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# HC Asset Management Co., Ltd.

## Company Profile

March 31, 2025

<https://www.hcax.com>

Registration      Financial Instruments Firm Kanto Local Finance Bureau #430  
Membership      Japan Investment Advisers Association  
The Investment Trusts Association, Japan

人+産業金融=成長  
成長を支える投資の原点へ



- Founded November 29, 2002
- Capital JPY212,800,000
- Ownership Employees and others
- Chief Executive Noriyuki Morimoto
- # of staff 30 (as of April 21<sup>st</sup> 2025)
- Services Investment Management\*
- Assets 1,533 million USD (as of March 31 2025)  
47 clients 70 accounts  
All institutional clients, 53% pension funds
- Registration Kanto Local Finance Bureau #430
- Memberships Japan Investment Advisers Association  
The Investment Trusts Association, Japan

- HC acquired Assurance reports under the Practical Guidance on Assurance Engagements 3402 relating to our Investment Management Business by an Independent Accounting Firm. Practical Guidance on Assurance Engagements 3402 was developed by the Japanese Institute of Certified Public Accountants (JICPA) as equivalent to ISAE 3402.
- Assurance reports under the Practical Guidance on Assurance Engagements 3402 can serve as evidence of effective internal controls and could significantly reduce auditing burden, when the contracted internal controls of a service organization have to be reviewed in conjunction with an audit of the entity's internal control.

Assets by Mandate	USD, million	%
Income Plus	640	41.8
Income	166	10.9
Global Bond	242	15.8
Global Equity	170	11.1
Japan Opportunities	203	13.3
Global Opportunities	111	7.3
<b>TOTAL</b>	<b>1,533</b>	<b>100.0</b>

Assets by Clients	USD, million	%
Pension Funds Corporate	826	53.9
Institutions Insurance	210	13.7
Bank	117	7.6
Others Endowment	248	16.2
Corporate	12	0.8
Investment Trust	121	7.9
<b>TOTAL</b>	<b>1,533</b>	<b>100.0</b>

Assets by Managers	USD, million	%
1 Fortress	268	17.5
2 Oaktree	110	7.2
3 Artisan	90	5.9
4 Blackstone	80	5.2
5 Colchis	65	4.3
6 Aegon	56	3.6
7 Sit	52	3.4
8 Income Research	46	3.0
9 Brandywine	45	2.9
10 Calmwater	45	2.9
plus 44mgrs.	438	28.5
<b>Fund total</b>	<b>1,295</b>	<b>84.5</b>
<b>cash &amp; equivalents</b>	<b>238</b>	<b>15.5</b>
<b>TOTAL</b>	<b>1,533</b>	<b>100.0</b>

## **As a provider of business finance**

We fulfill our social mission as a provider of business finance by creating new investment targets and rebuilding business finance schemes to supplement the traditional finance function.

## **Responding to social capital requirements**

Our reason for only investing in capital requirements with an underlying social demand is that we can stably generate appropriate returns by financing sectors said to have social demand and by supporting growth. In addition, by investing in areas that highlight the social necessity of finance, we logically cannot pursue profits in excess of what is socially valid.

## **Discovering the source of growth and investment opportunities**

We discover investment opportunities in light of strict criteria by seeking out the themes that will become the source of growth from the entire world.

## **Uncovering innovative finance experts from around the world**

We uncover innovative finance experts who share our philosophical and ideological values and focus on leveraging the development of creative financial methods and adopting our proprietary methods of outsourcing investment management.

# Organization Chart

**Clients** AUM:\$1,533m 47clients 70 accounts (as of March 31 2025)

As of April 21, 2025

**Investment & Research** Akane Hashimoto <20>

- Investment (All members)
- Client service Katsube, Yanai, Ooyama, Moriwaki, Hosono,
- Research Sakemi, Tobinai, Senba, Nagasawa, Kato,
- Execution Tee, Okina, Kishino, Hayashi, Hirose,
- Reporting Sakaguchi, Jo, Uchiki, Wang, Ho
- Investor Relations
- Internal control [Morimoto, all]

**Corporate** Yukari Morita <6>

- Public relations (All members)
- Office management Otsuki, Uno, Uesugi, Kamiyama, Suzuki
- Accounting
- Internal control [Morimoto, all]

**Outsource**

(Kodaira)  
(Hosokawa)

**Governance** Noriyuki Morimoto, Chief Executive Officer <3>

- HC Committee
  - HC General Meeting
- Internal audit and monitoring (All members) Hashimoto, Morita
- Management Committee
  - Investment Meeting
    - HC Innovation Committee
    - Investment Committee
- Corporate Meeting

