

Tokyo Stock Exchange Index Guidebook

TOPIX

TOPIX Core30

TOPIX 100

TOPIX 500

Mothers

REIT

Record of Changes

DATE	Changes
2015/11/11	*Addition of description on “Japan Post Holdings Co., Ltd.” to in the number of shares used for Index Calculation and shares held by the Japanese government
2016/4/18	*Addition of a description about the Net Total Return Index

Table of Contents

I.	Introduction	4
II.	Index Organization	5
1.	Structure	5
2.	Constituents	6
3.	Constituent selection for indices in the TOPIX New Index Series	10
4.	Constituent selection for TOPIX Composite 1500	13
5.	Constituent selection for indices in the TOPIX Style Index Series	16
6.	Constituent selection for Tokyo Stock Exchange Dividend Focus 100 Index	19
7.	Constituent selection for Tokyo Stock Exchange REIT Property Sector Index Series	23
8.	Calculation Overview for Tokyo Stock Exchange Mothers Core Index	24
9.	Calculation Overview for TOPIX Active in Asia Index	27
III.	Index Calculation Method	30
1.	Calculation	30
2.	Base date and base point	30
3.	Prices for index calculation	31
4.	Number of shares for index calculation	31
5.	Free-Float Weight (FFW)	32
6.	Calculation of coefficients for Tokyo Stock Exchange Dividend Focus 100 Index	35
IV.	Adjustment of Base Market Value	37
1.	Events which require adjustments	37
2.	Adjustment Methods	44
V.	Others	47
1.	Publication and provision of index data services	47
2.	Licensing	47
3.	Exemption of liability	47
4.	Contact	47

I. Introduction

Tokyo Stock Exchange, Inc. (TSE) calculates and publishes TOPIX (Tokyo Stock Price Index) and its sub-indices including Tokyo Stock Exchange Composite Index Series, TOPIX New Index Series, Size-based TOPIX Sub-Indices, TOPIX Sector Indices, TOPIX-17 Series, TOPIX Style Index Series, Tokyo Stock Exchange Second Section Index, Tokyo Stock Exchange Mothers Index, Tokyo Stock Exchange REIT Index, Tokyo Stock Exchange Dividend Focus 100 Index, and Tokyo Stock Exchange REIT Property Sector Index Series (“Indices”) in accordance with the methods described in this document. Where an event that is not specified in this document occurs, or if the TSE decides it is impossible to use the methods described in this document, the TSE may use an alternative method of index calculation as it deems appropriate.

Copyright of this document is owned by the TSE and any copies, reprints and reproductions of this document or any part of this document are prohibited without the prior approval of the TSE. This document is prepared solely for the understanding of indices calculated and published by the TSE, and is not to be construed as a solicitation or offer to buy or sell any securities or related financial instruments. Information expressed in this document is subject to change without notice and in those cases the TSE undertakes no obligation to update any recipients of this document. The TSE shall accept no liability or responsibility for any loss or damage arising from the use of all or any part of this document.

This English document may not be an entirely accurate translation of the original Japanese document. In any cases where differences arise between the English version and the original Japanese version, the original Japanese document shall prevail.

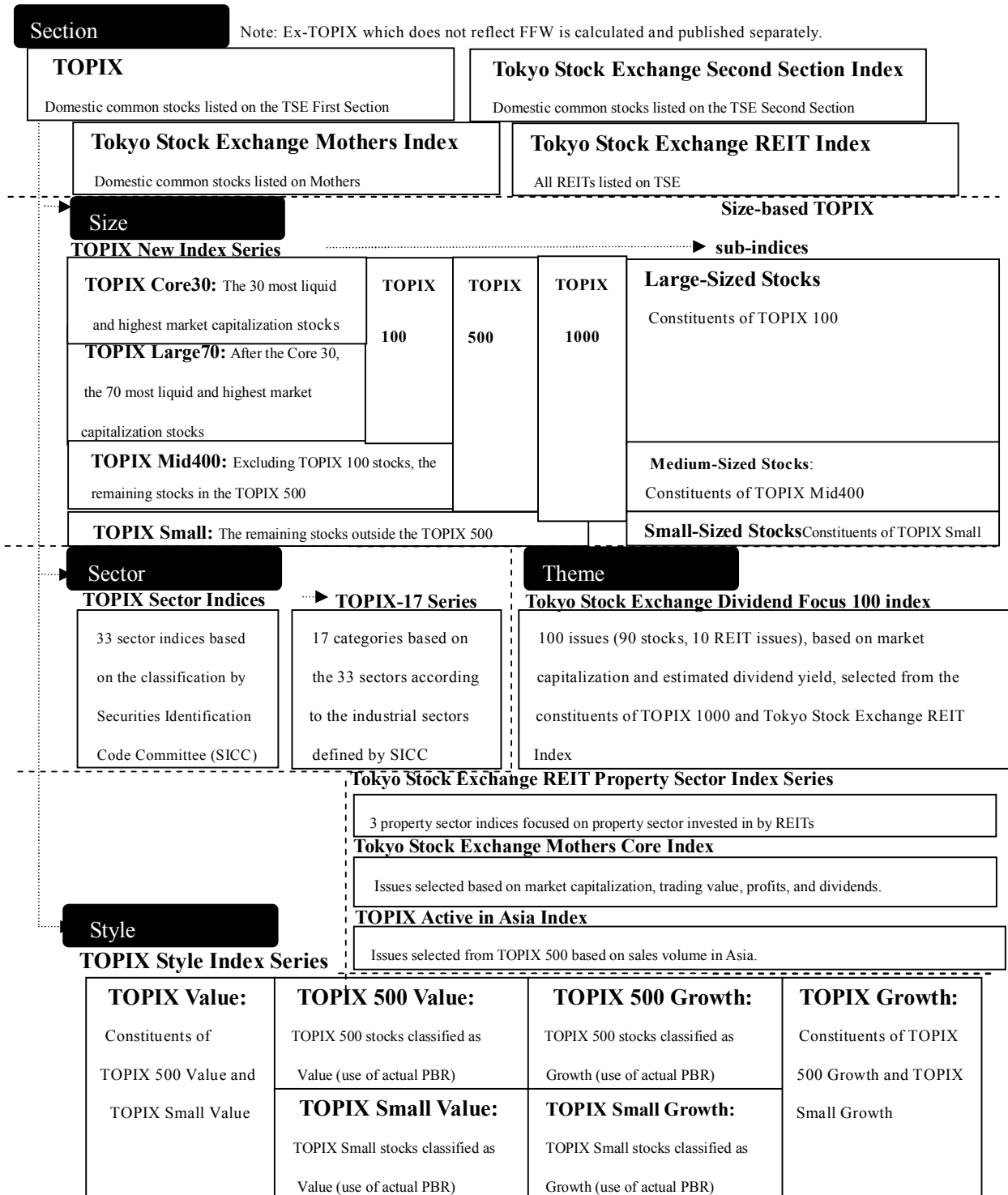
While the terms used for REITs and preferred equity contribution securities differ from those used for stocks (e.g., investment units instead of stocks), the basic approach to index calculation is the same as for stocks. As such, description in this guidebook was written in terms used for stocks.

II. Index Organization

The structures of indices calculated and published by the TSE are as follows. The TSE calculates and publishes total return index as well as price return index.

1. Structure

(1) Domestic Indices



(2) Tokyo Stock Exchange Composite Index Series

<p>TOPIX Composite</p> <p>Domestic common stocks, domestic classified stocks, foreign stocks with exclusive listings on the TSE, and domestic preferred equity contribution securities listed on the TSE First Section</p>	<p>Tokyo Stock Exchange Second Section Composite Index</p> <p>Domestic common stocks domestic, classified stocks, foreign stocks with exclusive listings on the TSE, and domestic preferred equity contribution securities listed on the TSE Second Section</p>
<p>TOPIX Composite 1500</p> <p>The 1,500 most liquid and highest market capitalization stocks (Universe is TOPIX Composite)</p>	<p>Tokyo Stock Exchange Mothers Composite Index</p> <p>Domestic common stocks, domestic classified stocks, foreign stocks with exclusive listings on the TSE, and domestic preferred equity contribution securities listed on Mothers</p>

2. Constituents

Domestic indices are calculated based on all domestic common stocks (or REIT) listed on the TSE, but some other types of securities such as subscription warrant securities and preferred equity contribution securities are not included.

The Tokyo Stock Exchange Composite Index Series is calculated based on all domestic common stocks, domestic classified stocks, foreign stocks listed exclusively on the TSE, and domestic preferred equity contribution securities listed on the TSE (excluding classified stocks whose dividend rate is fixed in advance and are similar to bonds). Preferred equity contribution securities do not have a specific market section and the index into which such securities are included for index calculation will be determined based on market capitalization and liquidity, etc.

Details on the index constituents are described in the following table. Companies scheduled to be delisted or newly listed companies which are still in the waiting period are excluded from the indices according to Section IV.

If trading in a certain constituent is halted, for the purposes of index calculation it is regarded as having no change in its share price.

Index	Constituents
TOPIX	All domestic common stocks listed on the TSE First Section
TOPIX New Index Series	TOPIX Core30, TOPIX Large70, TOPIX 100, TOPIX Mid400, TOPIX 500, TOPIX 1000, TOPIX Small are selected based on free-float adjusted market capitalization and liquidity from the constituents of TOPIX.
Size-based TOPIX Sub-Indices	Large-Sized Stocks: Constituents of TOPIX100 Medium-Sized Stocks: Constituents of TOPIX Mid400 Small-Sized Stocks: Constituents of TOPIX Small

Index	Constituents
TOPIX Sector Indices	<p>The TOPIX Sector Indices consists of indices created by dividing the constituents of TOPIX into the following 33 categories according to the industrial sectors defined by the Securities Identification Code Committee (SICC).</p> <p>Fishery, Agriculture & Forestry; Mining; Construction; Foods; Textiles & Apparels; Pulp & Paper; Chemicals; Pharmaceutical; Oil & Coal Products; Rubber Products; Glass & Ceramics Products; Iron & Steel; Nonferrous Metals; Metal Products; Machinery; Electric Appliances; Transportation Equipment; Precision Instruments; Other Products; Electric Power & Gas; Land Transportation; Marine Transportation; Air Transportation; Warehousing & Harbor Transportation Services; Information & Communication; Wholesale Trade; Retail Trade; Banks; Securities & Commodity Futures; Insurance; Other Financing Business; Real Estate; and Services</p>
TOPIX-17 Series	<p>TOPIX-17 Series consists of indices created by dividing the components of TOPIX into 17 categories based on the 33 sectors according to the industrial sectors defined by the Securities Identification Code Committee (SICC).</p> <p>(see Page 7)</p>
Tokyo Stock Exchange Second Section Index	All domestic common stocks listed on the TSE Second Section
Tokyo Stock Exchange Mothers Index	All domestic common stocks listed on Mothers
Tokyo Stock Exchange REIT Index	All REIT listed on the TSE
Ex-TOPIX	All domestic common stocks listed on the TSE First Section
TOPIX Composite	All domestic common stocks, domestic participating classified stocks, foreign stocks listed exclusively on the TSE, and domestic preferred equity contribution securities listed on the TSE First Section
Tokyo Stock Exchange Second Section Composite Index	All domestic common stocks, domestic participating classified stocks, foreign stocks listed exclusively on the TSE, and domestic preferred equity contribution securities listed on the TSE Second Section
Tokyo Stock Exchange Mothers Composite Index	All domestic common stocks, domestic participating classified stocks, foreign stocks listed exclusively on the TSE, and domestic preferred equity contribution securities listed on Mothers
TOPIX Composite 1500	Selected based on free-float adjusted market capitalization and liquidity from constituents of TOPIX Composite.

