



Nikkei to launch “Nikkei 225 Climate Change 1.5°C Target Index” developed in collaboration with Wilshire

Tokyo, May 16, 2022 – Nikkei Inc. (headquartered in Chiyoda-ku, Tokyo; President and CEO: Tsuyoshi Hasebe) will launch the “Nikkei 225 Climate Change 1.5°C Target Index,” which will become publicly available starting on May 30. This new index is based on the Nikkei Stock Average (Nikkei 225), with the weights of the constituents adjusted in accordance with their greenhouse gas (GHG) emissions. The index was developed jointly with the U.S. headquartered corporation Wilshire, a global investment technology and advisory company *1.

Recently, extreme weather events caused by global warming have become a significant worldwide issue. The Paris Agreement aims to limit the increase in global temperature to well below 2 (and preferably to less than 1.5) degrees Celsius over pre-industrial levels. In the equity investment community, the actions taken by corporations to mitigate climate change are increasingly impacting the behavior of investors.

The new index is based on the Nikkei 225 and aims to meet the minimum standard of the EU Paris-aligned Benchmarks (PAB) *2. A key characteristic of the index is that it applies GHG emission levels (normalized by enterprise value) to the weight of its constituents. As a result, the lower the GHG emissions of a given constituent, the higher its weight in the index. In accordance with the stipulations of the PAB, a constituent will be removed from the index if it derives more than a certain amount of its revenues from fossil fuels. Also removed will be those deemed involved with controversial weapons or tobacco, based on considerations related to ESG (Environment, Social, and Governance) criteria. As a result, the overall GHG emission level of the new index is 50% lower than that of the Nikkei 225. Such emission levels will be further decreased by 7% annually in the coming years. The sector weight of the new index will be preserved so that the difference in the two indexes will continue to be sourced from factors related to climate change. Wilshire’s methodology will be used to set the weights for the index and determine which (if any) constituents should be removed.

The Nikkei 225 Climate Change 1.5°C Target Index is the first index developed jointly by Nikkei and Wilshire. The two will continue to cooperate in developing new indexes by using their deep expertise and knowledge of the investment markets.

President and CEO **Tsuyoshi Hasebe** of Nikkei Inc. commented as follows: “Nikkei is committed to the preservation of the environment and our planet. We are making efforts to do so with

our news and commentaries, as well as through other activities here in Japan and abroad. The Nikkei 225 Climate Change 1.5°C Target Index will offer opportunities for greater amounts of global investment capital to flow into the major Japanese corporations that are environmentally conscious. It will also support action to attain the goals of the Paris Agreement.”

Chief Executive Officer **Mark Makepeace** of Wilshire stated: “Today, a crucial step forward has been taken by Wilshire and our partner Nikkei to enable global investors to make informed choices that decarbonize Japanese investment portfolios. Now with the Nikkei 225 Climate Change 1.5°C Target Index, investors can transition from climate takers to climate makers by responsibly investing in Japanese companies that are truly committed to mitigating climate risks across their business activities.”

Wilshire

***1: About Wilshire**

Wilshire is a global provider of market-leading indexes, advanced analytics, and multi-asset investment solutions. A trusted partner to a diverse range of more than 500 institutional investors and financial intermediaries, Wilshire’s clients rely on it to improve investment outcomes for a better future. Wilshire was founded in 1972, headquartered in the United States with offices worldwide and advises on over \$1.3 trillion in assets, \$97 billion of which are assets under management. It has had a partnership with the Financial Times for its index-related business since February 2021, and has renamed its flagship U.S. equity indexes the FT Wilshire 5000 Index Series.

