# Securities Lending Returns in MSCI Japan

The MSCI Japan Index measures the performance of the large and mid cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a break down by fee categories, top sectors as well as the level of short interest in the index constituents. There are currently 259 securities in the index and 238 of them are out on loan
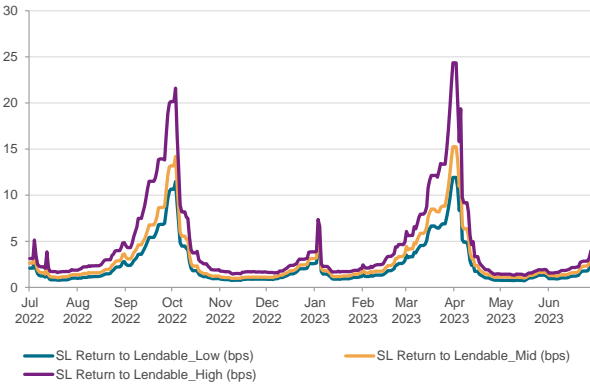
SL Returns to Lendable (bps) : Quarterly Comparison ■2019 ■2020 ■2021 ■2022 ■2023
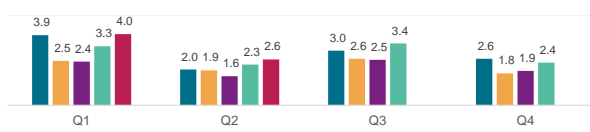
Indexed Short Interest	2019	2020	2021	2022	2023*
End of Year Levels	177.1	164.9	143.4	194.5	171.3
YOY change	-38%	-7%	-13%	36%	-12%

Index base date : 1st Jan 2015   * as of 30th Jun 2023

SL Returns to Lendable : Jul 22 to Jun 23

Period	SL Return to Lendable_Low (bps)		SL Return to Lendable_Mid (bps)		SL Return to Lendable_High (bps)	
Annualized	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Jan	1.4	0.9	1.8	1.4	2.4	2.2
Feb	1.7	1.3	2.3	1.9	3.1	3.1
Mar	5.9	4.6	7.5	6.2	10.9	9.0
Apr	3.5	2.7	4.7	3.9	6.6	6.4
May	0.9	0.7	1.3	1.1	1.6	1.9
Jun	1.4	1.4	1.8	1.8	2.4	2.5
Jul	-	1.2	-	1.6	-	2.3
Aug	-	1.5	-	2.0	-	3.0
Sep	-	5.2	-	6.6	-	10.4
Oct	-	3.3	-	4.2	-	6.5
Nov	-	0.9	-	1.1	-	1.6
Dec	-	1.5	-	1.9	-	2.5
YTD	2.5	1.9	3.3	2.8	4.4	4.3
Full Year	2.5	2.1	3.3	2.8	4.4	4.3
Jul 22 to Jun 23	*2.4*		*3.1*		*4.4*	

SL Revenue Contribution by Fee Categories

Annual Contribution by Fee Categories: Jul 22 to Jun 23
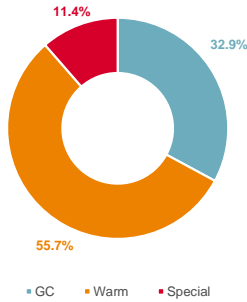
■ GC ■ Warm ■ Special

Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities		Special Securities	
Month	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Jan	49%	56%	34%	35%	17%	9%	14	10	3	3
Feb	57%	73%	41%	25%	2%	2%	32	13	1	1
Mar	13%	21%	69%	68%	19%	11%	101	77	2	4
Apr	20%	28%	64%	53%	17%	19%	69	45	9	12
May	69%	90%	11%	8%	20%	3%	8	4	1	1
Jun	42%	46%	55%	49%	4%	5%	20	16	1	1
Jul	-	55%	-	36%	-	9%	-	10	-	2
Aug	-	72%	-	26%	-	2%	-	10	-	1
Sep	-	18%	-	74%	-	8%	-	77	-	2
Oct	-	26%	-	62%	-	12%	-	51	-	4
Nov	-	87%	-	13%	-	0%	-	5	-	-
Dec	-	47%	-	48%	-	6%	-	18	-	2

Top Sectors by SL Revenue and SL Return to Lendable for Jun 2023

Top 3 Sectors by SL Return to Lendable	SL Return to Lendable (bps)	SL Revenue Contribution
Food, Beverage & Tobacco	9.8	16.2%
Energy	7.9	3.0%
Household & Personal Products	6.2	5.2%

Top 3 Sectors by SL Revenue	SL Revenue Contribution
Food, Beverage & Tobacco	16.2%
Capital Goods	15.7%
Automobiles & Components	12.5%

Notes

SL Return to Lendable_Low	Returns from securities lending relative to lendable value from all the lender funds who are part of the IHS Markit Securities Finance group
SL Return to Lendable_Mid	Returns from securities lending relative to lendable value from only those lender funds with active loans in respective market areas that are part of the index. Funds are classified as active on a daily basis for individual market areas. This metric is used in the report unless stated otherwise
SL Return to Lendable_High	Returns from securities lending relative to lendable value from only those lender funds with the highest loan value that represent 80% of the cumulative loan value in respective market areas that are part of the index. Funds are classified on a daily basis for individual market areas within the index.
Indexed Short Interest	Indexed Short Interest tracks the daily change in short interest relative to market capitalization calculated for the MSCI index with an index base date of 1st Jan 2015 where the index is set to a base value of 100
Fee Classification	Securities with value weighted average securities lending fee of <= 35 bps are classified as GC, > 35 bps & <= 150 bps are classified as Warm and > 150 bps are classified as Special. This fee classification is done on a daily basis