

sustainable japan

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ESG investing gains ever more momentum in Japan

ESG Talk

TOMOKO KAICHI
CONTRIBUTING WRITER

While working for the Ministry of Finance, Hideki Takada launched the Green Finance Network Japan in September 2018. Starting with just a few members, the group's activities grew fast as interest in green finance and ESG (environmental, social and governance) investing grew.

It now includes over 250 members from more than 130 private and public entities, including central government bodies such as the Ministry of Finance, the Financial Services Agency and the Ministry of the Environment as well as financial institutions, institutional investors and businesses.

"Green finance" refers to efforts to promote financing or investing activities aimed at realizing sustainable economies and societies. Although the GFNJ is often discussed today, at the time it was launched there were few frameworks giving people in the public and private sectors, or those in Japan and abroad, opportunities to work together, according to Takada.

Determined to create such a framework, Takada, who also has been involved in green finance at the Organisation for Eco-

nomics Co-operation and Development's secretariat since 2015, started to seek potential members to form what would become GFNJ. He successfully brought on board the leading figure in green finance in Japan, Takejiro Sueyoshi, and his former boss at the OECD, Rintaro Tamaki, a former vice minister of finance for international affairs.

GFNJ spreads the word

GFNJ is an "informal gathering" of people committed to the cause who participate "in their capacity as a private person," according to Takada. Exchanging information between members and organizing events are the main activities of the group. Symposiums it organized in 2018 and 2019 each attracted about 200 participants. Environment Minister Shinjiro Koizumi sent a video message to another symposium in 2020, which was held online amid the coronavirus pandemic.

GFNJ has worked with stakeholders around the world. In 2019, for example, it helped organize an event cosponsored by the Tokyo Metropolitan Government and the British Embassy in Japan. It also cosponsored a seminar with the Climate Bonds Initiative.

In Japan, "there are increasing moves among institutional investors, such as pension funds, to promote ESG investing," according to Takada. This has been driven by a 2020 revision to the basic policy for pension reserves making it "mandatory, in a sense, (for public pension funds) to commit to ESG investing," Takada said.

The Finance Ministry has called on the Federation of National Public Service Personnel Mutual Aid Associations, also known as KKR, to commit to ESG investing. KKR has said it will ask all its asset managers to weigh ESG factors in investment decisions and will study the possibility of becoming a signatory of the U.N.-supported Principles for Responsible Investment (PRI). The federation also said it will start preparing to endorse the infor-



Hideki Takada, secretary general, Green Finance Network Japan HIROMICHI MATONO

mation disclosure recommended by the Task Force on Climate-related Financial Disclosures (TCFD). "If the asset owner (KKR) takes action, it can create a chance for Japan's investment chain (flow of money) to change," Takada said. "In particular, moves by a public pension fund have a strong potential to influence the market."

'Awareness shift' in 2015

Takada said there was an "awareness shift" in the world in 2015 in which financial authorities and institutions started to consider climate change as an economic issue.

In September of that year, Mark Carney, at the time the governor of the Bank of

England and chairman of the Financial Stability Board, warned about the risk posed by climate change to financial markets in a speech to financial industry insiders, and the United Nations adopted the Sustainable Development Goals (SDGs).

In December, the Financial Stability Board established the TCFD, and the Paris Agreement was reached at the 21st Conference of the Parties to the U.N. Framework Convention on Climate Change (COP21).

At the finance track of the Group of 20 in 2016, host country China set up the Green Finance Study Group. This has "left no choice" for financial and monetary authorities — as well as central banks, which had

not been directly involved in environmental and climate issues — but to be involved in discussion of these issues, Takada said.

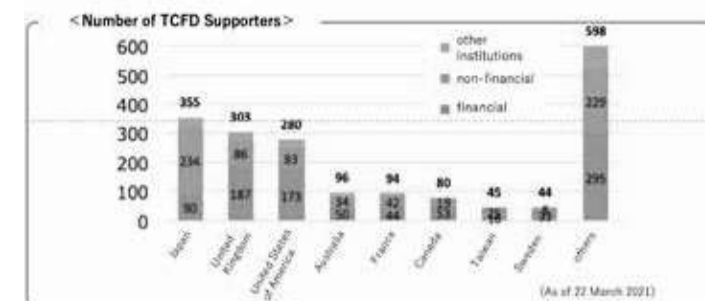
Moves to regard climate change as an economic and financial issue have gained momentum in the past few years. The information disclosure recommended by the TCFD had been endorsed by over 1,700 entities around the world by the end of January. Notably, the number of such entities in Japan was the largest, totaling over 300. The European Union has been working to develop a "sustainable finance market" and in 2020 announced the "taxonomy," a classification system to determine whether an economic activity is environmentally sustainable.