Board Meeting (3, 1 are external boards)

**Auditors** all external auditors <1>

Shareholders Meeting

Ownership Employees and others

Boards Noriyuki Morimoto Chief Executive Officer  
Akane Hashimoto Managing Director  
Shinichi Suzuki Director (external)  
Masayuki Haraguchi Auditor (external)

Total staff 30

the members of a certain group	Headcount	Man	woman
board member (external)	2	2	0
board member	2	1	1
employee	21	12	9
Fixed-term contract employee	4	2	2
Temporary employment employee	1	0	1
total	30	17	13
(Outsource)	2	1	1

\*<Headcount>

# Biographies (board members)

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## **Noriyuki Morimoto, Chief Executive Officer**

Noriyuki Morimoto founded HC Asset Management in November 2002. As a pioneer investment consultant in Japan, he established the investment consulting business of Watson Wyatt K.K.(now Willis Towers Watson) in 1990, where he was Director & Consultant for 13 years. His responsibilities also included Benefit consulting and Financial Services consulting. Prior to joining Watson Wyatt, he was responsible for foreign fixed income investment, asset allocation and investment strategy at Mitsui Life Insurance Co.,(now Taiju Life Insurance Company Limited) where he managed assets for the company's variable life products and group annuities as a fund manager. He spent two years and a half in London managing fixed income assets. He started his investment career as a Japanese equity analyst at Mitsui Life in 1983. Bachelor of Arts (Philosophy), University of Tokyo (1981).

Publications: 『Portfolio management of 'human capital', 'compensation' and 'annuity'』(co-authored: Toyo Keizai Inc October 1999) 『FUKUSHIMA legal aspects』(Energy and Electricity The Denki Shimbun October 2012) 『Fiduciary Duty』(Business Kyoiku Shuppansha December 2016) 『The Age of Mass Unemployment of Bank Workers』(Shogakukan August 2017) 『Fiduciary Duty Workshop』(Kinzai Institute for Financial Affairs, Inc. May 2018 )

## **Akane Hashimoto, Managing Director, Investment and Research**

Joined HC in February 2003 as a consultant. Since then, she has been actively involved in Investment & Research activities as well as business development. Since 2009, she is responsible for investments, research, operations and client relations activities. Prior to joining HC, she spent four years at Watson Wyatt (now Willis Towers Watson) as an investment and business consultant. She began her career at The Bank of Tokyo (now MUFG Bank, Ltd.) in 1994, spending five years in the capital markets group. Bachelor of Arts (Economics), The University of Tokyo (1994).

## **Shinichi Suzuki, Director (external)**

Partner, Attorney at law, Saiwaibashi Law Office

## **Masayuki Haraguchi, Auditor (external)**

Partner, Attorney at law and Certified Public Accountant, Eiwa Law Office

# Seminars and Public Relations

## Website

### Corporate Website

<https://www.hcax.com>



### fromHC

<https://www.fromhc.com>

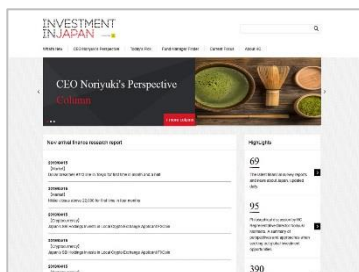
Japanese website targeting those who are interested in investments. Covers market information, seminar announcements, Mr. Morimoto's Column as well as manager interviews.



### Investment in Japan

<https://www.investmentinjapan.com>

English website targeting global investors who are interested in Japan opportunities. Covers Japan related news, articles and manager interviews.



◆ **Nori Morimoto is an author of AGOLA**  
<http://agora-web.jp/archives/author/morimotonoriyuki>



◆ **Nori Morimoto is an author of Yahoo! News**  
<https://news.yahoo.co.jp/byline/morimotonoriyuki/>



## Seminars and Events

### HC Monthly investment seminar

Three hour workshop covering basics about capital market and investment theories.

### Business Finance Forum


Coordinated together with Development Bank of Japan, and Sponsored by Nikkei Inc., Kinzai Institute for Financial Affairs, Inc. and Japan Association for Chief Financial Officers




### Manager Workshops


Manager meetings held at HC is wide open to investors.

