

(Reference Translation)

TSE Index Guidebook

(TSE Prime Market Index, TSE Standard Market Index and TSE Growth Market index)

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JPX Market Innovation & Research, Inc.

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Record of Changes

DATE	Changes
2022/4/4	• Launch
2022/6/27	• Changed the calculation frequency.
2025/1/31	• Uniformity of terminology in each calculation methodology
2025/7/31	• Added the handling of spin-offs

Introduction

- JPX Market Innovation & Research, Inc. (JPXI) calculates and distributes the Tokyo Stock Exchange Prime Market Index, Tokyo Stock Exchange Standard Market Index and Tokyo Stock Exchange Growth Market Index (hereafter, "TSE Prime Market Index, etc.") 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

- TSE Prime Market Index, etc. are composed of the common stocks of all issues listed on each respective segment although the timing of additions and exclusions differ from that of the listing system (please refer to part II below).
- Securities such as subscription warrants, preferred stock, and equity contribution securities are not included.
- The base date for weighting calculations (hereinafter "weighting base date") is the last business day of every August.
- The base date and base value are as below.

Index name	Market	Base Date	Base value (points)
TSE Prime Market Index	TSE Prime Market	April 1, 2022	1,000
TSE Standard Market Index	TSE Standard Market	April 1, 2022	1,000
TSE Growth Market Index	TSE Growth Market	April 1, 2022	1,000

II. Index Calculation

1. Calculation Method

- TSE Prime Market Index, etc. are calculated using market capitalization weighting.
- The calculation formula and method for adjustments of base market value, etc. are in accordance with the Index Calculation Guidebook.
- The upper weighting limit for any one constituent is 20%.
- If an issue's weight calculated by free-float adjusted market capitalization as of the weighting base date is over the upper limit, a cap-adjustment factor will be applied to said issue on the last business day of October. Even if the weight again exceeds the upper limit due to stock price movements or other reasons, the cap-adjustment factor will not be changed until the last business day of the next October.

2. Index Type

- For TSE Prime Market Index, etc., a price return index and a total return index are calculated.
- The method of reflecting dividends in index values is in accordance with the Index Calculation Guidebook.

3. Inclusion or Removal of Constituents

(1) Non-periodic removal from Constituents

- Constituents which are delisted, designated as Securities to be Delisted, or transfer to a different segment shall be removed.

(2) Non-periodic inclusion to Constituents

- Stocks which carry out initial listings (excluding technical listings) on one of the relevant markets will be included in the corresponding index on the last business day of the month following the month containing the listing date.
- Stocks which transfer from another market segment will be included in the relevant index on the transfer date.
- When a constituent in TSE Prime Market Index, etc. has been delisted due to a share transfer, merger, share exchange, or company split (hereinafter “share transfer, etc.”), and the resulting newly created, surviving, parent, or succeeding company (hereinafter “newly created company, etc.”) immediately lists its stock, said newly created company, etc. will be included in the index.
- When a spin-off (an allocation of shares of a spun-off subsidiary or business division through surplus dividends) of a constituent in TSE Prime Market Index, etc. results in a

new listing of the company that has become independent via a spin-off (hereinafter "spun-off company") between the ex-rights date and the effective date, the spun-off company will be included in the index corresponding to the market segment where it is newly listed.

(3) Data used for calculation

- The free-float market capitalization used in the calculation of cap-adjustment factor is the market capitalization for each index as of the weighting base date.

(4) Dates of constituent inclusion and removal

	Event Requiring Adjustment		Adjustment Date
Inclusion	Initial Listing	Initial listings (excluding technical listing)	Last business day of the month following listing
		When a constituent has been delisted due to a share transfer, etc. and the resulting newly created company, etc. is included as a constituent	Initial listing date (*1)
		When a spin-off of a constituent in TSE Prime Market Index, etc. results in a new listing of the spun-off company between the ex-rights date and the effective date (*2)	Initial listing date (*1)
	Market segment transfer (added to index of new segment)		Transfer date (*1)
Removal	Delisting	When a constituent has been delisted due to a share transfer, etc. and the resulting newly created company, etc. is included as a constituent	Initial listing date of the newly formed company (normally two business days following delisting date) (*1)
		Other than the above (e.g., non-surviving company as a result of a merger, share exchange, etc.)	Delisting date (*1)
	Market segment transfer (excluded from index of previous segment)		Transfer date
	Designation as Securities to be Delisted		Four business days after designation (*1)

*1: Next business day when the date in question falls on a non-business day.

*2: the spun-off company will be included in the index corresponding to the market segment where it is newly listed.

III. Other

1. Distribution of Index Values and Index Data

(1) Index Value

- TSE Prime Market Index, etc. price index values are disseminated in real-time through the Market Information System to securities companies, news media, and other institutions all over the country. The price index is disseminated every 15 seconds.
- The total return Index is calculated daily at market close.

(2) Index Data

- Daily index data (e.g. base market value) is distributed through the Index Data Service.

2. Licensing

- JPXI and/or its affiliates reserve all calculation, distribution, publication, and other rights pertaining to TSE Prime Market Index, etc. As such, 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) requires a license from JPXI. The JPXI's license is also required to use such indices for distributing, providing, showing, or otherwise delivering to third parties.

3. Contact

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