The rest of the world now faces the difficult choice of whether to follow the EU, which leads the way in introducing regulatory systems, or create their own standards, according to Takada.

Japan's potential

Japan is host to financial assets whose total size is one of the world's largest and has a mature financial market, but the country was undeniably behind Europe and the United States in terms of green finance awareness and commitment. But this may also mean the country's significant potential has yet to materialize.

In 2015, when the Japanese Government Pension Investment Fund, one of the world's largest pension funds, became a signatory to the Principles for Responsible Investment, the news was perceived by people involved in promoting green finance around the world as "the first step taken by the sleeping lion (Japan) that has



Number of TCFD Supporters per country and industry, as of 22 March 2021. MINISTRY OF ECONOMY, TRADE, AND INDUSTRY

been awakened," Takada said. After this, there were few notable moves until 2017, when new initiatives began to emerge. The Tokyo Metropolitan Government issued green bonds, becoming the first Japanese local government to do so. Japan's Financial Services Agency joined the network of central banks and financial authorities around the world in 2018, followed by the Bank of Japan in 2019.

"The Japanese are not good at taking the first step, but we have the potential to change quickly, like an avalanche, once we start to move," Takada said. "In Japan, developments in the green finance market have happened quickly in the past few years compared to the global standards."

In late 2020, Prime Minister Yoshihide Suga said Japan aims to become a carbon-neutral society by 2050, and this policy speech may give momentum to policies to promote green finance.

A major question for the global community ahead of the 26th U.N. Climate Change Conference of the Parties (COP26) in November is "whether Japan can present a persuasive goal and drive forward discussions about it," Takada said.

The ESG Talk series are interviews to business leaders who are active proponents of ESG investing and practices in Japan.



ESG Talk interviews are held at The Japan Times offices and hosted by its chairperson and president, Minako Suematsu. HIROMICHI MATONO

Monthly Times Gallery



Indonesian Foreign Minister Retno Marsudi and Defense Minister Prabowo Subianto with Japanese Foreign Minister Toshimitsu Motegi and Defense Minister Nobuo Kishi at their meeting in Tokyo on March 30. EMBASSY OF INDONESIA



Reception at the Tunisian Embassy. From left: Mutsuo Iwai, deputy chairman of the board of Japan Tobacco; Mohamed Eloumi, ambassador of Tunisia; Seiji Tanabe, CEO of Fuji Imvac, Inc.; and Tomoo Nakayama, chairman and director of TTC-AeroLeasing, Inc. EMBASSY OF TUNISIA



Serbian evening event at the Serbian Embassy with representatives of Top Connect Co., Makoto Investments Ltd. and embassy's staff. EMBASSY OF SERBIA



Argentine Ambassador Guillermo Hunt met with the chairperson and president of The Japan Times, Minako Suematsu, to discuss ways of cooperation on March 30. MARIANGELES DEJEA



On the occasion of the 100th anniversary of friendship between Latvia and Japan, on April 6, Ambassador of Latvia Dace Treija-Masi opened a photo exhibition by Latvian photographer Andris Zegners called "Secrets of Amber" at Bunkyo Gakuin University. EMBASSY OF LATVIA



Kosovo Charge d'Affaires ad interim Arber Mehmeti has his photo taken for the free magazine Lunch Map published by the production committee Come-on-Toranomon at the company Goo Choki Partners. TETSUHIITO ISHIHARA



Colombian Ambassador Santiago Pardo with officials of the commercial section of the embassy and executives from Yokohama Reito Hestia. COLOMBIA



Art collective team-Lab brings two new artworks of flame to the body immersive museum teamLab Planets Tokyo in Toyosu; Universe of fire particles falling from the sky. TEAMLAB

Dancing the cycle of birth and death at Kiyomizu Temple

Satoyama ~ Authentic Japan

ERI KARATSU
DANCE BASE YOKOHAMA, ARTISTIC DIRECTOR

On March 11, 2021 — exactly 10 years after the Great East Japan Earthquake and a year after the day when the World Health Organization declared COVID-19 a pandemic — "Re:Incarnation," a performance offering by young Japanese creators, took place at Kiyomizu Temple in Kyoto. Mirai Moriyama, who has been involved in the creation of numerous works around the world, led the performance as the general director.