Index	Constituents
TOPIX Style Index Series	The TSE uses actual PBRs (consolidated basis) (widely used as investment indicator for evaluating undervalued or growth stocks) to distinguish between value and growth. The TSE will also consider part of PER forecast when classifying into value and growth.
Tokyo Stock Exchange Dividend Focus 100 index	100 issues (90 stocks, 10 REIT issues), based on market capitalization and estimated dividend yield, selected from the constituents of TOPIX 1000 and Tokyo Stock Exchange REIT Index
Tokyo Stock Exchange REIT Property Sector Index Series	The Tokyo Stock Exchange REIT Property Sector Index Series created by dividing the constituents of Tokyo Stock Exchange REIT index into the following 3 categories according to the property sectors namely "Office", "Residential", and "Retail & Logistics, Others". (A single REIT issue may only be classified into one property sector, and will not be included in multiple property sector indices.)
Tokyo Stock Exchange Mothers Core Index	15 issues selected based on market capitalization, liquidity, financial conditions, etc. from domestic stocks listed on Mothers (the number of issues will be 15 at the start of calculation and may drop below 15 due to delisting, etc.) For the index calculation method, refer to "8. Calculation Overview for Tokyo Stock Exchange Mothers Core Index".
Tokyo Stock Exchange Asia-related Stock Index	25 issues selected based on market capitalization and sales volume ratio in the Asian region from TOPIX 500 issues (the number of issues will be 25 at the start of calculation and may drop below 25 due to delisting, etc.) For the index calculation method, refer to "9. Calculation Overview for TOPIX Active in Asia Index".

TOPIX-17 Series

Index Name	Constituent (33 Sectors)
TOPIX-17 FOODS	<ul style="list-style-type: none"> • Fishery, Agriculture & Forestry • Foods
TOPIX-17 ENERGY RESOURCES	<ul style="list-style-type: none"> • Mining • Oil and Coal Products
TOPIX-17 CONSTRUCTION & MATERIALS	<ul style="list-style-type: none"> • Construction • Metal Products

Index Name	Constituent (33 Sectors)
	<ul style="list-style-type: none"> • Glass and Ceramics Products
TOPIX-17 RAW MATERIALS & CHEMICALS	<ul style="list-style-type: none"> • Textiles and Apparels • Pulp and Paper • Chemicals
TOPIX-17 PHARMACEUTICAL	<ul style="list-style-type: none"> • Pharmaceutical
TOPIX-17 AUTOMOBILES & TRANSPORTATION EQUIPMENT	<ul style="list-style-type: none"> • Rubber Products • Transportation Equipment
TOPIX-17 STEEL & NONFERROUS METALS	<ul style="list-style-type: none"> • Iron and Steel • Nonferrous Metals
TOPIX-17 MACHINERY	<ul style="list-style-type: none"> • Machinery
TOPIX-17 ELECTRIC APPLIANCES & PRECISION INSTRUMENTS	<ul style="list-style-type: none"> • Electric Appliances • Precision Instruments
TOPIX-17 IT & SERVICES, OTHERS	<ul style="list-style-type: none"> • Other Products • Information & Communication • Services
TOPIX-17 ELECTRIC POWER & GAS	<ul style="list-style-type: none"> • Electric Power and Gas
TOPIX-17 TRANSPORTATION & LOGISTICS	<ul style="list-style-type: none"> • Land Transportation • Marine Transportation • Air Transportation • Warehousing and Harbor Transportation Service
TOPIX-17 COMMERCIAL & WHOLESALE TRADE	<ul style="list-style-type: none"> • Wholesale Trade
TOPIX-17 RETAIL TRADE	<ul style="list-style-type: none"> • Retail Trade
TOPIX-17 BANKS	<ul style="list-style-type: none"> • Banks
TOPIX-17 FINANCIALS (EX BANKS)	<ul style="list-style-type: none"> • Securities and Commodities Futures • Insurance • Other Financing Business

Index Name	Constituent (33 Sectors)
TOPIX-17 REAL ESTATE	• Real Estate

3. Constituent selection for indices in the TOPIX New Index Series

(1) Summary of TOPIX New Index Series

- TOPIX New Index Series classifies TOPIX constituents into TOPIX Core30, TOPIX Large70, TOPIX 100, TOPIX Mid400, TOPIX 500, and TOPIX 1000 based on free-float adjusted market capitalization and liquidity.
- In order to accurately reflect market movements, the TSE conducts an annual review of the constituents of the indices in the TOPIX New Index Series in October.
- As a general rule, the number of constituents in TOPIX Core30, TOPIX Large70, TOPIX 100, TOPIX Mid400, TOPIX 500 and TOPIX 1000 are 30, 70, 100, 400, 500 and 1000 respectively. After the October Review, the number of constituents may increase or decrease due to inclusions of constituents at the Monthly Review or delisting of constituent companies.

(2) October Review (inclusion and removal)

a. Summary

Issues are included and removed during the “October Review”. These issues are selected from companies listed on the TSE First Section based on liquidity and free-float adjusted market capitalization as of the base date, which is the last business day of August.

The list of constituent changes is published on the fifth business day of October and index calculation applying such constituent changes will begin on the last business day of October.

Constituents of the TOPIX New Index Series are selected on the base date in accordance with the following procedures.

b. TOPIX Core30 selection criteria

(a) First, the 15 largest stocks by free-float adjusted market capitalization are selected from the top 90 stocks out of TOPIX constituents based on total trading value during the last 3-year period.

(b) Remaining 15 constituents

i Selection from current TOPIX Core30 constituents

Out of the current constituents, the 15 largest stocks by free-float adjusted market capitalization as of the base date are selected. These 15 stocks must be from the top 90 stocks out of TOPIX constituents based on total trading value during the last 3-year period,

and must also be ranked within the top 40 stocks by free-float adjusted market capitalization as of the base date.

- ii If it is not possible to select 15 stocks in accordance with the procedures above, the remaining stocks will be selected from the top 90 stocks out of TOPIX constituents based on total trading value during the last 3-year period.
- c. TOPIX 100 selection criteria
 - (a) First, the TOPIX Core30 constituents are selected.
 - (b) Remaining 70 constituents
 - i Selection from current TOPIX 100 constituents

Out of current TOPIX 100 constituents, the 70 largest stocks by free-float adjusted market capitalization as of the base date are selected. These 70 stocks must be from the top 200 stocks based on total trading value for the last 3-year period, and must also be ranked within the top 130 stocks by free-float adjusted market capitalization as of the base date.
 - ii If it is not possible to select 70 stocks in accordance with the procedures above, the remaining stocks will be selected from the top 200 stocks out of TOPIX constituents based on total trading value during the last 3-year period.
- d. TOPIX 500 selection criteria
 - (a) First, the TOPIX 100 constituents are selected
 - (b) Remaining 400 constituents
 - i Selection from the current TOPIX 500 constituents

Out of current TOPIX 500 constituents, the 400 largest stocks by free-float adjusted market capitalization as of the base date are selected. These 400 stocks must be from the top 1,000 stocks based on total trading value during the last 3-year period, and must also be ranked within the top 600 stocks by free-float adjusted market capitalization as of the base date.
 - ii If it is not possible to select 400 stocks in accordance with the procedures above, the remaining constituents will be selected from the top 1,000 stocks out of TOPIX constituents based on trading value during the last 3-year period.
- e. TOPIX 1000 selection criteria
 - (a) First, the TOPIX 500 constituents are selected.
 - (b) Remaining 500 stocks
 - i Selection from current TOPIX 500 constituents

Out of current TOPIX 500 constituents, the 500 largest stocks by free-float adjusted market capitalization as of the base date are selected. These 500 stocks must be from the top 1,200 stocks out of TOPIX constituents based on total trading value during the last 3-year period, and must also be ranked within the top 1,200 stocks by free-float adjusted market capitalization as of the base date.

ii If it is not possible to select 500 stocks in accordance with the procedures above, the remaining constituents will be selected from the top 1,200 stocks out of TOPIX constituents based on total trading value during the last 3-year period.

f. TOPIX Small selection criteria

All stocks in TOPIX constituent universe excluding those in TOPIX 500

g. TOPIX Large70 selection criteria

Constituents of TOPIX 100 excluding those in TOPIX Core30

h. TOPIX Mid400 selection criteria

Constituents of TOPIX 500 excluding those in TOPIX 100

(3) Monthly review (inclusion only)

a. Summary

Issues are included into the TOPIX New Index Series indices during the “Monthly Review”. These issues are selected from the following based on liquidity and free-float adjusted market capitalization as of the base date.

- Companies that were newly listed on the TSE First Section (excluding initial listings of parent companies established due to stock transfer, etc.)
- Companies that were assigned to the TSE First Section from the Second Section
- Companies whose listing markets were altered to the TSE First Section from Mothers

The base date of the monthly review is the last business day of every month (last business day of the month of an initial listing). The list of constituent inclusions is published on the fifth business day of every month (fifth business day of the month after that of an initial listing or above transfer and index calculation applying such constituent inclusions will begin on the last business day of the month following an initial listing or above transfer (inclusion occurs on the same day as inclusion in TOPIX).

b. Criteria for inclusion

As a general rule, newly listed companies on the TSE First Section will be added to TOPIX Small. However, stocks with a large free-float adjusted market capitalization and trading value (stocks that satisfy at least the following criteria as of the last business day of the month preceding that of inclusion) will be added to TOPIX Core30, TOPIX Large70,

TOPIX Mid400 respectively (inclusion occurs on the same day as inclusion in TOPIX). However, as long as a newly listed company does not satisfy at least the criteria for TOPIX Mid400, it will not be included in the TOPIX 1000.

Index	Free-Float adjusted Market Capitalization Ranking	Trading Value Ranking
TOPIX Core30	20	90
TOPIX Large70	70	200
TOPIX Mid400	400	1,000

(4) Removal of constituents in addition to the periodic review

Removal of constituents is conducted due to delisting, designation of Securities to Be Delisted and reassignment to the TSE Second Section (removal occurs on the same day as removal from TOPIX).