## HC Social Media

 • Investment in Japan

 • HC Asset Management Co., Ltd.  
• Noriyuki Morimoto

 • Investment in Japan (@IJJ\_HC)

 • Hc Fromhc

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# HC Asset Management Co., Ltd. Investment Management Services

人+産業金融=成長  
成長を支える投資の原点へ



# Investment Principles

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## Funding needs for growth

- Clear and well measured business plan will lead to higher probability of success

## Stability, predictability and tangibility of cash flows

- Contracted cash flows, tangible assets and manager's long term track records should eliminate reliance on market environment.

## Reasonable exit scenario

- Multiple exit scenarios eliminate loss of principal value.
- In case of investing in liquid assets, supply/demand balances and liquidity needs to be considered.

## Transparency of cash flows

- Clear source of return would allow us to closely monitor the quality of investments.

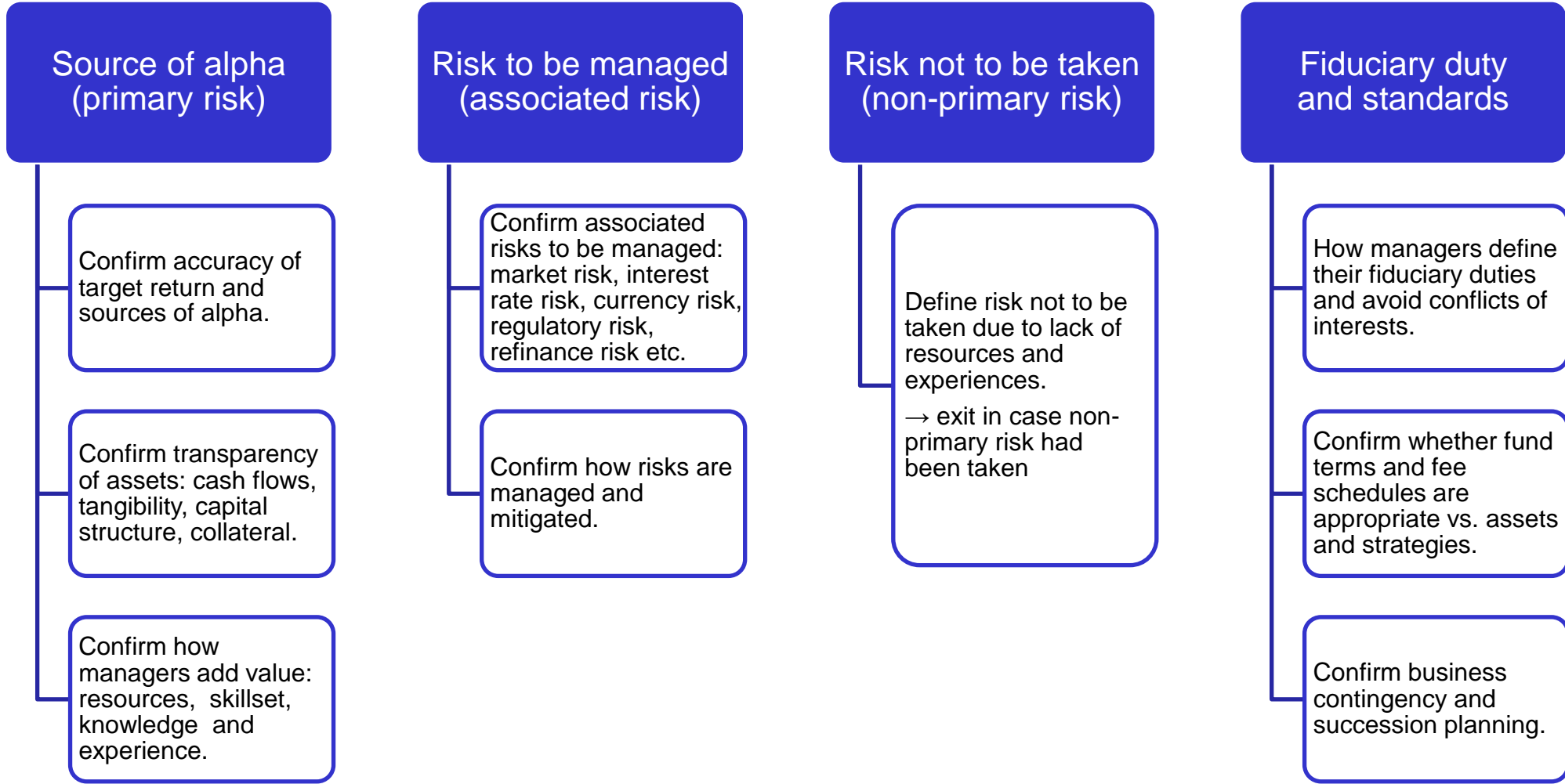
## Mispricing caused by dislocations

- Forced to sell driven by regulatory changes (longer term trend caused by Basel III, Solvency II, etc.)
- Dislocations driven by policies (short to mid-term trend caused by central bank announcements, etc.)
- Dislocations driven by events such as Lehman crisis (sell offs regardless of quality of assets)



# Strategy Research

- Risk appetite framework is applied throughout our research process.



