

FY2025

Overview of Pension Asset Investment (Summary)

Pension Fund Association
Pension Investment Department

Basic Pension

- ▶ The investment return for fiscal 2025 was **+12.44%**. This brought the five-year average to **+7.53%** and the ten-year average to **+7.19%**.
- ▶ In fiscal 2025, the excess return rate was **+0.50%**, remaining positive for ten consecutive years. The five-year average was **+0.87%** and the ten-year average was **+1.02%**, resulting in stable excess returns.
- ▶ The asset composition ratio at the end of the fiscal year is almost the same as the benchmark value of the policy asset mix (domestic and foreign equities: 40%, domestic and foreign bonds: 60%) due to adjustments in cash flows (cash outflow of 654.3 billion yen) and rebalancing (sold approximately 770.0 billion yen in assets on multiple occasions at times when the stock market was rising) conducted until the end of the fiscal year.

Portable Corporate Pensions

- ▶ The investment return for fiscal 2025 was **+4.58%**. This brought the five-year average to **+2.19%** and the ten-year average to **+3.04%**.
- ▶ The excess return rate in fiscal 2025 was **+3.89%**, the highest increase since investment began. The five-year average was **+1.83%**, and the ten-year average was **+1.48%**, resulting in excess returns.
- ▶ The asset composition ratio at the end of the fiscal year is almost in line with the policy asset mix values (global equities: 20%, bonds: 80%). In fiscal 2025, Pension Fund Association reported an annual cash outflow of 4.8 billion yen and conducted rebalancing on multiple occasions at times when the stock market was rising by selling approximately 34.0 billion yen in global equities.

Basic Pension		Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
Asset Balance [Comparison with the previous fiscal year-end]		¥12,397.8 bn [-¥650.2 bn]	¥12,493.2 bn [+¥95.4 bn]	¥12,783.5 bn [+¥385.7 bn]	¥13,162.4 bn [+¥764.6 bn]	¥13,217.4 bn [+¥819.6 bn]
Asset Allocation	Equities (%)	41.1	41.4	42.6	42.8	41.9
	Domestic Equities (%)	16.0	16.4	16.9	16.6	16.2
	Foreign Equities (%)	25.1	25.1	25.7	26.3	25.7
	Bonds (%)	58.9	58.6	57.4	57.2	58.1
	Domestic Bonds (%)	37.3	36.9	35.5	34.9	36.3
	Foreign Bonds (%)	21.6	21.7	21.9	22.3	21.8
Return (%) (yearly cumulative)		1.06	2.35	6.66	11.71	12.44
Risk (%)		7.57	8.30	7.83	7.74	7.71

Basic Pension: Fixed assets in the basic pensions account of the employees' pension funds

*March 31 returns are modified total rate of return, other returns during fiscal year are internal rate of return (IRR).

*Risk is according to BarraOne.

Portable Corporate Pensions		Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
Asset Balance [Comparison with the previous fiscal year-end]		¥523.1 bn [-¥3.6 bn]	¥534.7 bn [+¥11.7 bn]	¥543.7bn [+¥20.7 bn]	¥548.5 bn [+¥25.5 bn]	¥542.1 bn [+¥19.0 bn]
Asset Allocation	Global Equities (%)	16.1	21.8	21.1	21.6	20.1
	Bonds (%)	83.9	78.2	78.9	78.4	79.9
Return (%) (yearly cumulative)		0.04	2.38	4.42	5.48	4.58
Risk (%)		3.07	4.33	4.15	4.06	3.83

Portable Corporate Pensions: Total of respective fixed assets in the portable pensions account of the employees' pension funds and defined-benefit corporate pensions

*March 31 returns are modified total rate of return, other returns during fiscal year are internal rate of return (IRR).

*Risk is according to BarraOne.

