

## **Administration and Investment Policy for the Transitional Long-Term Benefits (TLTB) Adjustment Fund**

(Established on October 1, 2015)  
(Revised on July 13, 2018)  
(Revised on March 31, 2020)  
(Last revised on December 24, 2021)

In accordance with Article 112-10, Paragraph (1), of the Local Public Service Mutual Aid Association Act (Act No. 152 of 1962; the “Act”) as applied mutatis mutandis under Article 75-3, Supplementary Provisions of the Act to Partially Amend the Employees’ Pension Insurance Act and Related Acts for Unifying Employees’ Pension Systems (Act No. 63 of 2012; the “Unification Act”), the Pension Fund Association for Local Government Officials (the “Association”) sets forth the administration and investment policy for the safe and efficient administration and investment of the transitional long-term benefits (TLTB) adjustment fund from the long-term perspective (including managing the status of the investment of the TLTB association reserve funds of the local public service mutual aid associations (“Mutual Aid Associations”; excluding constituent member associations stipulated in Article 27, Paragraph (2) of the Act; the same applies hereinafter) and the National Federation of Mutual Aid Associations for Municipal Personnel; the same applies hereinafter)(the “Administration and Investment Policy”), as follows.

### **I Basic policy for the administration and investment of the TLTB adjustment fund**

#### **1. Basic policy for the TLTB adjustment fund and the TLTB association reserve funds**

The Association shall safely and efficiently administer and invest the TLTB adjustment fund from the long-term perspective as follows.

##### **(1) Basic policy**

The Association shall manage the TLTB adjustment fund and the TLTB association reserve funds (collectively, the “TLTB Funds”) with the objective of contributing to the stability of the TLTB plan operations based on the characteristics of a closed pension plan that will have no new contribution income, especially paying attention to downside risks, with constant awareness of the relationship between future liabilities and the reserve funds.

Accordingly, on the basis of appropriately diversifying investments in multiple assets that differ in terms of risk/return and other characteristics (“Diversified Investment”), the Association shall administer and invest the TLTB adjustment fund by establishing an asset mix from the long-term perspective (the “Benchmark Portfolio”).

##### **(2) Investment target, risk management, etc.**

(i) Investment target

The investment of the TLTB Funds, which have the characteristics of a closed pension plan, shall be managed appropriately by establishing the Benchmark Portfolio so that investment returns needed for the reserve funds will be generated with the minimum risk, while fully paying attention to the relationship between future liabilities and the reserve funds.

In so doing, the Association shall pay attention not to distort, among other things, price formation in the market and private sector investment activities.

In addition, the Association shall strive to earn the benchmark returns for overall assets and each asset class for each fiscal year, as well as to generate the benchmark returns for overall assets and each asset class over the long term.

Appropriate market indicators shall be used for benchmarks, considering, among other factors, whether their structure reflects the market, whether they consist of investable securities, and whether details of the indicators are disclosed.

(ii) Use of the Fund Management Committee of Local Public Service Personnel Mutual Aid Associations

The Association establishes the Fund Management Committee of Local Public Service Personnel Mutual Aid Associations that consists of academic experts and practical experts in such fields as economy, finance, and fund management (the "Fund Management Committee").

The Association shall leverage the expert knowledge of the Fund Management Committee when examining technical matters concerning the administration and investment of the TLTB adjustment fund including the development and revision of the Administration and Investment Policy.

(iii) Risk management in administering and investing the TLTB adjustment fund

Based on reports from the Administration and Investment Institutions (Mutual Aid Associations, the National Federation of Mutual Aid Associations for Municipal Personnel, and the Association; the same applies hereinafter) excluding the Association, the Association shall administer and invest the TLTB adjustment fund and conduct risk management on the investment status of the overall assets, Administration and Investment Institutions and each asset class in accordance with the methods below. In conducting the risk management, the Association shall report its risk management implementation policy to the Governing Council upon deliberation at the Fund Management Committee, and timely report the risk management status to the Governing Council and the Fund Management Committee.

A Overall assets

In order to appropriately manage the Benchmark Portfolio, the

Association shall check deviations of the asset mix of the TLTB Funds from the Benchmark Portfolio at least monthly.

Also, the Association shall enhance necessary functions, such as for understanding and analyzing market trends in order to conduct appropriate and smooth rebalancing.

