



## **The Japanese Market for SRI**

- Experiences of Nikko Eco Fund •

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# 1. Efforts by Japanese Financial Institutions

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## 1. < in the office > resource and energy conservation

**financial institutions consume large volumes of paper**

- **usage of recycled paper, recycling paper**

..... But only a few financial institutions have comprehensive environmental program with resource and energy conservation.

## 2. < through business activities > financial products and services

- **banking accounts which make donations to environmental conservation organizations**

- **discount interest rates on loans for the purchase of environmental conservation activities**

- **regarding environmental protection as an indispensable activity for loan recipients**

..... But only a small portion of the financial business market



## 2. Nikko's Commitments

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**August 20 , 1999**

**“Nikko Eco Fund ”• The first green fund in Japan•**

**March 1 , 2000**

**“UNEP Statement by Financial Institutions on the Environment & Sustainable Development”**

**May 31 , 2000**

**“Sustainability Report 2000” (first in the industry)**

**October 27 , 2000**

**“WWF-Nikko Green Investors Fund”**

**November 1 , 2000**

**“Nikko Global Sustainability Fund <nickname:globe>”**

**April 20 , 2001**

**ISO14001 certificate**



### 3. Investment Process of Nikko Eco Fund

**Nikko Asset Management's Research Universe :  
approx. 600 stocks**

#### *Economic Screening*

Rating Grades (1 to 5)  
Financial analysis  
Earnings estimates  
Financial conditions, etc.

**Positive list**

#### *Ecological Screening*

Fund manager in  
collaboration with third party  
specialist research company  
Rating 6 grades (A+ to C-)