	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
Basic Pension Asset Balance [Comparison with the previous fiscal year-end]	¥12,397.8 bn [-¥650.2 bn]	¥12,493.2 bn [+¥95.4 bn]	¥12,783.5 bn [+¥385.7 bn]	¥13,162.4 bn [+¥764.6 bn]	¥13,217.4 bn [+¥819.6 bn]
Portable Corporate Pensions Asset Balance [Comparison with the previous fiscal year-end]	¥523.1 bn [-¥3.6 bn]	¥534.7 bn [+¥11.7 bn]	¥543.7bn [+¥20.7 bn]	¥548.5 bn [+¥25.5 bn]	¥542.1 bn [+¥19.0 bn]
Total Asset Balance [Comparison with the previous fiscal year-end]	¥12,920.9 bn [-¥653.8 bn]	¥13,027.9 bn [+¥107.1 bn]	¥13,327.2 bn [+¥406.3 bn]	¥13,710.9 bn [+¥790.1 bn]	¥13,759.4 bn [+¥838.6 bn]

Basic Pension: Fixed assets in the basic pensions account of the employees' pension funds

Portable Corporate Pensions: Total of respective fixed assets in the portable pensions account of the employees' pension funds and defined-benefit corporate pensions

Basic Pension

<FY2016—FY2025>

(Unit:%)

FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
5.96	7.27	2.74	-2.84	22.76	6.38	1.38	17.30	1.06	12.44

(Unit:%)

5-year average	10-year average	Since FY1996
7.53	7.19	5.05

*Asset allocation was deregulated in FY1996 with the lifting of restrictions.

Portable Corporate Pensions

<FY2016—FY2025>

(Unit:%)

FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
3.07	3.23	3.14	-1.00	11.42	2.38	-1.43	5.56	0.04	4.58

(Unit:%)

5-year average	10-year average	Since FY2014
2.19	3.04	3.01

*Portable Corporate Pensions portfolio was separated from Basic Pension portfolio in FY2014.

(Unit:%)

Basic Pension	FY2024			FY2025			Excess return rate (5-year average) (FY2021-FY2025)	Excess return rate (10-year average) (FY2016-FY2025)
	Time-weighted return rate	Benchmark	Excess return rate	Time-weighted return rate	Benchmark	Excess return rate		
Total	1.01	-0.29	1.30	12.42	11.92	0.50	0.87	1.02
 Domestic Equities	-0.27	-1.55	1.28	33.83	34.65	-0.82	-0.35	0.05
 Foreign Equities	6.03	5.87	0.15	23.01	27.67	-4.66	-0.50	0.76
 Domestic Bonds	-2.19	-4.84	2.65	-2.35	-5.35	3.00	1.90	1.44
 Foreign Bonds	1.31	1.79	-0.47	10.98	12.39	-1.41	-0.33	0.12

(Unit:%)

Portable Corporate Pensions	FY2024			FY2025			Excess return rate (5-year average) (FY2021-FY2025)	Excess return rate (10-year average) (FY2016-FY2025)
	Time-weighted return rate	Benchmark	Excess return rate	Time-weighted return rate	Benchmark	Excess return rate		
Total	0.04	-3.11	3.15	4.57	0.68	3.89	1.83	1.48
 Global Equities	6.56	5.87	0.69	26.01	27.67	-1.67	0.01	0.65
 Bonds	-1.41	-4.84	3.43	-1.13	-5.35	4.22	1.87	1.51

07 | Cash Flows by Asset Class (Rebalancing)

FY2025 | Overview of Pension Asset Investment (Summary)

(Unit: ¥ billion)

	Basic Pension				Portable Corporate Pensions (inc. Joint Investment)		
FY2025	 Domestic Equities	 Foreign Equities	 Domestic and Foreign Bonds	Total	 Global Equities	 Bonds	Total
Apr.		-1.7	-0.1	-1.8	29.3	-29.0	0.3
May.	-80.0	-49.1	-45.1	-174.2	-8.2	6.6	-1.7
Jun.	0.0	-33.0	30.2	-2.8		0.6	0.6
Jul.	-30.3	-57.1	-50.1	-137.5	-6.2	4.8	-1.3
Aug.	-50.6	-3.0	57.6	-3.9		0.5	0.5
Sep.	-39.8	-8.7	-51.2	-99.8	-7.1	6.3	-0.8
Oct.	-50.4	-65.3	114.0	-1.8	-6.1	7.1	1.0
Nov.	-50.2	-57.1	-106.0	-213.4		-2.3	-2.3
Dec.	-50.2	-4.0	52.0	-2.2		1.1	1.1
Jan.		-9.5	127.6	-118.1		-1.3	-1.3
Feb.	-110.9	-68.7	182.2	2.5	-7.2	7.8	0.6
Mar.		-10.1	-135.2	-145.3		-1.4	-1.4
Total	-462.5	-367.5	-175.8	-654.3	-5.5	0.8	-4.6