Furthermore, the Association shall confirm risks of overall assets, analyze and assess the degree of risk-taking, and conduct, among other things, analysis of factors for deviations from the composite benchmark return (meaning benchmark return of each asset class weighted by portfolio; the same applies hereinafter) of each fiscal year.

**B Administration and Investment Institutions**

The Association shall confirm deviations of asset mixes of other Administration and Investment Institutions from their respective Benchmark Portfolios and the Benchmark Portfolio of the TLTB Funds at least monthly.

Furthermore, the Association shall confirm other Administration and Investment Institutions' risks, analyze and assess the degree of risk-taking, and conduct, among other things, analysis of factors for deviations from the composite benchmark return of each fiscal year.

**C Asset class**

The Association shall manage market risk, liquidity risk, and credit risk of each asset class. For foreign assets, country risk shall be closely watched as well.

**2. Basic policy for the TLTB Association Reserve Funds**

The Association shall administer and manage the TLTB adjustment fund as follows. In addition, the Association sets forth the following for managing the status of investment of the TLTB association reserve funds by the Administration and Investment Institutions (excluding the Association) as follows.

**(1) Basic policy**

The Administration and Investment Institutions shall manage TLTB association reserve funds or the TLTB adjustment fund (collectively, the "TLTB Association Reserve Funds") with the objective of contributing to the stable operation of the TLTB plan.

To this end, the Administration and Investment Institutions shall set forth Benchmark Portfolios based on Diversified Investment and administer and invest the TLTB Association Reserve Funds.

In order to appropriately administer and invest the TLTB Association Reserve Funds, the Administration and Investment Institutions shall establish and publish a basic policy for administering and investing the TLTB Association Reserve Funds ("Basic Policy") which describes, among other matters, the asset mix of the TLTB

Association Reserve Funds, and the Administration and Investment Institutions (excluding the Association) shall send their Basic Policy to the Association. In addition, if the Administration and Investment Policy is revised or otherwise review is considered necessary, the Administration and Investment Institutions shall review and, if necessary, revise and publish their Basic Policy, and the Administration and Investment Institutions (excluding the Association) shall send it to the Association.

The Administration and Investment Institutions shall create specific fund management plans for each fiscal year, and conduct investments based on the plans. Also, Administration and Investment Institutions (excluding the Association) shall send the plans to the Association.

The Association shall receive investment reports (meaning "investment reports" stipulated in Article 112-13, Paragraph (1) of the Act as applied mutatis mutandis under Article 75-3 of the Unification Act) from other Administration and Investment Institutions, and the Association may also request other Administration and Investment Institutions to report on the administration and investment status of their TLTB association reserve funds.

In addition, if the Association finds that another Administration and Investment Institution's status of administering and investing its TLTB association reserve fund does not meet the Administration and Investment Policy, the Association shall request the Institution to take necessary measures so that the status will meet the Administration and Investment Policy.

(2) Investment target, risk management, investment methods, etc.

(i) Investment target

In order to generate investment returns targeted for the TLTB Funds, each Administration and Investment Institution shall establish the Benchmark Portfolio and appropriately manage the investment of TLTB Association Reserve Funds, taking into consideration the characteristics of a closed pension plan.

In so doing, attention shall be paid so that price formation in the market, and private sector investment activities will not be distorted.

In addition, efforts shall be made to generate the benchmark returns for overall assets and each asset class for each fiscal year, as well as to generate the benchmark returns for overall assets and each asset class over the long term, by, among other means, appropriately selecting, managing, and evaluating entrusted investment management institutions.

Appropriate market indicators shall be used for benchmarks, taking into consideration whether their structure reflects the market, whether they consist of investable securities, whether details of the indicators are disclosed, and whether they are consistent with benchmarks of the TLTB Funds.

(ii) Use of Administration and Investment Institution's Expert Meeting

The Administration and Investment Institutions shall leverage the expert knowledge of the expert meeting that consists of academic experts and practical

experts in such fields as economy, finance, and fund management (the “Expert Meeting”) when examining technical matters concerning the administration and investment of TLTB Association Reserve Funds, including the development and revision of the Basic Policy.

(iii) Risk management in administering and investing TLTB Association Reserve Funds

The Administration and Investment Institutions shall appropriately manage various types of risks associated with the administration and investment of TLTB Association Reserve Funds by conducting Diversified Investment as the basis of risk management.

