

(Reference Translation)

June 29, 2020
Tokyo Stock Exchange, Inc.
Nikkei Inc.

Results of Index Consultation on Postponement of Periodic Reviews for JPX-Nikkei Index 400 and JPX-Nikkei Mid and Small Cap Index

Tokyo Stock Exchange, Inc. and Nikkei Inc. (hereinafter “the Index Providers”) conducted an Index Consultation from May 22, 2020 to June 21, 2020 on a proposed postponement of the periodic reviews for JPX-Nikkei Index 400 and JPX-Nikkei Mid and Small Cap Index (hereinafter “JPX-Nikkei Indices”).

The outline of the opinions gathered through the Index Consultation and the Index Providers' responses are as follows:

1. Outline of opinions gathered and Index Providers' responses

We received multiple opinions through the Index Consultation, and almost all of them agreed on or understood the circumstances for the postponement of periodic reviews for the JPX-Nikkei Indices.

Among the comments in agreement with the proposal, there was an opinion that the observing period for stocks to be excluded or not from the constituent universe should be changed from “within one year from the base date” to “within one year and three months from the base date” as a result of the postponement of periodic reviews. As the Index Providers, we also think this change would be appropriate, considering the possibility that a stock that would have not been considered to be a constituent for the periodic reviews could be selected after the postponement.

Note that we received one comment that the periodic review for JPX-Nikkei Index 400 should be conducted as scheduled due to the majority of the current constituents of JPX-Nikkei Index 400 are likely to submit securities reports by the original base date (June 30, 2020). The JPX-Nikkei Indices' constituents are selected from the constituent universe, which is all stocks that are listed on Tokyo Stock Exchange as the main market including current constituents and those periodic reviews have been designed on the premise of the acquisition of the all stock information at the base date in principle. Hence, we believe that it is necessary to postpone the periodic reviews this year in accordance with the extension of the deadline for submission of securities reports (including internal control reports). We also believe that postponing the periodic review will go toward ensuring the health and safety of related entities, including listed companies and investors who use the index to manage investments, and allow the periodic review to be conducted appropriately.

Furthermore, we believe that soliciting opinions broadly in advance through the Index Consultation

(Reference Translation)

on the treatment different from that described in the Guidebooks will enable us to maintain more transparent index managements.

Based on the above considerations, the Index Providers have decided to postpone the periodic reviews for the JPX-Nikkei Indices in FY2020 as proposed.

2. Decision

* **Changes from the initial proposal are underlined.**

(1) Outline

The FY2020 periodic review will be postponed by three months.

(2) Details

Dates including the effective date for the periodic review as defined in the Guidebooks will be changed in accordance with the following table. For anything not included in the following table, the periodic reviews will be conducted in accordance with the Guidebooks.

	Before	After
Base date for periodic review	June 30, 2020	September 30, 2020
Announcement date for result of periodic review (Release of list of issues to be added/removed)	August 7, 2020	November 9, 2020
Effective date of periodic review (The first date of index calculation using the new constituents)	August 31, 2020	November 30, 2020
Deadline for submission of corporate governance reports	July 14, 2020	October 14, 2020
Deadline for disclosure of English earnings information	The end of the 3rd month after the end date of the most recent fiscal year	The end of the 6th month after the end date of the most recent fiscal year
Eligible dates for disclosure of English corporate governance report	Within the past one year before the base date	Within the past one year and three months before the base date
<u>Negative screening period (III. JPX-Nikkei Index 400 Constituent Selection*)</u>	<u>Within one year from the base date</u>	<u>Within one year and three months from the base date</u>

(Reference Translation)

	Before	After
<u>1. Initial Selection and Periodic Review(2)</u> <u>②(i)</u> <u>(* Same applies to JPX-Nikkei Mid and</u> <u>Small Cap Index</u>		

Financial data used in the periodic reviews shall be based on earnings reports of listed companies from the fiscal year ended in April three years prior to the year of the base date to the fiscal year ended in March of the year immediately preceding the base date, as described in the Guidebooks.