(5) Inclusion of constituents in addition to the periodic review

In cases where a company in the TOPIX New Index Series is delisted due to a stock transfer, stock- swap, merger, or the creation of a new company through a merger or spin-off, and the surviving or succeeding company is promptly listed on the TSE First Section, the stocks of such new company will be included in whichever index of the TOPIX New Index Series that is based on the highest liquidity and largest free-float adjusted market capitalization in which the delisted company was included (inclusion occurs on the same day as inclusion in TOPIX).

(Example) Assuming both Company A in TOPIX Core30 and Company B in TOPIX Large70 are delisted due to a stock-swap and Company C, the newly established holding company is promptly listed on the TSE First Section, Company C will be added to the TOPIX Core30.

Even though the number of constituents may decrease due to delisting between the periodic reviews, no supplementary inclusions are made to meet the intended number of constituents for each index (inclusions to meet the intended number of constituents for each index are only made during the October Review).

4. Constituent selection for TOPIX Composite 1500

(1) Summary of TOPIX Composite 1500

- TOPIX Composite 1500 is a stock price index which selects 1500 issues based on free-float

adjusted market capitalization and liquidity from issues in the TOPIX Composite constituent universe.

- In order to accurately reflect market movements, the TSE conducts an annual review of the constituents in the TOPIX Composite 1500 in October.
- As a general rule, the number of constituents in the TOPIX Composite 1500 is 1500. However, after the October Review, the number of constituents may increase or decrease due to inclusions of constituents at the Monthly Review or delisting of constituent companies.

(2) October Review (inclusion and removal)

a. Summary

Issues are included and removed during the “October Review”. These issues are selected from companies listed on the TSE First Section. The review is conducted based on liquidity and free-float adjusted market capitalization as of the base date, which is the last business day of August.

The list of constituent changes is published on the fifth business day in October and index calculation applying such constituent changes will begin on the last business day in October.

b. TOPIX Composite 1500 selection criteria

Constituents of the TOPIX Composite 1500 are selected in accordance with the following procedures.

i. Selection from current TOPIX Composite 1500 constituents

The 1,500 stocks with the largest free-float adjusted market capitalization as of the base date from within the current constituents of the TOPIX Composite 1500 are selected. These 1,500 stocks must come from the top 1,600 in the TSE's First Section based on total trading value during the last 3-year period and must also be ranked within the top 1,600 stocks based on free-float adjusted market capitalization as of the base date.

- ii. If it is not possible to select 1,500 stocks in accordance with the procedures above, the remaining constituents will be selected from the TSE First Section's top 1,600 stocks based on total trading value during the last 3-year period.

(3) Monthly review (inclusion only)

a. Summary

Issues are included in the TOPIX Composite 1500 during the “Monthly Review”. Issues are selected from the following based on liquidity and free-float adjusted market capitalization as of the base date.

- Companies that were newly listed on the TSE First Section (excluding initial listings of parent companies established due to stock transfer, etc.)
- Companies that were assigned to the TSE First Section from the Second Section
- Companies whose listing markets were altered to the TSE First Section from Mothers

The base date of the monthly review is the last business day of every month (the last business day of the month of an initial listing). The list of constituent inclusions is published on the fifth business day of every month (fifth business day of the month following that of listing) and index calculation applying such constituent inclusions will begin on the last business day of the month (inclusion occurs on the same day as inclusion in TOPIX).

b. Criteria for inclusion

As a general rule, newly listed companies on the TSE First Section will be not added to TOPIX Composite 1500. However, stocks with large free-float adjusted market capitalization and trading value (stocks that satisfy at least the following criteria as of the last business day of the month preceding that of inclusion) will be added to TOPIX Composite 1500.

Index	Free-Float adjusted Market Capitalization Ranking	Trading Value Ranking
TOPIX Composite 1500	400	1,000

(4) Removal of constituents in addition to the periodic review

Removal of constituents is conducted in cases of delisting, designation of Securities to Be Delisted and reassignment to the TSE Second Section (removal occurs on the same day as removal from TOPIX Composite).

(5) Inclusion of constituents in addition to the periodic review

In cases where a company in the TOPIX Composite 1500 is delisted due to a stock transfer, stock-swap, merger, or the creation of a new company through a merger or spin

off, and the company to which the stock was transferred, i.e. the surviving or succeeding company, is promptly listed, the newly created company is added only if the delisted company was included in the TOPIX Composite 1500 (inclusion occurs on the same day as inclusion in TOPIX Composite).

Even though the number of constituents may decrease due to delisting between periodic reviews, no supplementary inclusions are made to meet the intended number of constituents for each index (inclusions to meet the intended number of constituents for each index are only made during the October Review)

5. Constituent selection for indices in the TOPIX Style Index Series

(1) Summary of the TOPIX Style Index Series

- The TOPIX Style Index Series is comprised of TOPIX Value, TOPIX Growth, TOPIX 500 Value, TOPIX 500 Growth, TOPIX Small Value, and TOPIX Small Growth indices. Their respective constituents are classified according to the consolidated PBR, etc. of companies listed on the TSE First Section.
- The TSE conducts an annual review of the constituents of the indices in the TOPIX Style Index Series in October.

(2) October Periodic Review (inclusion and removal)

a. Summary

Issues are included and removed during the “October Review”. These issues are selected from companies listed on the TSE First Section based on consolidated PBR, etc. as of the base date, which is the last business day of August. This review is conducted after the October review of TOPIX New Index Series.

b. TOPIX 500 Value, TOPIX 500 Growth selection criteria

The constituents of the TOPIX 500 Value and TOPIX 500 Growth are selected in accordance with the following procedures.

- (a) High PBR issues that fall approximately within the top 33% of TOPIX 500 based on total free-float adjusted market capitalization will be selected. The selected issues will be included in TOPIX 500 Growth.
- (b) Low PBR issues that fall approximately within the bottom 33% of TOPIX 500 based on total free-float adjusted market capitalization will be selected. Issues with negative PBR will also be selected. The selected issues will be included in TOPIX 500 Value.

- (c) Remaining issues of TOPIX 500 which were not selected by the process outlined in b.(a) and b.(b) will be distributed evenly based on free-float adjusted market capitalization into TOPIX 500 Value and TOPIX 500 Growth. The selected issues will be included in the two indices accordingly (adjustments to the Free Float Weight (FFW) will be made such that the remaining issues are evenly distributed between the two indices based on free-float adjusted market capitalization).

* Though classification within the Style Index Series is, as a general rule, determined by the process outlined in b.(a)-b.(c), the classification of some issues may be changed in consideration of consolidated PER forecasts (earnings per share), etc.

c. TOPIX Small Value, TOPIX Small Growth selection criteria

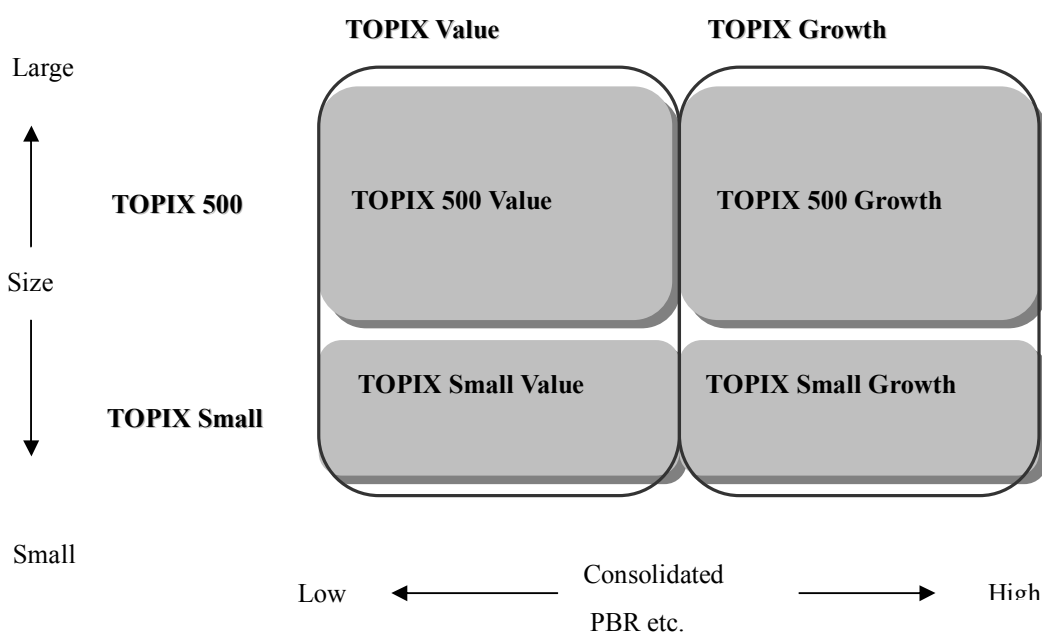
Issues of TOPIX Small Value and TOPIX Small Growth are selected in accordance with the following procedures.

- (a) High PBR issues that fall approximately within the top 33% of TOPIX Small based on total free-float adjusted market capitalization will be selected. The selected issues will be included in TOPIX Small Growth.
- (b) Low PBR issues that fall approximately within the bottom 33% of TOPIX Small based on total free-float adjusted market capitalization will be selected. Issues with negative PBR will also be selected. The selected issues will be included in TOPIX Small Value.
- (c) Remaining issues of TOPIX Small which were not selected by the process outlined in c.(a) and c.(b) will be distributed evenly based on free-float adjusted market capitalization into TOPIX Small Value and TOPIX Small Growth. The selected issues will be included in the two indices accordingly (adjustments to the Free Float Weight (FFW) will be made such that the remaining issues are evenly distributed between the two indices based on free-float adjusted market capitalization).

* Though classification within the TOPIX Style Index Series is, as a general rule, determined by the process outlined in c.(a)-c.(c), the classification of some issues classified may be changed in consideration of consolidated PER forecasts, etc.

d. TOPIX Value, TOPIX Growth classification

TOPIX Value and TOPIX Growth constituents are determined using the selection processes described in the above b. and c. (TOPIX Value constituents are made up of TOPIX 500 Value and TOPIX Small Value constituents. TOPIX Growth constituents are made up of TOPIX 500 Value and TOPIX Small Value constituents.)



(3) Monthly review (inclusion only)

Issues are included in the indices during the “Monthly Review”. The classification of the following issues will be based on the consolidated PBR as of the end of the month of listing against the consolidated PBR level used in the previous review.

- Companies that were newly listed on the TSE First Section (excluding initial listings of parent companies established due to stock transfer, etc.)
- Companies that were assigned to the TSE First Section from the Second Section
- Companies whose listing markets were altered to the TSE First Section from Mothers

Classification within the TOPIX Style Index Series will be determined based on the consolidated PBR of the newly listed company as of the end of the month in which it was listed against the PBR-standard used in the preceding October review.

Index calculation applying such constituent inclusions will begin on the last business day of the month after listing (inclusion occurs on the same day as inclusion in TOPIX).