Also, the Administration and Investment Institutions shall administer and invest the TLTB Association Reserve Funds by entrusting them to investment management institutions and asset management institutions, investing in group pure endowment policies of life insurance companies, and conducting in-house investment. Based on, among other things, reports from such entrusted investment management institutions, asset management institutions and life insurance companies, the Administration and Investment Institutions shall conduct risk management by the methods below for overall assets, each asset class, each entrusted investment management institution, asset management institution and life insurance company, and in-house investment. Regarding this risk management, the Administration and Investment Institutions shall report their implementation policy to the Governing Council upon deliberation at the Expert Meeting, and timely report the risk management status to the Governing Council and the Expert Meeting.

A Overall assets

With the aim of appropriately managing the Benchmark Portfolio, the Administration and Investment Institutions shall identify deviations of the asset mix of TLTB Association Reserve Funds from their respective Benchmark Portfolios at least monthly and take necessary actions. In addition, the Administration and Investment Institutions shall identify deviations of the asset mix of TLTB Association Reserve Funds from the Benchmark Portfolio of TLTB Funds at least monthly.

Also, the Administration and Investment Institutions shall enhance necessary functions, such as for understanding and analyzing market trends in order to conduct appropriate and smooth rebalancing.

Furthermore, the Administration and Investment Institutions shall confirm risks of overall assets, analyze and assess the degree of risk-taking, and conduct, among other things, analysis of factors for deviations from the composite benchmark return of each fiscal year.

B Asset class

The Administration and Investment Institutions shall manage market risk, liquidity risk, and credit risk of each asset class. For foreign assets, country risk shall be closely watched as well.

C Entrusted investment management institutions

The Administration and Investment Institutions shall present investment guidelines and benchmarks to each entrusted investment management institution, understand the investment and risk-taking status of the institution, and manage them appropriately.

Also, caution shall be exercised for any changes to investment structures.

D Asset management institutions

The Administration and Investment Institutions shall present asset management guidelines to each asset management institution, understand the asset management status of the institution, and manage them appropriately.

In addition, the Administration and Investment Institutions shall manage credit risk of each institution and pay attention to any changes to its asset management structures.

E Life insurance companies

The Administration and Investment Institutions shall understand the business management status and asset management status of each insurer and manage it appropriately.

F In-house investment

The Administration and Investment Institutions shall establish their respective investment guidelines and manage investment appropriately by checking the status of investment and risk-taking.

(iv) Investment methods

The Administration and Investment Institutions in principle shall employ both passive and active investment approaches except for cases such as cashing out, and based on this, aim to generate excess returns through active investment. However, active investment shall be conducted upon deliberation at the Expert Meeting on fund selection standards on the assumption that risk selection is reasonable with sufficient grounds to back the expectations for excess returns, also taking into consideration the past investment performance. In addition, its transparency shall be ensured under appropriate monitoring by the Expert Meeting by, for example, timely reporting on matters requested by the Expert Meeting.

With respect to benchmarks, not only traditional capitalization weighted indexes but also use of new benchmarks from the perspective of improving

investment returns shall be examined.

Also, the Administration and Investment Institutions shall strive to enhance the selection and management of entrusted investment management institutions by reviewing investment methods for generating returns and improving investment efficiency with the use of more appropriate benchmarks and conducting proper performance management. The Administration and Investment Institutions shall also evaluate investment performance on a regular basis and review entrusted investment management institutions in a timely manner, covering fund allocations.

In addition to leveraging the competent knowhow of entrusted investment management institutions, use of in-house investment to the extent permissible under the laws shall be examined in consideration of investment cost reductions and accumulation of investment knowledge, experience and the like.

(v) Flexible investment

Based on changes in the economic and market environment, the Administration and Investment Institutions may flexibly determine the asset mix within the deviation tolerance ("Flexible Investment") instead of making it closer to that of the Benchmark Portfolio. In such case, the assumption shall be that the outlook on the market environment is provided with a high degree of accuracy and investment is made based on the outlook.

When conducting the Flexible Investment, its investment policy shall be deliberated at the Expert Meeting and the implementation status shall be reported in a timely manner to the Expert Meeting.

(vi) Investment considering non-financial elements

With respect to the investment of the TLTB Association Reserve Funds, Administration and Investment Institutions shall implement the necessary initiatives, based on a case-by-case analysis, with a view to promoting investment considering non-financial elements including ESG (Environmental, Social, and Governance) in addition to financial elements based on the approach that the sustainable growth of investee companies and the entire market is necessary for the increase of return on investment portfolio over long time so as to secure long-term return for the benefit of members.