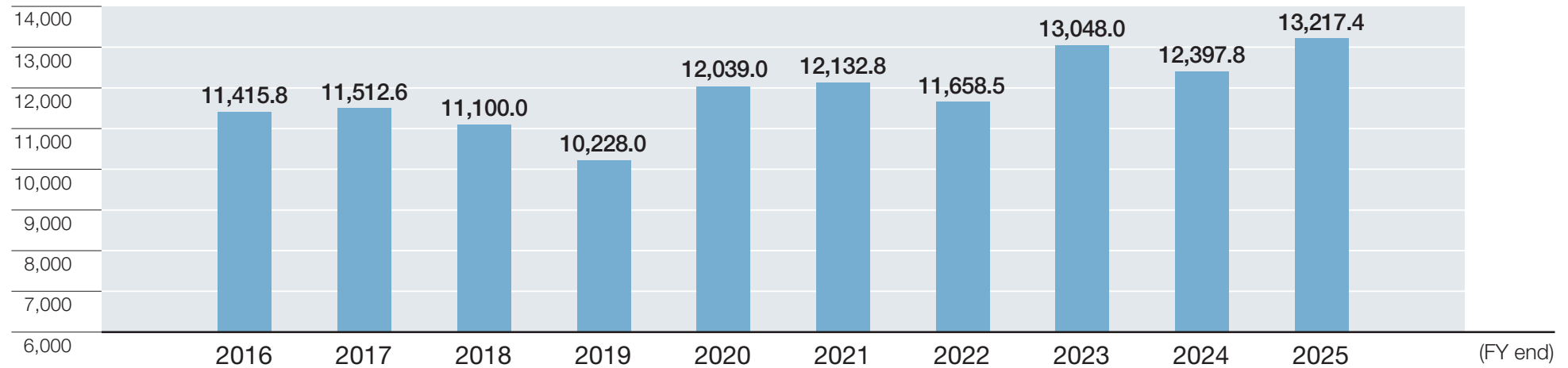
	Start date	Purpose	Investable Securities	Scheme	Investment Amount (Mar. 31, 2026)	Ratio	Benchmark
Private Equity	09/2002	<Foreign Equity Alternative> For long-term acquisition primarily of illiquidity premiums and alpha generated from effective governance of the investee company	Buy-out, venture capital, and equivalent investments	Trust banks and investment advisory firms invest directly in funds, and make joint investments	Basic: ¥1,197.8 bn	9.1%	Basic 5% (±5%)
Hedge Fund	10/2007	<Domestic Bond Alternative> For stable acquisition of absolute returns	Event-driven, relative value, global macro, other	Investment advisory firms invest in each single fund based on the advice of subcontractors	Basic: ¥1,306.0 bn Portable: ¥89.2 bn Total: ¥1,395.2 bn	9.9% 15.7%	Basic 5% (±5%) Portable Up to 15%
Real Estate	06/2009 (06/1973)	<Domestic Bond Alternative> For long-term acquisition of income gain	Silent partnership investment, special purpose company preferred securities, REIT, other	Trust banks and investment advisory firms invest in real estate investment vehicles, etc.	Basic: ¥126.8 bn Portable: ¥26.1 bn Total: ¥152.9 bn	1.0% 4.6%	Basic 5% (±5%) Portable Up to 20%
Infrastructure	11/2011	<Domestic Bond Alternative> For long-term acquisition of income gain	Infrastructure equity	Investment advisory firms invest directly in funds	Basic: ¥133.9 bn Portable: ¥40.2 bn Total: ¥174.1 bn	1.0% 7.1%	
Stable Income	11/2016	<Domestic Bond Alternative> For long-term acquisition of income gain	Infrastructure debt, direct lending, royalty strategies, asset leasing, insurance-related investments, agriculture and forest investments, and other finance, etc.	Investment advisory firms invest directly in funds	Basic: ¥52.5 bn Portable: ¥23.9 bn Total: ¥76.4 bn	0.4% 4.2%	
Total					Basic: ¥2,817.0 bn Portable: ¥179.3 bn Total: ¥2,996.3 bn	21.3% 31.7%	Portable Up to 35%

*Investment amounts include the Joint Investment portions.

