

Statement of Compliance with the IOSCO Principles for Financial Benchmarks

For the period from April 1, 2024 to March 31, 2025

JPX Market Innovation & Research, Inc.

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5. The maintenance and integrity of the JPX (Japan Exchange Group) website is the responsibility of the management; the work carried out by PwC does not involve consideration of these matters and, accordingly, PwC accepts no responsibility for any differences between the information of JPXI on which the assurance report was issued or the assurance report that was issued and the information presented on the website;
6. PwC will be entitled to the benefit of and to enforce these terms; and
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Section I

Overview of JPXI

Introduction

The International Organization of Securities Commissions (IOSCO) published the "Final Report on Principles for Financial Benchmarks" (hereinafter referred to as the "IOSCO Principles") in July 2013. In this report, administrators of financial benchmarks are required to annually disclose their compliance with the IOSCO Principles.

JPX Market Innovation & Research, Inc. (hereinafter referred to as "JPXI") established the governance, processes and controls to comply with the IOSCO Principles and has expressed its compliance with the IOSCO Principles in the "Statement of Compliance with the IOSCO Principles for Financial Benchmarks" (hereinafter referred to as the "Statement of Compliance"). PricewaterhouseCoopers Japan LLC has provided independent reasonable assurance on the governance, processes and controls established by JPXI to comply with the IOSCO Principles as described in Section IV of the Statement of Compliance, for the period from April 1, 2024 to March 31, 2025.

Business Outline

JPXI was established as a new consolidated subsidiary on December 1, 2021, in order to take on JPX Group's* indices, data, and digital-related services, thereby enabling JPXI to provide all market-related services centrally. JPXI commenced operations on April 1, 2022 and took over the index calculation work conducted by Tokyo Stock Exchange, Inc. (hereinafter referred to as "TSE") on that day. Also, JPXI took over the index calculation work conducted by Osaka Exchange, Inc. (hereinafter referred to as "OSE") and Tokyo Commodity Exchange, Inc. (hereinafter referred to as "TOCOM") on April 3, 2023.

JPXI operates data and index services, and system-related services related to the financial instruments markets, etc. JPXI also provides market participants such as trading participants and information vendors with market information, including indices which are calculated based on contract prices on TSE and a variety of statistical data.

* The JPX group is a corporate group consisting of Japan Exchange Group, Inc. which is a holding company, and seven consolidated subsidiaries, including JPXI, TSE, OSE, TOCOM, Japan Exchange Regulation, Japan Securities Clearing Corporation, and SCRIPTS Asia, K.K. along with three equity-method affiliate companies.

Characteristics of the JPX group are as follows:

1. Cash Equity Markets

TSE Prime Market, Standard Market, and Growth Market are the core cash equity markets of the JPX group. The JPX group's cash equity markets have established themselves as not only the central market for trading securities in Japan but also one of the largest markets in the world.

2. Derivatives Markets

JPX group's derivatives markets provide trading opportunities for index futures, index options, JGB Futures, JGB Futures Options, securities options, and commodity futures, etc. Regarding trading hours, night sessions are available in addition to day sessions.

Some of the index futures and index options track leading stock price indices such as Nikkei 225 and TOPIX. These index futures and index options are the leading derivatives products in Japan. In addition, among JGB Futures, 10-year JGB Futures have been used as a benchmark in the long-term interest rate market due to their high liquidity.

3. Trading System

Operating trading systems in a stable manner is essential to execute transactions smoothly and maintain stability and reliability in the market. In addition, it is necessary to continuously promote the development of IT infrastructure to properly and quickly respond to the initiatives such as diversification and sophistication of trading methods due to advancements in financial technology as

well as the listing of new products, thereby satisfying the needs of market participants.

The JPX group operates "arrowhead" which is a high-speed, reliable and scalable trading system for cash equity markets, and "J-GATE" which is equipped with global standard trading functions and the world's highest level of order processing capabilities in derivatives markets.

4. Information Services

The JPX group immediately distributes information, including contract prices for securities and derivatives trading, when generated or changed, and provides the market participants such as trading participants and information vendors with market information on indices calculated based on stock prices and derivatives as well as a variety of statistical data.

The JPX group also offers a variety of services such as timely search of listed companies' disclosure information and corporate action information to satisfy the needs of market participants.