It was 6:30 in the evening and the temple was already in twilight. A small audience of approximately 20 people walked through the temple's mountainside grounds, led by a guide. Paper lanterns were lined up about a meter apart along the long narrow staircase, dimly lighting our footsteps. Proceeding a little further, a figure dressed in a white costume appeared on the opposite side of a stream. Faint sound from the speakers (designed by Jukan Tateisi) overlapped with the natural sounds of the wind and trees, as well as Moriyama's voice reading a text. Proceeding to the next area, another man dressed in the same costume was crouched down and nestled close to a round rock. His body, inhabiting the darkness, twisted as if attempting to have a dialogue with nature, which changed the mood of the place. Along with Moriyama, nouseskou and Daisuke Oniya partook as performers. They were dressed in the same costume, designed by Tamae Hirokawa, but with their faces covered by masks, anonymity was maintained throughout the performance.

As such, the stage of Kiyomizu was indeed a place suited for conducting a rite that connects this life with the afterlife. Moriyama stood tall in the middle of the stage, took a deep breath, then sat down to slowly move in all directions in a ritualistic manner, gradually drawing a circle with growingly intense movements. Finally, when he took his mask and costume off, Moriyama appeared as himself, as a human being. Could this be signifying the return to life after reincarnation, or yet another death? Flowing lines in fluorescent green that appeared over his collapsing or reviving body became the very symbol connecting the past and the future, as if representing a soul that had gone through repeated reincarnations.



Mirai Moriyama performs an offering on the stage of Kiyomizu Temple. PERROTIN / KENRYOU GU

For this Kiyomizu Temple project, Moriyama collected physical movements and sounds representative of eight selected locations in Kyoto where he felt energies, which were then remapped to eight locations within the temple, envisioning a new physical map. Moreover, the performance was inspired by traditional kusōzu paintings depicting the nine stages of the decay of a corpse. Upon learning this inspiration and having walked around the temple grounds, it seemed as if the performers' bodies that metamorphosed into butoh dancers began to overlap with decaying corpses from kusōzu paintings. After visiting the eight locations within the temple grounds, including the garden, the figures of arhats and the West Gate, Moriyama's body was finally enshrined as an offering at the stage of Kiyomizu. Toribeno, the district surrounding Kiyomizu Temple, is one of the three major funeral sites in Kyoto. During the Heian Period, when commoners who died of plague or famine were not allowed to build graves, they were laid to rest by aerial burial that returned their bodies to nature. The stage of Kiyomizu, a ledge extending over the cliff overlooking Toribeno, was built for the purpose of dumping those commoners' corpses into the valley beneath the stage. It is said that Kiyomizu Temple was built to mourn the many dead who were buried there.

As such, the stage of Kiyomizu was indeed a place suited for conducting a rite that connects this life with the afterlife. Moriyama stood tall in the middle of the stage, took a deep breath, then sat down to slowly move in all directions in a ritualistic manner, gradually drawing a circle with growingly intense movements. Finally, when he took his mask and costume off, Moriyama appeared as himself, as a human being. Could this be signifying the return to life after reincarnation, or yet another death? Flowing lines in fluorescent green that appeared over his collapsing or reviving body became the very symbol connecting the past and the future, as if representing a soul that had gone through repeated reincarnations.

There are two important points to be addressed regarding this project. First, despite Moriyama's interest in the primordially of the body that within the cycle of life coexists with nature before the "body that is seen," he has also taken layers of historical and anthropological approaches,



A performance at the West Gate of Kiyomizu Temple, one of the dance's eight locations. PERROTIN / KENRYOU GU

along with geographical and climatic research, which were then melded to create a strong contemporary work. Second, the reconsideration of the personal relationship between the subject and the audience must be mentioned. The experience of immersing oneself in nature, outdoors or in the darkness, opens up our *umwelt*, which had been closed off by the modern world. Coincidentally taking place at a time when live performances were restricted due to COVID-19, this experience reawakened our bodily senses, invited us to experience the heightening of our five senses and reminded us of the lack of the special communication that can only be achieved through live performances.

Ruminating on the cycle of birth and death, and reconsidering the nature of life, are exactly the way of life for dancers, who since ancient times have been connecting lives through the dedication of their bodies. The performance, which showed us the determination and strong will of Moriyama and some of the best Japanese creators, was released from Kiyomizu into the darkness of the universe, as a prayer for the world.

"Sustainable Japan," features issues related to the environment and a sustainable society. For more information, see <https://sustainable.japantimes.com/satoyama>