Changes in Asset Balances

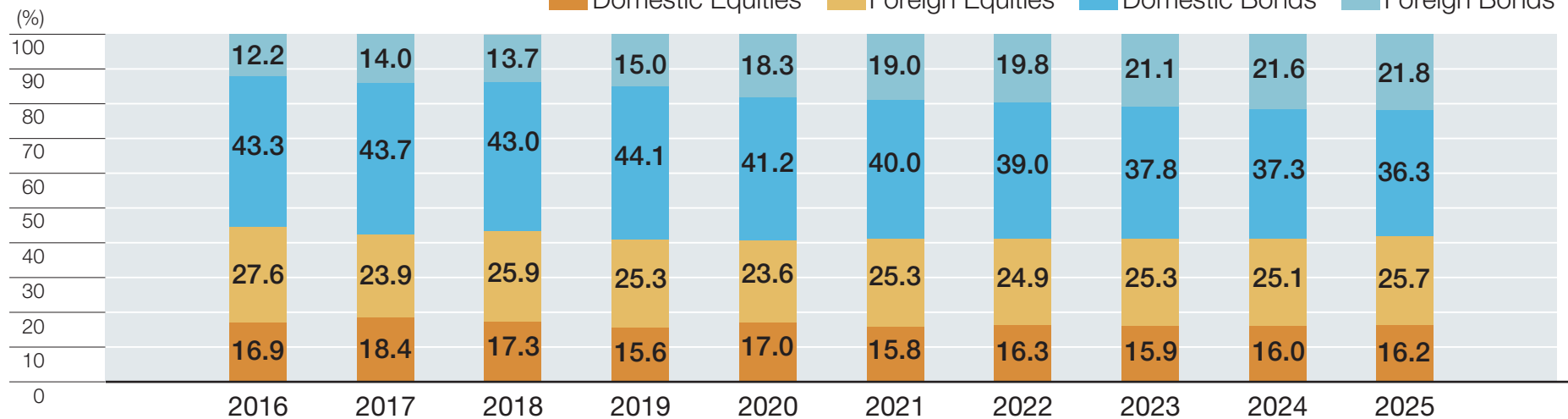
Basic Pension

(Billion yen)