(vii) Pooled investment

Administration and Investment Institutions may deposit TLTB Association Reserve Funds with the Association for investment management.

If Administration and Investment Institutions deposit TLTB Association Reserve Funds with the Association, the Association shall appropriately administer and invest them in accordance with the policy for the administration and investment of deposited money separately established by the Association.

## **II Matters to be observed in administering and investing the TLTB adjustment fund**

### **1. Fiduciary responsibility**

The Association and other Administration and Investment Institutions shall ensure thorough observance of the duty of care and loyalty of a prudent expert.

### **2. Consideration to impact on the market and private sector activities**

In managing the TLTB Funds and the TLTB Association Reserve Funds, the Association and other Administration and Investment Institutions shall, in light of the market size, strive not to be excessively impacted by the market, and pay attention not to distort, among other things, price formation in the market and private sector investment activities, especially by avoiding concentration in specific time periods for investing and exiting funds.

Also, the Administration and Investment Institutions shall pay attention to the following points so as not to impact the business management of private sector companies.

- (i) Establish limits on holdings of securities issued by a single company for each entrusted investment management institution (including in-house investment).
- (ii) In consideration of the impact on corporate management, do not select individual issues in equity investment.

### **3. Actions to fulfill stewardship responsibility**

Shareholder voting rights shall be exercised so that corporations will manage their business operations in ways that maximize the interests of shareholders over the long term.

If the Administration and Investment Institutions individually direct exercise of voting rights, they shall give instructions so that entrusted institutions will exercise them in accordance with the direction. In the case of not individually directing exercise of voting rights, the Administration and Investment Institutions shall have entrusted institutions exercise voting rights in accordance with the guidelines on exercising shareholder voting rights established by respective Administration and Investment Institutions in line with the intent of the corporate governance principles established by the Administration and Investment Institutions. Also, the Administration and Investment Institutions shall request entrusted institutions to report on, among other things, the status of exercising voting rights.

In doing so, based on the Principles for Responsible Institutional Investors «Japan's Stewardship Code» (February 26, 2014 by the Council of Experts Concerning the Japanese Version of the Stewardship Code) and Japan's Corporate Governance Code (June 1, 2015 by Tokyo Stock Exchange, Inc.), the Administration and Investment Institutions shall review their respective corporate governance principles, guidelines for exercising shareholder voting rights, and the like as necessary, and

take actions in line with basic principles to perform stewardship responsibilities (meaning the responsibilities of institutional investors to enhance the mid- and long-term investment return for their clients and beneficiaries by enhancing and fostering Japanese investee companies' corporate value and sustainable growth through constructive engagement or other means based on in-depth knowledge of the companies, and their business environment).

Furthermore, each Administration and Investment Institution shall consider exchanging opinions with other Administration and Investment Institutions, as well as having a forum for that as necessary in order to assist appropriate decision-making in association with dialogues with investee companies and stewardship activities. In such case, the Association shall conduct necessary coordination to promote the opinion exchanges.

#### **4. Securing liquidity for pension benefits**

Based on the outlook of pension financing and the profit and loss status, the Association and other Administration and Investment Institutions shall secure liquidity (e.g., cash) necessary for pension benefits and conduct cash management efficiently.

In doing so, necessary functions, such as for understanding and analyzing market trends shall be enhanced so that funds will be secured without shortfalls by, for example, smoothly selling assets, taking into consideration price formation in the market.

#### **5. Coordination between the Association and the Federation of National Public Service Personnel Mutual Aid Associations**

The Association shall strive to cooperate with the Federation of National Public Service Personnel Mutual Aid Associations by coordinating with each other, such as by providing necessary information to the Federation.

#### **6. Coordination between the Association and other Administration and Investment Institutions**

The Association shall provide other Administration and Investment Institutions with technical and expert knowledge and materials on the administration and investment of reserve funds, gain understanding on research and study and other efforts made by other Administration and Investment Institutions, and conduct information exchange and communication/coordination with other Administration and Investment Institutions by, for example, providing information in response to the information obtained.

The Association shall also gather information relating to investment considering non-financial elements including ESG (Environmental, Social, and Governance) and provide such information to other Administration and Investment Institutions.

In addition, the Association and other Administration and Investment Institutions shall cooperate by coordinating with each other with respect to investment operations of TLTB Association Reserve Funds by, for example, providing necessary information.

