

Note: This is a reference translation. In the event of any conflict between the original Japanese version and the English version, the text of the original Japanese version shall prevail.

## Government Pension Investment Fund Medium-Term Objectives

Directive of Ministry of Health, Labour and Welfare 0306 No. 7 dated March 6, 2020  
Revision: Directive of Ministry of Health, Labour and Welfare 1003 No. 1 dated October 3, 2022

Pursuant to the provisions of Article 29, Paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999), the objectives concerning the operations to be achieved by the Government Pension Investment Fund (GPIF) (the “Medium-Term Objectives”) shall be set as follows.

March 6, 2020

Katsunobu Kato, Minister of Health, Labour and Welfare

### Section 1 Position and role (mission) of GPIF in policy system

Japan’s public pension schemes (employees’ pension insurance scheme and national pension scheme) are fundamentally managed based on the concept of “intergenerational support,” whereby pension premiums collected from working generations support elderly generations. With the declining birthrate and aging population rapidly progressing, a framework for pension finance was introduced in the pension system revision in 2004 to ensure that the public pension system will be sustainable and secure into the future. Specifically, the fiscal framework was established to balance pension benefits and financial resources (utilization of premium income, government contribution, and pension reserve) during the financial equilibrium period of approximately 100 years, with fixed future pension premium levels.

Under such long-term fiscal framework in the pension system, it is expected to hold a reserve fund equivalent to one year’s worth of pension benefits at the end of the financial equilibrium period, and reserves and investment returns shall be appropriated for the pension benefits for succeeding generations during the financial equilibrium period.

For this reason, the management and investment of pension reserve funds play an extremely important role in contributing to the stability of the management of public pension services in the future by obtaining fruits of overall economic growth on a long-term and in stable manner through investment returns.

The purposes of the Government Pension Investment Fund (“GPIF”) are to manage and invest the pension reserve funds entrusted by the Minister of Health, Labour and Welfare (“MHLW”) under the provisions of the Employees’ Pension Insurance Act (Act No. 115 of 1954) and the National Pension Act (Act No. 141 of 1959) and to contribute to the stability of the management of employees’ pension insurance services and the national pension services by paying the returns to the national treasury.

In light of the importance of the role of pension reserve funds in the public pension scheme and pension finance, GPIF is further required to steadily fulfill its mission by appropriately managing

and investing a large amount of pension reserve funds, which amounted to approximately 160 trillion yen at the end of March 2019, while paying attention to their impact on the market and other private activities.

Therefore, as the market and investment environment become more complex and sophisticated, GPIF is further required, as its role, to make efforts to ensure appropriate investment and organizational management, while making use of GPIF's expertise, so as to secure investment returns necessary for pension finance with minimal risks.

The real return (nominal return on investment – nominal wage growth rate) was 3.10% for 13 years from FY2006, when GPIF was established, to FY2018, indicating that the investment results of the pension reserve fund exceeded the assumption of fiscal recalculation and financial verification by MHLW and had a positive impact on pension finance.

(Attachment 1. Policy system chart and grouping of certain operations)

(Attachment 2. Relationship between mission, etc. and objectives of GPIF)

## **Section 2 Period for the Medium-Term Objectives**

The period for the Medium-Term Objectives is 5 years from April 2020 to March 2025.

## **Section 3 Matters concerning improving the quality of the services and any other operations provided to citizens**

Matters concerning improving the quality of the services and any other operations provided to citizens specified in Article 29, Paragraph (2), Item (ii) of the Act on General Rules shall be as follows.

### **1. Basic policy for management and investment of pension reserve funds**

#### **(1) Basic policy for management and investment of pension reserve funds**

In investing pension reserve funds, GPIF shall continue to endeavor to ensure appropriate investment and organizational management under the following institutional framework.

[1] Any investment of the pension reserves is carried out, with particular attention to the fact that the pension reserves are a part of the insurance premiums collected from pension insureds and that they are a valuable source of future pension benefits payments. And investment is done for the sole benefit of pension insureds, with the purpose of contributing to the sound management of pension services for years to come by safely and efficiently investing those reserves from a long-term perspective. (Article 79-2 of the Employees' Pension Insurance Act and Article 75 of the National Pension Act)

Accordingly, it is not possible to invest pension reserve funds in order to realize other policy objectives or measures (to take into consideration matters that should not be taken into consideration), deviating from the purpose, "for the sole benefit of pension recipients".

