (04/2025–03/2026)				
							< 3y	Time-weighted rate of return (A)	Benchmark return (B)	Excess rate of return (C) = (A) – (B)	Result tracking error (D)	Information ratio (C) / (D)	Time-weighted rate of return (E)	Benchmark return (F)	Excess rate of return (G) = (E) – (F)	Result tracking error (H)	Information ratio (G) / (H)	Time-weighted rate of return (I)	Benchmark return (J)	Excess rate of return (K) = (I) – (J)	< 1y
Domestic equities: active funds	Sumitomo Mitsui DS Asset Management Company, Limited	TD Asset Management	MTBJ	MSCI-K	97.4	-		-	-	-	-	-	-	-	-	-	-	4.94%	7.49%	-2.56%	✓
	Sumitomo Mitsui DS Asset Management Company, Limited	-	MTBJ	MSCI-K	47.2	-		-	-	-	-	-	-	-	-	-	-	3.31%	7.49%	-4.18%	✓
	Sumitomo Mitsui DS Asset Management Company, Limited	Edmond de Rothschild Asset Management (France)	MTBJ	MSCI-K-IMI	61.4	638,951,647		-	-	-	-	-	-	-	-	-	-	16.74%	27.28%	-10.54%	
	Mitsubishi UFJ Trust and Banking Corporation	Baillie Gifford Overseas Limited	MTBJ	MSCI-AG-EXC	1.2	1,663,210		-0.43%	3.64%	-4.07%	8.23%	-0.50	-	-	-	-	-	-	-	-	
	Russell Investments Japan Co., Ltd.	PineStone Asset Management Inc.	MTBJ	MSCI-EAFE	70.6	-		-	-	-	-	-	-	-	-	-	-	10.07%	29.36%	-19.29%	
Futures funds	In-house investment (foreign bond futures funds)	-	MTBJ	-	22.4	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
	In-house investment (domestic stock index futures funds)	-	MTBJ	-	292.2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
	In-house investment (foreign stock index futures funds)	-	MTBJ	-	86.9	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	39 asset managers and 245 funds				288,427.4																

Note 1: External asset managers are listed in the order of the Japanese syllabary.

Note 2: The 39 external asset managers in the total column do not include in-house investment. However, the 245 funds in the total column include 9 in-house investment funds.

Note 3: The figure in the total market value column for funds managed by external asset managers does not include accrued dividend income from closed funds (statutory trust accounts).

Note 4: Returns from futures transactions are treated solely as reference data because they are offset with the lost profits from the corresponding funds. In FY2025, the returns were JPY – 262.7 billion for domestic stock index futures funds, JPY 9.2 billion for foreign stock index futures funds, and JPY – 6.7 billion for foreign bond futures funds.

Note 5: The time-weighted rates of return and the benchmark returns are annualized rates that exclude the impact of periods for which evaluation was not carried out due to investment management factors.

Note 6: The excess rates of return and information ratios may not equal the values calculated using the figures in the table because the figures are rounded to two decimal places.

Note 7: Time-weighted rates of return do not include returns from securities lending investments.

Note 8: A tick in the “< 3y” column indicates that the fund closed in FY2025 with investment results spanning less than three years since April 2023.

Funds for which three fiscal years have not elapsed since the signing of the contract, or funds for which three fiscal years have elapsed since the signing of the contract but for which fees were paid less than three fiscal years, are not listed.

Note 9: Fees include consumption tax.

Note 10: A tick in the “< 1y” column indicates an external asset manager whose investment period is less than one year. If the investment period for a given external asset manager is less than one year, the rate of return is based on that investment period.