(4) Removal of constituents in addition to the periodic review

Removal of constituents is conducted due to delisting, designation of Securities to Be Delisted and reassignment to the TSE Second Section (removal occurs on the same day as removal from TOPIX).

(5) Inclusion of constituents in addition to the periodic review

In cases where a company in the TOPIX Style Index Series is delisted due to a stock transfer, stock-swap, merger, or the creation of a new company through a merger or spin-off, and the surviving or succeeding company is promptly listed on the TSE First Section, the company will be included in an index of TOPIX Style Index Series based on the index of the TOPIX New Index Series in which it is included. The new free-float adjusted market capitalization for value or growth indices is calculated by FFW in consideration of the classification of the delisted company in the Style Index, and its stock transfer ratio, etc. (inclusion occurs on the same day as inclusion in TOPIX).

6. Constituent selection for Tokyo Stock Exchange Dividend Focus 100 Index

(1) Summary of Tokyo Stock Exchange Dividend Focus 100 Index

- The Tokyo Stock Exchange Dividend Focus 100 Index is an index of 100 issues selected with the aim of achieving stable quarterly dividend payments. Its constituent universe is comprised of the constituents of TOPIX 1000 and Tokyo Stock Exchange REIT Index. Issue selection is based on market capitalization and estimated dividend yield.
- The TSE conducts periodic reviews of its constituents twice a year in January and July.

(2) Periodic Review

a. Summary

- The periodic review is conducted biannually in January and July. It involves inclusion and/or removal of constituents based on market capitalization and estimated dividend yield of constituents of TOPIX 1000 and Tokyo Stock Exchange REIT Index in accordance with the "Selection Criteria" in b. below as of the base date.
- The base date of the January/July periodic review is the first Wednesday of the month (in the case of a holiday, it will be the second Wednesday).
- The list of constituent changes is published on the fifth business day after the base date, and index calculation applying such constituent changes will begin on the last business day of January/July.
- Free-float adjusted market capitalization is used for constituent selection. In the case of the Tokyo Stock Exchange REIT Index constituents, the FFW is 1.00000 for all issues.
- In the case of TOPIX 1000 constituents, the TSE uses the estimated dividend data provided by Toyo Keizai, Inc. for selection. In the case of Tokyo Stock Exchange REIT Index constituents, the TSE uses the estimated dividend data provided by such constituent issuers.

b. Tokyo Stock Exchange Dividend Focus 100 Index selection criteria

Issue selection during the periodic review is conducted based on the following process.

Step 1. Constituents of TOPIX 1000 and the Tokyo Stock Exchange REIT Index as of the base date are classified into the following 5 groups. Issues in Portfolio 5 are not included.

Portfolio 1: TOPIX 1000 constituents which settle accounts at the end of the business year in March or September.

Portfolio 2: TOPIX 1000 constituents which settle accounts at the end of the business year in June or December.

Portfolio 3: Out of the Tokyo Stock Exchange REIT Index constituents, those issues which settle accounts at the end of the business year in March or September, and which are selected as a result of screening by market capitalization.

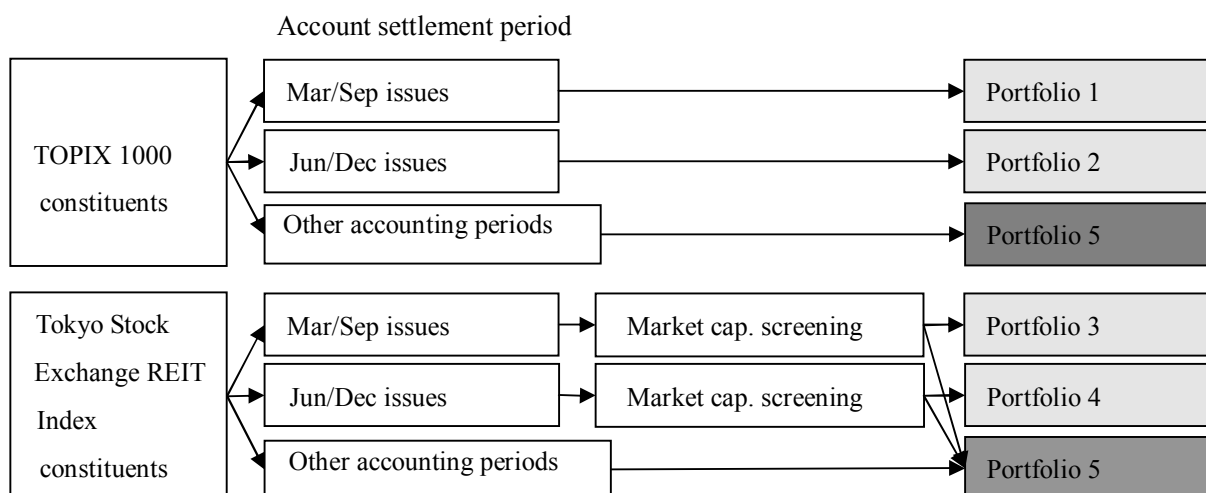
Portfolio 4: Out of the Tokyo Stock Exchange REIT Index constituents, those issues which settle accounts at the end of the business year in June or December, and which are selected as a result of screening by market capitalization.

Portfolio 5: Issues that do not fall under the above portfolios.

Screening of Issues in Portfolios 3 and 4 by Market Capitalization

Issues in Portfolios 3 and 4 will be screened based on market capitalization.

1. Issues which fall in the top 80 percent of cumulative market capitalization;
2. In the case where the number of selected issues in Portfolio 3 or 4 based on the above screening criteria 1. is less than 5, issues will be included based on market capitalization so that there are 5 issues in both portfolios.



The TSE ranks the issues in each of Portfolios 1 to 4 in descending order of dividend yield (in the case where more than one issue share the same dividend yield, the issues will be ranked in descending order of market capitalization). The TSE classifies such issues into the following 4 groups based on the market capitalization ratio in each of the portfolios.

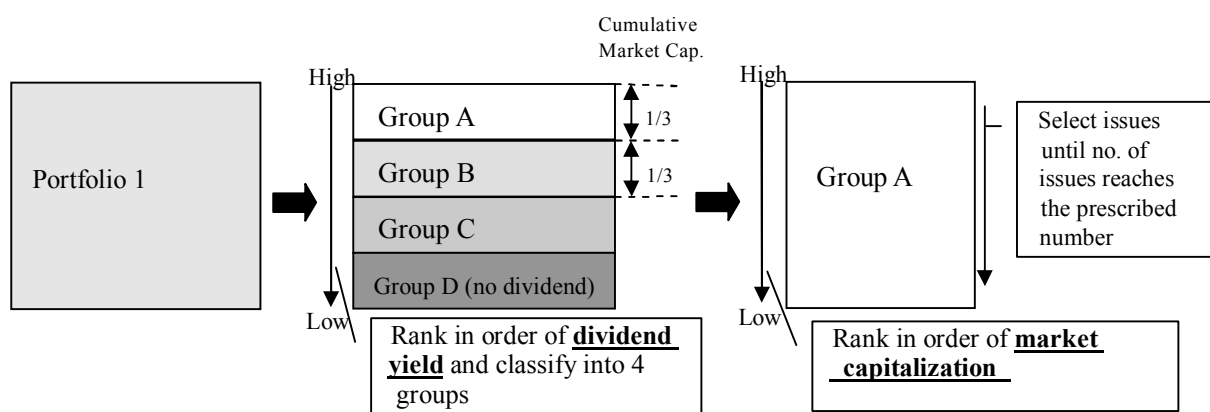
Group A: The TSE ranks the issues in the portfolio in descending order of dividend yield and select the issues whose cumulative market capitalization occupies the top one-third (1/3) of the market capitalization of the entire portfolio.

Group B: From issues in the portfolio other than those included in Group A, the TSE ranks issues in descending order of dividend yield and selects the issues so that the cumulative market capitalization of all issues included in Groups A and B occupies the top two-thirds (2/3) of the market capitalization of the entire portfolio.

Group C: Issues that do not fall under Groups A, B, and D.

Group D: Non-dividend-paying issues.

- Step 2. From issues that fall under Group A of each of Portfolios 1 to 4, the TSE selects, in descending order of market capitalization, 45 issues each from Portfolios 1 and 2, and 5 issues each from Portfolios 3 and 4.
- Step 3. If, as a result of the step 3., the number of selected issues do not reach 45 from Portfolios 1 and/or 2, or 5 from Portfolios 3 and/or 4, the TSE selects issues from Group B of each of the portfolios in descending order of market capitalization until the number of issues reach the prescribed number (i.e., 45 or 5) for the respective portfolios.
- Step 4. If, as a result of step 4., the number of selected issues do not reach 45 from Portfolios 1 and/or 2, or 5 from Portfolios 3 and/or 4, the TSE selects issues from Group C of each of the portfolios in descending order of market capitalization until the number of issues reach the prescribed number (i.e., 45 or 5) for the respective portfolios.
- Step 5. If, as a result of step 5., the number of selected issues do not reach 45 from Portfolios 1 and/or 2, or 5 from Portfolios 3 and/or 4, the TSE selects issues from Group D of each of the portfolios in descending order of market capitalization until the number of issues reach the prescribed number (i.e., 45 or 5) for the respective portfolios.



(3) Removal of constituents in addition to the periodic review

- The TSE excludes delisted issues and issues designated as “Securities to Be Delisted” from the eligible constituents (Removal occurs on the same day as removal from TOPIX Index).

(4) Inclusion of constituents in addition to the periodic review

- In the case where a constituent of the Tokyo Stock Exchange Dividend Focus 100 Index is delisted due to a stock transfer, stock-swap, merger by creation of a new company or shareholder-directed spin-off, and, moreover, the newly created, surviving, or succeeding company is listed on the TSE First Section without delay, if the delisted issue was a constituent of the Tokyo Stock Exchange Dividend Focus 100 Index, the TSE adds the new issue to the index.
- In the case where a constituent of the Tokyo Stock Exchange Dividend Focus 100 Index is delisted due to a stock-swap or absorption-type merger, in which stocks of the surviving company or the parent company holding all shares of the constituent company is not a constituent of the Tokyo Stock Exchange Dividend Focus 100 Index (constituents of TOPIX 1000 or Tokyo Stock Exchange REIT Index), the TSE adds stocks of the surviving company or the parent company to the index.
- Even though the number of constituents in the Tokyo Stock Exchange Dividend Focus 100 Index may decrease between periodic reviews due to the removal of constituents by means other than the periodic review as described in the previous item (3), no supplementary inclusions are made to meet the intended number of constituents (inclusions to meet the intended number of constituents are only made during the periodic review in January and July).