[2] Investment entrusted to an external asset manager shall be made through the conclusion of a discretionary investment agreement under which all investment decisions are entrusted to the external asset manager. (Article 21 of the Act on the Government Pension Investment Fund (Act No. 105 of 2004; the "Act"), etc.)

Accordingly, in order to prevent GPIF from having a direct impact on the financial markets or

corporate management, the system ensures that GPIF is not possible to select individual stocks or give instructions to make specific companies as investment objectives in equity investment.

- [3] GPIF's Medium-term Plans must be based on safety and certainty, while considering the impact of the investment of pension reserve on the markets and other private sector activities, avoid concentration on any particular style of investment, and satisfy the objectives under Article 79-2 of the Employees' Pension Insurance Act, etc. (Article 20, Paragraph (2) of the Act)

The following basic approaches shall be taken into consideration in investing pension reserve funds.

- [1] As GPIF is a long-term asset owner, it shall not be too concerned with temporary fluctuations in markets including the stock market and foreign exchange markets. By holding assets for a long period of time, together with the promotion of investments in diversified assets and regions, it shall obtain the long-term and stable gains from the fruits of growth of the entire economy, including interest and dividend income.
- [2] In view of the peculiarity of GPIF having a public nature, GPIF shall give full consideration to ensure that its investment behavior as a public asset owner does not distort market price formation, private investment behavior, etc.
- [3] GPIF shall pay careful attention to the fact that it is one of the world's largest institutional investors and its investment behavior has a significant impact on the market.

GPIF shall manage and invest pension reserves in accordance with and on the basis of the provisions of the basic policy meant to ensure that the reserves are managed and invested safely and efficiently from a long-term perspective (Notification of the Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Health, Labour and Welfare No. 1 of 2014).

## **(2) Matters to be observed for management and investment of pension reserve funds**

- [1] Thorough performance of fiduciary responsibility

GPIF shall thoroughly comply with the duty of care and duty of loyalty of prudent experts.

- [2] Consideration of the impact on markets and private activities

When managing the pension reserve, GPIF shall pay close attention not to distort market price formation or private investment behavior, particularly by avoiding the concentration of rebalancing at a particular time, and also ensures to prevent itself from being subject to any excessive market impact in light of the market size.

GPIF shall take appropriate measures regarding the exercise of shareholders' voting rights, etc., while giving due consideration to the impact on corporate management, etc. and shall not select individual stocks in equity investment.

## **(3) Cooperation with other management and investment entities**

GPIF shall endeavor to provide cooperation in mutual coordination such as by providing other management and investment entities (meaning 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; the same shall apply hereinafter) with necessary information.

## **2. Establishing an organizational structure worthy of greater trust from the Japanese public**

Due to the revision of the Act in 2016, the following governance reform was made including the establishment of the Board of Governors and the Audit Committee of GPIF in October 2017.

The Board of Governors shall vote on important matters of GPIF and conduct operations such as supervising the execution of duties by its executives in line with its policies so that its executives and employees including the President and the Executive Managing Director (Management and Investment Operations) can use their expertise and discretion under their responsibility and authority and execute their duties properly. The Audit Committee shall conduct audits and other acts in necessary collaboration with the Board of Governors from the viewpoints of ensuring compliance, appropriateness of business execution procedures, risk management, etc. In addition, the President shall participate in decision-making as a member of the collegial Board of Governors, represent GPIF, and preside over GPIF's operations as stipulated by the Board of Governors. The Executive Managing Director (Management and Investment Operations) as stipulated by the Board of Governors, may attend a meeting of the Board of Governors and express its opinions about the management and investment operations.

In line with the purport of this governance reform, the Board of Governors in charge of decision-making and supervision, the Audit Committee in charge of audit, etc., and the President and other executives in charge of execution shall continue to work to ensure the better functioning of the autonomous PDCA cycle and establish an organizational structure that is more trusted by the public by appropriately sharing roles and cooperating.

In addition, GPIF shall make efforts to establish and consolidate an organizational structure in light of the purport of the governance reform by taking advantage of the accumulation of examples of the Board of Governors' judgments.