### III Matters concerning asset mix from the long-term perspective in administering and investing the TLTB adjustment fund

#### 1. Basic Principle of the Benchmark Portfolio

The Benchmark Portfolio shall be established from the long-term perspective with an asset mix and deviation tolerance that are in line with the investment target, in consideration of generally accepted expert knowledge on asset administration and investment as well as economic trends in and outside Japan, based on forward-looking risk analyses.

The Association shall report on the establishment of the Benchmark Portfolio to the Governing Council upon deliberation at the Fund Management Committee.

#### 2. Benchmark Portfolio

Asset classes that make up the Benchmark Portfolio shall be domestic bonds, domestic stocks, foreign bonds, and foreign stocks, and the asset mix and deviation tolerance are set forth as below.

Exceeding the deviation tolerance shall be allowed during the period up to the transition to the following Benchmark Portfolio.

	Domestic bonds	Domestic stocks	Foreign bonds	Foreign stocks
Asset mix	25%	25%	25%	25%
Deviation tolerance	± 20%	± 12%	± 9%	±11%

(Note) Short-term assets are classified into domestic bonds.

Real estate and loans receivables are classified into domestic bonds.

#### 3. Benchmarks

Benchmarks for respective asset classes shall be as follows.

(1) Domestic bonds

NOMURA Bond Performance Index (Overall)

(2) Domestic stocks

TOPIX (dividend-inclusive)

(3) Foreign bonds

FTSE World Government Bond Index (ex-Japan, ex-China, no hedge, in yen)

(4) Foreign stocks

MSCI ACWI ex. Japan (in yen, dividend-inclusive)

#### 4. Review of the Benchmark Portfolio

The Association shall appropriately manage risks based on market trends, regularly verify the Benchmark Portfolio and, if it is considered necessary in cases where the investment environment assumed at the time of establishing the Benchmark Portfolio deviates from reality, examine the Benchmark Portfolio and revise it as necessary. Any change to the Benchmark Portfolio shall be reported to the Governing Council upon deliberation at the Fund Management Committee. If the Association finds it

necessary in consideration of market impact and other factors, it shall establish a transition portfolio (meaning a transitional asset mix up until the realization of the Benchmark Portfolio) in order to smoothly transition to the revised Benchmark Portfolio.

#### **IV Standards to be observed by Administration and Investment Institutions in establishing the asset mix for their respective TLTB Association Reserve Funds from the long-term perspective**

In establishing the asset mix and deviation tolerance for the Benchmark Portfolio to be stipulated in the Basic Policy of Administration and Investment Institutions, the following shall be observed.

- (i) The Benchmark Portfolio shall be established from the long-term perspective in consideration of generally accepted expert knowledge on asset administration and investment as well as economic trends in and outside Japan, based on forward-looking risk analyses, in compliance with the Administration and Investment Policy, having an asset mix and deviation tolerance in line with the investment targets. The Administration and Investment Institutions shall report the establishment of the Benchmark Portfolio to the Governing Council upon deliberation at the Expert Meeting.
- (ii) The Administration and Investment Institutions shall establish the asset mix and deviation tolerance of the Benchmark Portfolio in the Basic Policy within the asset mix and deviation tolerance of the Benchmark Portfolio stipulated in III-2.
- (iii) Exceeding the deviation tolerance is allowed during the period up to the transition to the Benchmark Portfolio established.
- (iv) The Administration and Investment Institutions may conduct Flexible Investment. In such case, the assumption shall be that an outlook on the market environment is provided with a high degree of accuracy and investment is made based on the outlook.
- (v) The Administration and Investment Institutions shall appropriately manage risks based on market trends, regularly verify the Benchmark Portfolio and, if it is considered necessary in cases where the investment environment assumed at the time of establishing the Benchmark Portfolio deviates from reality, examine the Benchmark Portfolio and revise it as necessary. Any change to the Benchmark Portfolio shall be reported to the Governing Council upon deliberation at the Expert Meeting. If it is found necessary in consideration of market impact and other factors, a transition portfolio (meaning a transitional asset mix up until the realization of the Benchmark Portfolio) may be established in order to smoothly transition to the revised Benchmark Portfolio.

- (vi) If an Administration and Investment Institution has difficulty in earning investment returns set as investment targets and maintaining investment within the asset mix and deviation tolerance of the Benchmark Portfolio due to reasons such as providing benefits, the Institution may be subject to different treatment regardless of I-2-(2)-(i) and above (ii) upon individual consultation with the Association. In such case, the reasons shall be clarified in the Basic Policy of the Institution.