More information on Wilshire can be found at www.wilshire.com

***2: About PAB (Paris-aligned Benchmarks)**

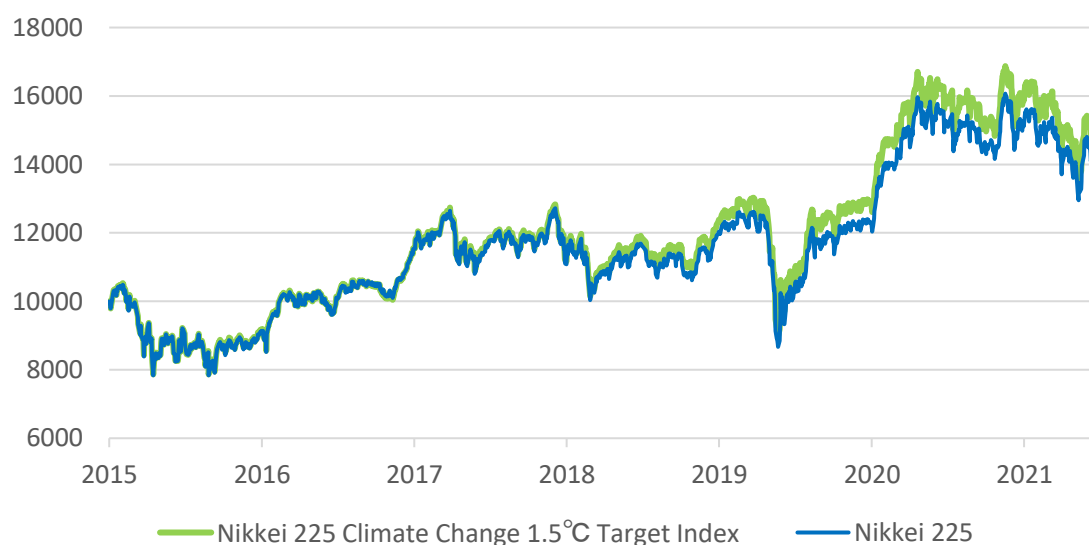
Established by the EU in the effort to combat climate change, Paris-aligned Benchmarks are indexes with constituent companies that are aligned with the Paris Agreement. A PAB index has certain requirements related to greenhouse gas (GHG) emissions. It must remove any constituent that accrues a certain level of its revenue from fossil fuels. Moreover, the total GHG emissions accounted for by the constituents of a PAB index must be at least 50% less than those of the original index, with such emissions continuously decreasing by 7% annually in the consequent years. The PAB is a global standard for the climate change indexes.

§ General information of the index

- Name (in Japanese): 日経平均気候変動 1.5°C目標指数（略称：日経気候変動指数）
- Name (in English): Nikkei 225 Climate Change 1.5°C Target Index
(Abbreviated form: Nikkei Climate 1.5°C Target Index)
- Characteristics: Based on the constituents and weights of the Nikkei 225, the total GHG emissions of the index's constituents are 50% below those making up the Nikkei 225. Such emissions will fall by 7% annually in consecutive years with the adjustment of constituent weights.
- Periodic Review: Twice a year in the end of April and October
- Calculation: The daily closing value is published. The maximum weight of a constituent is 10%. The historical index is calculated from October 30, 2015, with the base value of 22,977.13 on October 30, 2020.
- Unit: Yen

* For details on the Nikkei 225 Climate Change 1.5°C Target Index, refer to the Index Guidebook. Current index value and other information will be available from May 30 in the official index website "Nikkei Indexes" at <https://indexes.nikkei.co.jp/en/>

§ Historical Index values (retrospectively calculated from end of October 2015, estimated)



§ Constituents of the Nikkei 225 Climate Change 1.5°C Target Index as of May 30, 2022
(204 issues)

