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This article outlines the various origins of ESG investing and their historical context pre- and post-PRI. With that in mind, major approaches to ESG investing taken by institutional investors are classified by type, i.e. ESG compliant, ESG aware, and ESG change. The author describes them including concepts, performance convictions, and actual operation.

ESG Investment and Corporate Value	<i>Tomonori Ito</i>	18
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Creating shared value (CSV) has become popular in Japan, but not many companies have succeeded in achieving it (i.e. creating social and economic value simultaneously). In the current world, CSV is a new way of creating competitive advantage. But, since it takes time for the creation of social value to lead to the creation of economic value, it is vital that capital markets support CSV activities. An integrative approach in combining analysis of ESG factors and corporate competitive analysis is the way to make ESG investments successful.

ESG Indexes and Passive Investment	<i>Seiichiro Uchi</i>	30
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Because GPIF started investing in ESG indexes this summer, it is anticipated that ESG investment will grow in Japan. The article introduces two ESG indexes that GPIF is using and explains the purposes of these indexes including their announcement effect. The article also discusses examples of ESG integration in active management. Based on these discussions, the article finally discusses the growing number of value-added indexes and their impact on the passive/active management debate going forward.

Promoting ESG Activities through Engagement

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ESG has become more recognized in the Japanese market since GPIF signed up to

PRI. However, it seems that few companies and investors truly understand the importance of ESG and implement ESG activities. In this paper, we introduce our activities to encourage companies to tackle important ESG issues for the growth of corporate value in the long term.

32nd SAAJ Annual Conference: Crisis of Globalism: *Response of Corporations and Analysts*

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A Comparative Study of Credit Risk Models Focusing on Crisis: The predictive accuracy of the hazard model	<i>Takahiro Kitajima</i>	83
<p>This paper aims to clarify whether the hazard model that uses both accounting and market information is superior to models that are only either accounting based or market based in predicting corporate bankruptcies, focusing on periods when the number of bankruptcies of listed companies rapidly increased. The results show that the superiority of the hazard model varies greatly over time and that its predictive accuracy is higher than that of accounting- and market-based models during periods of rapid bankruptcy increase. Moreover, we find that the ratios of total liabilities to total assets and retained earnings to total liabilities and owners' equity are important variables for estimating a firm's credit risk during a crisis.</p>		
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