

(Provisional Reference Translation)

Summary of Comments Submitted in the Public Consultation Procedure
Regarding "Revisions to Calculation Methodology for TSE REIT-related Indices"

November 22, 2016
Tokyo Stock Exchange, Inc.

Tokyo Stock Exchange, Inc. ("TSE") released an outline of the "Revisions to Calculation Methodology for TSE REIT-related Indices" on October 19, 2016 and sought public comments until November 18, 2016. A summary of the comments and TSE's responses are as follows.

No.	Summary of Comments	TSE Response
1	Under estimation of non-free-float shares, "cases that TSE may treat as free-float" 1) Confirm the treatment of "XX Trust Bank (securities investment trust account)" 2) Clarify the types of cases with respect to "Global custodians", and "Other entities who hold shares TSE deems as available for trading in the market".	1) Please see the Index Guidebook. 2) TSE confirms the purpose of the shareholding based on financials reports, etc. As such, we only disclose our basic approach on the definition of free-float.
2	Clarify the rule for calculation of FFW for new listings, which will not have submitted securities reports by July 2016.	Please see "Outline of Introduction of Free-Float Adjustment for TSE REIT-related Indices".
3	Some J-REITs are also held by sponsors in order to align the profits between the sponsor and investors (same-boat	This change aims to alleviate imbalances in supply and demand resulting from availability or liquidity of the shares in the secondary market, and further

	<p>investment).</p> <p>If the shares held by the sponsor are considered non-free-float when calculating FFW, it might hinder same-boat investments.</p>	<p>improve the usability of TSE REIT-related Indices as benchmarks in light of an increase in passive funds that invest in the indices.</p> <p>Therefore, in line with the intent of the change, we will decide which shares are free-float based on the investor as described in the Index Guidebook</p>
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