Assets under management, actual rates of investment return, and fees paid to investment managers (alternative assets)

Alternative assets	Investment style	External asset manager name	Investment manager name	Custodian	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)	IRR (local currency)	IRR (JPY)	Local currency	Start of investment	Remarks column
Infrastructure	Specializing in domestic infrastructure	DBJ Asset Management Co., Ltd.		SSTB	61.7	7,422,737	4.22%	4.22%	JPY	March 2018	
	Specializing in foreign infrastructure	DBJ Asset Management Co., Ltd.		SSTB	91.4	9,077,257	3.20%	9.73%	USD	April 2018	
	Specializing in domestic infrastructure	DBJ Asset Management Co., Ltd.		SSTB	31.7	-	-0.61%	-0.61%	JPY	July 2023	
	Global-core	Nomura Asset Management Co., Ltd.	Fund of funds manager: Pantheon	SSTB	417.5	740,686,375	5.82%	12.46%	USD	February 2018	
	Global-core	Nomura Asset Management Co., Ltd.	Fund of funds manager: Pantheon	SSTB	283.5	395,032,732	6.12%	12.05%	USD	December 2021	
	Global-core	Sumitomo Mitsui DS Asset Management Company, Limited	Fund of funds manager: StepStone Infrastructure & Real Assets	SSTB	676.6	707,065,865	5.67%	11.87%	USD	January 2018	
	Global-core	Sumitomo Mitsui DS Asset Management Company, Limited	Fund of funds manager: StepStone Infrastructure & Real Assets	SSTB	435.1	380,136,900	6.78%	12.84%	USD	September 2021	
	Global-core	In-house investment	Investment trust manager: Nissay Asset Management Corporation	SSTB	224.3	-	4.68%	7.87%	USD	February 2014	
	Global-infrastructure	In-house investment		SSTB	45.9	-	4.72%	12.79%	EUR	March 2024	
	Global-infrastructure	In-house investment		SSTB	19.4	-	11.59%	26.69%	USD	March 2025	
	Global-infrastructure	In-house investment		SSTB	18.8	-	8.16%	18.36%	USD	December 2024	
	Global-infrastructure	In-house investment		SSTB	44.9	-	21.18%	24.60%	USD	March 2024	
	Global-infrastructure	In-house investment		SSTB	28.5	-	11.29%	15.84%	USD	November 2023	
	Japan-infrastructure	In-house investment		SSTB	28.3	-	-	-	JPY	August 2025	✓
	Global-infrastructure	In-house investment		SSTB	8.4	-	10.47%	24.56%	USD	November 2024	
	Global-infrastructure	In-house investment		SSTB	21.6	-	7.55%	8.57%	USD	June 2024	
	Europe-infrastructure	In-house investment		SSTB	6.0	-	-	-	EUR	December 2025	✓
	Global-infrastructure	In-house investment		SSTB	20.8	-	-	-	USD	June 2025	✓
Private equity	Global-diversified strategy	Neuberger Berman East Asia Limited	Fund of funds manager: NB Alternative Advisors LLC	SSTB	484.7	123,074,603	8.64%	16.33%	USD	April 2020	
	Global-diversified strategy	Mitsubishi UFJ Trust and Banking Corporation	Fund of funds manager: Hamilton Lane Advisors, LLC.	SSTB	394.3	353,198,876	9.15%	16.33%	USD	January 2021	
	Japan-focused strategy	Mitsubishi UFJ Trust and Banking Corporation	Investment advisor: Alternative Investment Capital Limited	SSTB	53.8	3,300,000	11.30%	11.30%	JPY	January 2022	
	Emerging markets-diversified	In-house investment	Investment trust manager: Nissay Asset Management Corporation	SSTB	56.2	-	5.32%	10.61%	USD	June 2015	
	Global-buyout	In-house investment		SSTB	28.8	-	8.90%	20.57%	EUR	July 2023	
	Global-buyout	In-house investment		SSTB	45.5	-	1.76%	9.55%	EUR	July 2023	
	Global-buyout	In-house investment		SSTB	-	-	-	-	USD	March 2023	✓
	Global-buyout	In-house investment		SSTB	0.2	-	-	-	USD	February 2026	✓
	Global-buyout	In-house investment		SSTB	19.1	-	-8.67%	-1.07%	USD	March 2023	
	Global-buyout	In-house investment		SSTB	0.3	-	-97.11%	-96.70%	USD	March 2025	
	Global-buyout	In-house investment		SSTB	7.3	-	-8.86%	-3.68%	USD	February 2025	
	Global-buyout	In-house investment		SSTB	-	-	-	-	USD	December 2025	✓
Real estate	Global-core Commingled fund investments	Asset Management One Co., Ltd.	Fund of funds manager: CBRE Investment Management Indirect Limited	SSTB	859.1	746,648,016	2.42%	8.91%	USD	September 2018	
	Global-core JV/club-type investments	Asset Management One Co., Ltd.	Fund of funds manager: CBRE Investment Management Indirect Limited	SSTB	249.9	193,279,290	4.26%	10.18%	USD	February 2021	
	Japan-build to core	Tokyu Land Capital Management Inc.		SSTB	70.4	3,230,873	29.97%	29.97%	JPY	April 2023	
	Global-core JV/club-type investments	Mizuho Trust & Banking Co.,Ltd.	Fund of funds manager: LaSalle Investment Management, Inc.	SSTB	165.6	395,024,305	6.72%	11.40%	USD	September 2022	
	Japan-core	Mitsubishi UFJ Trust and Banking Corporation		SSTB	238.4	935,799,472	7.35%	7.35%	JPY	December 2017	
	Japan-core	Mitsubishi UFJ Trust and Banking Corporation		SSTB	-	-	-	-	JPY	August 2025	✓
	Japan: value-add	In-house investment		SSTB	0.8	-	-	-	JPY	October 2025	✓
	Global-opportunistic	In-house investment		SSTB	36.8	-	9.82%	12.71%	USD	March 2023	