5. Self-Regulatory Function

The JPX group places Japan Exchange Regulation under the holding company (Japan Exchange Group, Inc.), as a quality control center for the exchanges, to maintain fairness and reliability in the market. By conducting self-regulatory operations through the subsidiary, which does not operate the financial instruments exchanges, the JPX group has established an organizational structure to maintain its neutrality and effectiveness of self-regulations while demonstrating a high degree of expertise as a self-regulatory body, which is placed close to the markets. For the commodity market, in order to ensure independence of self-regulatory operations, a self-regulatory committee is in place to act as an advisory body to the board of directors of TOCOM. The committee deliberates on self-regulatory operations, and the department in charge of self-regulatory operations assists the committee in its duties.

6. Clearing and Settlement

As a clearing house, Japan Securities Clearing Corporation (JSCC) offers clearing services for cash equities traded at exchanges and for futures and options traded at derivatives markets as well as clearing services for trading via Proprietary Trading Systems (PTSS), OTC derivatives trading and OTC JGB trading.

JSCC substitutes itself as a seller to every buyer and a buyer to every seller and guarantees the execution of trade settlement by assuming obligations of delivery of securities and payment of funds. In addition, JSCC offsets the obligations efficiently by netting funds and securities for transfer and instructs the settlement facilities to settle the trades.

Moreover, Japan Securities Depository Center, Inc. which is a book-entry transfer organization, provides services of securities book-entry transfer between parties such as securities companies and banks.

Scope

The following TSE Indices and OSE/TOCOM Indices* are defined as in-scope indices in this Statement of Compliance. The Calculation Methodology of each index is published on the JPX website (<https://www.jpx.co.jp/english/>).

* JPXI collectively defines “JPXI Indices” as a) stock price indices which JPXI calculates based on the prices of stocks, REITs, infrastructure funds or others listed on markets operated by TSE (hereinafter referred to as “TSE Indices”) and b) indices which JPXI calculates based on the prices of futures or others on markets operated by OSE, on the prices of futures or others on markets operated by TOCOM or on the prices of both (hereinafter referred to as “OSE/TOCOM Indices”).

(1) TSE Indices

Category	Name	Formula	Outline: concept, constituents, etc.	
			(Index universe, etc.)	(Main selection factors, etc.)
TOPIX Series	TOPIX (Tokyo Stock Price Index)	Market capitalization weighting (free-float weight)	- Market benchmark that covers a wide range of Japan stock markets and has functionality as an investment.	
	Size-based TOPIX Sub-Indices / TOPIX New Index Series		- TOPIX constituents	- TOPIX constituents are categorized based on liquidity and market capitalization
	TOPIX Sector Indices / TOPIX-17 Series			- TOPIX constituents are categorized based on industrial sectors
	TOPIX Style Index Series			- TOPIX constituents are categorized based on consolidated PBR (price-book value ratio), etc.
	TOPIX Ex-Financials			- Selected constituents belonging to 29 industry classifications which exclude "Banks", "Securities and Commodities Futures", "Insurance" and "Other Financing Business" from the 33 industry classifications
	TOPIX High Dividend Yield 40 Index		- TOPIX 100 constituents	- Selected constituents with relatively high latest actual dividend yields from TOPIX 100 constituents

Category	Name	Formula	Outline: concept, constituents, etc.	
			(Index universe, etc.)	(Main selection factors, etc.)
	TOPIX Banks High Dividend Index		- TOPIX Bank constituents	- Selected constituents based on the latest amount of actual dividend or the latest actual dividend yields from TOPIX Bank constituents
	Market Capitalization Weighted TOPIX (Ex-TOPIX)	Market capitalization weighting (listed market capitalization weight)	- Calculated TOPIX using the market capitalization weighting formula based on listed stocks	
Market Section	Tokyo Stock Exchange Prime Market Index	Market capitalization weighting (free-float weight)	- All domestic common stocks listed on TSE Prime Market	
	Tokyo Stock Exchange Standard Market Index		- All domestic common stocks listed on TSE Standard Market	
	Tokyo Stock Exchange Growth Market Index		- All domestic common stocks listed on TSE Growth Market	
	Tokyo Stock Exchange REIT Index		- All REITs (Real Estate Investment Trusts) listed on TSE	
	Tokyo Stock Exchange Infrastructure Funds Index		- All infrastructure funds listed on TSE	
	Tokyo Stock Exchange Prime Market Composite Index		- All domestic common stocks, domestic classified stocks, foreign stocks listed exclusively on TSE, and domestic preferred equity contribution securities listed on TSE Prime Market	
Index Constituent Selections	JPX-Nikkei Index 400 (jointly developed with Nikkei Inc.)	Market capitalization weighting (free-float weight)	- Stocks (principally common stocks) whose main markets are those of TSE (TSE Prime Market, Standard Market and Growth Market)	- Market capitalization, trading values, ROE, etc.
	JPX-Nikkei Mid and Small Cap Index (jointly developed with Nikkei Inc.)			- Market capitalization, trading values, ROE, etc. (large-cap stocks removed based on market capitalization rank)

