

(Reference Translation)

TSE Index Guidebook (TOPIX Style Index Series)

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JPX Market Innovation & Research, Inc.

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Contents

Record of Changes	3
Introduction	4
I. Outline of Indices	4
II. Index Calculation	5
1. Formula	5
2. Index Type	5
3. Inclusion or Removal of Constituents	5
III. Other	9
1. Publication/Dissemination of Index Data	9
2. Licensing	10
3. Contact	10

Record of Changes

DATE	Changes
2018/7/23	* First Edition
2020/3/31	* Revised the date for adjusting base market value following the shortening of stock settlement cycle to T+2
2020/6/30	* Revision to bring forward the date for minor adjustments related to ex-dividend
2020/12/25	* Clarification of the treatment of section transfers, etc.
2022/4/4	* Revisions pertaining to cash equity market restructuring * Added revisions with regard to the business transfer to JPXI (applied on April 1,2022 retroactively)
2023/2/13	* Revised the structure of the provisions regarding formulas, etc. so that they are in accordance with "Index Calculation Guidebook"
2023/12/22	* Added "TOPIX Core30 Value", "TOPIX Core30 Growth", "TOPIX Large70 Value", "TOPIX Large70 Growth", "TOPIX Mid400 Value", "TOPIX Mid400 Growth" (Launch Date: March 4,2024)

Introduction

- JPX Market Innovation & Research, Inc. (hereinafter the “JPXI”) calculates and publishes the TOPIX Style Index Series in accordance with the methods described in this document. If an event not specified in this document occurs, or if JPXI determines that it is difficult to use the methods described in this document, JPXI may use an alternative method of index calculation as it deems appropriate.
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I. Outline of Indices

- The TOPIX Style Index Series is comprised of TOPIX Value, TOPIX Growth, TOPIX 500 Value, TOPIX 500 Growth, TOPIX Small Value, TOPIX Small Growth, TOPIX Core30 Value, TOPIX Core30 Growth, TOPIX Large70 Value, TOPIX Large70 Growth, TOPIX Mid400 Value, and TOPIX Mid400 Growth indices. Their respective constituents are the constituents of TOPIX, TOPIX 500, and TOPIX Small, classified according to their consolidated PBR, etc..
- JPXI conducts an annual review of the constituents of the indices in the TOPIX Style Index Series in October.
- The base date and base value for each index is as below:

Index	Base Date	Base Point
TOPIX Value, TOPIX Growth, TOPIX 500 Value, TOPIX 500 Growth, TOPIX Small Value, and TOPIX Small Growth	2008/11/25	1,000
TOPIX Core30 Value, TOPIX Core30 Growth, TOPIX Large70 Value, TOPIX Large70 Growth, TOPIX Mid400 Value, and TOPIX Mid400 Growth	2023/8/18	10,000

II. Index Calculation

1. Formula

- TOPIX Style Index Series indices are calculated using free-float adjusted market capitalization weighting.
- The formula, adjustment of base market value, etc. are in accordance with "Index Calculation Guidebook".
- For index calculation, the following is applied: a liquidity factor as set in "Free Float Weight Calculation Methodology", the TOPIX cap-adjustment ratio, and a transition factor.

2. Index Type

- JPXI calculates both price and total return versions of TOPIX Style Index Series indices.
- The method of reflecting dividends in index values is in accordance with "Index Calculation Guidebook".

3. Inclusion or Removal of Constituents

(1) October Review

a. Summary

- At the October Review, constituents of TOPIX New Index Series indices after their own reviews in the same month are included or removed in TOPIX Style Index Series indices as set out in the below b. to g., based on consolidated PBR, etc. as of the base date for the October review, which is the last business day of August.
- Index calculation applying such constituent changes will begin on the last business day of October.