Alternative assets	Investment style	External asset manager name	Investment manager name	Custodians	Market value (Unit: billion yen)	Investment fees (three-year cumulative) (Unit: yen)	IRR (local currency)	IRR (JPY)	Local currency	Start of investment	Remarks column
Real estate	Global-opportunistic	In-house investment		SSTB	16.4	-	9.96%	21.36%	EUR	October 2024	
	Global-opportunistic	In-house investment		SSTB	14.0	-	10.89%	28.60%	USD	September 2023	
	Japan-value-add	In-house investment		SSTB	0.8	-	-	-	JPY	June 2025	✓
	Europe-non-core	In-house investment		SSTB	-	-	-	-	EUR	June 2025	✓
	Japan-value-add	In-house investment		SSTB	-	-	-	-	JPY	March 2026	✓
Total	8 external asset managers and 43 funds				5,206.7						

Note 1: External asset managers are listed in the order of the Japanese syllabary.

Note 2: The 8 External asset managers in the total column do not include in-house investment. However, the 43 funds in the total column include 27 in-house investment funds.

Note 3: Fees include consumption tax. Funds for which three fiscal years have not elapsed since the signing of the contract are not listed.

Note 4: The internal rate of return (IRR) is the rate of return calculated in consideration of the effects of the size and timing of cash flows of investment target funds during the investment period. The period for calculating IRR ranges from the start of investment to the end of the current fiscal year.

Note 5: Actual investments in alternative assets are denominated in major investment currencies. IRR (yen-denominated funds) is calculated by converting cash flows denominated in major investment currencies into yen at the going market exchange rate when these cash flows occur and is subject to exchange rate fluctuations throughout the investment period.

Note 6: Rates of return are shown only for investment targets where the investment period has exceeded one year and investments in the portfolio companies have already been executed. A tick in the "Remarks column" indicates an external asset manager whose investment period is less than one year or investments in the portfolio companies have not been executed.

Note 7: In-house investment of alternative assets is carried out by holding foreign currency-denominated investment trust beneficiary certificates or contributing to limited partnerships (LPSs).