## **3. Basic investment methods and investment targets**

### **(1) Investment based on asset mix from a long-term perspective**

The pension reserve funds are invested with the aim of ensuring a long-term real return (net investment yield on the pension reserve fund less the nominal wage growth rate) of 1.7% with minimal risks, in light of the current financial situation and prospects as set forth in Article 2-4, Paragraph (1) of the Employees' Pension Insurance Act and Article 4-3, Paragraph (1) of the National Pension Act. In order to achieve this return on investment, the asset mix from a long-term perspective of management and investment of pension reserve fund (the "Policy Asset Mix") shall be established and investment shall be managed based thereon.

In doing so, GPIF shall give consideration not to distort market price formation, private investment behavior, etc.

[High Importance]

The above-mentioned matters are deemed highly important because they play a major role in stabilizing the management of pension services.

### **(2) Ensuring the achievements of the benchmark returns**

GPIF shall endeavor to ensure the achievement of the respective benchmark returns (market average returns) for the entire portfolio and individual asset classes for each fiscal year and ensure the achievement of respective benchmark returns also in the Medium-Term Objectives period.

For benchmarks, appropriate market indicators shall be used, taking into account the fact that they reflect the market, that they consist of investable securities, that details of such indicators are disclosed, etc.

[Concept of Objective Setting]

GPIF shall evaluate the investment results of GPIF by comparing the benchmark returns with the actual investment returns of GPIF. In evaluating the investment results, it should be noted that there are some factors, such as the fact that asset allocation cannot always be adjusted flexibly in view of the size of the assets to be invested.

[High Importance]

The above-mentioned matters are deemed highly important because they play a major role in ensuring efficient investment.

### **(3) Formulation and review of Reference Asset Mix**

GPIF shall, jointly with other management and investment entities, establish the reference asset mix for reserves (the “Reference Asset Mix”) that should be taken into consideration in establishing the Policy Asset Mix.

When deemed necessary, for example, if the current status and outlook for pension finance are prepared or the investment environment that was assumed at the time of formulating the Reference Asset Mix differs from reality, GPIF shall examine and correct as necessary the Reference Asset Mix jointly with other management and investment entities.

### **(4) Formulation and review of Policy Asset Mix**

The Board of Governors shall establish the portfolio allocation of the Policy Asset Mix by taking into consideration the Reference Asset Mix and in line with the investment objectives. The Policy Asset Mix shall be formulated from a long-term perspective and it shall incorporate generally recognized asset management and investment expertise as well as domestic and overseas economic trends, in light of forward-looking risk analysis.

In doing so, the downside risks of underperforming the nominal wage growth rate cannot exceed that of the portfolio comprised solely of domestic bonds, and appropriate consideration shall be given to the fact that the downside risks for equities may be larger than expected. In addition, the probability that reserves may fall shorter than originally planned shall be properly accounted for and risk scenario analysis and others shall be conducted by exercising in-depth multiple scenarios.

e

GPIF shall conduct appropriate risk management in light of market trends, and, if it is deemed necessary such as when the investment environment presumed at the time of formulation differs from reality, GPIF shall consider reviewing the Policy Asset Mix even during the Medium-Term Objectives period as necessary. If it is deemed necessary in view of the impact on the market, etc., a transitional asset mix (meaning the transitional composition of assets until the realization of the Policy Asset Mix) shall be formulated in order to smoothly make the transition to the revised Policy Asset Mix.

### **(5) Securing the liquidity for pension payout**

GPIF shall secure the liquidity (such as cash) necessary for pension payouts, etc. by taking into consideration the outlook for the pension finance and the status of revenue and expenditure.

At the same time, while giving consideration to market price formation and other factors, GPIF shall enhance the necessary functions to sell assets in a smooth manner and assure liquidity without shortages. Short-term borrowings shall also be made available.

#### **4. Diversified and sophisticated investment management**

In principle, both passive investment and active investment shall be used in making investment. GPIF shall aim to capture excess returns by engaging in active investment. However, GPIF shall make active investment on the premise that sufficient grounds which support the expectation of capturing excess returns are obtained by taking past investment results into consideration.

Benchmarks shall be examined in terms of improving investment income, and with respect to the assessment of non-traditional assets (alternative assets) that is difficult to conduct based on benchmarks, the method of assessment shall be specified based on generally accepted expertise in asset management and investment.