Category	Name	Formula	Outline: concept, constituents, etc.	
			(Index universe, etc.)	(Main selection factors, etc.)
	JPX Prime 150 Index		- Tokyo Stock Exchange Prime Market Index constituents	- Equity spread (difference between ROE and cost of equity capital), PBR and market capitalization
	Tokyo Stock Exchange Growth Market 250 Index		- Tokyo Stock Exchange Growth Market Index constituents	- Market capitalization
	Tokyo Stock Exchange REIT Property Sector Index Series		- Tokyo Stock Exchange REIT Index constituents	- Categorized based on the property sectors of each REIT
	Tokyo Stock Exchange Dividend Focus 100 Index		- TOPIX 1000 constituents and Tokyo Stock Exchange REIT Index constituents	- Market capitalization and estimated dividend yields
	Tokyo Stock Exchange Standard Market TOP20 Index	Stock price average	- Tokyo Stock Exchange Standard Market Index constituents	- Market capitalization and liquidity
	Tokyo Stock Exchange Growth Market Core Index		- Tokyo Stock Exchange Growth Market Index constituents	
	Tokyo Stock Exchange REIT Core Index	Equal weighting	- Tokyo Stock Exchange REIT Index constituents	- Free-float market capitalization and trading values
	Tokyo Stock Exchange REIT Sector Focus Index Series	Modified market capitalization weighting		- Categorized the index universe based on the investment status by sector of each REIT
Others	Currency Hedged Index Series	(see right column)	- Base indices: TOPIX, Tokyo Stock Exchange REIT Index and JPX-Nikkei Index 400	- Calculated using one-month forward currency exchange contracts to hedge the return of the base indices
	Leveraged and Inverse Indices		- Base indices: TOPIX, Tokyo Stock Exchange REIT Index and JPX-Nikkei Index 400	- Calculated to be a constant rate of change relative to the day-ahead rate of change of the base indices

(2) OSE/TOCOM Indices

Categories	Name	Outline
JGB Futures Index	JPX JGB Futures Index Series	<ul style="list-style-type: none">- JPX JGB Futures Index Series is calculated by applying a multiplier to the daily rate of the JGB Futures on OSE.- JPXI calculates four indices: JPX JGB Futures Index, JPX JGB Futures Inverse Index, JPX JGB Futures Leveraged Index and JPX JGB Futures Double Inverse Index.
Commodity Index	Nikkei-JPX Commodity Index (jointly developed with Nikkei Inc.)	<ul style="list-style-type: none">- Nikkei-JPX Commodity Index gives an overall indication of the price levels on the derivatives market of OSE (limited to commodity-related market derivatives transactions) and commodity futures market of TOCOM.- Nikkei-JPX Sub Commodity Index includes indices which are based on the prices of the nearby contract month, indices with listed commodities by market such as the precious metals market as constituents and indices by single listed commodity, etc.- Nikkei-JPX Leveraged Index and Nikkei-JPX Inverse Index are calculated to be a constant rate of change relative to the day-ahead rate of change of the base indices (Nikkei-JPX Commodity Index and Nikkei-JPX Sub Commodity Index).

Policies, etc. for Compliance with the IOSCO Principles

JPXI has established various policies to comply with the IOSCO Principles for Financial Benchmarks as well as comply with internal guidelines and rules. Each policy sets forth policies and procedures for the following areas:

- **Policies Concerning Calculation of JPXI Indices (Established on March 31, 2017)**
The policies set forth overall guidelines on the calculation of JPXI Indices.
- **Policies for Addressing Objections Regarding JPXI Indices (Established on March 31, 2017)**
The policies set forth guidelines to address objections and complaints on the calculation of JPXI Indices in a fair and proper manner.
- **Policies Concerning Suspension or Migration of JPXI Indices (Established on March 31, 2017)**
These policies set forth guidelines to take fair and proper actions when JPXI suspends the calculation and publication of JPXI Indices.
- **TSE Index Data Correction Policy (Established on May 31, 2019)**
The policy specifies procedures for cases where JPXI calculates and publishes TSE Indices in a manner inconsistent with the rules specified by the methodologies and corrects said indices.
- **OSE/TOCOM Index Data Correction Policy (Established on March 21, 2024)**
The policy specifies procedures for cases where JPXI calculates and publishes OSE/TOCOM indices in a manner inconsistent with the rules specified by the methodologies and corrects said indices.
- **Index Consultation Implementation Guidelines (Established on April 1, 2020)**
The Guidelines stipulate necessary matters for the Index Consultation function pursuant to the provisions of Article 9 of "Policies Concerning Calculation of JPXI Indices".
- **Index Advisory Panel Administrative Guidelines (Established on April 1, 2020)**
The Guidelines specify necessary matters with regard to the Index Advisory Panel (hereinafter "Panel") pursuant to the provisions of Article 10 of "Policies Concerning Calculation of JPXI Indices".
- **Other Rules, etc.**
 - Internal Guidelines on Outsourcing the Indices Calculation and Publication
 - Rules on Information Security
 - Rules on Salary and Compensation
 - Code of Conduct
 - Internal Manual for Periodic Review on the Calculation Methodologies