7. Constituent selection for Tokyo Stock Exchange REIT Property Sector Index Series

(1) Summary of the Tokyo Stock Exchange REIT Property Sector Index Series

- The Tokyo Stock Exchange REIT Property Sector Index Series created by dividing the constituents of TSE REIT index into the following 3 categories according to the property sectors namely “Office”, “Residential”, and “Retail & Logistics, Others”. (A single REIT issue may only be classified into one property sector, and will not be included in multiple property sector indices.)
- The TSE conducts an annual review of the constituents of the indices in the Tokyo Stock Exchange REIT Property Sector Index Series in July.

(2) July Review

- Based on the most recent securities report submitted for each REIT as of the base date (Last business day of May)for the periodic review, classify each REIT into one of three property sectors, namely “Office”, “Residential”, and “Retail & Logistics, Others”.
- Specifically, issues are classified according to the description under the “investment policy” item of the securities report containing description on the use of properties subject to investment by the REIT.
- In the case of multiple uses of properties subject to investment described under the “investment policy” item, confirm the basic policy on the investment ratio for each use and classify the issue based on the use with the highest investment ratio.
- In the case where there is no description on the investment ratio for each use, or where there are multiple property sectors with high investment ratios, refer to the list of investment properties in the securities report and classify the issue based on the property sector with the highest appraised value.
- The list of constituent changes is published on the fifth business day of July and index calculation applying such constituent changes will begin on the last business day of July.

8. Calculation Overview for Tokyo Stock Exchange Mothers Core Index

(1) Tokyo Stock Exchange Mothers Core Index Overview

- The Tokyo Stock Exchange Mothers Core Index is composed of issues selected by TSE from the constituents of the TSE Mothers Index based on market capitalization criteria (free-float basis) and in consideration of factors such as trading value, profits, and dividends. Information regarding profits and dividends will be taken from Securities Reports. The index will be composed of 15 issues when calculation begins and December 30, 2010 shall be used as the base date for selection. (Following the start of calculation, the number of constituents may drop below 15 due to delisting, etc.)

(2) Start of Calculation, etc.

- Start Date for Calculation: October 11, 2011
- Base Date: October 7, 2011
- Base Value: 1,000 points

(3) Calculation Method

- **Adjusted Stock Price Average**

(Calculations shall be conducted by dividing the total adjusted stock price of constituents by the adjusted stock price total on the base date (divisor). The units of index shall be points rounded to the nearest hundredth.)

$$\text{Index Value} = \frac{\sum (\text{Stock Price} \times \text{No. Of Index Listed Shares} \times \text{Coefficient})}{\text{Divisor}} \times \text{Base Value}$$

$$\text{Coefficient} = \frac{\text{Adjusted Share Units}}{\text{No. Of Index Listed Shares}} \times 100,000$$

- The Adjusted Share Units are used in stock price adjustment and will, as a general rule, use trading units. However, after the start of calculation, they will be altered in cases of stock-split or reverse stock-split and values shall differ from trading units.
- Stock prices shall be handled in the same manner as TOPIX, etc. (refer to II-3).

- **Calculation of Total Return Index**

A Total Return Index for the Tokyo Stock Exchange Mothers Core Index is also calculated.

On the ex-dividend date, the divisor will be adjusted using the amount (equivalent to the total TOPIX ex-dividend amount) obtained by multiplied the adjusted share unit by the estimated dividend amount. Additionally, actual dividend amounts will be revised on the 7th business day following the date 3 months after the earnings period. Please refer to IV-2(2) for the method of revising the divisor (* Of the contents of IV-2(2), "BMV" shall be read "divisor", "market value" shall be "stock price x adjusted share units", and "number of shares for index calculation shares on the business day before the ex-dividend date" shall be "adjusted number of shares per Share Unit on the business day before the ex-dividend date".)

(4) Addition, Removal of Constituents

- When a constituent is to be transferred to the First or Second Section, it shall be included in calculations from the date of such transfer until the business day preceding the final business day of October during the following year and shall be removed on the final business day of October during such year.
- In cases where a constituent will be delisted, such issue shall be removed on the delisting date. In cases where a constituent is designated as a Security to Be Delisted, such issue shall be removed on the 4th business day following the date of designation as a Security to Be Delisted.
- In cases where the number of constituents drops below 15 due to market section-transfer, delisting, etc., constituents shall be added on the final business day of October so that the total number of constituents is 15 (Issues to be added shall be publicized on the 5th business day of October). Furthermore, additional issues shall be selected by TSE based on market capitalization criteria (free-float basis) and in consideration of factors, such as trading value, profits, and dividends.
- When a constituent is delisted due to stock transfer and the newly created company is newly listed, the newly created company shall be included in index calculations.
- The addition or removal of constituents is, as a general rule, limited to the cases above and periodic review of constituents will not be conducted.

(5) Adjustment of Divisor or Adjusted Share Units Coinciding with Corporate Actions, etc.

- The divisor at the start of calculation shall be the total of the stock price of each constituent on the base date multiplied by the adjusted share units.

Matter requiring adjustment	Adjustment Date	Adjustment Details
Stock-split, reverse stock-split	Ex-rights date	Adjusted Share Units
Capital increase via paid-in allotment	Ex-rights date	Divisor
Delisting coinciding with designation as Security to Be Delisted	4 business days after date of designation	Divisor
Delisting not coinciding with designation as Security to Be Delisted	Delisting Date	Divisor
Issue Removal other than Delisting	Final business day of October	Divisor
Issue Addition	Final business day of October	Divisor
Dividend (Estimate) [only for total return index]	Ex-dividend date	Divisor
Dividend (actual) [only for total return index]	7th business day following the date 3 months after the earning period	Divisor

- Divisor Adjustment Method

<p>New Divisor</p> $= \text{Old Divisor} \times \left(\frac{\text{Previous Business Day's Constituent Stock Price} \times \text{Adjusted Share Unit Total} \pm \text{Adjusted Amount}}{\text{Previous Business Day's Constituent Stock Price} \times \text{Adjusted Share Unit Total}} \right)$
--

* Adjusted Amount = Stock Price used in Adjustment x Adjusted Share Unit (Added/Subtracted Amount)

9. Calculation Overview for TOPIX Active in Asia Index

(1) TOPIX Active in Asia Index

- The TOPIX Active in Asia Index is composed of issues selected by TSE from TOPIX500 constituents based on factors such as market capitalization (free-float basis) and sales volume in the Asian-Oceanian Region. Information regarding sales volume in the Asian-Oceanian Region will be taken from Securities Reports. The index will be composed of 25 issues when calculation begins and July 29, 2011 shall be used as the base date for selection. (Following the start of calculation, the number of constituents may drop below 25 due to delisting, etc.)
- Periodic review of constituents will be conducted once a year (October).

(2) Start of Calculation, etc.

- Start Date for Calculation: October 11, 2011
- Base Date: October 7, 2011
- Base Value: 1,000 points

(3) October Review

a. Outline

- New constituents to be added during the October review will be announced on the 5th business day of October and added to index calculation from the final business day of October.
- The revision (addition/removal) of constituents on the final business day of October shall be conducted using the market capitalization (free-float basis), sales volume in the Asian-Oceanian region, etc. on the base date (final business day of July) for the TOPIX500 constituents following the periodic review (hereinafter "New TOPIX500") of the TOPIX New Index Series conducted during the same month.
- As a general rule, the data contained in the Securities Report item [Segment Information], [Production, Order Acceptance, Sales Conditions], etc. shall be used as the sales volume in the Asian-Oceanian Region related to selection criteria.
- Such selection criteria may change accordingly with changes to the Securities Report items.

b. TOPIX Active in Asia Index Selection Criteria

- ① Constituents which have relatively high sales volume ratios in the Asian-Oceanian Region in New TOPIX500 (issues in approximately the top 25% of sales volume ratio in the Asian-Oceanian Region) will continue to be included in index calculations. Additionally, issues removed in the periodic review will, as a general rule, be within approximately 10% overall.
- ② In cases where less than 25 issues are selected in the above (1), New TOPIX500 issues with the

highest capitalization (free-float basis) in approximately the top 20% in terms of sales volume ratio will be selected until the total number of selected issues is 25.

(4) Removal of Constituents in addition to the periodic review

- In cases where constituents are delisted, designated as Securities to Be Delisted, or reassigned to the Second Section from the First Section, they shall be removed from the TOPIX Active in Asia Index. (To be removed on the same date as removal from TOPIX).

(5) Addition of Constituents in addition to the periodic review

- In cases where a TOPIX Active in Asia Index constituent is delisted due to a stock transfer, stock swap, merger in which a new company is created, or demerger according to the old Commercial Act (shareholder-directed spin-off) and the newly created company, surviving company, or successor company of such stock transfer, etc. is listed to the First Section without delay, such newly created company, etc. shall be added to TOPIX Active in Asia Index only if the delisted company was one of its constituents.

(6) Calculation Method

TOPIX Active in Asia Index is calculated by dividing the "Market Capitalization at Calculation Time", which is obtained by totaling the "Index-Use Market Capitalization (No. of Index-Use Shares multiplied by Stock Price)" for all constituents, by the "Base Market Capitalization" and then multiplying by the "Base Value". This calculation method is outlined as below.

Formula

$$\text{Formula} = \frac{\text{Index-Use Market Capitalization at Calculation Time}}{\text{Base Market Capitalization}} \times \text{Base Value}$$

TOPIX Active in Asia Index

- The number of Index-Use Shares is obtained by multiplying the number of Index-Use Listed Shares by the free-float weight following cap-adjustment.

$$\text{No. of Each Issue's Index-Use Shares} = \text{No. of Each Issue's Index-Use Listed Shares} \times \text{Each Issue's free float weight following cap-adjustment}$$

- The number of Index-Use Listed Shares is the number of shares included in index calculations, based on the number of listed shares. Regularly, the number of Index-Use Listed Shares is equivalent to

each issue's outstanding shares, however, in the case of a stock split, for example, a temporary difference could occur between the two figures due to the timing of the share addition/deletion.

- FFW used in the TOPIX Active in Asia Index shall be the free float weight after cap-adjustment (free float weight x cap-adjustment ratio) with a maximum 8% constituent ratio based on market capitalization weight on the periodic selection date. In cases where the cap maximum is exceeded following periodic selection, the cap-adjustment ratio shall not be altered until the periodic selection application date of the following year.
- However, in cases where there is a remarkable change in the constituent weight, such as where total market capitalization weight of index constituents surpasses the cap-maximum due to stock transfer/stock swap/etc. of a TOPIX Active in Asia Index constituent, an extraordinary revision of the free float weight following cap-adjustment of constituents may be conducted.

Calculation of Total Return Index

- Pre-tax amounts of dividends will be used in calculation of the total return index.
- Because dividend amounts are undetermined on the ex-dividend date, adjustment of base market capitalization due to dividends will be conducted in two parts, "(a) Revision according to Estimated Dividend" and "(b) Fine Adjustment according to Differences in Estimated Dividends and Dividends Announcement in Earnings Reports".

Revisions to stock prices, FFW, base market capitalization, etc. will be conducted according to TOPIX calculation criteria.