In introducing new investment methods and investment objectives, etc., the Board of Governors shall broadly examine the fund investment based on generally accepted expert knowledge in terms of the investment of pension funds on the premise that such introduction will benefit the insureds, and GPIF shall appropriately manage risks under the appropriate supervision by the Board of Governors.

In regard to alternative investments, based on the differences in investment methods from traditional assets and inherent risks such as marketability, profitability, individuality, transaction costs, and information disclosure status, GPIF shall endeavor to develop the system including enhancement of middle and back office functions. At the same time, GPIF shall proceed with measures after thoroughly examining factors specific to alternative assets, such as the improvement of a stable profitability of each asset and development of the market environments including the development of secondary markets. In addition, GPIF shall continually make validation in terms of risk management and securing of returns, and shall proceed with measures after fully examining the results of validation.

#### **5. Selection, assessment, and management of external asset managers, etc.**

GPIF shall proceed with measures to select and strengthen management of external asset managers, etc. In addition, GPIF shall periodically assess external asset managers, etc. and take appropriate measures such as reviewing the allocation of funds.

[High Importance]

The above-mentioned matters are deemed highly important because they play a major role in ensuring efficient investment.

#### **6. Risk management**

Regarding the pension reserve, GPIF shall invest and manage the pension reserve funds through diversified investment, and manage risks of the entire portfolio, each asset class, each external asset manager, and each custody service provider.

GPIF shall endeavor to enhance necessary functions to implement appropriate and smooth rebalancing and conduct risk management based on the composite benchmark return (the benchmark return of each asset weighted by the portfolio).

In addition, GPIF shall sophisticate portfolio risk management such as by conducting long-term risk analysis as well as forward-looking risk analysis.

The Board of Governors shall appropriately monitor the status of management of various investment risks.

[High Importance]

The above-mentioned matters are deemed highly important because they play a major role in stabilizing the management of pension services.

## **7. Activities to fulfill stewardship responsibilities and investment considering ESG**

### **(1) Activities to fulfill stewardship responsibilities**

For the purpose of investing pension reserve funds, GPIF shall further pursue activities to fulfill stewardship responsibilities, from the perspective of securing long-term returns for the benefit of the pension insureds, while paying attention to the impact on the market, etc.

GPIF shall make responses in accordance with the basic policy for fulfilling stewardship responsibilities (referring to the responsibilities of institutional investors to seek to increase mid- to long-term investment returns for customers and beneficiaries by promoting the improvement of corporate value and sustainable growth of the companies through constructive engagement based on a deep understanding of portfolio companies and their business environment, etc.) based on the principles of "Responsible Institutional Investors" - Japan's Stewardship Code (summary of expert debate sessions on Japan's Stewardship Code dated February 26, 2014).

### **(2) Investment considering ESG**

In investing pension reserves, GPIF shall promote investments that consider non-financial factors, namely ESG (environmental, social, and governance), based on the idea that sustainable growth of investments and the overall market is necessary for the long-term expansion of investment returns on the assets under management.

In doing so, GPIF shall proceed with initiatives while paying attention to the basic policy for management and investment of pension reserve funds set forth in Section 3, Paragraph 1(1), such as that the purpose is to secure long-term returns for the benefit of the insureds. In addition, GPIF shall continuously verify whether ESG investment is conducted in accordance with the basic principles required for the investment by GPIF.

## **8. Information dissemination, public relations, and ensuring transparency**

In accordance with the interests of the public, etc., GPIF shall strategically consider the ideal approach of information dissemination and public relations activities, continue to further enhance information dissemination and public relations activities not only for experts but also for the public and the media. GPIF shall also endeavor to evaluate them and understand and analyze the effectiveness thereof.

With regard to the policy for the management and investment of the pension fund and the status of investment, etc. (the role of pension reserve funds, the effect of long-term diversified investments, the status of investment according to the characteristics of GPIF that is a long-term asset manager, etc.), in order to deepen the understanding of public about the management and investment of the pension reserve fund, GPIF shall clearly explain to the public, in cooperation with the Ministry of

Health, Labour and Welfare, such as by devising disclosed documents including Annual Reports for the fiscal year to make them easier to understand.