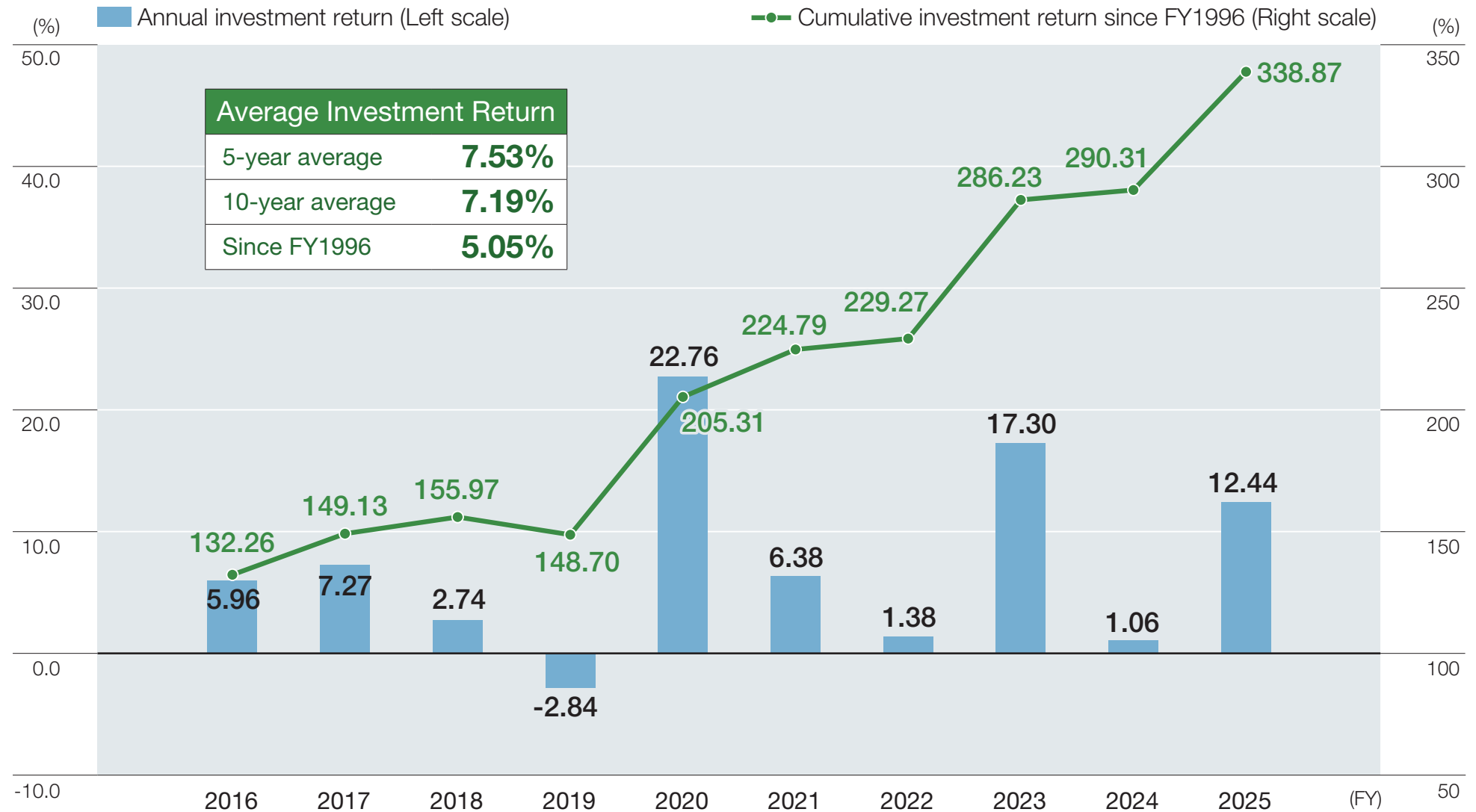
Changes in Asset Allocation

Basic Pension



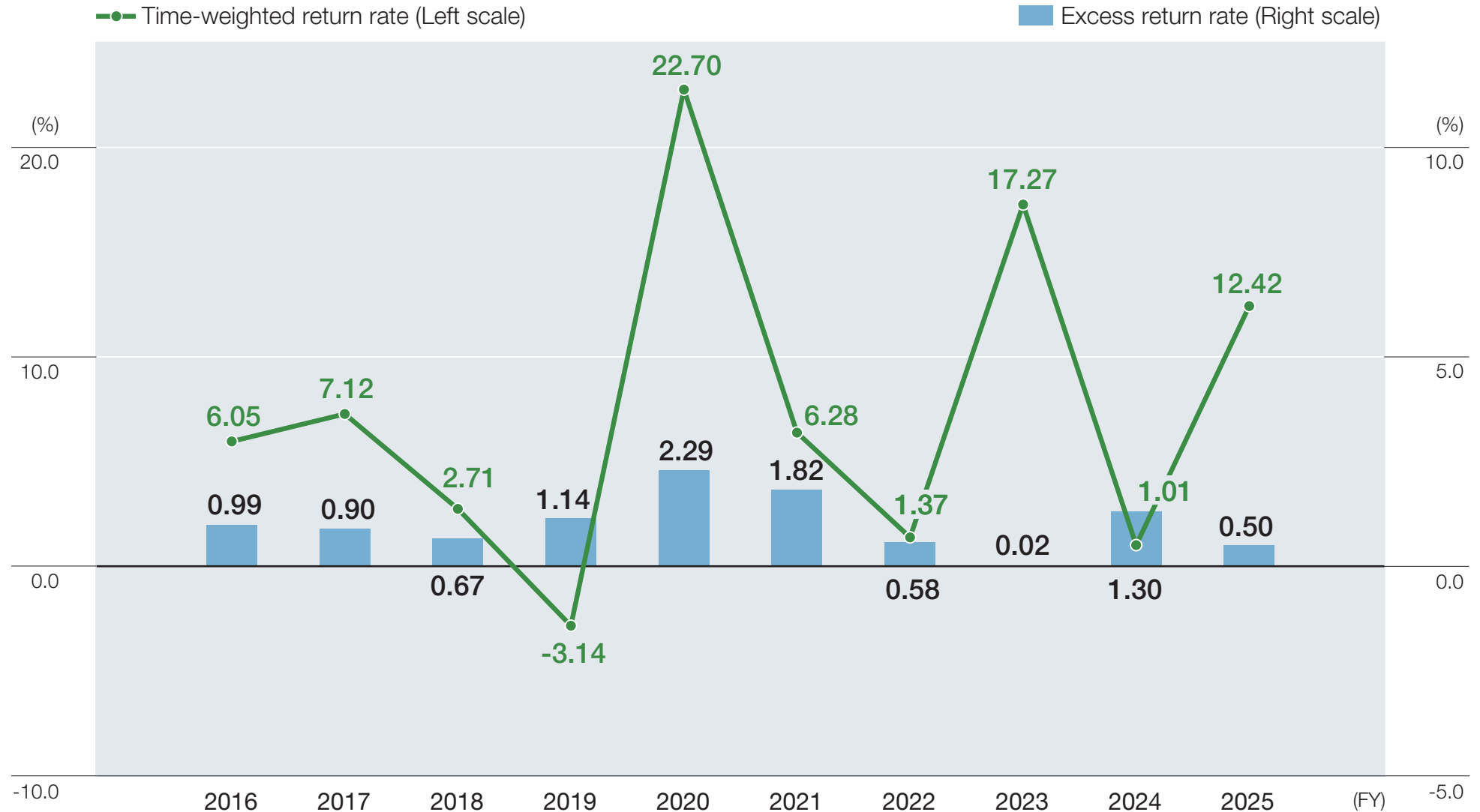
Changes in Investment Return (Modified Total Rate of Return)

