

Revisions to the Guidebooks for the TOPIX New Index Series and Other TOPIX Sub-Indices Due to the TOPIX Revisions

January 29, 2026

JPX Market Innovation & Research, Inc.

I. Purpose

JPX Market Innovation & Research, Inc. (JPXI) is currently working on the second stage of the TOPIX revisions in order to ensure the index's continuity and deepen its concept as a market benchmark that broadly represents the Japanese stock market and functions as an investable index. Beginning in October 2026, TOPIX will cover all market segments of Tokyo Stock Exchange, Inc. (TSE), and periodic reviews of its constituents will be conducted based on liquidity criteria.

In conjunction with this, JPXI will revise the guidebooks for the TOPIX New Index Series and other TOPIX sub-indices, including revisions to the handling of each sub-index's universe and the criteria for selecting their constituents.

II. Outline

Item	Description	Notes
1. TOPIX New Index Series / Size-Based TOPIX Sub-Indices (1). Periodic Review ① Issues Subject to Periodic Review	<ul style="list-style-type: none">A periodic review will be conducted every October. The issues to be subject to the periodic review will be those that were selected in the periodic review of TOPIX (including those that are subject to transitional measures).	<ul style="list-style-type: none">A periodic review of TOPIX will be conducted on the last business day of October, except in 2027. In 2027, it will not be conducted.The issues to be subject to the 2027 periodic review of the TOPIX New Index Series / Size-Based TOPIX Sub-

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<p>② Handling of Data</p> <p>a. Market Capitalization</p>	<ul style="list-style-type: none"> The market capitalization to be used in the periodic review will be the value that is obtained by multiplying the free-float adjusted market capitalization that was used for selection in the periodic review of TOPIX (i.e., the average daily free-float adjusted market capitalization for the periodic review base month of TOPIX) by TOPIX's cap-adjustment factor, which is applied on the last business day of October. 	<p>Indices will be the constituents of TOPIX as of the last business day of August 2027 (including those that are subject to transitional measures). However, the status of issues that were removed from the constituents of TOPIX between the last business day of August 2027 and the last business day of October 2027 may be taken into account.</p> <ul style="list-style-type: none"> The 2027 periodic review will be conducted using the method of calculating market capitalization that was given in the Description column, under the assumption that a 2027 periodic review of TOPIX had also been conducted. The market capitalization to be used in the 2026 and 2027 periodic reviews will be the value that is obtained by multiplying the value given in the Description column by TOPIX's liquidity factor and transition

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b. Trading Value	<ul style="list-style-type: none"> The trading value to be used in the periodic review will be the total monthly trading value for the previous 12 months including the periodic review base month. The monthly trading value will be the value that is obtained by multiplying the median daily trading value in TSE's trading sessions for the month by the number of business days in the month. 	<p>factor, which are applied on the last business day of October of the corresponding year.</p> <ul style="list-style-type: none"> The trading value of an issue that has been listed for less than one year as of the periodic review base date will be the value that is obtained by dividing the total monthly trading value from the month following the listing month (if the issue was newly listed due to a technical listing, the listing month will be used instead of the month following the listing month) to the periodic review base month by the number of months in said period, and then multiplying the result by 12. This is the same trading value as the one that is used to calculate TOPIX's trading value turnover ratio.
(2) Non-Periodic Inclusion to	<ul style="list-style-type: none"> New criteria will be established for the inclusion of newly listed issues (excluding those that are newly listed through a technical listing or spin-off; the same 	<ul style="list-style-type: none"> In the Index Guidebook, the contents of "(2) Monthly review (inclusion

(Reference Translation)

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Constituents	applies hereinafter) into the constituents of TOPIX Small500 as a result of their inclusion in TOPIX. Issues that meet the criteria for the relevant index in the table below will be included in that index.			<p>only)" will be merged into "(4) Non-periodic Inclusion to Constituents."</p> <ul style="list-style-type: none"> Under the current rules, an issue is included in TOPIX Micro Cap if it does not meet the criteria for any of the following sub-indices: TOPIX Core30, TOPIX Large70, or TOPIX Mid400. The market capitalization ranking will be determined based on the market capitalization that was used in the periodic review immediately preceding the issue's initial listing date and on the market capitalization that was calculated by multiplying the number of the issue's listed shares at the time of its initial listing by its FFW (which is used to calculate TOPIX) on the last business day of the month following the initial listing month and its final share price (or final special quote price if indicated) on the last business day of the initial listing month. The trading value ranking will be
		Market Capitalization Ranking	Trading Value Ranking	
	TOPIX Core30	Within the top 20	Within the top 90	
	TOPIX Large70	Within the top 70	Within the top 200	
	TOPIX Mid400	Within the top 400	Within the top 1,000	
	(New) TOPIX Small500	Within the top 800	Within the top 1,200	
	TOPIX Micro Cap	Other than the above		

