

# Morningstar® Japan Sustainability Dividend Yield Focus Index<sup>SM</sup>

## 15 December 2023

The Morningstar Japan Sustainability Dividend Yield Focus<sup>SM</sup> family is designed to track high-yielding, qualified-dividend-paying companies that score highly on environmental, social, and governance investment criteria. The index is reconstituted semiannually in June and December on the Monday following the third Friday. The Index also undergo quarterly reviews in March and September on the Monday following the third Friday. During quarterly reviews, controversy screens are applied and existing constituents failing this screen are deleted from the indexes. Weight constraints are, however, not enforced.

### For More Information:

<http://indexes.morningstar.com>

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### Reconstituted Holdings

Name	Ticker	Country	Sector	Moat Rating	Yield (%)	Weight (%)
Tokyo Electron Ltd	8035	Japan	Technology	Wide	3.34	10.00
Takeda Pharmaceutical Co. Ltd.	4502	Japan	Healthcare	Narrow	4.42	9.91
SoftBank Corp	9434	Japan	Communication Services	Narrow	4.78	9.85
KDDI Corp.	9433	Japan	Communication Services	Narrow	3.03	9.81
Astellas Pharma Inc Common Stock	4503	Japan	Healthcare	Narrow	3.62	9.69
Kirin Holdings Co Ltd Shs	2503	Japan	Consumer Defensive	Narrow	3.40	9.61
Daito Trust Construction Co Ltd Common Stock	1878	Japan	Real Estate	Narrow	3.23	9.58
Nissan Chemical Corp Common Stock	4021	Japan	Basic Materials	Narrow	3.04	6.22
Hirose Electric	6806	Japan	Technology	Narrow	3.02	4.02
Pigeon	7956	Japan	Consumer Defensive	Narrow	4.58	2.52
Meitec Group Holdings Inc	9744	Japan	Industrials	Narrow	3.73	2.36
Inaba Denki Sangyo	9934	Japan	Industrials	Narrow	3.98	2.05
Amano	6436	Japan	Technology	Narrow	3.81	2.01
Nihon M&A; Center Holdings Inc	2127	Japan	Financial Services	Narrow	3.36	1.96
Aica Kogyo	4206	Japan	Industrials	Narrow	3.34	1.93
Nichias	5393	Japan	Industrials	Narrow	2.98	1.55
Lintec	7966	Japan	Basic Materials	Narrow	3.53	1.17
Autobacs Seven Co Ltd Shs	9832	Japan	Consumer Cyclical	Narrow	3.88	1.13
Mixi Inc.	2121	Japan	Communication Services	Narrow	4.55	1.10
transcosmos inc Shs	9715	Japan	Technology	Narrow	3.77	0.73
Gunze Ltd	3002	Japan	Consumer Cyclical	Narrow	3.06	0.68
Yellow Hat Ltd	9882	Japan	Consumer Cyclical	Narrow	3.60	0.67
Nitta	5186	Japan	Industrials	Narrow	3.07	0.66
Elematec Corp	2715	Japan	Technology	Narrow	5.04	0.43
Token	1766	Japan	Real Estate	Narrow	3.09	0.39

### Added Holdings

Name	Ticker	Country	Sector	Weight (%)	Moat Rating	Distance to Default	Dividend Yield	Previous Recon Failed Screen				
								ESG Percentile Screen	ESG Risk Score	Controversy	Product Involvement	Other
KDDI Corp.	9,433.00	Japan	Communication Services	9.81			•					
Astellas Pharma Inc Common Stock	4,503.00	Japan	Healthcare	9.69			•					
Kirin Holdings Co Ltd Shs	2,503.00	Japan	Consumer Defensive	9.61			•					
Daito Trust Construction Co Ltd Common Stock	1,878.00	Japan	Real Estate	9.58		•						
Nissan Chemical Corp Common Stock	4,021.00	Japan	Basic Materials	6.22			•					
Hirose Electric	6,806.00	Japan	Technology	4.02			•					
Inaba Denki Sangyo	9,934.00	Japan	Industrials	2.05			•					
Nihon M&A; Center Holdings Inc	2,127.00	Japan	Financial Services	1.96	•							
Nichias	5,393.00	Japan	Industrials	1.55			•					
transcosmos inc Shs	9,715.00	Japan	Technology	0.73	•							

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Gunze Ltd	3,002.00	Japan	Consumer Cyclical	0.68			•					
Nitta*	5,186.00	Japan	Industrials	0.66								•
Elematec Corp	2,715.00	Japan	Technology	0.43		•						
Token	1,766.00	Japan	Real Estate	0.39	•							

\*Failed Liquidity Screen

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## Removed Holdings

				Failed Screen (Reason for Removal)							
Name	Ticker	Country	Sector	Moat Rating	Distance to Default	Dividend Yield	ESG Percentile Screen	ESG Risk Score	Controversy	Product Involvement	Other
Takara Holdings Inc	2,531	Japan	Consumer Defensive	●							
Sumitomo Warehouse Co	9,303	Japan	Industrials	●							
Sekisui House	1,928	Japan	Consumer Cyclical	●							
Sanki Engineering Co	1,961	Japan	Industrials				●				
SENKO Group Holdings Co Ltd	9,069	Japan	Industrials	●							
Ricoh Leasing Co	8,566	Japan	Financial Services	●							
Nikkon Holdings Co Ltd	9,072	Japan	Industrials	●							
Mitsuboshi Belting	5,192	Japan	Industrials	●							
Komatsu	6,301	Japan	Industrials	●							
Kaken Pharmaceutical	4,521	Japan	Healthcare				●				
JAC Recruitment Co Ltd	2,124	Japan	Industrials	●							
Heiwa Corp	6,412	Japan	Consumer Cyclical	●							
H.U. Group Holdings Inc	4,544	Japan	Healthcare	●							
Asahi Holdings Inc	5,857	Japan	Industrials	●							

## Next Potential Holdings

Name	Ticker	Country	Sector	Moat Rating	Yield (%)
Nintendo	7,974	Japan	Communication Services	Wide	2.94
Zozo Inc Shs	3,092	Japan	Consumer Cyclical	Narrow	2.88
Nippon Telegraph & Telephone Corp Ordinary Shares	9,432	Japan	Communication Services	Narrow	2.83
Koei Tecmo Holdings Co Ltd Common Stock	3,635	Japan	Communication Services	Narrow	2.76
BML Inc	4,694	Japan	Healthcare	Narrow	2.73
Canon Sales	8,060	Japan	Industrials	Narrow	2.68
Toto Ltd Shs	5,332	Japan	Industrials	Narrow	2.63
Kao Corporation	4,452	Japan	Consumer Defensive	Wide	2.62
JOYFUL HONDA CO. LTD. Shs	3,191	Japan	Consumer Cyclical	Narrow	2.57
Alpen	3,028	Japan	Consumer Cyclical	Narrow	2.56