Basic Pension

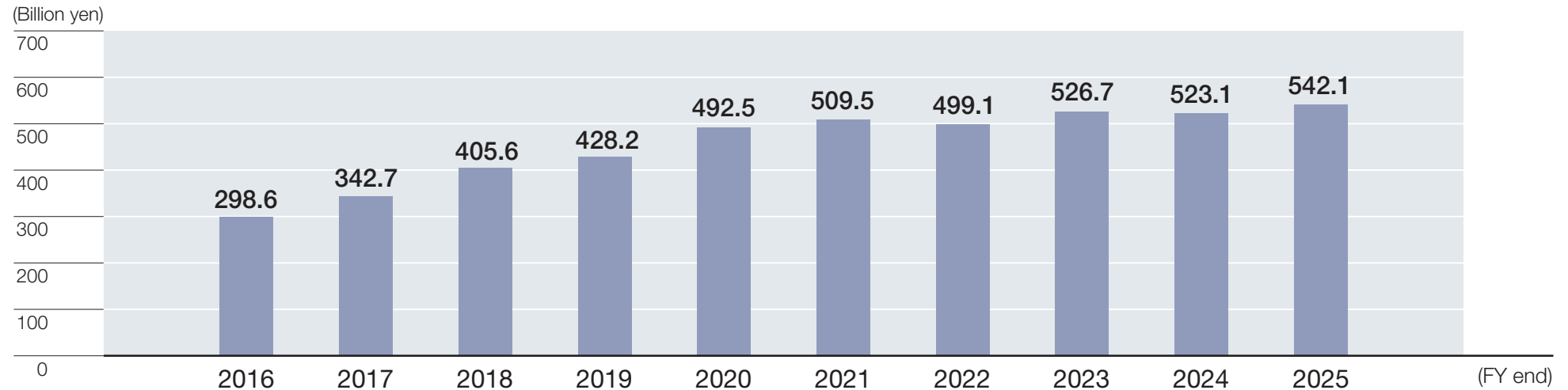


Changes in Time-weighted Return Rate & Excess Return Rate

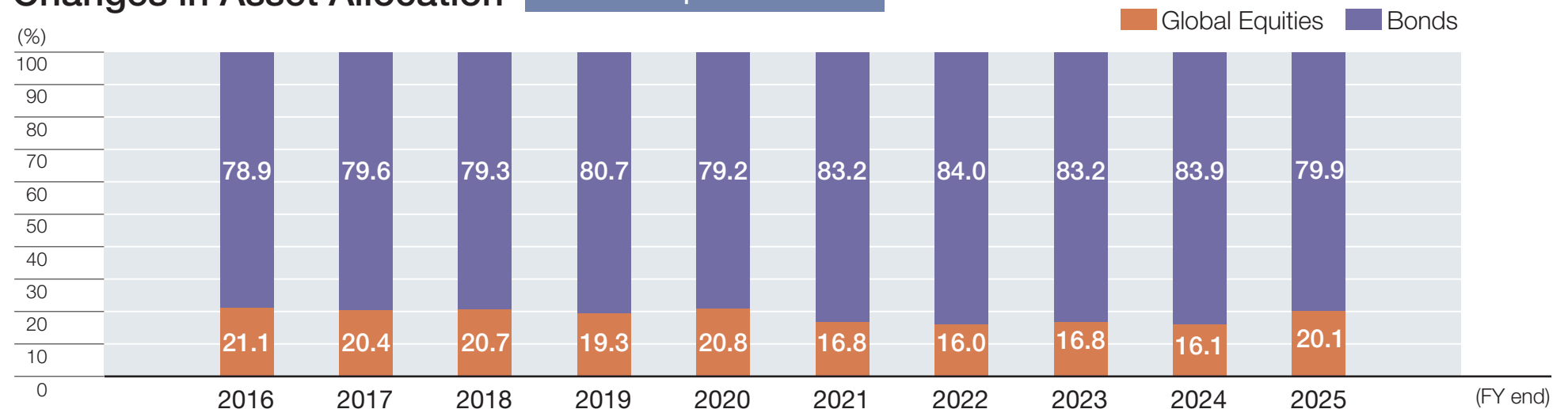