# Investment & Research functions

Investment Management Business

Fund Advisory Business

Portfolio Managers    Noriyuki Morimoto - CEO & CIO, Akane Hashimoto - MD

Client Service

Research, Investment  
and Risk management

Portfolio Management,  
Trade and Operations

Client reporting and  
Investor relations

Internal audit (Investment process, fiduciary duty)

Public relations (publications, seminars, website)

Investmentinjapan.com  
fromhc.com

Making the right investment decisions and serving clients well are the highest priorities at HC.

All functions support portfolio managers' investment decisions.

HC is committed to work for clients and to seek best practices across functions.

# Solutions

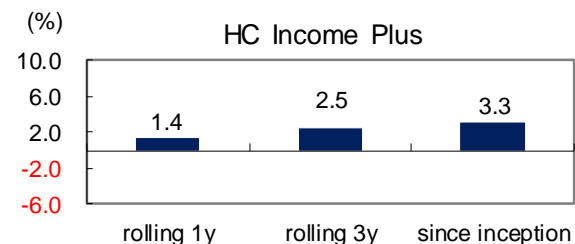
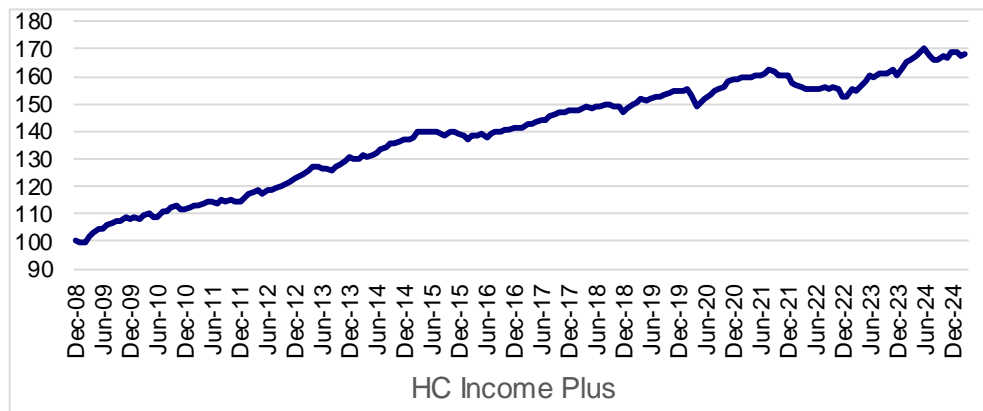
	Absolute return target			Benchmark relative	
	Income	Income Plus	Opportunities	Global bond	Global equity
<b>Strategy</b>	Target stable return above JGBs focusing on income with limited volatility	Target consistent return by combining income and opportunities. Interest rate risk is normally eliminated.	Identify dislocated assets or high growth potential assets in the market.	Target stable return above benchmark by focusing on income.	Target long term growth by focusing on business cash flow growth.
<b>Benchmark and target</b>	JPY 1-2%	JPY 3-5%	JPY 6-20%	B Global Agg. + 1-2%	B World B DM B EM TOPIX + 2-3%
<b>Assets</b>	Global bonds and other debt related instruments	Anything including Global bonds, debt, equity and real assets. May restrict assets via guidelines.	Anything including growth finance and stressed/ distressed situations. Focus on dislocations caused by regulation and policy changes.	Global bonds including governments, corporates and securitized.	Global equity  Regional mandates may also be an option.

- HC places more emphasis on business and asset cash flows within most mandates.