III. Index Calculation Method

TOPIX and other indices are based on free-float adjusted market capitalization-weighted and reflect movements of the market capitalization to each base market value (BMV). The indices are calculated by multiplying the base point by the figure obtained from dividing the current free-float adjusted market value (CMV) by the BMV. CMV is the sum of the products of the price and the number of free-float adjusted shares for index calculation of each constituent.

1. Calculation

Index value is not expressed in Japanese yen but indicated in points rounded off to the second decimal place.

$$\text{Index} = \text{CMV} / \text{BMV} \times \text{Base Point}$$

The base point of an index is either 100 or 1,000, and its base date varies depending on the index. Any increase or decrease in the CMV caused by events such as changes in the number of constituents and public offerings are not related to fluctuations in the stock market. In order to maintain the continuity of the index, the necessary adjustments are made to the BMV in such cases according to Section IV.

2. Base date and base point

Index		Base Date	Base Point
TOPIX, Ex-TOPIX		1968/01/04	100
TOPIX New Index Series	TOPIX 1000	2003/09/12	1,000
	Other indices excluding TOPIX 1000	1998/04/01	1,000
Size-based TOPIX Sub-Indices		1968/01/04	100
TOPIX Sector Indices	Chemicals, Pharmaceutical, Wholesale Trade, Retail Trade, Banks, Securities & Commodity Futures, Insurance, Other Financing Business	1992/01/06	1,000
	Other sectors excluding above sectors	1968/01/04	100
TOPIX-17 Series		2002/12/30	100
TOPIX Style Index Series		2008/11/25	1,000
Tokyo Stock Exchange Second Section Index		1968/01/04	100
Tokyo Stock Exchange Mothers Index		2003/09/12	1,000
Tokyo Stock Exchange Mothers Core Index		2011/10/7	1,000
TOPIX Active in Asia Index		2011/10/7	1,000
Tokyo Stock Exchange REIT Index		2003/03/31	1,000
Tokyo Stock Exchange Composite Index Series		2009/02/06	1,000

Index	Base Date	Base Point
Tokyo Stock Exchange Dividend Focus 100 Index	2010/02/26	1,000
Tokyo Stock Exchange REIT Property Sector Index Series	2010/02/26	1,000

3. Prices for index calculation

The prices for the calculation of the current free-float adjusted market value (CMV) are adopted based on the following priority.

- (1) Special quote or sequential trade quote
- (2) Execution price
- (3) Base price for index calculations as obtained based on the following priority
 - a. Ex-rights theoretical price
 - b. The latest special quote price or sequential trade quote price up to the preceding day
 - c. The latest execution price up to the preceding day

4. Number of shares for index calculation

The number of shares for index calculation is the number of listed shares for index calculation multiplied by FFW.

<p>Number of shares for index calculation = Number of listed shares for index calculation x FFW</p>
--

The TSE determines the number of listed shares for index calculation. The number of listed shares for index calculation normally coincides with the number of issued shares. However, in some cases these numbers differ. For instance, in the case of a stock split, etc., while the number of issued shares increases on the additional listing date which comes after such stock split becomes effective, the number of listed shares for index calculation increases on the ex-rights date.

As for Nippon Telegraph and Telephone Corporation, Japan Tobacco, Inc., and Japan Post Holdings Co., Ltd., the number of shares outstanding does not coincide with the number of listed shares for index calculation as a portion of the shares outstanding (held by the government) is not listed.

Ex-TOPIX does not reflect free-float adjusted market capitalization; the FFW for Ex-TOPIX constituents is set at 1.00. The FFW for constituents in the Tokyo Stock Exchange REIT Index and Tokyo Stock Exchange Property Sector Index Series are set to 1.00 for convenience.

5. Free-Float Weight (FFW)

(1) Outline

Free-Float Weight (FFW) is the weight of listed shares deemed to be available for trading in the market. The TSE decides and calculates this value for each listed company for index calculation. The FFW of Company A may be different from that of Company B.

FFW is calculated by first estimating the amount of non-free-float shares (portion of listed shares deemed not to be available for trading in the market) using securities reports and such statutory documents required by the Financial Instruments and Exchange Act and publicly available documents released by listed companies, second, calculating non-FFW (Non-free-float shares / listed shares), and finally obtaining the FFW by removing the non-free-float factor from 1 ($1 - \text{Non-FFW}$). FFW is expressed by a figure in the range of 0.00000 to 1.00000 in increments of 0.00001.

FFW is reviewed once a year in order to reflect the latest share ownership distribution. The timing of the FFW review varies depending on the settlement terms of listed companies. In addition to the periodic review, where the TSE deems appropriate extraordinary reviews are conducted in cases where FFW changes significantly due to events such as allocation of new shares to a third party.

(2) Periodic Review

The announcement date and effective date of the periodic review of FFW varies with the settlement terms of listed companies as follows.

Settlement Term	Announcement Date	Effective Date
January - March	Fifth business day of October	Last business day of October
April - June	Fifth business day of January	Last business day of January
July - September	Fifth business day of April	Last business day of April
October - December	Fifth business day of July	Last business day of July

At the periodic review, FFW is rounded up to the nearest 0.05 as follows after removing the non-FFW from 1 ($1 - \text{Non-FFW}$). However, companies with low liquidity described in Item (4) below will be multiplied by a fixed liquidity factor of 0.75 to derive the actual FFW used for calculation.

FFW for periodic review

1 – Non FFW	< 0.05	< 0.10	< 0.15	< 0.20	< 0.25	< 0.30	< 0.35	< 0.40	< 0.45
FFW	0.05	0.10	0.15	0.20	0.25	0.30	0.35	0.40	0.45

< 0.50	< 0.55	< 0.60	< 0.65	< 0.70	< 0.75	< 0.80	< 0.85	< 0.90	< 0.95	< 1.00
0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85	0.90	0.95	1.00

(3) Extraordinary Review

The TSE may review FFW in the following cases where it deems that the existing FFW is expected to be significantly affected.

Allocation of new shares to a third party, conversion of preferred shares or exercise of subscription warrants, company spin-off, merger, stock-swap, take-over bid (TOB) and other events deemed appropriate by the TSE.

(4) Adjustment for companies with low liquidity in comparison to market capitalization

Considering the idea that introducing free-float adjustment methodology can mitigate market impact caused by a distortion in demand and supply, a fixed liquidity factor (0.75) may be used to derive the actual FFW for index calculation. This liquidity factor is applied on TOPIX Composite constituent companies which have low liquidity, based on past record of trading, in comparison to market capitalization. (Currently, this is applied to about 1/10 of all constituent companies.)

Companies to which the liquidity factor is applied are reviewed every April and the base date for the review is the last day of February. A list of the companies to which the liquidity factor is applied is published on the fifth business day of April and index calculation applying such list begins on the last business day of April. For a company to be included in TOPIX Composite between March 1 and the end of February of the following year, due to a new listing on the TSE First Section (excluding stock-swaps, etc.), or assignment to the TSE First Section, the liquidity factor is applied to such companies until the next review in April.

E.g. For a company that is newly listed in February 2009 and included in TOPIX Composite at the end of March 2009, the fixed liquidity factor (0.75) will be applied to the FFW that is obtained based on the securities reports and such publicly available documents. The derived FFW will be used in index calculation until April 2010. During the periodic review in April 2010, such company's stock will be included into the list of issues for review.

(5) Estimation of non-free-float shares

a. Documents

Securities report and such statutory documents required by Financial Instruments and Exchange Act and publicly available documents released by listed companies are used to estimate the amount of non-free-float shares.

b. Estimation of non-free-float shares

The TSE deems the following as non-free-float shares

Shares held by the top 10 major shareholders, treasury stocks, etc. (including “Cross-Share Holdings” specified in Article 308 (1) of Companies Act), shares held by board members, etc., and other shares deemed by the TSE to unavailable for trading in the market.

The TSE may treat shares held by the top 10 major shareholders as free-float shares in some cases as follows. (The table below contains some examples and is not extensive.)

Condition	Major shareholder
As a general rule, shares considered as free-float.	Securities finance companies, securities depositories, nominees for depository receipts
Shares likely to be deemed as free-float. Cases where any of the following conditions are met and the TSE deems it appropriate to consider such shares as free-float. - There are descriptions in the Securities Report on the type of trust, the purpose of purchase of shares, etc. - It is clear that shares are held by several beneficiaries and managed centrally - It is clear that shares are held for margin transaction	Trust banks, master trusts, global custodians, insurance companies, securities companies, etc.

6. Calculation of coefficients for Tokyo Stock Exchange Dividend Focus 100 Index

(1) Summary

- The investment ratio for each constituent of the Tokyo Stock Exchange Dividend Focus 100 Index is determined at the time of the periodic review. The index indicates the trend of price movements of its constituents (Please refer to II. 6. for constituent selection). Therefore, a different method is used to determine the constituent ratio other than those for indices which show the measure of market capitalization such as TOPIX, and the Tokyo Stock Exchange REIT Index.
- When determining the constituent ratios of the Tokyo Stock Exchange Dividend Focus 100 Index, a different coefficient from the FFW is calculated during the periodic review to make such constituent ratios correspond to the investment ratio of each constituent. The value derived by multiplying the number of shares used for index calculation by the coefficient is used as the market capitalization for calculation of the Tokyo Stock Exchange Dividend Focus 100 Index.
- The coefficient is calculated during the periodic review. In the case of a change in the number of shares in a constituent (excluding cases of a stock-split, reverse stock-split, allotment to shareholders), there will be an extraordinary review. The coefficient varies with each constituent, and has a value between a minimum of 0.00001 and a maximum of 9.9999 in increments of 0.00001.