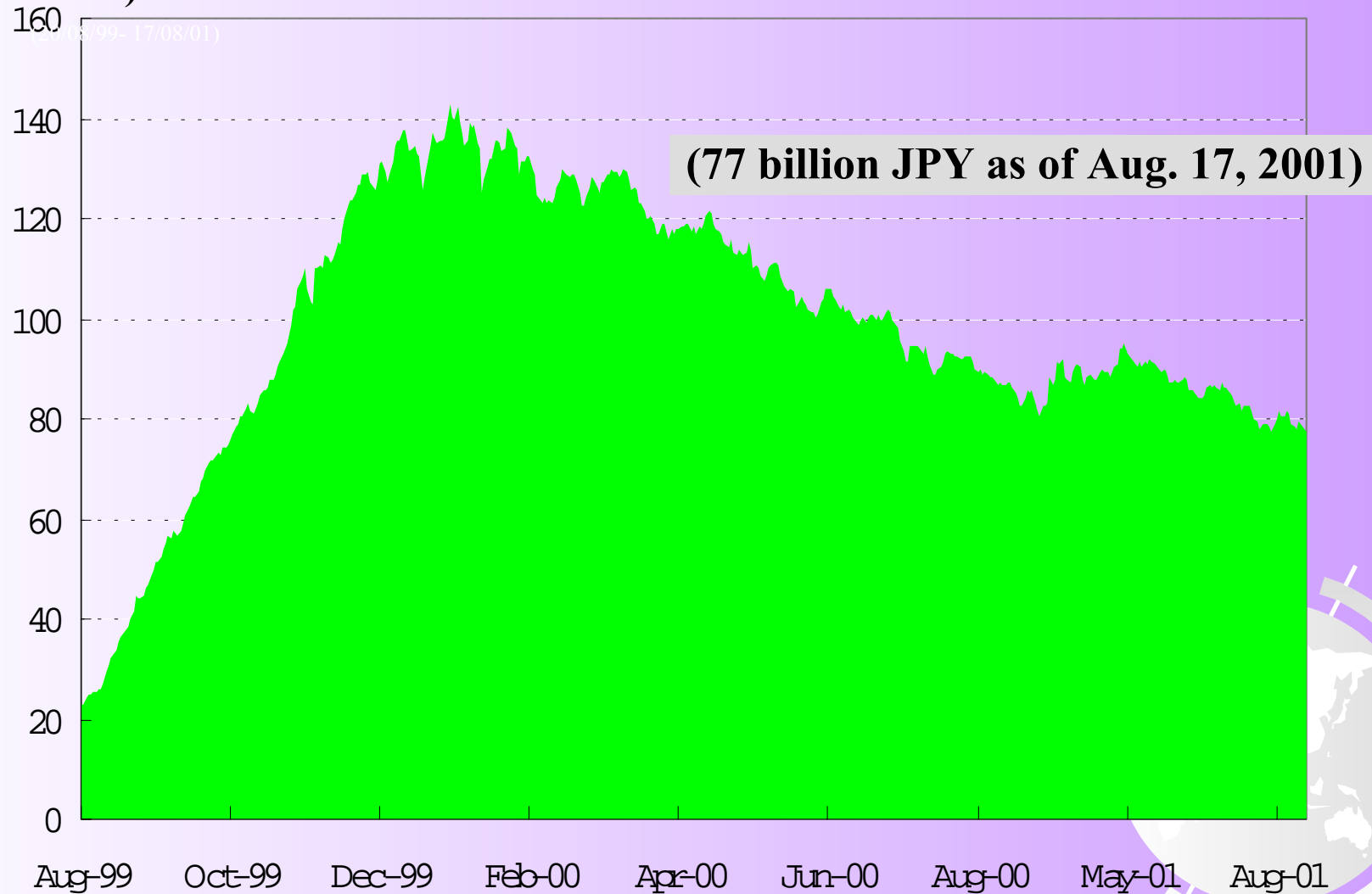
**Investment Universe : 200 stocks**

**Final decision making  
Final portfolio • 100 stocks**

**Performance Analysis**

## 4. Fund Size of “Nikko Eco Fund”

(Bil JPY)