List of manager benchmarks

	Manager benchmark		Source of benchmark
Domestic bonds	BPI	NOMURA-BPI (excluding ABS)	Nomura Research Institute, Ltd.
	BPI-JGBs	NOMURA-BPI Government Bonds	Nomura Research Institute, Ltd.
	USGOV-H	FTSE US Government Bond Index (JPY hedged/JPY basis)	FTSE Fixed Income LLC
	EGBI-H	FTSE EMU Government Bond Index (JPY hedged/JPY basis)	FTSE Fixed Income LLC
	USMBS-H	Bloomberg US MBS Fixed Rate Index (JPY hedged/JPY basis)	Bloomberg Index Services Limited
Foreign bonds	WGBI-EXC	FTSE World Government Bond Index (not incl. JPY, CNY, no hedge/JPY basis)	FTSE Fixed Income LLC
	WGBI-O-EXC	FTSE World Government Bond Index (not incl. JPY, USD, EUR, CNY, no hedge/JPY basis)	FTSE Fixed Income LLC
	USGOV	FTSE US Government Bond Index (no hedge/JPY basis)	FTSE Fixed Income LLC
	USGOV 1-3Y	FTSE US Government Bond 1-3 years Index (no hedge/JPY basis)	FTSE Fixed Income LLC
	USGOV 10+Y	FTSE US Government Bond 10+ years Index (no hedge/JPY basis)	FTSE Fixed Income LLC
	EGBI	FTSE EMU Government Bond Index (no hedge/JPY basis)	FTSE Fixed Income LLC
	EGBI 1-3Y	FTSE EMU Government Bond 1-3 years Index (no hedge/JPY basis)	FTSE Fixed Income LLC
	EGBI 10+Y	FTSE EMU Government Bond 10+ years Index (no hedge/JPY basis)	FTSE Fixed Income LLC
	G-AGG-EXC	Bloomberg Global Aggregate Index (not incl. JPY, CNY, no hedge/JPY basis)	Bloomberg Index Services Limited
	USIG	Bloomberg US Corporate Bond Index (no hedge/JPY basis)	Bloomberg Index Services Limited
	USINT	Bloomberg US Corporate Bond 1-10 years Index (no hedge/JPY basis)	Bloomberg Index Services Limited
	USLONG	Bloomberg US Corporate Bond 10+ years Index (no hedge/JPY basis)	Bloomberg Index Services Limited
	USHY2%	Bloomberg US Corporate High Yield 2% Issuer Capped Bond Index (no hedge/JPY basis)	Bloomberg Index Services Limited
	EUROIG	Bloomberg EURO Corporate Bond Index (no hedge/JPY basis)	Bloomberg Index Services Limited
	EUROHY2%	Bloomberg EURO Corporate High Yield 2% Issuer Capped Bond Index (no hedge/JPY basis)	Bloomberg Index Services Limited
Domestic equities	TOPIX	TOPIX (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-30G	TOPIX Core 30 Growth (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-30V	TOPIX Core 30 Value (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-70G	TOPIX Large 70 Growth (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-70V	TOPIX Large 70 Value (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-400G	TOPIX Mid 400 Growth (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-400V	TOPIX Mid 400 Value (incl. dividends)	JPX Market Innovation & Research, Inc.
	TOPIX-SMALLV	TOPIX Small Value (incl. dividends)	JPX Market Innovation & Research, Inc.
	RN-TG	RUSSELL/NOMURA Total Market Growth Index (incl. dividends)	Nomura Research Institute, Ltd.
	RN-SG	RUSSELL/NOMURA Small Cap Growth Index (incl. dividends)	Nomura Research Institute, Ltd.
	MSCI-N-ESG	MSCI Japan ESG Select Leaders Index	MSCI G.K.
	MSCI-WIN	MSCI Japan Empowering Women Index (WIN)	MSCI G.K.
	MSCI-J	MSCI Japan (incl. dividends)	MSCI G.K.
	MSCI-IR	MSCI Japan IMI Equity REITS Index (incl. dividends)	MSCI G.K.
	FTSE-BL	FTSE JPX Blossom Japan Index	FTSE International Limited
	FTSE-BLSR	FTSE JPX Blossom Japan Sector Relative Index	FTSE International Limited
	MO-GD-J	Morningstar Japan ex-REIT Gender Diversity Tilt Index	Morningstar Japan, Inc.