GPIF shall disseminate information about stewardship activities and investments considering ESG in an easy-to-understand manner, in light of the fact that these initiatives are designed to ensure long-term returns.

GPIF shall disseminate information on alternative investments, such as investment methods and investment targets, in an easy-to-understand manner.

In order to secure the transparency of the management and investment of pension reserve funds by GPIF, GPIF shall publicly announce the results of investment of pension reserve funds, investment methods, management and custodian fees, process and result of selection of external asset managers, etc., names of all securities it holds (for bonds, the names of the issuers) and the total market value of the issues. Furthermore, GPIF shall publicly disclose the minutes and an outline of the proceedings promptly after the lapse of the period specified in the Ordinance of the Ministry of Health, Labour and Welfare (Ministerial Ordinance on Business Operation, Finance, Accounting and Human Resources Management of the Government Pension Investment Fund (Ordinance of the Ministry of Health, Labour and Welfare No. 60 of 2006)) in order to ensure the transparency of the deliberation by the Board of Governors.

[High Importance]

The above-mentioned matters are deemed highly important because they play a major role in ensuring public confidence in the management and investment of pension reserve funds.

## **Section 4 Matters concerning streamlining operations**

### **1. Establishment of efficient operation system**

GPIF shall review the organization and staffing of each division (including the administrative division), in line with actual circumstances. In doing so, if GPIF expands its organizational structure, including increasing its personnel, it shall proceed after thoroughly examining the necessity for such expansion, with the involvement of the Board of Governors. In addition, GPIF shall establish an efficient business operation system by appropriately conducting performance evaluation, etc. that reflect the awareness of cost savings, capabilities, and performance.

### **2. Cost savings associated with streamlining operations**

The average cost savings during the Medium-Term Objectives period shall be at least 1.24% per annum compared with the previous fiscal year, based on the fiscal 2019 level. The cost-saving target includes general administrative expenses (excluding expenses related to computer systems and personnel expenses) and operational expenses (excluding expenses related to computer systems, management and custodian fees, index fees, personnel expenses, and expenses related to short-term borrowings). Costs added or expanded to secure highly skilled human resources with expertise and for other purposes pursuant to the “Basic Policy on the Reform, etc. of Incorporated Administrative Agencies” (Cabinet Decision dated December 24, 2013; the “Basic Policy”), etc. are excluded from the cost-saving target. The additions and expansions shall be subject to the 1.24% cost-saving target from the following fiscal year.



For overall expenses, including those added or expanded, GPIF shall strengthen efforts in the PDCA cycle that ensures the proper implementation of budgets and appropriate reviews as necessary.

GPIF shall appropriately handle the personnel expenses in accordance with the policies of the government of Japan. In this regard, GPIF shall secure the necessary personnel structure so that GPIF can appropriately respond to the securing of highly skilled human resources with expertise and implementation of other measures under the Basic Policy.

In addition, GPIF shall make effort to ensure the appropriateness of the salary levels after verifying the salaries of executives and employees, including allowances, taking into account the salaries of national public servants, the salaries of private companies such as financial institutions, the business performance of GPIF, the job characteristics of staff, etc. and also publish the results of the verification and the status of the efforts. In this case, the level of remuneration for highly skilled human resources with expertise shall be addressed in accordance with Section 6, Paragraph 1.

### **3. Appropriate contracts**

In order to realize appropriate, prompt, and effective procurement through fair and transparent procurement procedures, GPIF shall steadily take measures under the “Procurement Rationalization Plan” formulated by GPIF in accordance with the “Promotion of Procurement Rationalization Measures by Incorporated Administrative Agencies” (Decision of the Minister of Internal Affairs and Communications dated May 25, 2015).

### **4. Measures for computerization of operations**

GPIF shall work on the use of IT in operations and strive to improve the efficiency of operations, such as by developing information systems that form the basis of investment.

In addition, GPIF shall appropriately develop and manage information systems in accordance with the “Basic Policy for Development and Management of Information Systems” (Decision of the Minister for Digital Transformation dated December 24, 2021) established by the Digital Agency.

## **Section 5 Matters concerning improving the financial conditions**

GPIF shall prepare a budget for the Medium-Term Plan in consideration of the matters specified in Section 4 and conduct operations under the budget.

