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Final Report on the Results of the Public Consultation
on the Market Functioning Survey
concerning Climate Change

March 2022

Financial Markets Department

Bank of Japan

I. Introduction

The Bank of Japan published the Public Consultation on the Market Functioning Survey concerning Climate Change (the "Public Consultation Paper") in December 2021 and solicited comments on the Market Functioning Survey concerning Climate Change (the "Survey"), including the survey topics.

The Bank received valuable comments from a total of 45 entities from Japan and abroad, including institutional investors, financial institutions, business corporates, rating agencies, and think tanks. The Bank is appreciative of all the comments it received.

Overview of Respondents¹

Institutional investors	Financial institutions	Business corporates	Rating agencies & think tanks	Others	Total
20	13	4	4	4	45

This report summarizes the results of the public consultation and explains the Bank's plan going forward.

II. Results of the Public Consultation

A. Overview

In the Public Consultation Paper, the Bank made proposals on the following three items and asked respondents whether they agree or disagree with the Bank's proposals and why.

¹ "Institutional investors" includes asset owners, asset management firms, and investment advisory firms. "Financial institutions" includes city banks, regional banks, and central organizations of financial cooperatives. "Others" includes industry associations, foreign central banks, and other entities.

Items Subject to Public Comments

1. Survey topics (questions and options for answers included in the Attachment of the Public Consultation Paper)
2. Frequency of the survey (the Bank plans to conduct the survey annually, with a view to assessing the functioning of Japanese financial markets and identifying associated challenges continuously)
3. Scope of survey respondents (to make the survey comprehensive, the Bank plans to include issuers and other entities in the scope of respondents in addition to investors and financial institutions in Japan)

The Bank received many comments supporting its proposals for all items. Also, a number of beneficial comments and suggestions were provided by respondents with regard to the survey topics. They included revising the questions, adding new questions, revising and adding answer choices, and changing the answering method.

Opinions of Respondents on the Bank's Proposals

1. Survey Topics

a. Market Functioning

Agree	Disagree	Did not answer	Total
37	5	3	45

b. Purposes of Issuance of/Investment in Climate Change-related ESG Bonds

(For Issuers)

Agree	Disagree	Did not answer	Total
33	3	9	45

(For Investors)

Agree	Disagree	Did not answer	Total
37	1	7	45

c. For the Development of the Markets

Agree	Disagree	Did not answer	Total
39	1	5	45

2. Frequency of the Survey

Agree	Disagree	Did not answer	Total
39	3	3	45

3. Scope of Survey Respondents

Agree	Disagree	Did not answer	Total
42	0	3	45

The following section presents comments and suggestions provided by the respondents in the public consultation by item, together with the Bank's views and responses to them.

B. Individual Items

1. Survey Topics

a. Market Functioning

Regarding the market functioning, the Bank proposed a total of ten questions to survey the following:

- i. How climate-related risks and opportunities are reflected in the prices of financial instruments in the stock market and the corporate bond market in Japan and associated challenges; and
- ii. The current situation and challenges concerning the climate change-related ESG bond market in Japan.

The outline of the questions gained wide support in the public consultation. The Bank received opinions such as "[b]roadly collecting market participants' impressions and perceptions is meaningful to evaluate the market functioning" and "[g]rasping the overall

trend through the survey is useful since there is no consensus on how climate-related risks and opportunities are reflected in the prices of financial instruments."

On the other hand, some respondents suggested revising the questions, adding answer choices, and changing the answering method. The main suggestions included the following.

(1) Comments and Suggestions regarding the Survey Questions

Comments Received in the Public Consultation

(Questions 1 and 5)

- a. The questions would be simpler if they ask whether respondents think climate-related risks and opportunities are reflected in the stock prices and corporate bond prices of issuers, rather than asking how the "differences" in climate-related risks and opportunities are reflected.

(Questions 2 and 6)

- b. Since "more appropriately" could be interpreted in many ways, it may be better to change the wording of the questions asking whether climate-related risks and opportunities are reflected "more" in the stock prices and corporate bond prices compared to a year ago.

(Questions 3 and 7)

- c. The word "appropriately" should be deleted as it is difficult to judge the appropriateness of how climate-related risks and opportunities are reflected in the prices of financial instruments.

(The Bank's View and Response)

Since the above suggestions (a, b, and c) would make the survey questions simpler and/or more objective, the Bank decided to reflect them in the relevant questions (Questions 1 to 3 and 5 to 7).