Basic Pension



Changes in Asset Balances Portable Corporate Pensions



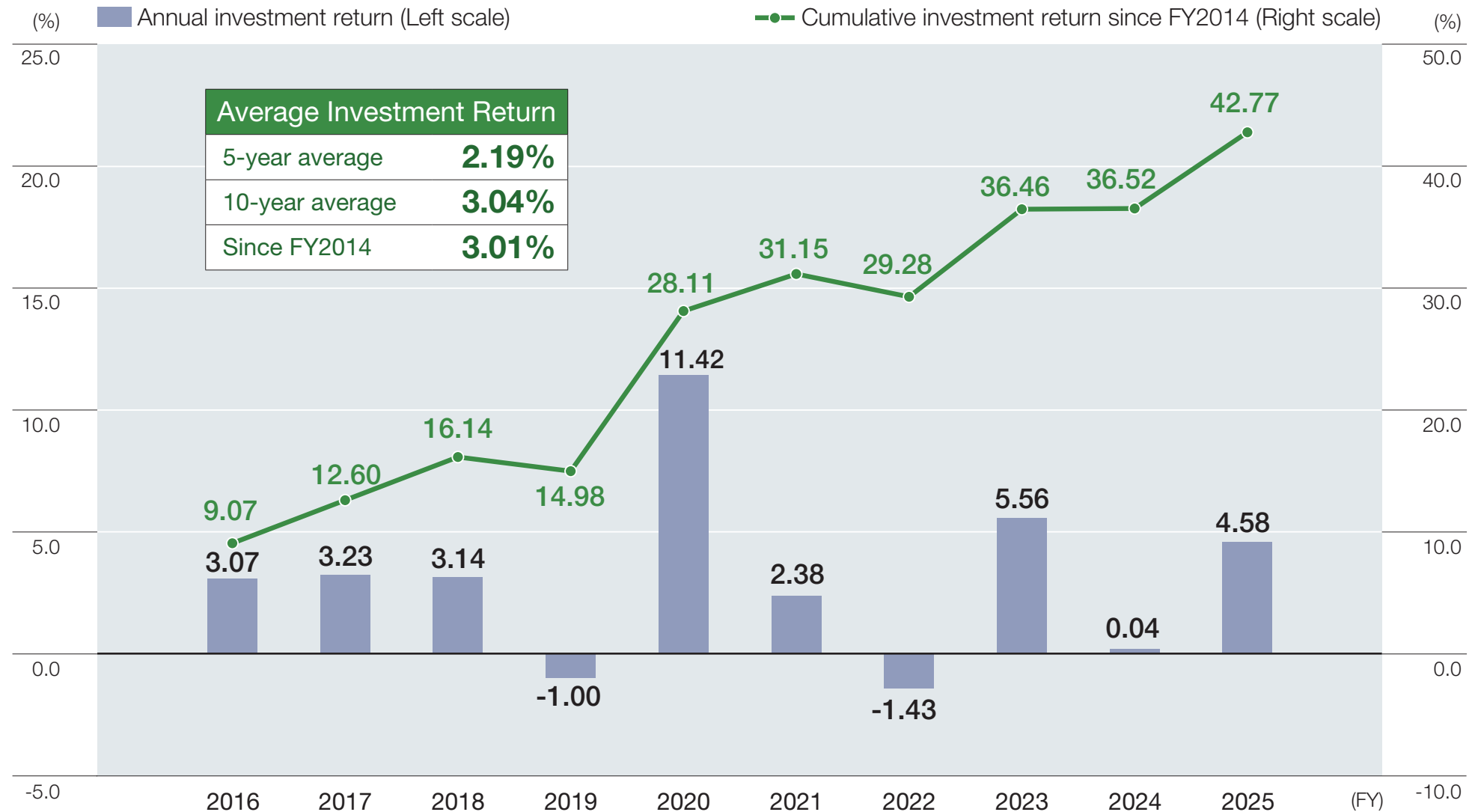
Changes in Asset Allocation Portable Corporate Pensions