## **Section 6 Other important matters concerning operations**

### **1. Securing, development, retention, etc. of highly skilled human resources with expertise**

GPIF shall proceed with the following initiatives from the viewpoint of securing, developing, and retaining highly skilled human resources with expertise in response to the diversified and sophisticated investment while paying special attention to the fact that GPIF mainly entrusts the investment of pension funds to external asset managers and aims to establish an efficient operation system.

GPIF shall secure highly skilled human resources with expertise by clarifying the area of operations requiring highly skilled professionals and developing an environment for accepting such human resources, as well as aim to assign and retain human resources in a timely and appropriate manner.

GPIF aims to improve the operational capabilities of GPIF staff members by providing training, etc. utilizing highly skilled human resources with expertise.

GPIF shall formulate a policy for securing and developing human resources to strategically secure and develop human resources who respond to diversification and sophistication of investment and sophistication of investment risk management, etc.

The appropriateness of level of remuneration for highly skilled human resources with expertise shall be clearly explained to the public by making the remuneration system performance-based and comparing it with the level of remuneration for human resources with similar skills in the private sector.

## **2. Research**

### **(1) Enhancement of research and studies**

Under the Act, research and studies pertaining to the management and investment of pension reserve funds are regarded as incidental duties. GPIF shall perform the research and studies based on the purpose of investment of pension reserve funds that is “for the sole benefit of the insureds.”

GPIF shall strive to develop systems that enable the expansion of research within GPIF by utilizing highly skilled human resources with expertise. Then, GPIF shall accumulate know-how obtained through research, and safely and efficiently manage and invest pension reserve funds in the future.

GPIF shall enhance its efforts for the PDCA cycle related to setting of research themes, evaluation of research results, utilization of research results in operations, etc. fully taking into account the legal status and purpose of research and studies, including verification of cost-effectiveness.

### **(2) Information management for research and studies**

When conducting research and studies that lead to specific investment methods jointly with or through entrustment to another researcher, GPIF shall thoroughly take measures against information leakage, such as by establishing a mechanism for GPIF itself to verify the status of observance of confidentiality obligations by the co-researcher or contract research institution, in addition to the measures currently taken to impose confidentiality obligations in an agreement.

## **3. Strengthening the system to further strengthen internal control**

GPIF shall continue to strive to further strengthen the system of internal control, etc. based on the “Basic Policies of Internal Control” established by the Board of Governors. In addition, GPIF shall ensure the operation of the matters specified in the Operation Statement in accordance with the “Notice on Development of Systems to Ensure Proper Operations of Incorporated Administrative Agencies” (Notice of the Director-General of the Administrative Management Bureau, Ministry of Internal Affairs and Communications dated November 28, 2014). Regarding investment and management of the pension reserves, GPIF strives to improve its expertise, clarify the system of accountability, and ensure that all persons involved in the investment of pension reserve funds comply with laws and regulations, and adhere to the duty of care and duty of loyalty of a prudent expert.

Further, in order to grasp internal control issues and secure further public trust, GPIF shall further strengthen the risk management system in response to diversified and sophisticated investment management and the internal control system to appropriately ensure compliance with laws, regulations, etc.

GPIF shall also take appropriate measures for the re-employment of executives and employees so that the operations of GPIF are not suspected of having an inappropriate relationship with external asset managers, etc.

#### **4. Strengthening governance by strengthening the functions of the Audit Committee**

The Audit Committee shall audit the operations of GPIF, and as stipulated by the Board of Governors, monitor the status of implementation of the management and investment operations. In addition, the Audit Committee members are obliged to report to the President, the Board of Governors, and the Minister of Health, Labour and Welfare if they recognize any wrongful acts by executives. In view of the importance of the duties of the Audit Committee, etc. as described above, GPIF shall develop systems necessary for the execution of the duties of the Audit Committee in accordance with the Act and other relevant laws and regulations, and improve the effectiveness of the Audit Committee such as by enhancing its functions, etc. in accordance with the Basic Policy.

#### **5. Information security measures**

GPIF shall strictly take information security measures based on the Information Security Management Rules, evaluate the effectiveness of information security measures taken by GPIF, and confirm that the measures are functioning sufficiently on a daily basis.

In addition, GPIF shall by itself evaluate the effectiveness of the information management system of not only the executives and employees of GPIF but also the related institutions such as external asset managers outside GPIF.