Japan University Fund's Performance from April to September 2026 (Preliminary)

■Performance from April to September 2026 (Preliminary)

From April to September 2026, the Rate of Return was 2.1%, the Total Return was a surplus of 263.3 billion yen and the Total Investment Assets as of the end of September were 12.457 trillion yen. Global Equities rose, while Global Fixed Income declined (both in USD terms) during the half-year period, with the yen appreciating modestly against the USD. Global Equities rose as the economy remained resilient, supported by robust demand for AI-related capital spending. Global Fixed Income, meanwhile, declined amid rising energy prices and interest rate hikes by central banks in various countries. The yen appreciated against the USD amid heightened expectations of foreign exchange intervention by the Japanese and US governments and a faster pace of interest rate hikes by the Bank of Japan.

[Performance]

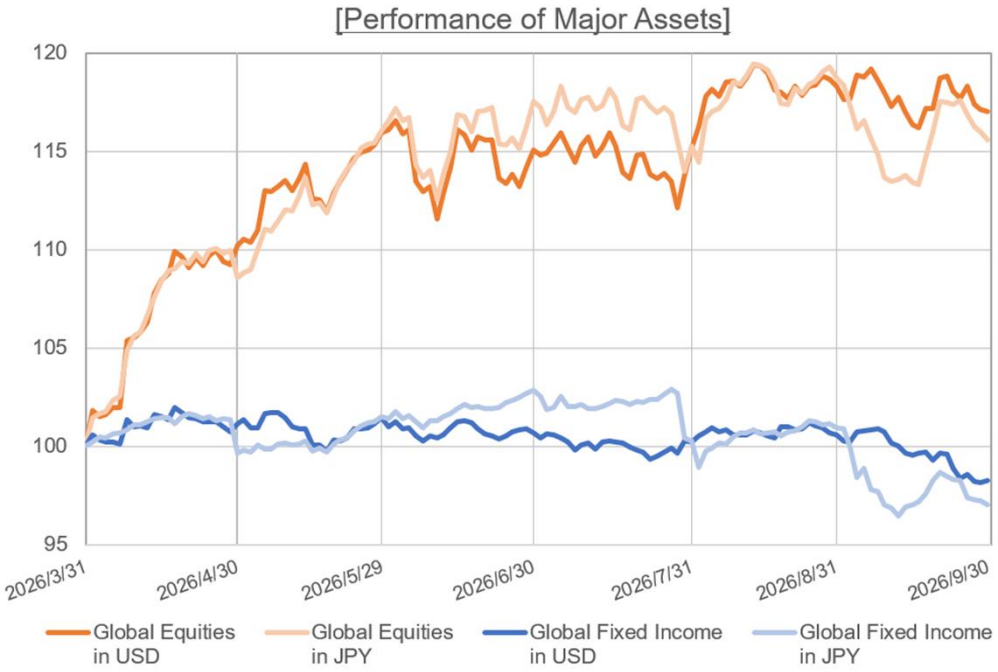
(From April to September 2026)

Rate of Return※1※2	2.1%
Total Return※1	263.3 billion yen
Total Investment Assets※3	12.457 trillion yen

※1 Before deduction of investment management fees, etc.
※2 Rate of Return is the time-weighted rate of return
※3 As of the end of September 2026
Includes short-term assets (deposits, etc.)

・The semiannual results in this document are preliminary and subject to change.
・The funding for grants to Universities for International Research Excellence, etc. is based on net income on the income statement. However, in accordance with the Act on General Rules for Incorporated Administrative Agencies, JST prepares its accounts on a fiscal year basis (April to the end of March of the following year) and does not publish net income on a half-year basis. (The total return and rate of return published here are calculated based on market value, including valuation gains and losses on assets held as of the end of September.)

[Ref：Market Environment]



※ End of March 2026 = 100
※ Global Equities : MSCI ACWI Gross Index
Global Fixed Income : FTSE World Government Bond Index

■Key Features of the Japan University Fund

The Japan University Fund operates in accordance with the "Basic Guidelines for Grant Fund Management ", which was notified by the Minister of MEXT*, as well as the "Basic Policy for Grant Fund Management", which was developed by JST based on the Guidelines and approved by the Minister of MEXT.

* Ministry of Education, Culture, Sports, Science and Technology (MEXT)

Investment Target / Investment Policy

POINT 1

Investment Target (After Constructing the Policy Portfolio)

More than target payout rate of 3% + inflation rate.