*The benchmark reference value for global equities was 16.0% during the period from FY2021 to FY2024.

Changes in Investment Return (Modified Total Rate of Return)

Portable Corporate Pensions



Changes in Time-weighted Return Rate & Excess Return Rate Portable Corporate Pensions

Summary of Investment Policy

Benchmark

Global Equities (MSCI-ACWI)	20%
Bonds (Bloomberg Japan Composite Index)	80%
(Tolerance: ±5%)	

Long-term Expected Returns

2.6% (p.a.)

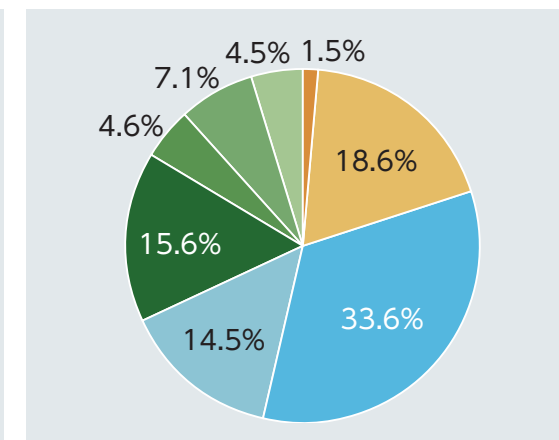
Risk

4.7% (p.a.)

Investable Assets

Domestic Equities
Foreign Equities
Domestic Bonds
Foreign Bonds
Hedge Funds
Real Estate
Infrastructure
Stable Income

Asset Allocation



Changes in Return Rate (Time-weighted Return Rate)

(Unit:%)

	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	FY
FY2016							0.18	1.26	0.85	-0.20	0.82	0.28	3.23
FY2017	0.80	0.47	0.31	0.40	0.54	0.75	0.73	0.09	0.44	0.17	-1.26	-0.17	3.31
FY2018	0.70	0.19	0.31	0.67	-0.07	0.35	-1.69	0.60	-1.61	1.77	1.11	0.81	3.11
FY2019	0.80	-1.17	1.41	0.31	-0.37	0.47	0.39	0.74	0.24	0.40	-1.15	-2.89	-0.87
FY2020	1.93	1.05	0.86	0.97	1.22	-0.48	-0.74	2.58	0.94	0.27	0.44	1.88	11.44
FY2021	0.87	0.70	0.73	0.33	0.41	-0.78	1.51	-0.38	1.05	-1.47	-0.88	0.78	2.88
FY2022	-1.23	0.06	-1.99	2.21	-0.99	-2.75	1.69	1.03	-3.09	1.97	0.15	1.31	-1.79
FY2023	0.66	-0.21	1.86	-0.07	-0.44	-1.06	-1.07	2.86	0.73	0.62	1.53	1.40	6.95
FY2024	-0.56	0.11	0.83	-0.90	0.54	0.40	0.33	0.43	0.40	0.33	-0.54	-1.21	0.11
FY2025	-0.43	0.91	1.52	0.72	0.02	1.25	1.48	-0.18	-0.28	-0.13	1.59	-2.28	4.19

Average Return	3.36%
Risk (standard deviation)	3.74%

Excess Return	1.38%
Tracking Error	1.26%

Number of Subscribers	13
Asset Balance	¥23.3 bn

As of March 31, 2026