1332 Nippon Suisan Kaisha, Ltd.	4043 Tokuyama Corp.
1721 Comsys Holdings Corp.	4061 Denka Co., Ltd.
1801 Taisei Corp.	4063 Shin-Etsu Chemical Co., Ltd.
1802 Obayashi Corp.	4151 Kyowa Kirin Co., Ltd.
1803 Shimizu Corp.	4183 Mitsui Chemicals, Inc.
1808 Haseko Corp.	4188 Mitsubishi Chemical Holdings Corp.
1812 Kajima Corp.	4208 UBE Corp.
1925 Daiwa House Industry Co., Ltd.	4324 Dentsu Group Inc.
1928 Sekisui House, Ltd.	4452 Kao Corp.
1963 JGC Holdings Corp.	4502 Takeda Pharmaceutical Co., Ltd.
2002 Nisshin Seifun Group Inc.	4503 Astellas Pharma Inc.
2269 Meiji Holdings Co., Ltd.	4506 Sumitomo Pharma Co., Ltd.
2282 Nh Foods Ltd.	4507 Shionogi & Co., Ltd.
2413 M3, Inc.	4519 Chugai Pharmaceutical Co., Ltd.
2432 DeNA Co., Ltd.	4523 Eisai Co., Ltd.
2501 Sapporo Holdings Ltd.	4543 Terumo Corp.
2502 Asahi Group Holdings, Ltd.	4568 Daiichi Sankyo Co., Ltd.
2503 Kirin Holdings Co., Ltd.	4578 Otsuka Holdings Co., Ltd.
2531 Takara Holdings Inc.	4631 DIC Corp.
2801 Kikkoman Corp.	4689 Z Holdings Corp.
2802 Ajinomoto Co., Inc.	4704 Trend Micro Inc.
2871 Nichirei Corp.	4751 CyberAgent, Inc.
3086 J.Front Retailing Co., Ltd.	4755 Rakuten Group, Inc.
3101 Toyobo Co., Ltd.	4901 Fujifilm Holdings Corp.
3103 Unitika Ltd.	4902 Konica Minolta, Inc.
3289 Tokyu Fudosan Holdings Corp.	4911 Shiseido Co., Ltd.
3382 Seven & i Holdings Co., Ltd.	5101 The Yokohama Rubber Co., Ltd.
3401 Teijin Ltd.	5108 Bridgestone Corp.
3402 Toray Industries, Inc.	5201 AGC Inc.
3405 Kuraray Co., Ltd.	5202 Nippon Sheet Glass Co., Ltd.
3407 Asahi Kasei Corp.	5214 Nippon Electric Glass Co., Ltd.
3436 SUMCO Corp.	5232 Sumitomo Osaka Cement Co., Ltd.
3659 Nexon Co., Ltd.	5233 Taiheiyo Cement Corp.
3861 Oji Holdings Corp.	5301 Tokai Carbon Co., Ltd.
3863 Nippon Paper Industries Co., Ltd.	5332 TOTO Ltd.
4004 Showa Denko K.K.	5333 NGK Insulators, Ltd.
4021 Nissan Chemical Corp.	5401 Nippon Steel Corp.
4042 Tosoh Corp.	5411 JFE Holdings, Inc.