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		determined based on the trading value that was used in the periodic review immediately preceding the issue's initial listing date and on the issue's average trading value in its initial listing month converted into a six-month equivalent.
2. TOPIX Style Index Series (1) Periodic Review	<ul style="list-style-type: none"> The market capitalization to be used in the periodic review will be the same as that used in the periodic review of the TOPIX New Index Series / Size-Based TOPIX Sub-Indices. 	
(2) Non-Periodic Inclusion to Constituents	<ul style="list-style-type: none"> When a newly listed issue (excluding one that is newly listed through a technical listing or spin-off; the same applies hereinafter) is non-periodically included to an index in the TOPIX Style Index Series as a result of its inclusion in TOPIX, its style classification (i.e., Value or Growth) will be determined based on its position (i.e., top third, middle third, or bottom third) within the consolidated PBR rankings that were used in the periodic review immediately preceding its initial listing date. 	<ul style="list-style-type: none"> In the Index Guidebook, the contents of "(2) Monthly review (inclusion only)" will be merged into "(4) Non-periodic Inclusion to Constituents."
3. Non-Periodic	<ul style="list-style-type: none"> A constituent will be removed from the TOPIX High Dividend Yield 40 Index 	<ul style="list-style-type: none"> The date of the constituent's removal

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Removal from Constituents of the TOPIX High Dividend Yield 40 Index	when it is removed from TOPIX.	from the TOPIX High Dividend Yield 40 Index will be the same as the date of its removal from TOPIX.
4. Non-Periodic Removal from Constituents of the TOPIX Banks High Dividend Index	<ul style="list-style-type: none">A constituent will be removed from the TOPIX Banks High Dividend Index when it is removed from TOPIX or is moved to a TOPIX Sector Index other than “Banks.”	<ul style="list-style-type: none">The date of the constituent's removal from the TOPIX Banks High Dividend Index will be the same as either the date of its removal from TOPIX or the date that it was moved to a TOPIX Sector Index other than “Banks.”If an issue does not meet the continuation criteria during the first periodic review of TOPIX, it will be removed from TOPIX on the last business day of July 2028 (unless it has met the continuation criteria during the 2027 re-evaluation). As a result, if the issue had been a constituent of the TOPIX Sector Index “Banks,” it will be removed from the universe for the TOPIX Banks High Dividend Index before the index's constituents are selected during the

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		July 2028 periodic review of the index.
5. Non-Periodic Inclusion to Constituents of the Tokyo Stock Exchange Dividend Focus 100 Index	<ul style="list-style-type: none">When a constituent has been delisted due to an absorption-type merger or share exchange, and the surviving or parent company is a constituent of <u>TOPIX</u> or the Tokyo Stock Exchange REIT Index, then said company will be included in the index.	<ul style="list-style-type: none">The date of the surviving or parent company's inclusion to the constituents of the Tokyo Stock Exchange Dividend Focus 100 Index will be the same as the date of the former company's delisting.Under the current rules, if the surviving or parent company is a constituent of <u>TOPIX 1000</u> or the Tokyo Stock Exchange REIT Index, then said company will be included in the index.If an issue does not meet the continuation criteria during the first periodic review of TOPIX, it will be removed from TOPIX on the last business day of July 2028 (unless it has met the continuation criteria during the 2027 re-evaluation). As a result, if the issue had been a

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		constituent of TOPIX 1000, it will be removed from the universe for the Tokyo Stock Exchange Dividend Focus 100 Index before the index's constituents are selected during the July 2028 periodic review of the index.
6. Other	<ul style="list-style-type: none">Other necessary revisions will be made.	

III. Timeline and Related Procedures

Date	Procedures
From January 29, 2026 at 4:00 PM (JST) to March 2, 2026 at 9:00 AM (JST)	<p>Opinions gathered through Index Consultation</p> <p>*Opinions can be submitted via the official JPX website.</p> <p>Submissions must specify the following:</p> <ul style="list-style-type: none">(i) Name of submitter,(ii) Occupation of submitter,(iii) Name and business type of the corporation, organization, etc. to which the submitter belongs,(iv) Contact information (phone number and email address), and(v) Opinions on the proposed matter(s)
Around March 2026 (tentative)	<p>Final decision by JPX</p> <p>*JPX will make the final decision on the proposed matter(s) with consideration given to the opinions received. The finalized measures will be published on the JPX website.</p>

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IV. Implementation Date (Tentative)

The guidebooks will be revised in October 2026. However, the revisions to the TOPIX New Index Series, the Size-Based TOPIX Sub-Indices, and the TOPIX Style Index Series will apply to the October 2026 periodic review as well as to the non-periodic inclusion of newly listed issues to constituents on or after November 2026.