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Pension Assets Up 3.9% with Rise in Domestic and Overseas Stock Prices

Trends in pension assets from flow of funds statistics (end March, 2021)

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Summary

- Japan's pension assets (public pension funds and pension funds) reached 431.3 tril yen as of the end of March 2021, an increase of +16.3 tril yen in comparison with the end of December 2020 and a new record high. The main factors behind the increase in stock prices in Japan and overseas were the spread of the COVID-19 vaccination in various countries around the world and heightened expectations for economic recovery due to the Biden administration's stimulus measures.
- The balance of assets in the public pension plan increased by +15.3 tril yen in comparison with the end of December 2020. Stock prices rose in domestic and overseas markets, and the balance of stocks and foreign securities investments increased. In addition, while the GPIF (Government Pension Investment Fund) continued to invest in foreign bonds, there seemed to have been moves to sell foreign stocks.
- Regarding pension funds, while the asset balance of the defined benefit pension plan decreased, the defined contribution pension plan (corporate DC) and other pensions increased. The scale of the underfunding of the defined benefit pension plan is shrinking and the balance sheet is improving.

Attention

This report is a summary translation. The official document is only in Japanese.