

## Selected as a constituent stock of the "FTSE Blossom Japan Index" and "FTSE Blossom Japan Sector Relative Index", two major ESG investment indices -- First time being selected for the FTSE Blossom Japan Index

KYOKUTO KAIHATSU KOGYO CO., LTD. (Headquarters: Chuo-ku, Osaka; President: Tatsuya Nunohara) is pleased to announce that it has been selected as a constituent stock of the FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index, which are investment indexes comprised of Japanese companies with high ESG (Environmental, Social, and Governance) ratings. This is the first time that the Company has been selected for the FTSE Blossom Japan Index, and the fourth consecutive year being selected for the FTSE Blossom Japan Sector Relative Index.

The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index have been adopted as benchmarks for passive ESG investment activities by the General Pension Investment Fund (GPIF), one of the world's largest pension funds. The indexes were created by global index provider FTSE Russell and are designed to reflect the performance of Japanese companies with relatively high ESG performance in their respective sectors, as well as be sector-neutral (\*1).

In order to facilitate the transition to a low carbon economy, they only include companies that are recognized for their climate change initiatives and improved governance through their TPI Management Quality Score (\*2), especially for sectors with high greenhouse gas emissions.

- (\*1) Constituent stocks are selected by weighting corresponding to the industry sector ratio of the parent index (FTSE Japan All Cap Index), minimizing sector bias.
- (\*2) To promote a low carbon economy, TPI assesses the quality of a company's management of its greenhouse gas emissions and the risks and opportunities associated with a low-carbon transition.
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(TPI (Transition Pathway Initiative): An initiative established in 2017 to promote a low carbon economy)

In line with the management philosophy we have held since our founding, "Value technology and trust, make concerted efforts to develop the company, and widely contribute to the society," we will continue to enhance our corporate value as well as our ability to contribute to the realization of a sustainable society by strengthening our ESG initiatives.

[Our Integrated Report / CSR Report]

https://www.kyokuto.com/en/company/csrreport.html

[Our Policies and Principles] https://www.kyokuto.com/en/company/policies.html

[About the FTSE Blossom Japan Index Series] https://www.lseg.com/en/ftse-russell/indices/blossom-japan







FTSE Blossom Japan Sector Relative Index

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The KYOKUTO KAIHATSU Group supports the Sustainable Development Goals (SDGs).