(2) Comments and Suggestions regarding the Answer Choices for the Survey Questions

Comments Received in the Public Consultation

(Questions 1, 2, 5, and 6)

- a. With only three answer choices, it is likely that many respondents would choose the one in middle (i.e., "somewhat yes"). Accordingly, it may be better to increase the answer choices by adding "somewhat no," for instance.
- b. A more detailed distribution could be derived if there are more answer choices.

(Questions 3 and 7)

- c. There may be respondents that believe both climate-related risks and opportunities are reflected in the prices of financial instruments. Therefore, "None (Climate-related risks and opportunities are reflected in the stock prices/corporate bond prices)" should be added to the answer choices.
- d. "Physical risks" and "transition risks" both include many kinds of risks. As such, it may be better to prepare more detailed answer choices in line with the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

(Questions 4, 8, and 10)

- e. The questions regarding challenges in the market will provide useful results if they ask respondents to rank their answers from first to third.
- f. Some investors investing in climate change-related ESG bonds emphasize the environmental effects of projects in which they invest (i.e., 'impacts'). Hence, there should be an answer choice concerning 'impacts.'
- g. Accelerating the integration of issuers' ESG evaluations into their credit ratings is important to reflect climate-related risks in the prices of corporate bonds and climate-related ESG bonds. It is desirable to include this point in the answer choices.

(Question 9)

- h. The answer choice of the question on supply and demand conditions of climate change-related ESG bonds can be made more objective by using the phrase of "more or less balanced" instead of "more or less appropriate."

(The Bank's View and Response)

(Regarding a and b)

For Questions 1, 2, 5, and 6, the Bank decided to increase the number of answer choices from three to four by adding "somewhat no," as it received many comments and suggestions for increasing the number of answer choices. An increase in the number of answer choices could lead to a higher burden on respondents in general. However, the Bank judged that adding another answer choice in this case will bring benefits to users of the survey with a limited additional burden on respondents.

(Regarding c and d)

In Questions 3 and 7, the answer choice of "None (Climate-related risks and opportunities are reflected in the stock prices/corporate bond prices)" will be added reflecting the comments and suggestions received in the public consultation.

On the other hand, to avoid increasing the burden on respondents, the idea of increasing the number of answer choices in line with the TCFD recommendations will be deferred.

(Regarding e to g)

In Questions 4, 8, and 10, a "partial ranking method" (i.e., asking survey respondents to rank their three most important issues from first to third in this case) will be applied, reflecting the comments and suggestions received in the public consultation. While a "full ranking method" (i.e., asking survey respondents to rank all answer choices from most important to least important) would impose a high burden on respondents in general, applying a "partial ranking method" alleviates that burden. 'Impacts' and the relationship of ESG evaluations and credit ratings will also be added in the existing answer choices, given their importance.

(Regarding h)

In Question 9, the relevant answer choice will be revised from "more or less appropriate" to "more or less balanced" in light of the suggestions.

b. Purposes of Issuance of/Investment in Climate Change-related ESG Bonds

Regarding the purposes of issuance of/investment in climate change-related ESG bonds, the Bank proposed four questions each to issuers and investors to survey the use of climate change-related ESG bonds by issuers and investors in Japan and associated challenges.

The outline of the questions gained wide support in the public consultation. The Bank received opinions such as "[t]he survey will promote mutual understanding of issuers and investors by asking them different sets of questions."

On the other hand, some respondents suggested adding questions and answer choices. The main suggestions included the following.

(1) Comments and Suggestions regarding the Survey Questions

Comments Received in the Public Consultation

[For both Issuers and Investors]

- a. In addition to issuing and investing in climate change-related ESG bonds in Japan in the past 12 months, it would be desirable to ask the respondents in the survey about their past issuance and investment.
- b. With regard to the respondents' plans on changing how they issue and invest in climate change-related ESG bonds in Japan, they should be asked why they plan to increase or decrease their issuance and investment.

(The Bank's View and Response)

The Bank decided to add questions regarding the respondents' past issuance and investment in climate change-related ESG bonds in Japan mentioned in a., as that information would make it possible to analyze the results of other questions in detail.

On the other hand, the Bank decided to defer asking the reasons behind the respondents' plans to increase or decrease their issuance and investment in climate change-related ESG bonds in Japan mentioned in b. in the first round of the survey. While that information would be useful for the survey users, specific questions on future plans generally impose a high burden on respondents. The Bank will reconsider the necessity as it continues the survey.