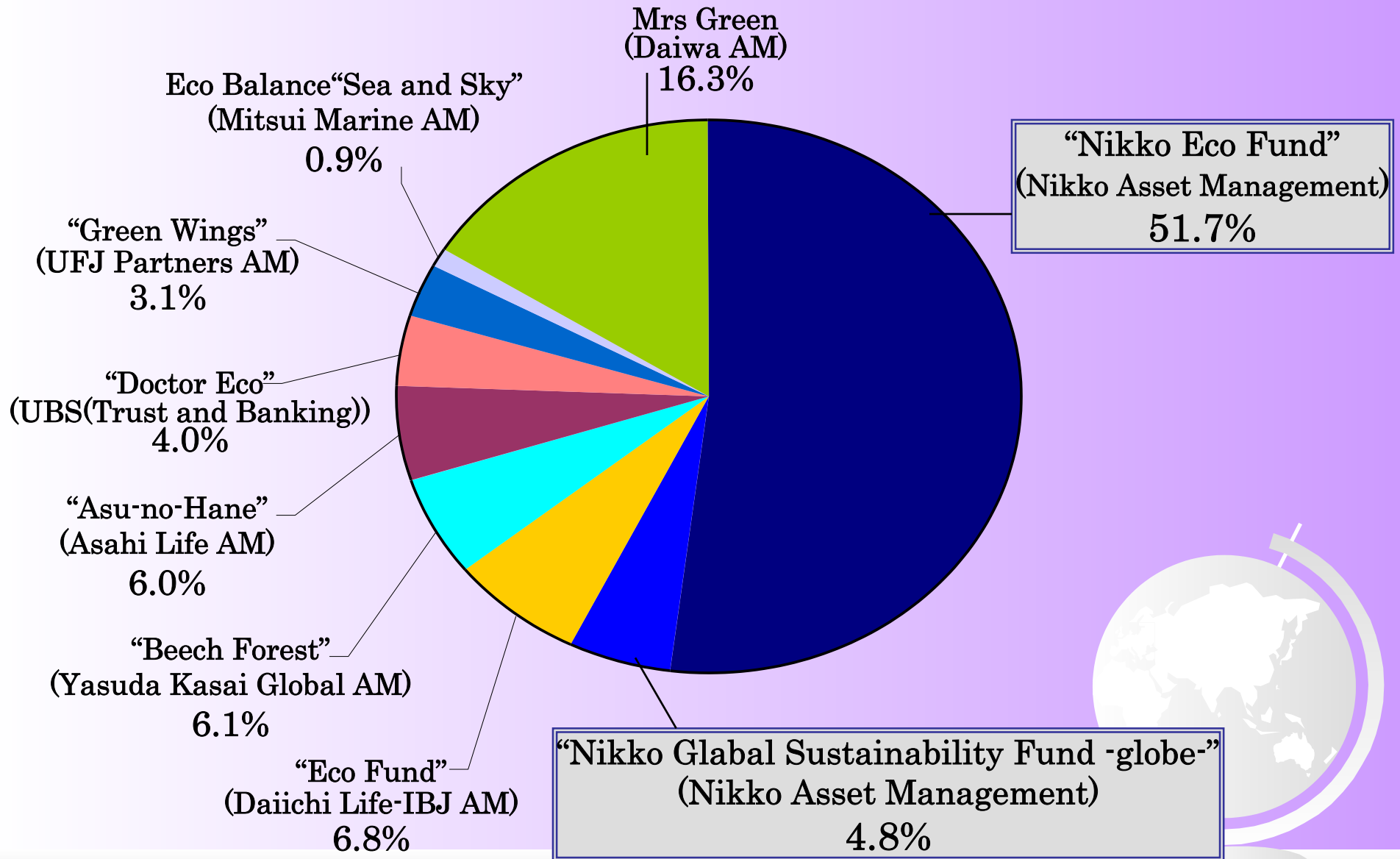


## 5.Green Funds & SRI Funds in Japan (as of Sept.,2001)

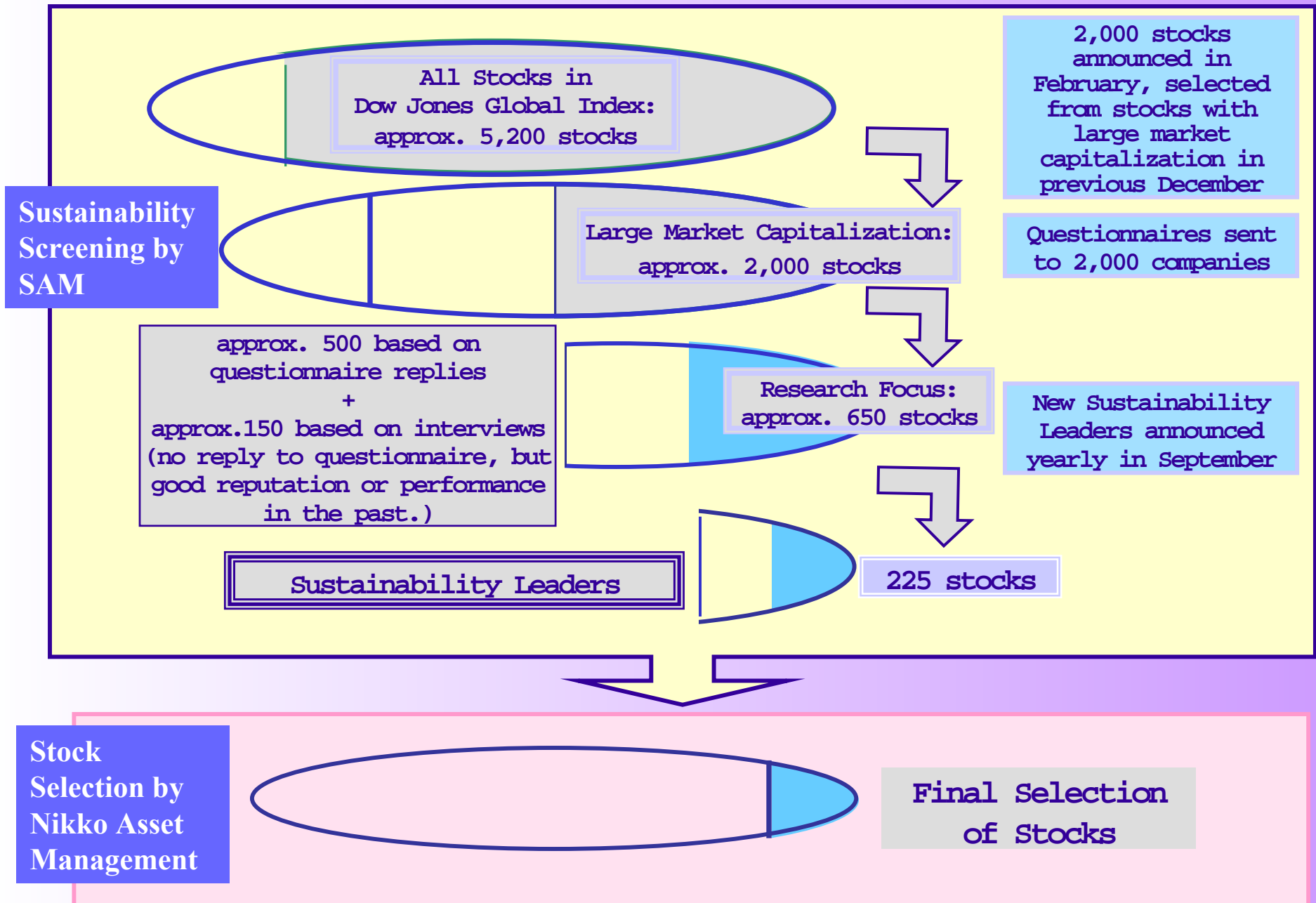
Established Date	Green Funds	Asset Management	Features	Total Asset (hundred million JPY)
Aug. 20,1999	Nikko Eco Fund	Nikko Asset Management	Japanese Stocks / green fund	677.37
Sept. 30,1999	Yasuda Fire and Marine Green Open	Yasuda Kasai Global Asset Management	Japanese Stocks / green fund	80.53
Oct. 22,1999	Eco Fund	Daiichi Life-IBJ Asset Management	Japanese Stocks / green fund	89.08
Oct. 29,1999	Dr. ECO	UBS Asset Management	Japanese Stocks / green fund	52.54
Jan. 28,2000	Green Wings	UFJ Partners Asset Management	Japanese Stocks / green fund	40.75
Sept. 28,2000	Asu-no-Hane	Asahi Life Asset Management	Japanese Stocks / SRI fund	78.90
Oct. 31,2000	Eco Balance Sea and Sky	Mitsui Marine Asset Management	Japanese Stocks and Bond / green fund	11.95
Nov. 17,2000	Globe	Nikko Asset Management	Global Stocks / SRI fund	63.97
June 15,2001	Mrs Green	Daiwa Asset Management	Global Stocks / SRI fund	213.60

## 6. The SRI fund market in Japan

Total asset 1,300 hundred million JPY  
(as of September, 2001)



# 7. Stock Selection Process for Globe(Nikko Global Sustainability Fund)



## **8. • • • -Nikko Green Investors Fund• October, 2000)**

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**The Nikko Securities Co., Ltd. and the Nikko Asset Management Co., Ltd. have decided to annually contribute part of the trust remuneration from the investment trusts “Nikko Eco Fund” and “Nikko Global Sustainability Fund-globe-,” which are marketed and operated by the two companies, to the “WWF-Nikko Green Investors Fund,” which has been established in WWF Japan (World Wide Fund for Nature; Japan).**

**FY 2000 : ¥55 million JPY were contributed.**

**This fund target:**

**to support the environmental protection activities to contribute to environmentally sustainable development through the expanding base of green investors.**

- 1. lifestyle change (promoting green purchasing, etc.)**
- 2. environmental education**
- 3. nature and environmental protection**

**The activities of the fund is reported in the “Sustainability Report”**