Section II

Management Statement

Management Statement

We confirm that, for the period from April 1, 2024 to March 31, 2025, JPXI has designed and implemented the governance, processes and relevant activities to comply with the Principles for Financial Benchmarks published by the International Organization of Securities Commissions (the “IOSCO Principles”) with regard to the indices listed in Section I of this report.

The accompanying description in Section IV of the Statement of Compliance sets out details of our responses to the IOSCO Principles based on the activities for the period from April 1, 2024 to March 31, 2025.

The management of JPXI is, and shall be, responsible for stating the compliance with the IOSCO Principles as well as appropriately designing and operating the governance, processes and control activities. In addition, the management is responsible for establishing and operating appropriate internal controls to ensure continued compliance with the Statement of Compliance.

Satoshi Futagi

President & CEO

On behalf of JPX Market Innovation & Research, Inc.

August 28, 2025

Section III

Independent Assurance Report

Independent Practitioner’s Assurance Report to the management of JPX Market Innovation & Research, Inc. (“JPXI”) in respect of the JPXI’s responses to the IOSCO Principles for Financial Benchmarks for the period from April 1 2024 to March 31, 2025

Scope

We have carried out a reasonable assurance engagement in respect of the Policies and Relevant Activities as described in the “JPXI’s Response” column of the table in Section IV of the report (the “Policies and Relevant Activities”) in response to the IOSCO Principles for Financial Benchmarks (the “Principles”) for the in-scope indices. We also carried out a reasonable assurance examination to assess whether the processes and control activities stated within the Policies and Relevant Activities operated as described throughout the period April 1, 2024 to March 31, 2025.

The indices in scope for the purpose of the report and our assurance are set out in section I of the report.

This report is made solely for the use and benefit to the management of JPXI in connection with Principle 17. Our work has been undertaken in accordance with our agreement dated March 28, 2025, so that we might state to the management of JPXI those matters we are required to state in an independent assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than JPXI and the management of JPXI for our work, for this report, or for the opinion we have formed, save where expressly agreed in writing.

Our Independence and Quality Management

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We also apply the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Respective responsibilities of the management of JPXI and the Independent Practitioner

The management of JPXI is responsible for ensuring that JPXI designs, implements, operates and monitors policies, processes and control activities to adhere to the Principles. They are also responsible for preparing the Management Statement of Adherence to the Principles, set out in Section II supported by the description of the Policies and Relevant Activities as set out in the JPXI’s Response column of the table in Section IV of the report.

Our responsibilities are to undertake a reasonable assurance engagement and report in connection to the Policies and Relevant Activities in Section IV of the report. We report to you whether, based on the results of our work (which is further described below), the description of the Policies and Relevant Activities in Section IV placed in operation over the in-scope indices to adhere to the Principles, is

fairly stated, in all material respects, and whether the process and control activities stated within the Policies and Relevant Activities have operated as described throughout the period April 1, 2024 to March 31, 2025.

We evaluate the fair statement of the management's description of the Policies and Relevant Activities set out in the JPXI's Response column of the table in Section IV based on the criterion which is whether management accurately described the Policies and Relevant Activities, in response to the individual Principles. We evaluate operational effectiveness based on the criterion whether the process and control activities stated within the Policies and Relevant Activities have operated as described.

The above criteria are designed for a specific purpose, as a result, the subject matter information may not be suitable for other purposes.

Our Approach

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board.

The objective of a reasonable assurance engagement is to obtain such appropriate evidence as we consider sufficient to enable us to express an assurance opinion as to whether, on the basis of our procedures, management's description of the Policies and Relevant Activities in respect of the in-scope indices is fairly stated, in all material respects and the processes and control activities included within the description of Policies and Relevant Activities operated as described throughout the period April 1, 2024 to March 31, 2025.