	SP-C	S&P/JPX Carbon Efficient Index	S&P Dow Jones Indices
	HRZ-DM-EXNA-DE	Horizon Custom Beta Balancer DM ex NA Domestic Equity (incl. dividends)	Applied Academics Ltd.
	GPIF-CUSTOM	GPIF customized for risk adjustment	-
Foreign equities	MSCI-A-EXC	MSCI ACWI (not incl. Japan, China A, JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-AG-EXC	MSCI ACWI Growth (not incl. Japan, China A, JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-K	MSCI KOKUSAI (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-K-IMI	MSCI KOKUSAI IMI (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-KV	MSCI KOKUSAI Value (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-N	MSCI North America (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-US30	MSCI USA30 (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-US100	MSCI USA100 (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-USLG	MSCI USA Large Cap Growth (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-USLV	MSCI USA Large Cap Value (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-CA	MSCI Canada (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-EU	MSCI Europe & Middle East (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-P	MSCI Pacific (not incl. Japan, JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-EAFE	MSCI EAFE (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-EAFEG	MSCI EAFE Growth (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-EASEALG	MSCI EASEA Large Cap Growth (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-EASEALV	MSCI EASEA Large Cap Value (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-E	MSCI Emerging Markets (JPY basis, incl. dividends, after deducting taxes)	MSCI G.K.
	MSCI-E-EXC	MSCI Emerging Markets (not incl. China A, JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MSCI-A-ESG	MSCI ACWI ESG Universal Index (not incl. Japan, China A, JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	MSCI G.K.
	MO-GD	Morningstar Developed Markets (ex Japan) Gender Diversity Index (JPY basis, incl. dividends, before deducting taxes)	Morningstar Japan, Inc.
	SP-GC	S&P Global Ex-Japan LargeMidCap Carbon Efficient Index (JPY basis)	S&P Dow Jones Indices
	SP-500	S&P500 (JPY basis, incl. dividends)	S&P Dow Jones Indices
	SP-TSX	S&P/TSX Capped Composite Index (JPY basis, incl. dividends)	TSX Inc.
	FR-1000	RUSSELL 1000 Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-1000G	RUSSELL 1000 Growth Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-1000V	RUSSELL 1000 Value Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-3000	RUSSELL 3000 Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-3000G	RUSSELL 3000 Growth Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-3000V	RUSSELL 3000 Value Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-T200	RUSSELL Top 200 Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	FR-MV	RUSSELL Midcap Value Index (JPY basis, incl. dividends)	FRANK RUSSELL COMPANY
	HRZ-NA	Horizon Custom Beta Balancer North America Equity (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	Applied Academics Ltd.
	HRZ-DM-EXNA-FE	Horizon Custom Beta Balancer DM ex NA Foreign Equity (JPY basis, incl. dividends, after taking into account GPIF dividend tax factors)	Applied Academics Ltd.