b. TOPIX 500 Value, TOPIX 500 Growth selection

- (a) Issues with consolidated PBR that falls approximately within the top third of TOPIX 500 constituents based on total free-float adjusted market capitalization (after applying a liquidity factor as set in the Free Float Weight Calculation Methodology, the TOPIX cap-adjustment ratio, and a transition factor. The same shall apply hereinafter) will be selected. The selected issues will be included in TOPIX 500 Growth.
- (b) Issues with consolidated PBR that falls approximately within the bottom third of TOPIX 500 constituents 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) The remaining constituents of TOPIX 500 which were not selected by the process

outlined in (a) and (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)-(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

- (a) Issues with consolidated PBR that falls approximately within the top third of TOPIX Small constituents based on total free-float adjusted market capitalization will be selected. The selected issues will be included in TOPIX Small Growth.
- (b) Issues with consolidated PBR that falls approximately within the bottom third of TOPIX Small constituents 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) The remaining constituents of TOPIX Small which were not selected by the process outlined in (a) and (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), the classification of some issues classified may be changed in consideration of consolidated PER forecasts, etc.

d. TOPIX Value, TOPIX Growth selection

- The selection processes in the above b. and c. also determine the constituents of TOPIX Value and TOPIX Growth (TOPIX Value constituents are made up of TOPIX 500 Value and TOPIX Small Value constituents. TOPIX Growth constituents are made up of TOPIX 500 Growth and TOPIX Small Growth constituents).

e. TOPIX Core30 Value, TOPIX Core30 Growth selection

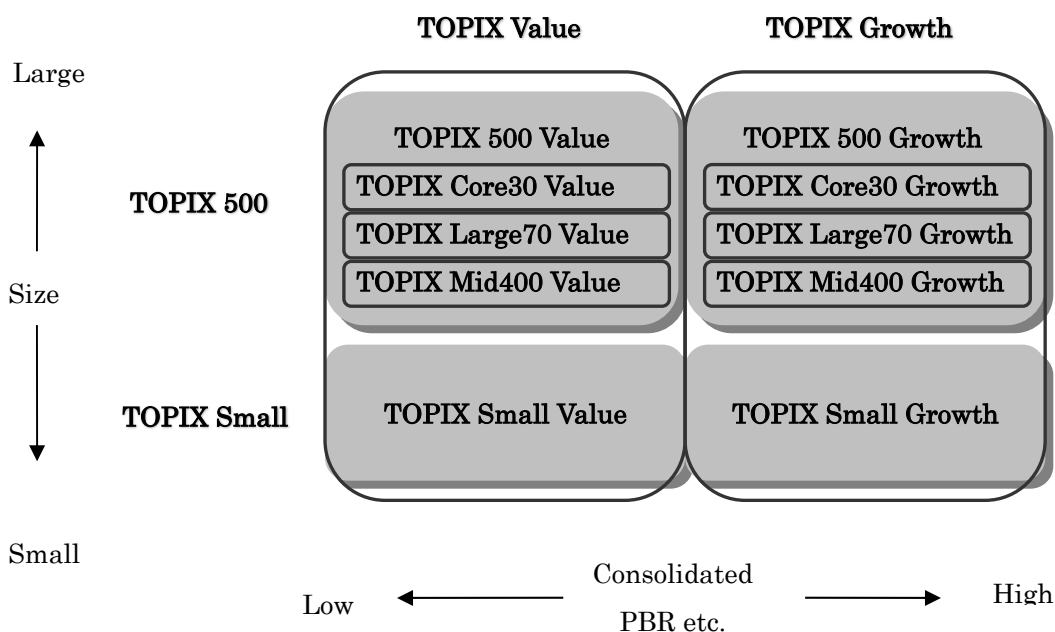
- The constituents of TOPIX Core30 Value are selected from those of TOPIX Core30 that are also constituents of TOPIX 500 Value.
- The constituents of TOPIX Core30 Growth are selected from those of TOPIX Core30 that are also constituents of TOPIX 500 Growth.

f. TOPIX Large70 Value, TOPIX Large70 Growth selection

- The constituents of TOPIX Large70 Value are selected from those of TOPIX Large70 that are also constituents of TOPIX 500 Value.
- The constituents of TOPIX Large70 Growth are selected from those of TOPIX Large70 that are also constituents of TOPIX 500 Growth.

g. TOPIX Mid400 Value, TOPIX Mid400 Growth selection

- The constituents of TOPIX Mid400 Value are selected from those of TOPIX Mid400 that are also constituents of TOPIX 500 Value.
- The constituents of TOPIX Mid400 Growth are selected from those of TOPIX Mid400 that are also constituents of TOPIX 500 Growth.