Investment Policy

We aim to generate long-term and stable financial investment gains by adhering to investment discipline, maintaining long-term asset holdings, and pursuing a diversified investment strategy.

Annual Disbursements for Grants

POINT 2

Grants to Universities for International Research Excellence, etc.

Grants are provided annually to Universities for International Research Excellence and others, with an upper limit of 300 billion yen (in real terms) per year, sourced from financial investment gains.

Operations Based on the Financial Structure

POINT 3

Fund Financial Structure

Of the 10 trillion yen allocated by the government for the Japan University Fund, approximately 90% consists of borrowings from the fiscal loan funds.

– Government equity contribution: 1.1111 trillion yen
– Fiscal loan funds: 8.8889 trillion yen
Total: 10 trillion yen (initial equity ratio: approximately 11%)

Risk Control during the Ramp-up Period of Investment

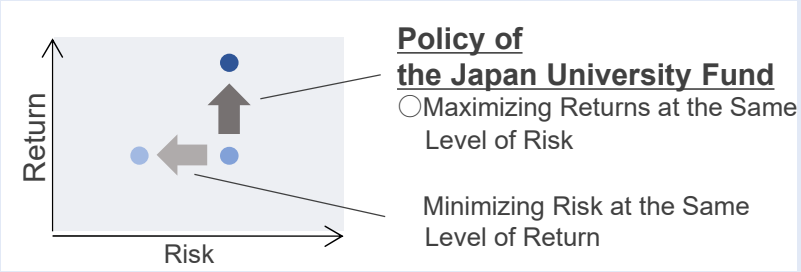
The Japan University Fund's financial structure is largely dependent on borrowings from the fiscal loan funds. In order to ensure the certainty of repayment, we are currently operating with a more conservative portfolio than the Reference Portfolio, rather than immediately taking on the level of risk equivalent to the Risk Tolerance.

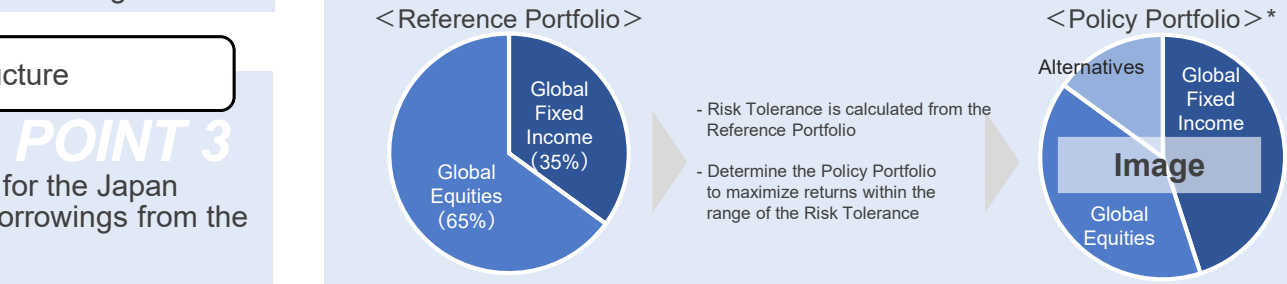
Maximizing Returns within the Risk Tolerance

POINT 4

Investment Based on the Policy Portfolio

Rather than merely securing the target investment return with minimal risk, the Japan University Fund operates based on a Policy Portfolio defined by JST, which aims at maximizing the rate of return on investment within the Risk Tolerance indicated by the government. The Policy Portfolio will not be disclosed during the Ramp-up Period.





* The asset classes and allocation percentages shown are for illustrative purposes only and do not represent the actual Policy Portfolio.

Gradual Transition to the Policy Portfolio

During the Ramp-up Period (construction period of the Policy Portfolio), we aim to achieve the asset composition in line with the Policy Portfolio at the earliest possible stage within 10 years from the commencement of investment, taking into account characteristics of asset classes that require time before actual investment execution.

Reference: Schedule

■Schedule

The Japan University Fund is currently in the Ramp-up Period of Investment, which will continue until the Policy Portfolio is fully constructed. The schedule is shown below.

The aim is to achieve investment profits of 300 billion yen (in real terms) as early as possible (no later than the end of FY2026), and to build the Policy Portfolio as early as possible (no later than the end of FY2031).

During the Ramp-up Period of Investment, the investment target of “more than target payout rate of 3% + inflation rate” will not apply.