Note: GPIF-CUSTOM is an index calculated in order to neutralize the risks arising from the compositional differences of the parent indexes of TOPIX (incl. dividends) and each Japanese ESG index. The index is customized differently for each parent index, and differs from regular metrics calculated by third parties.

Fees paid to custody services providers, investment income and fees from securities lending operations, index licensing fees, etc.

Market value and investment fees by custody services provider (three-year cumulative)

	Custody services provider		Market value (unit: billion yen)	Investment fees (unit: yen)
Custody services	State Street Trust and Banking Co., Ltd.	SSTB	5,284.0	3,053,890,618
	The Master Trust Bank of Japan, Ltd.	MTBJ	288,350.2	31,694,352,258
Total			293,634.2	

Note 1: Figures in the market value column do not include accrued dividend income (foreign equities: JPY 9.4 billion) from closed funds (statutory trust accounts).

Note 2: The investment fees here include custody fees, attorney fees, and other fees that are deducted from entrusted assets.

Note 3: The investment fees related to alternative assets for State Street Trust and Banking Co., Ltd. amounted to JPY 1,000,744,810.

Investment returns and fees for securities lending investments (three-year cumulative)

(Unit: yen)

Asset	Investment returns	Investment fees
Domestic bonds	9,087,759,339	876,889,048
Foreign bonds	35,985,796,809	4,527,318,158
Foreign equities	3,124,936,279	357,558,427

Note 1: Returns in the table represent the fund's revenue, calculated by deducting investment fees from securities lending income.

Note 2: Investment fees represent management fees and agent fees.

Note 3: Among domestic bonds, revenue from in-house investment funds was JPY 2,869,579,286 and investment fees were JPY 276,889,226.

Index licensing fees (three-year cumulative)

(Unit: yen)

	Index company	Index licensing fees
Index use	S&P Dow Jones Indices LLC *	642,907,084
	FTSE International Limited *	81,018,386
	FTSE FIXED INCOME LLC *	4,277,242
	MSCI	1,339,476,921
	JPX Market Innovation & Research, Inc.	38,243,835
	Morningstar Japan, Inc.	159,042,008

Note 1: Index licensing fees are paid by GPIF based on direct contracts with index companies so that external asset managers can use the indexes. Consumption tax is included in the licensing fees, except for companies with an asterisk (*) following their names in the table.

Note 2: Index companies for which three fiscal years have not elapsed since the signing of the contract, or index companies for which three fiscal years have elapsed since the signing of the contract but for which usage fees were paid for less than three fiscal years, are not listed.

List of corporate numbers

External asset managers	Corporate number
Asset Management One Co., Ltd.	9010001021473
abrdn Japan Limited	9010401008780
Amundi Japan Ltd	9010001062807
Amova Asset Management Co.,Ltd.	8010401072159
AllianceBernstein Japan Ltd.	7010001010313
Invesco Asset Management (Japan) Limited	7010401061146
Wellington Management Japan Pte Ltd.	7700150000136
MFS Investment Management K.K.	7010001096996
Goldman Sachs Asset Management Co., Ltd.	8010401009945
JPMorgan Asset Management (Japan) Limited	6010001098507
State Street Global Advisors (Japan) Co., Ltd.	2010401034817
Sompo Asset Management Co.,Ltd.	7010001031160
DBJ Asset Management Co., Ltd.	1010001104938
T.Rowe Price Japan, Inc.	2010001185795
Tokyu Land Capital Management Inc.	2011001051137
Tokio Marine Asset Management Co., Ltd.	3010001034076
Natixis Investment Managers Japan Co., Ltd.	2010001074899
Nissay Asset Management Corporation	9010001025953
Neuberger Berman East Asia Limited	6010001126515
Nomura Asset Management Co., Ltd.	7010001054021
PineBridge Investments Japan Co., Ltd.	8010001011855
BNP Paribas Asset Management Japan Limited	3010001068479
PGIM Japan Co., Ltd.	7010001098893
Pictet Asset Management (Japan) Ltd.	4010001027269
PIMCO Japan Ltd	4700150005220
Fisher Investments Japan Limited	1700150006493
FIL Investments (Japan) Limited	1010401025734
BlackRock Japan Co., Ltd.	9010001125976
Franklin Templeton Japan Co., Ltd.	5010001048652
Barings Japan Limited	3010001028755
Bayview Asset Management Co., Ltd.	6010001026748
Manulife Investment Management (Japan) Limited	1010001106942
Mizuho Trust & Banking Co.,Ltd.	9010001034962
Sumitomo Mitsui DS Asset Management Company, Limited	4010401049128
Mitsubishi UFJ Trust and Banking Corporation	6010001008770
Morgan Stanley Investment Management (Japan) Co., Ltd.	9011001026405
UBS Asset Management (Japan) Ltd	4010001031576
Lazard Japan Asset Management K.K.	8010401058901
Russell Investments Japan Co., Ltd.	6010401037394
Legal & General Investment Management Japan KK	5010001181453
Resona Asset Management Co., Ltd.	5010601048309
Sumitomo Mitsui Trust Asset Management Co., Ltd.	8010001114914
Custody services provider	Corporate number
State Street Trust and Banking Co., Ltd.	9010401014952
The Master Trust Bank of Japan, Ltd.	2010401041086
Index companies	Corporate number
MSCI	5010001120989
JPX Market Innovation & Research, Inc.	8010001222989
Morningstar Japan, Inc.	1010401177550