We examined, on a test basis, evidence relevant to assessing the Policies and Relevant Activities in response to the Principles. Our procedures are described in the PwC's Testing column of the table in Section IV of the report. Assessing the suitability of design of the Policies and Relevant Activities is outside the scope of this engagement, accordingly, we do not express an opinion thereon.

Our procedures were not sufficient to enable us to conclude on the suitability of design or operating effectiveness of the policies, processes or control activities in place to address the Principles. While we assessed the operation of the process and control activities throughout the period as described in our testing procedures, management's description of their process and control activities that they have implemented to adhere to the Principles was not extensive enough to form the basis for an opinion over the operating effectiveness of those activities and accordingly, we do not express such an opinion.

While the Policies and Relevant Activities and related Principles may be informed by the need to satisfy legal or regulatory requirements, our scope of work and our conclusions do not constitute assurance over compliance with those applicable laws and regulations.

Inherent limitations

Process and control activities are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. As such, our procedures cannot guarantee protection against (among other things) fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, our conclusion is based on historical information and the projection of any information or conclusions in relation to the Policies and Relevant Activities to any future periods would be inappropriate.

The validity and reliability of daily index levels and returns is dependent on both (i) those that provide the input data to the benchmark administrator, for which the data provider is solely responsible, and (ii) the procedures performed by the benchmark administrator to check that information. Data providers of information are not themselves subject to the Principles and we are unable to comment on input data submitted by those parties.

Opinion

In our opinion, in all material respects, based on the criteria:

- (i) management's description of the Policies and Relevant Activities set out in the JPXI's Response column of the table in Section IV in respect of the in-scope indices is fairly stated; and
- (ii) the process and control activities stated within the Policies and Relevant Activities have operated as described in all material respects throughout the period April 1, 2024 to March 31, 2025.

Other information

The management of JPXI is responsible for the other information, comprising the Statement of Adherence in Section II and the description of the 'Overview of JPXI' in Section I of the report. Other information is presented by management to provide additional information and context to the Policies and Relevant Activities. Our conclusion on the description of the Policies and Relevant Activities does not cover such other information and we do not express any form of assurance opinion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the course of our work. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Intended users and purpose

This report is intended solely for the use of the management of JPXI solely for the purpose of reporting on the Policies and Relevant Activities of JPXI for the in-scope indices, in accordance with the terms of our engagement letter dated March 28, 2025.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of JPXI and JPXI for our work, for this report or for the opinions we have formed, save where terms have expressly been agreed in writing.

PricewaterhouseCoopers Japan LLC

Tokyo, Japan

August 28, 2025

Section IV

IOSCO Principles and JPXI's Responses

IOSCO Principles and JPXI's Responses

The table below sets out the responses of JPX Market Innovation & Research, Inc. (hereinafter referred to as “JPXI”) in terms of how JPXI complies with the IOSCO Principles for in-scope indices listed in Section I of the Statement of Compliance for the period from April 1, 2024 to March 31, 2025. The accompanying “PwC’s Testing” summarizes the work performed by PricewaterhouseCoopers Japan LLC (hereinafter referred to as “PwC”) to validate that the governance, processes, and relevant activities summarized by JPXI are fairly stated and operated. This supports the assurance opinion as documented in Section III of this report. JPXI collectively defines “JPXI Indices” as a) stock price indices which JPXI calculates based on the prices of stocks, REITs, infrastructure funds or others listed on markets operated by Tokyo Stock Exchange, Inc. (hereinafter referred to as “TSE” and also such indices are hereinafter referred to as “TSE Indices”) and b) indices which JPXI calculates based on the prices of futures or others on markets operated by Osaka Exchange, Inc. (hereinafter referred to as “OSE”), on the prices of futures or others on markets operated by Tokyo Commodity Exchange, Inc. (hereinafter referred to as “TOCOM”) or on the prices of both (hereinafter referred to as “OSE/TOCOM Indices”).

