

# MSCI Japan ESG Leaders Index (JPY)

The MSCI Japan ESG Leaders Index is a free float-adjusted market capitalization-weighted index designed to represent the performance of companies that are selected from the MSCI Japan Index ("Parent Index") based on Environmental, Social and Governance (ESG) criteria. These criteria exclude constituents based on involvement in specific business activities, as well as ESG ratings and exposure to ESG controversies. The Indexes are derived from the MSCI Japan Index and aim to achieve sector weights that reflect the sector weights of the corresponding Parent Index. The MSCI Japan ESG Leaders Index consists of Large and Mid cap companies in Japanese markets. The Index construction targets 50% free float-adjusted market capitalization coverage of each Global Industry Classification Standard (GICS®) sector by selecting constituents primarily based on criteria including the ESG rating, the trend in that rating and the company's industry-adjusted ESG score. The Index is a member of the MSCI ESG Leaders Index series.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (JPY) (MAY 2018 – JUN 2023)



## INDEX PERFORMANCE – NET RETURNS (%) (JUN 30, 2023)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2018	FUNDAMENTALS (JUN 30, 2023)			
					3 Yr	5 Yr	10 Yr	Div Yld (%)		P/E	P/E Fwd	P/BV	
<b>MSCI Japan ESG Leaders</b>	6.42	14.25	25.06	23.63	14.64	8.45	na	8.11	2.02	17.32	16.19	1.72	
<b>MSCI Japan</b>	7.69	15.57	25.68	23.79	16.52	8.77	na	8.48	2.24	17.49	14.82	1.46	

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2018 – JUN 30, 2023)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since May 31, 2018	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
<b>MSCI Japan ESG Leaders</b>	1.01	2.12	19.05	14.80	15.88	na	1.00	0.59	na	0.58	27.70	2020-02-06–2020-03-16
<b>MSCI Japan</b>	1.00	0.00	1.77	14.08	15.56	na	1.16	0.62	na	0.61	28.86	2018-10-02–2020-03-16

<sup>1</sup> Last 12 months <sup>2</sup> Based on monthly net returns data <sup>3</sup> Based on JBA TIBOR 1M from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI ESG Leaders Indexes are products of MSCI Inc. that utilize information such as company ratings and research produced and provided by MSCI ESG Research LLC (MSCI ESG Research), a subsidiary of MSCI Inc.

The MSCI Japan ESG Leaders Index was launched on Jun 28, 2011. Data prior to the launch date is back-tested test (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

**INDEX CHARACTERISTICS**

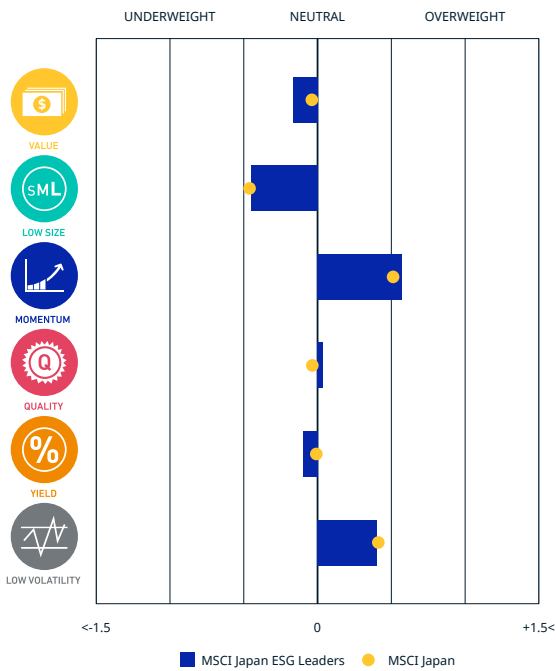
	MSCI Japan ESG Leaders	MSCI Japan
<b>Number of Constituents</b>	121	237
<b>Weight (%)</b>		
<b>Largest</b>	5.95	4.86
<b>Smallest</b>	0.07	0.04
<b>Average</b>	0.83	0.42
<b>Median</b>	0.44	0.22

**TOP 10 CONSTITUENTS**

	Index Wt. (%)	Parent Index Wt. (%)	Sector
SONY GROUP CORP	5.95	3.24	Cons Discr
TOKYO ELECTRON	3.35	1.83	Info Tech
SHIN-ETSU CHEMICAL CO	3.16	1.72	Materials
DAIICHI SANKYO CO	3.06	1.67	Health Care
HITACHI	3.04	1.66	Industrials
SUMITOMO MITSUI FINL GRP	2.93	1.60	Financials
DAIKIN INDUSTRIES	2.81	1.53	Industrials
NINTENDO CO	2.47	1.35	Comm Svcs
ITOCHU CORP	2.46	1.34	Industrials
KDDI	2.43	1.32	Comm Svcs
<b>Total</b>	<b>31.67</b>	<b>17.26</b>	

**FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN**

**MSCI FACTOR BOX**



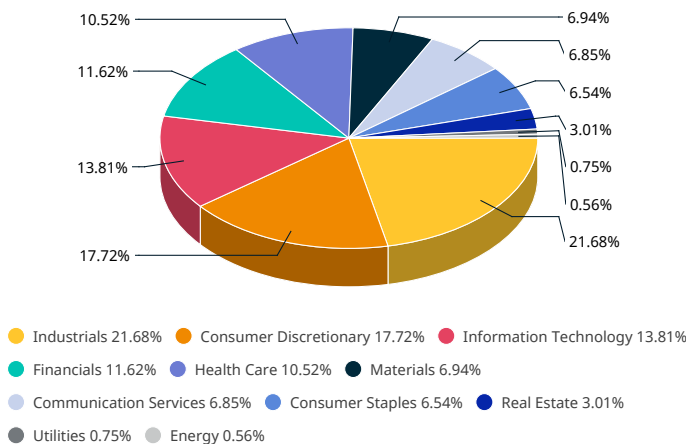
**MSCI FaCS**

- VALUE**  
Relatively Inexpensive Stocks
- LOW SIZE**  
Smaller Companies
- MOMENTUM**  
Rising Stocks
- QUALITY**  
Sound Balance Sheet Stocks
- YIELD**  
Cash Flow Paid Out
- LOW VOLATILITY**  
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

**SECTOR WEIGHTS**



**MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology [here](#))**

MSCI FaCS is a standard method for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

**ABOUT MSCI**

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