MEMO

This image shows a full page of white paper with horizontal dotted lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

MEMO

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MEMO

[illegible]

Code of Conduct

[1] Social responsibility

- ◆ GPIF's mission is to contribute to the stability of the public pension system (Employees' Pension Insurance and National Pensions) by managing the reserve assets and distributing the proceeds to the government.

[2] Fiduciary duty

- ◆ We fully understand that the reserve assets are instrumental for future pension benefits payments, act solely for the benefit of pension recipients, and pledge to pay due attention as prudent experts in exercising our fiduciary responsibilities. The Chairperson and the members of the Board of Governors shall by no means be motivated by benefitting the organizations to which they belong.

[3] Compliance with laws and maintaining highest professional ethics and integrity

- ◆ We shall comply with laws and social norms, remain fully cognizant of our social responsibilities associated with pension reserve management, and act with the highest professional ethics and integrity to avoid any distrust or suspicion of the public.

[4] Duty of confidentiality and protecting GPIF's assets

- ◆ We shall strictly control confidential information that we come to access through our businesses, such as non-public information related to investment policies and investment activities, and never use such information privately or illegally.
- ◆ We shall effectively use GPIF's assets, both tangible and intangible (e.g., documents, proprietary information, system, and know-how), and protect and manage such assets properly.

[5] Prohibition of pursuing interests other than those of GPIF

- ◆ We shall never use our occupations or positions for the interests of ourselves, relatives, or third parties.
- ◆ We shall never seek undue profits at the expense of GPIF.

[6] Fairness of business transactions

- ◆ We shall respect fair business practices at home and abroad, and treat all counterparties impartially.
- ◆ We shall never make transactions with anti-social forces or bodies.

[7] Appropriate information disclosure

- ◆ We shall continue to improve our public information disclosure and public relations activities.
- ◆ We shall ensure the accuracy and appropriateness of our financial statements and other public documents that are required to be disclosed by laws and ordinances.
- ◆ We shall remain mindful that our outside activities, regardless of whether business or private (e.g., publications, speeches, interviews, or use of social media) affect the credibility of GPIF, and act accordingly.

[8] Developing human resources and respect in the workplace

- ◆ We are committed to GPIF's mission by improving our professional skills and expertise, promoting communication and teamwork, and nurturing diverse talents and capabilities.
- ◆ We shall respect each person's personality, talents and capabilities, perspectives, well-being, and privacy to maintain a good work environment, and never allow discrimination or harassment.

[9] Self-surveillance of illegal or inappropriate activity

- ◆ Whenever an illegal or inappropriate activity is (or is expected to be) perpetrated by executives, staff, or other related personnel, such activity shall be immediately reported to GPIF through various channels including our whistleblowing system.
- ◆ When such a report is made, we shall conduct the necessary investigation and take corrective actions and preventive measures according to our internal rules.

For All Generations

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