IOSCO Principles	JPXI's Response	PwC's Testing
1. Overall Responsibility of the Administrator		
<p>The Administrator should retain primary responsibility for all aspects of the Benchmark determination process. For example, this includes:</p> <p>a) Development: The definition of the Benchmark and Benchmark Methodology;</p> <p>b) Determination and Dissemination: Accurate and timely compilation and publication and distribution of the Benchmark;</p> <p>c) Operation: Ensuring appropriate transparency over significant decisions affecting the compilation of the Benchmark and any related determination process, including contingency measures in the event of absence of or insufficient inputs, market stress or disruption, failure of critical infrastructure, or other relevant factors; and</p>	<p>JPXI retains primary responsibility for all aspects of the determination process, such as the development, determination, dissemination, operation and governance with regards to JPXI Indices calculated and published by JPXI.</p> <p>JPXI uses TSE's systems for calculating and publishing TSE Indices and OSE's systems for calculating and publishing OSE/TOCOM Indices. The establishment and operation of internal controls over the calculation and publication of JPXI Indices using these systems are the responsibility of JPXI.</p>	
	<p>a) and d) Refer to the responses to Principle 2 onwards.</p>	<p>a) and d) Refer to PwC's Testing implemented by PwC in Principle 2 onwards.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
1. Overall Responsibility of the Administrator		
d) Governance: Establishing credible and transparent governance, oversight and accountability procedures for the Benchmark determination process, including an identifiable oversight function accountable for the development, issuance and operation of the Benchmark.	<p>b) (Policies) JPXI concluded the agreement for the use of system services with TSE and OSE, and uses TSE's or OSE's systems for calculating and publishing JPXI Indices.</p>	<p>b) (Policies) PwC inspected the agreement for the use of system services with TSE and OSE to confirm that the agreement includes JPXI's use of those TSE's and OSE's system services.</p>
	<p>(Relevant Activities) JPXI calculates and publishes TSE Indices automatically through TSE's system based on the contract prices at the regulated exchange markets operated by TSE and calculates and publishes OSE/TOCOM Indices automatically through OSE's systems based on the prices of futures at the regulated exchange markets operated by OSE or on the prices of futures at the regulated exchange markets operated by TOCOM (those prices are hereinafter collectively referred to as "Prices at the Regulated Exchange Markets"). IT controls related to TSE's and OSE's systems as well as controls that monitor them are designed to ensure the accuracy and timeliness of calculation and publication of JPXI Indices. This includes the daily monitoring of error notifications, which alert TSE if there are errors regarding TSE Indices and OSE if there are errors regarding OSE/TOCOM Indices. Any error notifications regarding TSE Indies are reviewed by TSE's IT Department on a daily basis and any error notifications regarding OSE/TOCOM Indices are reviewed by OSE's IT Department on a daily basis. The JPXI IT Service Department checks review results in the weekly meeting.</p>	<p>(Relevant Activities) PwC inquired of IT department of TSE and OSE and inspected in relation to the monitoring of error notifications to confirm that:</p> <ul style="list-style-type: none"> - the IT controls exist, including error notifications when transmitting contract prices, - the job management system automatically notifies to IT Departments and recorded when an error occurs, and - the TSE's IT department monitors the contents of error notifications on a daily basis for the TSE Index, and the OSE's IT Department monitors the OSE/TOCOM Indices on a daily basis. <p>PwC inspected samples of transmission error notifications recorded in management systems of TSE and OSE to confirm that:</p> <ul style="list-style-type: none"> - the cause of error was investigated and resulted in no impact on the index calculation, and - the error notification and the investigated result were reported to JPXI's IT Service Department on a timely basis. <p>PwC inspected the minutes of weekly meetings to confirm that JPXI's IT Service Department confirmed the TSE's and OSE's review results.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
1. Overall Responsibility of the Administrator		
	Between April 1, 2024 and March 31, 2025, there were no system incident such as data losses and system failures that impacted the accuracy and timeliness of index calculation and publication.	PwC inquired of a responsible person and inspected incident records to confirm that, between April 1, 2024 and March 31, 2025, there were no system incident such as data losses and system failures that impacted the accuracy and timeliness of index calculation and publication.
	c) Refer to the responses to Principle 11.	c) Refer to PwC's Testing performed by PwC in Principle 11.