# HC Income Plus Strategy

<b>Objective</b>	<p>To seek consistent absolute return with emphasis on "income". Core focus on <b>"higher yielding"</b> <b>"higher coupon"</b> and <b>"shorter duration"</b> assets. Discounted "investment opportunities" will be combined when available. Participation in short term market trends is not intended in this strategy. Interest rate risks are normally eliminated.</p>
<b>Source of added value</b>	<p>Define assets that are traded at appropriate price range which were not hit by big cash inflows. Small, new, complicated assets or relatively high risk capital weighted assets tend to be mispriced in the market.</p>
<b>Risk Factors and control</b>	<p><b>【Market risk】</b>: Volatility is eliminated by investing in short term and private assets. <b>【FX risk】</b>: Foreign currencies are basically hedged to JPY, and target return is structured in JPY. <b>【Occupancy risk】</b>: Occupancy risk of private assets is being eliminated by sector diversification. <b>【Refinance risk】</b>: When investing in a leveraged fund, terms of investment and terms of financing are monitored carefully.</p>
<b>Assets</b>	<p>Securities, loans and real assets across the globe. Closed end funds generating income and regular distributions are allowed.</p>
<b>Target return</b>	<p>3-5% in JPY, net of fees</p>
<b>Structure</b>	<p>Combination of funds</p>
<b>Base currency</b>	<p>JPY, non JPY currencies will be basically hedged. However, small equity positions can be initiated in order to maintain a diversified currency exposure.</p>
<b>Leverage</b>	<p>There is no leverage at the portfolio level</p>
<b>Distribution</b>	<p>Annual distribution available upon request.</p>
<b>HC investment management fee</b>	<p>Base fee 0.3% + performance fee 10%, hurdle rate 3% (in addition, trustee fee will be paid from the account)</p>

# HC Income Plus Approach



Performance						
	rolling1y 12 mths		rolling3y 36 mths		since inception 195 mths	
	return	risk	return	risk	return	risk
HC	1.4	3.1	2.5	3.1	3.3	2.5

## Annual Return

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2.1	7.2	3.0	4.6	6.7	4.3	6.5	-0.9	3.2	4.1	1.5	1.7	3.9	-2.0	-0.9	7.3	1.4

## Monthly Return

	Monthly Return (%)													YTD
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	
2020	-2.6	1.0	0.7	1.0	0.7	0.5	0.4	1.4	0.4	0.1	0.4	-0.1	3.9	
2021	0.0	0.5	0.1	0.2	0.9	-0.3	-0.6	-0.1	-0.2	-1.6	-0.5	-0.4	-2.0	
2022	-0.6	0.0	0.1	-0.1	0.8	-0.7	0.4	-0.4	-1.9	0.3	1.9	-0.6	-0.9	
2023	0.9	1.2	1.3	-0.2	0.9	-0.1	0.1	0.8	-1.1	1.6	1.3	0.4	7.3	
2024	0.9	0.7	1.1	-1.9	-0.6	-0.3	1.1	-0.4	1.1	0.0	-0.7	0.5	1.4	

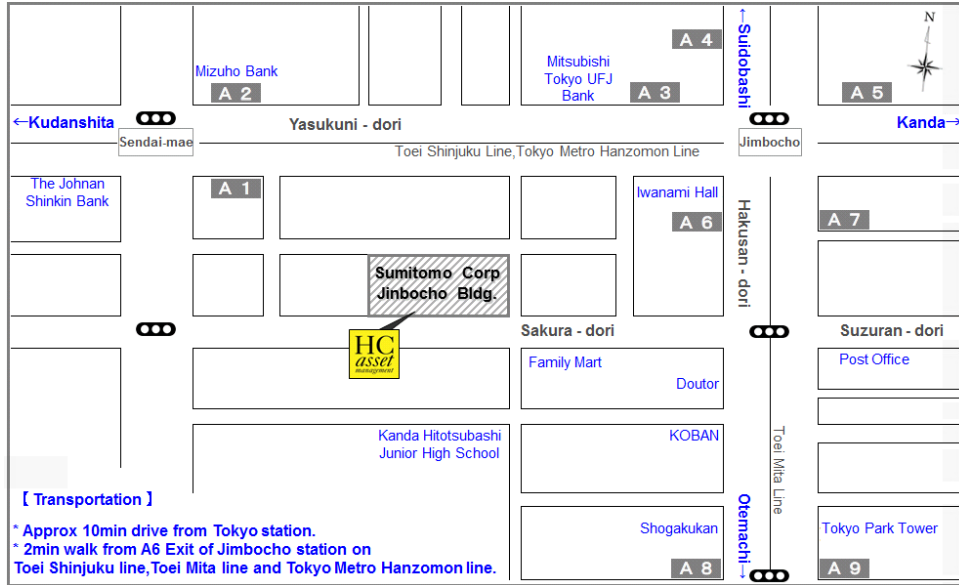
# Disclaimer

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# Access

## MAP



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