## **V Other necessary matters concerning appropriate administration and investment of the TLTB adjustment fund**

### **1. Enhancing transparency**

#### **(1) Association**

Regarding the administration and investment of the TLTB adjustment fund, the Association shall devise ways to make disclosure documents easier to understand by promptly publishing the status of administration and investment performance, such as investment returns and risks for each fiscal year (including the status of investment portfolio as a whole, the status of individual portfolio assets and the status of entrusted investment management institutions at Administration and Investment Institutions, as well as fund investment methods, including newly adding investment assets at Administration and Investment Institutions, administration and investment entrustment fees, process/result of selecting entrusted investment management institutions) on an annual basis (on a quarterly basis for the quarterly status of administration and investment performance [including the status of investment portfolio as a whole and the status of individual portfolio assets]) by leveraging its website. Also, the Association shall examine ideal ways of information disclosure and publicity activities for the public, responding to the diversification, sophistication, and internationalization of investment, and enhance them accordingly.

Such publication shall be reported in a timely manner to the Governing Council and the Fund Management Committee.

When making such publication, attention shall be paid to market impacts.

#### **(2) Administration and Investment Institutions**

Regarding the TLTB Association Reserve Funds, the Administration and Investment Institutions shall devise ways to make disclosure documents easier to understand by promptly publishing the status of administration and investment performance, such as investment returns and risks for each fiscal year on an annual basis (on a quarterly basis for the quarterly status of administration and investment performance) by leveraging their website. Also, the Administration and Investment Institutions shall examine ideal ways of information disclosure and publicity activities for the public, responding to the diversification, sophistication and internationalization of investment, and enhance them accordingly. Such publication shall be reported in a timely manner to the Governing Council and the Expert

Meeting.

Transparency in selecting entrusted investment management institutions shall be ensured under appropriate monitoring by the Expert Meeting by, for example, making the selection criteria subject to deliberation at the Expert Meeting and timely reporting the implementation status and other matters requested by the Expert Meeting.

When making such publication, attention shall be paid to market impacts.

## **2. Retaining and leveraging highly skilled and specialized talents**

The Association and other Administration and Investment Institutions shall, if necessary, examine in detail the operations that require advanced and specialized skills as well as the expertise required for such operations, and strive to retain highly skilled and specialized talents who have such expertise.

In addition, training shall be conducted by leveraging highly skilled and specialized talents with the aim of enhancing the performance of their staff.

The enhancement and development of specialized talents shall be promoted actively, with reporting on the status made to the Fund Management Committee or the Expert Meeting as necessary and their opinions taken into consideration.

## **3. Strengthening risk management**

### **(1) Association**

The Association shall establish a risk management system for the overall portfolio.

In addition, the Association shall strive to enhance risk management by, for example, strengthening forward-looking risk analysis functions, establishing risk management analysis tools, and enhancing information collection and investigation functions.

### **(2) Administration and Investment Institutions**

Each Administration and Investment Institution shall establish necessary risk management systems.

In addition, in light of conducting Flexible Investment, among other things, each Administration and Investment Institution shall enhance risk management as necessary by, for example, strengthening forward-looking risk analysis functions, establishing risk management analysis tools, and enhancing information collection and investigation functions.

## **4. Enhancing research and study operations**

If the Association and other Administration and Investment Institutions conduct research and study operations, in addition to commissioning the work to think-tanks and other similar institutions, engaging staff including highly skilled and specialized personnel of the Association and other Administration and Investment Institutions in the work shall be considered in order to accumulate know-how on the administration and investment of reserve funds in the Association and other Administration and

Investment Institutions. If highly skilled and specialized talents are employed, establishing a structure for expanding internal research and study activities by leveraging the talents shall be considered to accumulate know-how obtained from the research and conduct the administration and investment of reserve funds safely and efficiently in the future.

In the case of commissioning the research, measures to prevent information leak shall be taken thoroughly.

Supplementary Provisions

This Administration and Investment Policy comes into force from October 1, 2015.

Supplementary Provisions

This Administration and Investment Policy comes into force from July 13, 2018.

Supplementary Provisions

This Administration and Investment Policy comes into force from April 1, 2020.

Supplementary Provisions

This Basic Policy comes into force from January 1, 2022.

**[DISCLAIMER]**

**When there are any discrepancies between the original Japanese version and the English translation version, the original Japanese version shall prevail.**