(2) Calculation of coefficients during periodic review

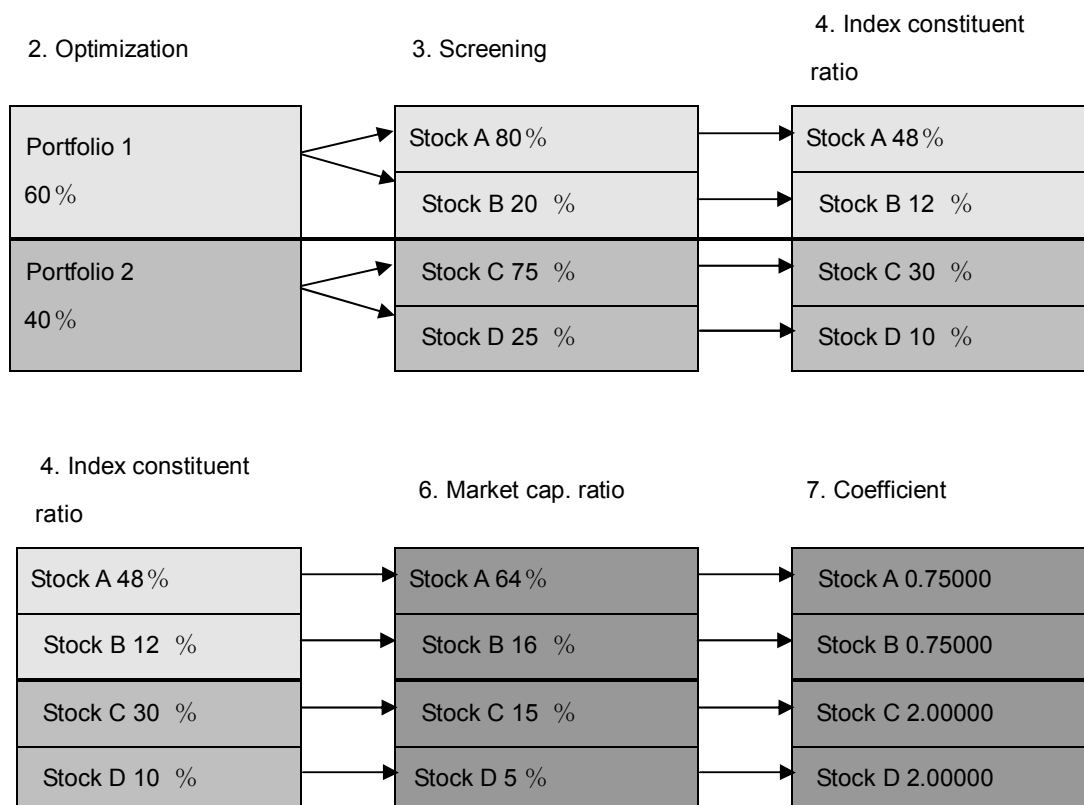
The coefficient for an issue selected in II. 6. (2) b. is calculated according to the following procedure.

- Step 1. If the constituent ratio of a certain issue (within a portfolio) exceeds a certain level, adjust this constituent ratio to fall within a certain ratio.
- Step 2. Determine the quantitative constituent ratio of Portfolios 1 to 4 (within the index) using the optimization method. This constituent ratio is set in increments of 1%.
- Step 3. Calculate the market capitalization ratio of each issue in the respective portfolio to which the issue belongs.
- Step 4. Calculate the constituent ratio of each issue in the Tokyo Stock Exchange Dividend Focus Index by multiplying the market capitalization ratio obtained in Step 3. by the constituent ratio calculated in Step 2.
- Step 5. Calculate the market capitalization for coefficient calculation by multiplying the number of listed shares of each issue for index calculation on the day of the periodic review by the final share price for index calculation two business days prior to the day of the periodic review.
- Step 6. Calculate the market capitalization ratio (of each constituent within the index) for

coefficient calculation by using the market capitalization calculated in Step 5.

Step 7. The coefficient of an issue shall be the value derived by dividing the market capitalization ratio (of each constituent within the index) for coefficient calculation computed in Step 6. by the constituent ratio of each issue in the Tokyo Stock Exchange Dividend Focus Index calculated in Step 4 (the 5th decimal place is rounded off).

(Example: Portfolio 1 and 2)



(3) Extraordinary review of coefficients

In the case of a change in the number of shares of a constituent of the index (excluding cases of a stock-split, reverse stock-split, allotment to shareholders), the extraordinary review of the coefficient will be conducted as follows (the 5th decimal place is rounded off).

$$\text{New coefficient} = \frac{\text{Number of listed shares for index on business day before the day of increase in number of shares} \times \text{Coefficient on business day before the day of increase in number of shares}}{\text{Number of listed shares for index after increase in number of shares}}$$

An extraordinary review of a coefficient is conducted only if the new coefficient and the value of the coefficient on the business day before the day of the increase in the number of shares changes by 0.00001 or more.

IV. Adjustment of Base Market Value

In the event of an increase or decrease in the CMV due to reasons other than fluctuations in the stock market such as public offerings or changes in the number of constituents, necessary adjustments are made to the base market value as follows in order to maintain the continuity of the indices.

1. Events which require adjustments

Events which require adjustments, dates of adjustments, and prices used for adjustments are as follows. BMV will be adjusted after the end of the trading session on the adjustment date.

(1) Changes in constituents (inclusion/removal)

- a. TOPIX, Ex-TOPIX, TOPIX Sector Indices, TOPIX-17 Series, TOPIX New Index Series, Size-based TOPIX sub-indices, TOPIX Style Index Series, TOPIX Composite,

TOPIX Composite 1500, and Tokyo Stock Exchange Dividend Focus 100 Index

	Event	Adjustment date	Price used for adjustment
Inclusion	<Initial Listing> New listings on 1st section (direct listing, listing via other exchange)	One business day before last business day of the month after that of such initial listing date	Price on adjustment date
	New listing of a newly formed company resulting from a corporate consolidation, etc. (*1) that results in a TOPIX or such index constituent being delisted and the new company being included in TOPIX or such index (*2)	One business day before listing date (*3)	Base price (used to decide the daily price limit)
	Assignment to the TSE First Section from the TSE Second Section	One business day before last business day of the month after that of such assignment (*4)	Price on adjustment date
	Alteration of listing market to the TSE First Section from Mothers	One business day before last business day of the month after that of such alteration of listing market (*4)	Price on adjustment date
	Foreign stock (not listed)	One business day before	Price on business day

	Event	Adjustment date	Price used for adjustment
	exclusively on the TSE) is to be delisted from another stock exchange and becomes exclusively listed on the TSE (TOPIX Composite and TOPIX Composite 1500 only)	last business day of the month after that of the delisting date at the other stock exchange	before adjustment date
Removal	<Delisting> New listing of a newly formed company resulting from a corporate consolidation, etc. that result in TOPIX or such index constituent being delisted and the new company being included in TOPIX or such index which used to include the delisted company.	Initial listing date of newly established company, etc. (normally two business days after delisting date)	Price on business day before the delisting date (*5)
	Delisting other than those stated above (e.g. non-surviving company as a result of merger/acquisition, etc.)	One business day before delisting date	Price on business day before adjustment date
	Designation of Securities to Be Delisted	three business days after designation of Securities to Be Delisted (*6)	Price on business day before adjustment date
	Reassignment to the TSE Second Section from the TSE First Section	One business day before the date of reassignment date	Price on business day before adjustment date
	Removal from TOPIX 1000 as a result of periodic review of TOPIX New Index Series (Tokyo Stock Exchange Dividend Focus 100 Index only)	One business day before last business day of October	Price on business day before adjustment date
	Foreign stock listed exclusively on the TSE is listed on another stock exchange (TOPIX Composite and TOPIX Composite 1500 only)	One business day before last business day of the month after that of the listing date on the other stock exchange	Price on business day before adjustment date
	<Periodic inclusion / removal > October Review	One business day before last business day of October	Price on business day before adjustment date

	Event	Adjustment date	Price used for adjustment
	(TOPIX New Index Series, Size-based TOPIX Sub-Indices, TOPIX Style Index Series, and TOPIX Composite 1500 only)		
	<Annual review> TOPIX Style Index Series only	One business day before last business day of October	Price on business day before adjustment date
	Change in industrial sector (sector indices and TOPIX-17 Series indices only)	One business day before the date of constituent change	Price on business day before adjustment date
	<Semiannual review> Tokyo Stock Exchange Dividend Focus 100 Index only	One business day before last business day of January and July	Price on business day before adjustment date

(*1) A stock transfer, stock-swap, merger which establishes a new company, company spin-off.

(*2) The new company will be included in whichever index of the TOPIX New Series that is based on the highest liquidity and largest free-float adjusted market capitalization in which the delisted company was included. In addition, if the delisted company was included in the TOPIX Composite 1500, the new company will be included in the TOPIX composite 1500.

(*3) If the initial listing date falls on a holiday, it will be the following business day.

(*4) While, such issues are regarded as constituents of the indices from the assignment date or date of alteration of listing market, technically, the FFW of such issues is 0.00 during the period from the assignment date or date of alteration of listing market to the month after such assignment or alteration of listing market. The number of shares to be used for index calculation will also be zero (0) during such period. Therefore, the actual inclusion date is pushed back accordingly as described above. FFW of 1.00 is used for calculation in Ex-TOPIX, and Ex-TOPIX calculation applying such constituent inclusions begins on the assignment date or date of alteration of listing market.

(*5) During the period from the delisting date to the business day before the date of removal from the index, the price on the business day before the delisting date is used for index calculation.

(*6) If the designation date falls on a holiday, it will be the following business day.

(*7) If the ratio of the free-float adjusted market capitalization of a newly listed company on the TSE First Section to the adjusted market value of TOPIX reaches or exceeds 1% on any day during the five business days counting from the initial listing date, the company is included into the indices in phases so that the ratio is maintained under 1% (After the initial inclusion, the next inclusion will be at the end of the second calendar month from that after the previous inclusion).

(*8) In case of an initial listing (excluding those through a stock-swap, etc.), or assignment from the TSE Second Section or alteration of listing market from Mothers, to the TSE First Section, where the date of inclusion into TOPIX falls within a “when-issued transaction” period, the TSE will change the adjustment date of such company to “the last business day of the month after that of the last trading day of the when-issued transaction”.

(Note) There will be no when-issued transactions for stock splits with allocation dates on or after January 4, 2006. Depending on the case, a new share allocation to third parties may still be conducted in the form of when-issued transaction.

- b. Tokyo Stock Exchange Second Section Index, Tokyo Stock Exchange Mothers Index, Tokyo Stock Exchange REIT Index, Tokyo Stock Exchange Second Section Composite Index, Tokyo Stock Exchange Mothers Composite Index, and Tokyo Stock Exchange REIT Property Sector Index Series

	Event	Adjustment date	Price used for adjustment
Inclusion	<Initial Listing> New listings on TSE Second Section, Mothers, or Tokyo Stock Exchange REIT market (direct listing, listing via other exchange)	One business day before last business day of the month after that of such initial listing date	Price on business day before adjustment date
	New listing of a newly formed company resulting from a corporate consolidation, etc. that result in such index constituent being delisted and the new company being included in such index which used to include the delisted company. (*2)	One business day before listing date (*1)	Base price (used to decide the daily price limit)
	Reassignment from the TSE First Section to the TSE Second Section (Tokyo Stock Exchange Second Section Index and Tokyo Stock Exchange Second Section Composite Index only)	One business day before the date of reassignment date	Price on business day before adjustment date
	Foreign stock (not listed exclusively on the TSE) is delisted from another stock exchange and becomes exclusively listed on the TSE	One business day before last business day of the month after the delisting date at the other stock exchange	Price on business day before adjustment date
Removal	<Delisting> New listing of a newly formed company resulting from a corporate consolidation, etc. that result in such index	One business day before listing of newly established company (Normally it is two business days after	Price one business day before the de-listing date

	Event	Adjustment date	Price used for adjustment
	constituent being delisted and the new company being included in such index which used to include the delisted company.	de-listing)	
	Delisting other than those stated above (e.g. non-surviving company as a result of merger/acquisition, etc.)	One business day before delisting date	Price on business day before adjustment date
	Designation of Securities to Be Delisted	Three business days after designation of Securities to Be Delisted (*2)	Price on business day before adjustment date
	Assignment to the TSE First Section from the TSE Second Section (Tokyo Stock Exchange Second Section Index and Tokyo Stock Exchange Second Section Composite Index only)	One business day before assignment date	Price on business day before adjustment date
	Alteration of listing market to the TSE First Section from Mothers (Tokyo Stock Exchange Mothers Index and Tokyo Stock Exchange Mothers Composite Index only)	One business day before the date of alteration of listing market	Price on business day before adjustment date
	Foreign stock listed exclusively on the TSE is listed on another stock exchange (Tokyo Stock Exchange Second Section Composite Index and Tokyo Stock Exchange Mothers Composite Index only)	One business day before last business day of the month after that of the listing date on the other stock exchange	Price on business day before adjustment date
	Alteration of listing market to the TSE Second Section from Mothers (Tokyo Stock Exchange Mothers Index and Tokyo Stock Exchange Mothers Composite Index only)	One business day before the date of alteration of listing market	Price on business day before adjustment date
	Change in property Sector (Tokyo Stock Exchange REIT Property Sector Index Series only)	One business day before last business day of July	Price on business day before adjustment date

(*1) If the initial listing date falls on a holiday, it will be the following business day.