IOSCO Principles	JPXI's Response	PwC's Testing
2. Oversight of Third Parties		
<p>Where activities relating to the Benchmark determination process are undertaken by third parties - for example collection of inputs, publication or where a third party acts as Calculation Agent - the Administrator should maintain appropriate oversight of such third parties. The Administrator (and its oversight function) should consider adopting policies and procedures that:</p> <ul style="list-style-type: none"> a) Clearly define and substantiate through appropriate written arrangements the roles and obligations of third parties who participate in the Benchmark determination process, as well as the standards the Administrator expects these third parties to comply with; b) Monitor third parties' compliance with the standards set out by the Administrator; c) Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of third parties who participate in the Benchmark determination process; and d) Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process. <p>This Principle does not apply in relation to a third party from whom an Administrator sources data if that third party is a Regulated Market or Exchange.</p>	<p>JPXI outsources activities regarding data collection, calculation and publication for the Currency Hedged Index Series (hereinafter referred to as "Hedge Indices"; the said activities are hereinafter referred to as "Hedge Indices Calculation") to a third party.</p> <p>JPXI has established guidelines and procedures including the Internal Guidelines on Outsourcing the Indices Calculation and Publication (hereinafter referred to as "Outsourcing Guidelines") and supervises a third party appropriately. JPXI revised the Outsourcing Guidelines in August 2024 and stipulates that JPXI shall establish a monitoring system for a third party depending on the outsourced nature of the index-related activities.</p> <p>JPXI changed the third party for Hedge Indices Calculation from S&P Dow Jones Indices LLC (hereinafter referred to as "S&P") to QUICK Corp. (hereinafter referred to as "QUICK") on October 15, 2024.</p> <p>Hedge Indices are calculated and published as values of index portfolios principally hedged by one-month forward contracts using WM/Refinitiv foreign exchange rates at 4 P.M. London time. Values of the underlying indices used as a basis of Hedge Indices calculations are calculated by JPXI on the same day. There were no changes to the said calculation method and the Calculation Methodologies of Hedge Indices due to the change of the third party.</p>	