Moreover, some respondents commented that using the same question numbers to questions for both issuers and investors is confusing. The Bank will replace the question numbers with sequential numbers. Also, the Bank will clarify that "the past 12 months" mentioned in the survey means the period "from April 2021 to March 2022" and "going forward" means the period "from April 2022 to March 2023" in the first survey.

(2) Comments and Suggestions regarding the Answer Choices for the Survey Questions

Comments Received in the Public Consultation

[For Issuers]

(Question 12-b)

- a. Currently, there may be a number of firms that are not yet considering issuing ESG bonds as they do not have enough expertise. Therefore, an answer choice about not having enough expertise on the issuance of ESG bonds should be added to the answer choices for not choosing to issue climate change-related ESG bonds.

[For Investors]

(Question 12-a)

- b. When investing in climate change-related ESG bonds, investors often aim to promote their engagement with the issuers through the investment. Hence, "to promote the entity's engagement with the issuers" should be added to the answer choices for choosing to invest in climate change-related ESG bonds.

(Question 12-b)

- c. Concerns over 'greenwashing' could be a reason some investors decide not to invest in climate change-related ESG bonds. Accordingly, concerns over 'greenwashing' should be included in the answer choices for not investing in climate change-related ESG bonds.

(The Bank's View and Response)

Taking into account above comments and suggestions, additional answer choices will be

added to the relevant questions, as suggested in a. and b. above. The Bank will also clarify that the proposed answer choice of "[t]here is not enough information to make investment decisions" also includes concerns over greenwashing mentioned in c. above.

c. For the Development of the Markets

The vast majority of respondents supported the Bank's proposal to collect opinions on what is needed for Japanese financial markets to develop further to contribute to addressing climate change in a descriptive format.

Comments Received in the Public Consultation

- a. There are a number of issues with regard to the development of financial markets concerning climate change. Since this is an open question, it is appropriate to ask respondents to provide their answers in a descriptive manner.
- b. This question will help collect the opinions of both issuers and investors about necessary actions for the development of financial markets.
- c. Discussions about how financial markets should function to address climate change-related issues are just beginning, so it is necessary to get opinions from a range of investors and issuers.

(The Bank's View and Response)

For this part, the question will be unchanged from the Public Consultation Paper considering the comments received.

2. Frequency of the Survey

With regard to the frequency of the survey, many respondents supported the Bank's proposal to continue conducting the survey annually. That said, some respondents suggested conducting the survey semiannually, quarterly, or triennially.

Comments Received in the Public Consultation

[About Continuing the Survey]

- a. It is important that the central bank conducts surveys like this from a neutral

standpoint and publishes the results continuously.

- b. The survey should be conducted continuously to ascertain the actual state of the financial markets.

[About Conducting the Survey Annually]

- c. Survey topics are not of a nature that would change frequently in a short period. It is reasonable to conduct the survey annually, taking into account the frequency of information disclosure and revision of ESG policies by firms and institutional investors.
- d. An annual survey would not be too much of a burden to respond.
- e. Efforts concerning ESG issues will evolve rapidly. To keep up with firms' efforts, it might be an idea to conduct the survey more frequently (e.g., semi-annually or quarterly).
- f. It would be appropriate to conduct the survey once in three years.

(The Bank's View and Response)

The functioning of financial markets related to climate change issues and associated challenges is expected to change as various domestic and international measures make progress and the external environment changes. The Bank therefore believes that continuously collecting and analyzing the views of market participants is important.

Taking into account the comments received, the Bank will continue to conduct the survey annually. The frequency of the survey will be reviewed as necessary, in light of the situation of the markets related to climate change and the burden on survey respondents.

3. Scope of Survey Respondents

Regarding the scope of survey respondents, all of the comments received supported the Bank's proposal to include issuers and other entities such as rating agencies in the scope of respondents in addition to investors and financial institutions in Japan.

Comments Received in the Public Consultation

- a. Including a wide range of entities in the survey respondents will contribute to understanding the actual situation more accurately and identifying issues.
- b. For the development of financial markets, it is necessary to understand how both the investor/financial institution side and the issuer side consider and recognize issues. Including only one of them would be insufficient.
- c. A survey that provides investors and issuers with an opportunity to think at the same level is meaningful. The gap between their recognition will be understood by including the both sides in the survey.
- d. Conducting a comprehensive survey would be valuable, with a view to overcoming the lack of communication among market participants.