(*2) If the designation date falls on a holiday, it will be the following business day.

(2) Changes in number of shares for index calculation

Event	Adjustment date	Price used for adjustment
Change of FFW	One business day before effective date.	Price on the adjustment date
Public offering	One business day before additional listing date (*1)(*2)	Price on the adjustment date
Allocation of new shares to a third party	Four business days after additional listing date (*3)	Price on the adjustment date
Issues to shareholders with payment	One business day before ex-rights date	Price on the adjustment date
Exercise of subscription warrant	One business day before last business day of the month after that of exercise	Price on the adjustment date
Conversion of preferred shares, etc.	One business day before last business day of the month after that of conversion	Price on the adjustment date
Cancellation of treasury stocks	One business day before last business day of the month after that of cancellation of treasury stocks	Price on the adjustment date
<Merger, stock-swap> Merger or stock-swap with non-surviving company (*4) included in Indices (merger and stock-swap conducted between companies included in Indices)	Delisting date of non-surviving company	Price on the adjustment date
Merger or stock-swap other than that described above	One business day before additional listing date (*5)	Price on the adjustment date
Sale of shares held by the Japanese government (Nippon Telegraph, Telephone and Japan Tobacco and Japan Post Holdings only)	Date determined by TSE*8	Price on the adjustment date
Company spin-off (case where the number of shares of the	One business day before additional listing date	Price on the adjustment date

Event	Adjustment date	Price used for adjustment
succeeding company increases)		
Other adjustments (*6)	One business day before last business day of the first or second month after the information is published in the “Sho-Ho”	Price on the adjustment date

(*1) If the listing date is a non-business day, one business day after additional listing

(*2) One day after debit date

(*3) Two days after debit date

(*4) Domestic common stocks, domestic preferred equity subscription securities, domestic participating classified stocks, foreign stocks with exclusive listing on the TSE, and REITs

(*5) Effective date

(*6) For example, “a company which issued subscription warrants performed a stock-split or such company was merged”, or “a company announced a change to the number of listed shares”.

(*7) Base market value (BMV) is not adjusted in the case of a stock split or reverse stock split as the decrease in share price corresponds to the change in the number of listed shares, and the market capitalization remains unchanged.

(*8) Generally the delivery date

(3) Data used for adjustment

Data on events that require adjustments, such details, and adjustment dates, etc. are extracted from “Sho-Ho (Target, TSE WAN)” compiled and released daily by the TSE based on filings by issuing companies. (Please refer to III. 5. for calculation of FFW.)

Retroactive adjustments will not be made to revise the figures of the index that have already been calculated and disseminated even if issuing companies file amendments on released information.

2. Adjustment Methods

(1) Price return index

The base market value (BMV) is adjusted according to the following formula in order to maintain the continuity of the indices.

$$\begin{aligned} & \text{Free-float adjusted market value on business day before adjustment date} / \text{BMV before adjustment (Old BMV)} \\ & = (\text{Free-float adjusted market value on business day before adjustment date} \pm \text{Adjustment amount}) / \text{BMV} \\ & \text{after adjustment (new BMV)} \end{aligned}$$

Note: Adjustment amount = Changes in the number of shares for index calculation × Price used for adjustment

Therefore,

$$\begin{aligned} \text{New BMV} = & \text{Old BMV} \times (\text{Free-float adjusted market value on business day before adjustment date} \pm \\ & \text{Adjustment amount}) / \text{Free-float adjusted market value on business day before adjustment} \\ & \text{date} \end{aligned}$$

Example of such adjustment:

Suppose that

BMV before adjustment = 20 trillion yen

Free-float adjusted market cap. on business day before adjustment date = 400 trillion yen

Then, TOPIX on the business day before the adjustment date would be

$$400 \text{ trillion yen} / 20 \text{ trillion yen} \times 100 = 2,000.00 \text{ points}$$

If 100 million new shares of stock A are issued through a public offering and its closing price on the previous day is 2,000 yen, the adjustment amount would be

$$100 \text{ million shares} \times 2,000 \text{ yen} = 200 \text{ billion yen}$$

Therefore the new BMV would be

$$20 \text{ trillion yen} \times (400 \text{ trillion yen} + 200 \text{ billion yen}) / 400 \text{ trillion yen} = 20.01 \text{ trillion yen}$$

As such, if there is no change in the stock prices of all constituents, today's TOPIX will remain at 2000.00 as of the previous day. (In this way, adjustment of BMV, the index value is not affected by the increase in market capitalization due to the public offering and continuity of the index is maintained.)

$$(400 \text{ trillion yen} + 200 \text{ billion yen}) / 20.01 \text{ trillion yen} = 2000.00 \text{ points}$$

(2) Total return index

The index is calculated using the gross amount of dividend (i.e., before tax).

On the ex-dividend date, as the actual amount of dividend for the current term is not set, the BMV is adjusted in two stages: (a) adjustment using the estimated dividend and (b) final adjustment using the difference between the estimated dividend and the actual dividend reported in the “Earnings Digest”.

a. Adjustment method

On the ex-dividend date, calculate the total amount of dividend based on the estimated dividend and perform BMV adjustment described in the above paragraph. As a general rule, the dividend used will be as follows.

- If the amount of dividend for the current term is announced through timely disclosure, such amount.
- If the amount of dividend for the current term is not set (i.e., either not announced as described in or not fixed), the amount of dividend for the previous term.

BMV adjustment is performed in the same way as the price return index. However, in the total return index, the adjustment using surplus dividend is considered.

$$\text{New BMV} = \text{Old BMV} \times \left(\frac{\text{Free-float adjusted market value on business day before adjustment date} - \text{Total dividend amount} \pm \text{Other adjustments}^*}{\text{Free-float adjusted market value on business day before adjustment date}} \right)$$

$$\text{Amount of dividend for each company} = \text{Number of shares for index calculation on business day before ex-dividend date} \times \text{Estimated dividend}$$

$$\text{Total dividend amount} = \text{Sum of dividends of all companies}$$

(*) Other adjustments = Increase (decrease) in number of shares for index calculation × Price used for adjustment

b. Final adjustment using difference between estimated and actual dividend in “Earnings Digest”

A final adjustment is made for issues which have differences between the estimated dividends used for the calculation made on the ex-dividend date and the dividends subsequently reported in the “Earnings Digest”. This adjustment on BMV is made on the 7th day of the third month following that of the ex-dividend date (if this day falls on a holiday, it will be made one business day prior thereto) using the total dividend final adjustment amount (e.g., the final adjustment for stocks of companies whose settlement

term falls in March will be performed on June 7).

The cut-off date for disclosed information used for the final adjustment is the third business day prior to the final adjustment. However, the TSE will make an additional final adjustment if there is disclosure of a dividend adjustment after the cut-off date which the TSE deems to have a significant influence on the total return index.

The final adjustment is made by adjusting BMV according to the following formula.

$$\text{New BMV} = \text{Old BMV} \times (\text{Free-float adjusted market value on business day before adjustment date} - \text{Total dividend final adjustment amount} \pm \text{Other adjustments}) / \text{Free-float adjusted market value on business day before adjustment date}$$
$$\text{Amount of dividend final adjustment for each company} = \text{Number of shares for index calculation on business day before ex-dividend date} \times (\text{Dividend reported in "Earnings Digest"} - \text{Estimated dividend})$$
$$\text{Total dividend final adjustment amount} = \text{Sum of dividend final adjustment amounts of dividends of all companies}$$

(3) Net Total Return Index (TOPIX, Tokyo Stock Exchange REIT index only)

- In addition to the Total Return Index explained above, the Net Total Return Index which reflects the tax rate applied to dividend income on listed shares, etc. is also calculated.
- The base market value adjustment to reflect the dividend amount is made at the same time as (2). But when calculating the base market value, the "total dividend amount" and the "total dividend minor adjustment amount" shall each be multiplied by (1 minus the dividend tax rate).
- The tax rate used in calculating the Net Total Return Index is withholding tax rate for listing shares (except for the local tax) at the adjustment date.

v. Others

1. Publication and provision of index data services

(1) Index value

Indices are calculated and disseminated to securities firms and information vendors, etc. in real-time (every fifteen (15) seconds*) through the TSE's Market Information System (MAINS). Only the closing price of the total return index is calculated.

TSE shortened interval of TOPIX, TOPIX Core30, TOPIX500, TOPIX1000 dissemination from fifteen (15) seconds to one (1) second beginning September 13, 2010.

(2) Index data services

The TSE provides daily index data such as base market value, number of shares for index calculation etc. through "Tokyo Market Information (TMI)".

2. Licensing

Indices calculated and published by the TSE are the intellectual property of the TSE. All rights on such indices including but not limited to calculation, publication, dissemination, and use of these indices are reserved by the TSE.

A licensing agreement is required when using the indices to create or sell financial products such as funds and linked bonds (including OTC derivatives such as options, swaps, warrants, etc.). It is also required when using the indices for commercial purposes such as dissemination to third parties.

3. Exemption of liability

In the case of a computer malfunction, natural disaster or other unavoidable circumstances, the TSE may postpone or cancel calculation of the indices. The TSE shall not, under any circumstances, guarantee the accuracy of the indices. Should any error occur in index calculation, the TSE shall not be liable for any damages incurred by any person or organization.

4. Contact

Tokyo Stock Exchange, Inc.

Information Services TEL:+81-3-3666-0141

Sales Group

(TOPIX data service and licensing)

E-mail: tminfo@jpx.co.jp

Planning and Operation Group

(Calculation)

E-mail: index@jpx.co.jp