

Sekisui House Included in All 3 ESG Indices Selected by GPIF for Passive Investment

Sekisui House, Ltd. has been included in all three indices selected*¹ by the Government Pension Investment Fund (GPIF) of Japan, which has begun ESG investing*². The three indices are the FTSE Blossom Japan Index (launched by global index provider FTSE Russell*³), the MSCI Japan ESG Select Leaders Index, and the MSCI Japan Empowering Women Index (WIN). The latter two were developed by MSCI Inc.*⁴.

- Sekisui House included in all three ESG indices selected by the GPIF
- 66 companies were included in all three ESG indices, with two being housing manufacturers

The FTSE Blossom Japan Index is a tool to identify the performance of Japanese companies that demonstrate outstanding environmental, social, and governance (ESG) practices. The index has been designed to be industry-neutral. FTSE Russell evaluates companies based on ESG themes such as corporate governance, health and safety, anti-corruption, and climate change. The constituents of the FTSE Blossom Japan Index are companies that satisfy various ESG-related criteria based on FTSE Russell's ESG ratings.



FTSE Blossom
Japan

The MSCI Japan ESG Select Leaders Index targets companies in each industrial sector that display high ESG performance relative to their sector peers. The MSCI Japan Empowering Women Index (WIN) comprises companies in each industrial sector that have a high percentage of women managers and new female hires.

GPIF holds Japanese stocks and is one of the world's largest institutional investors. It recently began passive investment of 1 trillion yen based on ESG indices. This move is expected to draw more public attention to ESG investing.

Sekisui House has been highly rated for its corporate activities, which align management policies with contributions to society. These contributions include efforts to mitigate global warming and promote women's active participation in the workforce. As a result, the company has been selected for inclusion in the FTSE4Good Index, a major ESG index. It has also received an "AA" rating in MSCI's ESG ratings. Sekisui House believes these two appraisals led to the company's inclusion in all three ESG indices this time.

The company will remain actively committed to ESG practices, so that it can contribute to building a sustainable society and be recognized by society as a company worthy of consistent ESG investment.

*¹ Announced in a press release by GPIF on July 3, 2017. (http://www.gpif.go.jp/operation/pdf/esg_selection.pdf)

*² ESG investing is an approach that aims to incorporate environmental, social, and governance factors into investment decisions.

*³ FTSE Russell is a subsidiary of the London Stock Exchange Group and a world leader in stock market index creation and management.

*⁴ MSCI is a financial services company headquartered in New York, U.S. that provides a range of services including stock market indexes and portfolio analytics.