(The Bank's View and Response)

As a wide range of different stakeholders are involved in financial markets concerning climate change, broadly collecting and analyzing the views of those stakeholders is essential to appropriately assess market functioning and identifying challenges.

Taking into account the comments received, the Bank will cover a broad set of market participants in the survey including institutional investors, financial institutions, business corporates, and rating agencies.

C. Other Comments

Besides the comments and suggestions presented above, the Bank also received comments and suggestions that generally apply to the survey. The main comments and suggestions included the following.

Comments Received in the Public Consultation

[Regarding the Aggregation and Publication of the Survey Results]

- a. To enhance the understanding of market participants on the situation of financial markets concerning climate change and promote their responses to climate change-related issues, it is desirable to publish the survey results by the issuer side and the

investor side, and by sector, in addition to the overall results.

[Regarding the Survey Topics]

- b. With regard to climate change-related ESG bonds, it would be useful to obtain more detailed information on issuance of and/or investment in climate change-related ESG bonds abroad by Japanese issuers and investors in considering the development of financial markets.
- c. Adding questions on stock investment that take into consideration the viewpoint of climate change, in addition to those on ESG bonds, is desirable.

[Regarding the Format of the Survey]

- d. An online format is preferable to a file format for answering the survey.

(The Bank's View and Response)

The Bank will consider options for the aggregation and the publication of results taking into account the comments received.

On the survey topics, the Bank will continue to consider if there is any room for adding new questions and revising the existing questions, giving due consideration to the burden on the respondents.

The first round of the survey will be conducted in a file format. However, the Bank will consider a format that will be easier to respond to as its future task.

III. The Plan Going Forward

Based on the above, the survey will be revised as shown in the Attachment and will be conducted annually. The first round of the survey will be conducted in fiscal 2022, as soon as the necessary preparations have been completed.

The Bank received many comments and suggestions in the public consultation. While it was unable to reflect all of them mainly giving due consideration to the burden on respondents, all of the comments and suggestions were valuable. They will be also utilized in planning the next rounds of the survey. The Bank is grateful to every respondent for their valuable comments.

In the public consultation, the proposal of including a broad set of market participants in the survey was particularly favored by a great number of respondents. In this regard, the Bank decided to ask for support from the TCFD Consortium (Chair: Kunio ITO, Director of Hitotsubashi CFO Education and Research Center), in which many entities including business corporates, investors, and financial institutions that are highly interested in climate change-related issues participate.

(Attachment)

Entity	
Entity Information (Type/Sector)	
Division/Department	
Name	
Telephone number	

Market Functioning Survey concerning Climate Change

(FY 2022 Survey)

This survey aims to deepen understanding on the current situation in Japanese financial markets and challenges for enhancing market functioning concerning climate change through continued study. Submitted responses will be aggregated and published as results for all of the respondents and results that are categorized based on entity information. It will not be possible to identify the entities of specific respondents from the results. Your honest responses are therefore greatly appreciated.

1. Market Functioning (All Respondents)

(1) Stock Market

Question 1

Do you think risks and opportunities brought about by climate change (hereafter, climate-related risks and opportunities) are reflected in the stock prices of issuers in the Japanese stock market?

- Yes (Reflected)
- Somewhat yes (Somewhat reflected)
- Somewhat no (Not reflected much)
- No (Not reflected)

Question 2

Compared to a year ago, do you think climate-related risks and opportunities are reflected more in the stock prices of issuers in the Japanese stock market?

- Yes
- Somewhat yes
- Somewhat no
- No

Question 3

Are there any climate-related risks and/or opportunities that you think are not reflected in the stock prices of issuers?

(Choose all that apply, unless you choose (4))

- (1) Climate-related risks (Physical risks¹)
- (2) Climate-related risks (Transition risks²)
- (3) Climate-related opportunities³
- (4) None (Climate-related risks and opportunities are reflected in the stock prices)

Question 4

Which of the following do you think are necessary to reflect climate-related risks and opportunities more in the stock prices of issuers in the Japanese stock market in future?

(Choose three answers that are most important to your entity and rank them from first to third)

- Increasing investors and/or issuers that place a high value on climate-related risks and opportunities
- Bridging data gaps on climate-related data
- Enhancing and/or standardizing information disclosure
- Further developing analysis methodologies for climate-related risks, climate-related opportunities, and 'impacts'
- Improving transparency in ESG evaluation (e.g., more transparency in evaluation methodologies and clarifying the relationship with credit ratings)
- Promoting engagement and enhancing dialogues
- Clarifying policy measures for climate change
- Other (please explain: _____)

(2) Corporate Bond Market

Question 5

Do you think climate-related risks and opportunities are reflected in the corporate bond prices of issuers in the Japanese corporate bond market?