5541 Pacific Metals Co., Ltd.
5631 The Japan Steel Works, Ltd.
5703 Nippon Light Metal Holdings Co., Ltd.
5706 Mitsui Mining and Smelting Co., Ltd.
5707 Toho Zinc Co., Ltd.
5711 Mitsubishi Materials Corp.
5713 Sumitomo Metal Mining Co., Ltd.
5714 DOWA Holdings Co., Ltd.
5801 Furukawa Electric Co., Ltd.
5802 Sumitomo Electric Industries, Ltd.
5803 Fujikura Ltd.
6098 Recruit Holdings Co., Ltd.
6103 Okuma Corp.
6113 Amada Co., Ltd.
6178 Japan Post Holdings Co., Ltd.
6301 Komatsu Ltd.
6302 Sumitomo Heavy Industries, Ltd.
6305 Hitachi Construction Machinery Co., Ltd.
6326 Kubota Corp.
6361 Ebara Corp.
6367 Daikin Industries, Ltd.
6471 NSK Ltd.
6472 NTN Corp.
6473 JTEKT Corp.
6479 Minebea Mitsumi Inc.
6501 Hitachi, Ltd.
6503 Mitsubishi Electric Corp.
6504 Fuji Electric Co., Ltd.
6506 Yaskawa Electric Corp.
6645 Omron Corp.
6674 GS Yuasa Corp.
6701 NEC Corp.
6702 Fujitsu Ltd.
6703 Oki Electric Industry Co., Ltd.
6724 Seiko Epson Corp.
6752 Panasonic Holdings Corp.
6753 Sharp Corp.
6758 Sony Group Corp.
6762 TDK Corp.
6770 Alps Alpine Co., Ltd.
6841 Yokogawa Electric Corp.
6857 Advantest Corp.
6861 Keyence Corp.
6902 Denso Corp.
6952 Casio Computer Co., Ltd.
6954 Fanuc Corp.
6971 Kyocera Corp.
6976 Taiyo Yuden Co., Ltd.
6981 Murata Manufacturing Co., Ltd.
6988 Nitto Denko Corp.
7003 Mitsui E&S Holdings Co., Ltd.
7011 Mitsubishi Heavy Industries, Ltd.
7012 Kawasaki Heavy Industries, Ltd.
7013 IHI Corp.
7186 Concordia Financial Group, Ltd.
7201 Nissan Motor Co., Ltd.
7202 Isuzu Motors Ltd.
7203 Toyota Motor Corp.
7205 Hino Motors, Ltd.
7211 Mitsubishi Motors Corp.
7261 Mazda Motor Corp.
7267 Honda Motor Co., Ltd.
7269 Suzuki Motor Corp.
7270 SUBARU Corp.
7272 Yamaha Motor Co., Ltd.
7731 Nikon Corp.
7733 Olympus Corp.
7735 SCREEN Holdings Co., Ltd.
7751 Canon Inc.
7752 Ricoh Co., Ltd.
7762 Citizen Watch Co., Ltd.
7832 Bandai Namco Holdings Inc.
7911 Toppan Inc.
7912 Dai Nippon Printing Co., Ltd.
7951 Yamaha Corp.
7974 Nintendo Co., Ltd.
8002 Marubeni Corp.
8015 Toyota Tsusho Corp.
8035 Tokyo Electron Ltd.
8252 Marui Group Co., Ltd.
8253 Credit Saison Co., Ltd.
8267 Aeon Co., Ltd.

8304 Aozora Bank, Ltd.	9001 Tobu Railway Co., Ltd.
8306 Mitsubishi UFJ Financial Group, Inc.	9005 Tokyu Corp.
8308 Resona Holdings, Inc.	9007 Odakyu Electric Railway Co., Ltd.
8309 Sumitomo Mitsui Trust Holdings, Inc.	9008 Keio Corp.
8316 Sumitomo Mitsui Financial Group, Inc.	9009 Keisei Electric Railway Co., Ltd.
8331 The Chiba Bank, Ltd.	9020 East Japan Railway Co.
8354 Fukuoka Financial Group, Inc.	9021 West Japan Railway Co.
8355 The Shizuoka Bank, Ltd.	9022 Central Japan Railway Co.
8411 Mizuho Financial Group, Inc.	9064 Yamato Holdings Co., Ltd.
8591 Orix Corp.	9104 Mitsui O.S.K. Lines, Ltd.
8601 Daiwa Securities Group Inc.	9107 Kawasaki Kisen Kaisha, Ltd.
8604 Nomura Holdings, Inc.	9147 NIPPON EXPRESS Holdings, Inc.
8628 Matsui Securities Co., Ltd.	9202 ANA Holdings Inc.
8630 Sompo Holdings, Inc.	9301 Mitsubishi Logistics Corp.
8697 Japan Exchange Group, Inc.	9432 Nippon Telegraph And Telephone Corp.
8725 MS&AD Insurance Group Holdings, Inc.	9433 KDDI Corp.
8750 Dai-ichi Life Holdings, Inc.	9434 Softbank Corp.
8766 Tokio Marine Holdings, Inc.	9602 Toho Co., Ltd.
8795 T&D Holdings, Inc.	9613 NTT Data Corp.
8801 Mitsui Fudosan Co., Ltd.	9735 Secom Co., Ltd.
8802 Mitsubishi Estate Co., Ltd.	9766 Konami Holdings Corp.
8804 Tokyo Tatemono Co., Ltd.	9983 Fast Retailing Co., Ltd.
8830 Sumitomo Realty & Development Co., Ltd.	9984 Softbank Group Corp.

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