(2) Monthly review (inclusion only)

- At the Monthly Review, issues included in TOPIX will be added to the TOPIX Style Index Series indices on the same day as their inclusion in TOPIX. Classification within the Series will be based on consolidated PBR as of the end of the month before their

inclusion in TOPIX against the consolidated PBR level used in the previous review. (No constituent removals are carried out at the Monthly Review.)

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

- If an issue is removed from TOPIX, it will be removed from the TOPIX Style Index Series indices.

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

- In cases where a company in the TOPIX Style Index Series indices is delisted due to a stock transfer, stock-swap, merger for creating a new company or demerger, and the surviving or succeeding company is promptly listed and included into TOPIX, the company will be included in a TOPIX Style Index Series index in accordance with the TOPIX New Index Series index in which it is included. The FFW for such issues used in their new free-float adjusted market capitalization for value or growth indices is calculated in consideration of the classification of the delisted company within the Style Index Series, and its stock transfer ratio, etc.

(5) Dates of constituent inclusion and removal

	Event Requiring Adjustment		Adjustment Date
Inclusion	New listing of a newly formed company resulting from a corporate consolidation, etc. (*1) that results in a TOPIX Style Index Series constituent being delisted and the new company being included in TOPIX Style Index Series.		New listing date (*2)
	Delisting of a TOPIX Style Index Series constituent due to a stock swap or an absorption-type merger with a surviving stock that is not a constituent of the same index, and the surviving stock is included in the same index.		Delisting date
	Inclusion into TOPIX		Date of inclusion into TOPIX
	Periodic review in October		Last business day of October
Removal	Delisting	New listing of a newly formed	Listing date of the

	Event Requiring Adjustment	Adjustment Date
	company resulting from a corporate consolidation, etc. (*1) that results in a TOPIX Style Index Series constituent being delisted and the new company being included in TOPIX Style Index Series.	newly formed company (normally two business days following delisting date)
	Delisting other than those stated above (e.g. mergers/acquisitions between two TOPIX Style Index Series constituents with surviving company remaining as a TOPIX Style Index Series constituent, etc.)	Delisting date
	Removal from TOPIX	Date of removal from TOPIX
	Periodic review in October	Last business day of October

*1: Stock transfer, stock swap, merger for creating a new company, or demerger.

*2: Next business day when the new listing date falls on a holiday.

III. Other

1. Publication/Dissemination of Index Data

(1) Index Values

- The price index values of TOPIX Value, TOPIX Growth, TOPIX 500 Value, TOPIX 500 Growth, TOPIX Small Value, and TOPIX Small Growth are disseminated in real-time through the Market Information System to securities companies, news media, and other institutions all over the country every 15 seconds.
- The price index values of TOPIX Core30 Value, TOPIX Core30 Growth, TOPIX Large70 Value, TOPIX Large70 Growth, TOPIX Mid400 Value, and TOPIX Mid400 Growth and the Total Return Index are disseminated daily at market close.

(2) Index Data

- Index data relating to the TOPIX Style Index Series (base market value, number of shares for each constituent, etc.) is provided for a fee through the Tokyo Market Information service.

2. Licensing

- JPXI and/or its affiliates reserve all calculation, publication and other rights pertaining to the TOPIX Style Index Series. As such, commercial use of such indices in the composition and/or sale of financial products such as funds or linked bonds (including using the index as the basis for options, swaps, warrants, or other OTC derivatives) or provision of index data requires a license from JPXI.

3. Contact

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