- Yes (Reflected)
- Somewhat yes (Somewhat reflected)
- Somewhat no (Not reflected much)
- No (Not reflected)

Question 6

Compared to a year ago, do you think climate-related risks and opportunities are reflected more in the corporate bond prices of issuers in the Japanese corporate bond market?

- Yes
- Somewhat yes
- Somewhat no
- No

Question 7

Are there any climate-related risks and/or opportunities that you think are not reflected in the corporate bond prices of issuers?

(Choose all that apply, unless you choose (4))

- (1) Climate-related risks (Physical risks¹)
- (2) Climate-related risks (Transition risks²)
- (3) Climate-related opportunities³
- (4) None (Climate-related risks and opportunities are reflected in the corporate bond prices)

Question 8

Which of the following do you think are necessary to reflect climate-related risks and opportunities more in the corporate bond prices of issuers in the Japanese corporate bond market in future?

(Choose three answers that are most important to your entity and rank them from first to third)

- Increasing investors and/or issuers that place a high value on climate-related risks and opportunities
- Bridging data gaps on climate-related data
- Enhancing and/or standardizing information disclosure
- Further developing analysis methodologies for climate-related risks, climate-related opportunities, and 'impacts'
- Improving transparency in ESG evaluation (e.g., more transparency in evaluation methodologies and clarifying the relationship with credit ratings)
- Promoting engagement and enhancing dialogues
- Clarifying policy measures for climate change
- Other (please explain: _____)

Question 9

Which of the following is the closest to your entity's view/impression about the supply and demand conditions of climate change-related ESG bonds⁴ in Japan?

- Somewhat tight to tight
- More or less balanced
- Somewhat accommodative to accommodative

Question 10

Which of the following do you think are necessary to increase the size of the climate change-related ESG bond market in Japan?

(Choose three answers that are most important to your entity and rank them from first to third)

- Increasing efforts and projects to respond to climate change
- Increasing investors and/or issuers that place a high value on climate-related risks and opportunities
- Bridging data gaps on climate-related data
- Enhancing and/or standardizing information disclosure
- Further developing analysis methodologies for climate-related risks, climate-related opportunities, and 'impacts'
- Improving transparency in ESG evaluation (e.g., more transparency in evaluation methodologies and clarifying the relationship with credit ratings)
- Promoting engagement and enhancing dialogues
- Clarifying policy measures for climate change
- Other (please explain: _____)

- Notes:
1. "Climate-related risks (physical risks)" refers to the risks that physical phenomena triggered by climate change, such as large-scale disasters or rising sea levels, will have an economic loss on issuers' businesses (e.g., damage to facilities and/or difficulty in continuing with business due to climate disasters and impact on business due to climate change in a longer term such as rising sea levels and rising sea temperatures).
 2. "Climate-related risks (transition risks)" refers to the risks of an economic loss on issuers' businesses due to changes in policy, technology, or consumer preference as we move toward a carbon-neutral society (e.g., changes in policies such as those regarding carbon pricing, technological developments, and delays in changing business models in response to heightened consumer preference for "green" instruments).
 3. "Climate-related opportunities" refers to profit opportunities and growth opportunities brought about by efforts to respond to climate change issues (e.g., resource efficiency and cost savings, adoption of low-emission energy sources, and development of new products and services).
 4. "Climate change-related ESG bonds" refers to green bonds, sustainability bonds, sustainability-linked bonds with performance targets related to efforts on climate change, and transition bonds that comply with corresponding international standards and/or the Japanese government's guidelines.

2. Purpose of Issuance of/Investment in Climate Change-related ESG Bonds (by Entity Type)

(Questions for Issuers)⁵

Question 11

Have you ever issued climate change-related ESG bonds⁴ in Japan?

- Yes (Issued)
- No (Have not issued)

Question 12

Have you issued climate change-related ESG bonds in Japan in the past 12 months (from April 2021 to March 2022)?

- a. Yes (Issued)
- b. No (Have not issued)

If you chose "a" in Question 12, please answer Question 13-a. If you chose "b," please answer Question 13-b instead.

Question 13-a

Why did you choose to issue climate change-related ESG bonds in Japan as a means of financing?

