

His Excellency Shigeru Ishiba
Prime Minister, Japan

11 November 2024

Dear Prime Minister Ishiba,

On behalf of the Principles for Responsible Investment (PRI)¹, I would like to congratulate you on your appointment as Prime Minister of Japan.

The PRI has a proud history in Japan. We serve 140 signatories in this important market, who are supported by 5 Tokyo-based colleagues and of course benefit from our wider global expertise. Just last year, we had the incredible opportunity of hosting our annual conference, PRI in Person, in Tokyo.

Over the years, we have worked with our global network to develop research and policy recommendations that support governments and regulators in aligning investment with the Paris Agreement and the UN Sustainable Development Goals (SDGs). In Japan, we have engaged on a range of sustainable finance policies alongside our signatories, including investor duties, climate and energy policy, and national economic transition policy.

The Japanese Government has continued to show its commitment and dedication to promoting and developing responsible investment. Japan's Stewardship Code and Corporate Governance Code continue to underpin progressive practice by Japanese investors and companies. Meanwhile, we also see sophistication and progress through the New Form of Capitalism policies, which have strengthened the enabling policy environment in Japan for investor contribution to positive sustainability outcomes. We are especially supportive of three key developments in the past year:

- **The Asset Owner Principles** clarify the role responsible investment can play in delivering on fiduciary duty, including on how stewardship can encourage long-termism and sustainable growth among investee companies.
- **The Action Program for Accelerating Corporate Governance Reform** has paved the way to revise legal rules and potentially the Stewardship Code to better enable collaborative stewardship initiatives.
- **The GX Promotion Strategy** and policies pursuant to it have provided the wider market with support and foresight on Japan's climate and energy transition.

In 2024, as stakeholders from around the world seek to move forward from commitments to action, policymakers and regulators in the financial sector are facing an unprecedented challenge to establish a long-term, ambitious "whole-of-government" approach to achieve sustainability goals. Net zero by 2050 remains a critical global commitment as governments are tasked to establish a new generation of Nationally Determined Contributions (NDCs) that are ambitious, credible platforms for investment. Japan is well positioned to play a leading role both globally and in the APAC region if it continues and builds on the policies promoted under the New Form of Capitalism. In doing so, the Japanese Government will benefit from continuing to engage with the responsible investment community to consider how best policies can drive investor participation in the economic transition.

Should Prime Minister Ishiba like to discuss how the PRI can better support your work on these issues, please do not hesitate to contact me at david.atkin@unpri.org.

Yours sincerely,



David Atkin
CEO, Principles for Responsible Investment

¹ The PRI is the world's leading proponent of responsible investment, with over 5300 signatories totalling 121 trillion USD of assets under management, a significant proportion of which are based in Japan. The PRI's goal is to support investors to understand the investment implications of environmental, social and governance factors and to support signatories in integrating them into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and environmentally and socially sustainable economies.