

Treatment of Securities on Special Alert, etc.

April 3, 2026

JPX Market Innovation & Research, Inc.

I. Purpose

In this revision, for issues designated as Securities on Special Alert, the effective date for removal from the index upon such designation will be deferred, and issues will be evaluated for non-periodic inclusion upon any removal of such designation, from the perspective of ensuring trading opportunities for index-tracking investment and due to other related considerations.

In addition, issues that primarily hold specific assets are starting to emerge in Japan. Since changes to how they are treated after their initial inclusion in an index have an impact on index-tracking investment and related activities, it is necessary to exercise caution in determining their treatment. Major overseas indices have also been refraining from newly including such issues or have been examining their treatment within indices. In light of these circumstances, and in order to maintain the investability and stability of TOPIX, necessary measures will be taken, including refraining from newly including such issues for the time being.

II. Outline

Item	Description	Notes
1. Review of the Treatment of Securities on Special Alert (1) Removal Date From Index Constituents Upon Designation as Securities on Special Alert (2) Non-periodic Inclusion	· The effective date for removal from the index shall be set as the seventh business day following the designation as Securities on Special Alert. · With respect to an issue whose designation as a Security on	· This applies to indices, including TOPIX, from which constituents are removed upon designation as Securities on Special Alert. · Currently, the effective date for removal from the index is set as the fourth business day following the designation as Securities on Special Alert.

(Reference Translation)

Item	Description	Notes
<p>Upon Removal of the Designation as Securities on Special Alert</p>	<p>Special Alert has been removed, if its free-float adjusted market capitalization as of the last business day of the month that includes the removal date (being the value obtained by multiplying the number of listed shares as of the last business day of such month by the free-float weight applicable on that day and the final price on that day (or, where a special quote is displayed, such final special quote)) exceeds the free-float adjusted market capitalization of the issue with the smallest free-float adjusted market capitalization among those included within the cumulative ratio of 95% of free-float adjusted market capitalization in the periodic review conducted immediately prior to the removal date, the issue shall be added to the index constituents on the last business day of the month following such month.</p>	<ul style="list-style-type: none"> • This applies to TOPIX and indices that use TOPIX as their index universe. • Issues that do not meet the criteria to the left shall be evaluated for inclusion at the periodic review conducted after the removal of the designation as Securities on Special Alert. • Upon inclusion, the free-float weight shall be multiplied by the adjustment factor (0.75).
<p>2. Treatment of Issues That Primarily Hold Specific Assets</p>	<ul style="list-style-type: none"> • From the perspective of investability and index stability, where it is determined through the index consultation process, provisions shall be made to refrain from new inclusion. • In recent years, issues whose primary assets consist of specific assets have emerged. At this time, we will, for the time being, refrain from newly including in the index issues whose primary assets are crypto assets. 	<ul style="list-style-type: none"> • This also applies to indices other than TOPIX that conduct periodic reviews. • This does not apply to existing index constituents.

III. Timeline and Related Procedures

(Reference Translation)

Date	Procedures
From April 3, 2026 at 3:30 PM (JST) to May 7, 2026 at 9:00 AM (JST)	Opinions gathered through Index Consultation *Opinions can be submitted via the official JPX website. Submissions must specify the following: (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)

IV. Implementation Date (Tentative)

The revisions will apply to the October 2026 periodic review and to non-periodic additions to and removals from index constituents in November 2026. For indices other than TOPIX, this will be applied from the first periodic review conducted after the decisions set forth in II.2. above have been made.