(Choose all that apply)

- Climate change response became more important in the entity's business strategy
- Issuing the ESG bonds improves the entity's reputation and/or its ability to give explanations to stakeholders
- Issuing the ESG bonds helps the entity gain new investors and/or diversify the entity's base of investors
- Fund raising by issuing the ESG bonds is more favorable than other means of financing in Japan (e.g., loans)
- Conditions for issuing the ESG bonds are more favorable in Japan than in other countries
- Other (please explain: _____)

Question 13-b

Why did you not choose to issue climate change-related ESG bonds in Japan as a means of financing?

(Choose all that apply)

- No need to obtain external funds

- Do not have a project suitable for issuing the ESG bonds
- Demand from investors for the ESG bonds issued by the entity is limited
- Do not have enough expertise to issue the ESG bonds
- Management and reporting associated with the issuance of the ESG bonds is burdensome
- Fund raising through other means of financing in Japan (e.g., loans) is more favorable than issuing the ESG bonds
- Conditions for issuing the ESG bonds are more favorable in other countries than in Japan
- Other (please explain: _____)

Question 14

How are you planning to change the issuance of climate change-related ESG bonds in Japan in the next 12 months (from April 2022 to March 2023)?

- Increase (including newly issuing the ESG bonds)
- Maintain the status quo (including continuing not to issue any ESG bonds at all)
- Decrease
- Not decided

Notes: 4. "Climate change-related ESG bonds" refers to green bonds, sustainability bonds, sustainability-linked bonds with performance targets related to efforts on climate change, and transition bonds that comply with corresponding international standards and/or the Japanese government's guidelines.

5. If your entity is both an issuer and an investor, please answer both parts of the questions (for issuers and for investors) in Section 2.

(Questions for Investors)⁵

Question 15

Have you ever invested in climate change-related ESG bonds⁴ in Japan?

- Yes (Invested)
- No (Have not invested)

Question 16

Have you invested in climate change-related ESG bonds in Japan in the past 12 months (from April 2021 to March 2022)?

- a. Yes (Invested)
- b. No (Have not invested)

If you chose "a" in Question 16, please answer Question 17-a. If you chose "b," please answer Question 17-b instead.

Question 17-a

Why did you choose to invest in climate change-related ESG bonds in Japan?

(Choose all that apply)

- To improve the return/risk of the entity's portfolio
- To make social and environmental contributions through the investment
- To promote the entity's engagement with the issuers
- To improve the entity's reputation and/or its ability to give explanations to stakeholders
- There are more climate change-related ESG bonds that fulfill the entity's investment needs in Japan than in other countries
- To respond to the needs of asset owners and/or clients
- Other (please explain: _____)

Question 17-b

Why did you not choose to invest in climate change-related ESG bonds in Japan?

(Choose all that apply)

- Do not believe the investment will lead to an improvement in the return/risk of the entity's portfolio
- The volume of the ESG bonds issued in the Japanese market overall is not sufficient
- There is not enough information to make investment decisions including concerns over 'greenwashing'
- The entity prioritizes climate change-related ESG investments via other financial means in Japan (e.g., providing loans)

- There are more climate change-related ESG bonds that fulfill the entity's investment needs in other countries than in Japan
- No need from asset owners and/or clients
- Other (please explain: _____)

Question 18

How are you planning to change the investment on climate change-related ESG bonds in Japan in the next 12 months (from April 2022 to March 2023)?

- Increase (including newly investing in the ESG bonds)
- Maintain the status quo (including continuing not to invest in any ESG bonds at all)
- Decrease
- Not decided

Notes: 4. "Climate change-related ESG bonds" refers to green bonds, sustainability bonds, sustainability-linked bonds with performance targets related to efforts on climate change, and transition bonds that comply with corresponding international standards and/or the Japanese government's guidelines.

5. If your entity is both an issuer and an investor, please answer both parts of the questions (for issuers and for investors) in Section 2.

3. For the Development of the Markets (All Respondents)

Question 19

If you have any opinion on what is needed for Japanese financial markets to develop further to contribute to addressing climate change, considering the developments observed overseas, please describe that below.

(Opinions)

4. Publication of the name of your entity (All Respondents)

Question 20

Please specify whether you approve the disclosure of the name of your entity in the list of survey respondents if the Bank of Japan decides to publish the list.

- Approve disclosure of the name
- Do not approve disclosure of the name

This is the end of the survey. Thank you very much for your cooperation.