IOSCO Principles	JPXI's Response	PwC's Testing
2. Oversight of Third Parties		
	<p>a) and c) (Policies) JPXI stipulates the following in the Outsourcing Guidelines:</p> <ul style="list-style-type: none"> • JPXI stipulates the roles and responsibilities of a third party for index-related activities in an outsourcing agreement and clarifies the scope of responsibilities of the third party. • JPXI stipulates the roles on calculation or publication of indices and publishes them in the Calculation Methodologies. • When selecting a third party, which undertakes index-related activities, JPXI takes into consideration whether the third party has sufficient capabilities to conduct outsourced activities based on its past performance and information obtained through interviews and other methods. <p>JPXI conducts internal approvals by authorized officers and staff when concluding an outsourcing agreement in accordance with the rules on administrative authority.</p>	<p>a) and c) (Policies) PwC inspected the JPXI's Outsourcing Guidelines to confirm that they were revised in August 2024 and the elements were included in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
2. Oversight of Third Parties		
	<p>(Relevant Activities) JPXI considered whether QUICK has sufficient capabilities for conducting Hedge Indices Calculation when changing the third party from S&P to QUICK. JPXI concludes an outsourcing agreement that stipulates the roles and responsibilities of a third party in writing in accordance with the Outsourcing Guidelines. JPXI concluded the outsourcing agreement with QUICK on October 15, 2024, after obtaining internal approvals. JPXI also clarifies the third party's roles in the Calculation Methodologies. After the third party change to QUICK, JPXI stipulates its roles in the Calculation Methodologies of Hedge Indices and published them on the JPX website.</p>	<p>(Relevant Activities) PwC inspected the Q&A agenda used in the selection of QUICK and confirmed that consideration was made to determine whether QUICK has sufficient capacity for conducting Hedge Indices Calculation. PwC inspected the outsourcing agreements to confirm that the outsourcing agreements were concluded in writing with S&P and QUICK, which clearly stated the roles and responsibilities. PwC inspected the document for approvals to confirm that the approval procedures for the agreement with QUICK was performed. PwC inspected the Calculation Methodologies of Hedge Indices and confirmed that the roles of S&P and QUICK have been clearly stated since October 15, 2024, and that they have been published on the website.</p>
	<p>b) (Policies) JPXI stipulates that it shall establish a monitoring system in accordance with the nature of the index-related activities to be outsourced in the Outsourcing Guidelines.</p>	<p>b) (Policies) PwC inspected the Outsourcing Guidelines to confirm that they included the elements described in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
2. Oversight of Third Parties		
	<p>(Relevant Activities) JPXI outsourced Hedge Indices Calculation to S&P during the period up to October 14, 2024. During the said period, JPXI monitored whether S&P conducted the outsourced activities in an appropriate manner by verifying the values of Hedge Indices calculated by S&P on a daily basis. Since October 15, 2024, when JPXI changed the third party for Hedged Indices Calculation to QUICK, QUICK has confirmed the values of Hedge Indices and reported whether or not any failures have occurred, the status of activities conducted and other matters periodically to JPXI in accordance with the operating procedure document (see d) below). JPXI has monitored whether QUICK conducts the outsourced activities in an appropriate manner by confirming their reports.</p>	<p>(Relevant Activities) PwC inspected samples of verification evidence of Hedge Indices to confirm that JPXI monitored the outsourced activities of S&P from April 1, 2024 to October 14, 2024 before the change of the third party. PwC inspected samples of monthly reports from October 15, 2024 to March 31, 2025 to confirm that JPXI periodically monitored the outsourced activities conducted by QUICK and whether or not failures occurred.</p>
	<p>d) (Policies) JPXI has prepared an operating procedure document with QUICK that specifies its roles and responsibilities for Hedge Indices Calculation as well as the policies for the event of failures.</p>	<p>d) (Policies) PwC inspected the operating procedure document with QUICK to confirm that it specified the roles and responsibilities of QUICK and the policies for the event of failures, and it was agreed with QUICK.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
3. Conflicts of Interest for Administrators		
<p>To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate. Administrators should disclose any material conflicts of interest to their users and any relevant Regulatory Authority, if any.</p> <p>The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses and should seek to ensure:</p> <p>a) Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;</p> <p>b) Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;</p> <p>c) Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;</p> <p>d) Adequate supervision and sign-off by authorised or qualified employees prior to releasing Benchmark determinations;</p>	<p>JPXI documents highly transparent and objective calculation methodologies and publishes them in the form of the Calculation Methodologies, which include the methodologies for quantitative index constituent selection by utilizing public information and data. JPXI believes that this eliminates arbitrariness and conflicts of interest from the index calculation processes.</p> <p>In addition, JPXI calculates and publishes JPXI Indices automatically through TSE's or OSE's systems based on Prices at the Regulated Exchange Markets; therefore, JPXI believes that the likelihood of conflicts of interest is extremely low. JPXI ensures that appropriate oversight and approval processes are in place over index constituent selections and other matters.</p>	
	<p>(Policies)</p> <p>JPXI ensures that conflicts of interests do not affect the determination of indices by having the following framework for the management of conflicts of interest as stated in the Policies Concerning Calculation of JPXI Indices and Corporate Governance Report.</p>	<p>(Policies)</p> <p>PwC inspected the Policies Concerning Calculation of JPXI Indices and the Corporate Governance Report to confirm that they include the elements described in JPXI's Response.</p>
	<p><u>Code of Conduct</u></p> <p>JPXI requires its employees to comply with the Code of Conduct to maintain the soundness of indices administration.</p>	<p><u>Code of Conduct</u></p> <p>PwC inspected the Code of Conduct to confirm it requires employees to comply with the Code of Conduct.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
3. Conflicts of Interest for Administrators		
<p>e) The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject to the disclosure obligations of the Administrator;</p> <p>f) Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and</p> <p>g) Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivised by the levels of the Benchmark.</p> <p>An Administrator's conflict of interest framework should seek to mitigate existing or potential conflicts created by its ownership structure or control, or due to other interests the Administrator's staff or wider group may have in relation to Benchmark determinations. To this end, the framework should:</p>	<p><u>Block of Information Flow</u> JPXI blocks the flow of information between sections that are involved with indices and all other sections in accordance with the rules on information security that stipulates information should not be provided to those who are not permitted.</p>	<p><u>Block of Information Flow</u> PwC inspected the JPXI's rules on information security to confirm they require employees not to provide information other than those who are permitted.</p>
	<p><u>Compensation Structure</u> Rules on salary and compensation define employee compensation and performance review structures for employees of JPXI. Compensation for employees in sections related to indices are not associated directly with activities such as the design, calculation or publication of JPXI Indices. As one of the indicators for evaluation of performance-linked remuneration for Executive Officers, JPXI has adopted Total Shareholder Return (TSR) of the Company shares (in comparison with the growth rate of JPX-Nikkei 400 Total Return Index). JPXI maintains a structure where these Executive Officers are not involved in the calculation of the index values since they are calculated automatically through systems based on the Calculation Methodology published on the JPX website.</p>	<p><u>Compensation Structure</u> PwC inspected the JPXI's rules on salaries and compensation to confirm that the compensation structure is not associated directly with the design, calculation or publication of the JPXI Indices.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
3. Conflicts of Interest for Administrators		
<p>a) Include measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business (including all staff who perform or otherwise participate in Benchmark production responsibilities), and any other business of the Administrator or any of its affiliates; and</p> <p>b) Provide that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority in a timely manner.</p>	<p><u>Internal Training</u> JPXI holds a liaison conference with employees in charge of compliance, distributes compliance-related information via the intranet and conducts periodic e-learning courses on ethics and the Code of Conduct for employees who are engaged in duties concerning the calculation of indices. Through these means, JPXI continuously makes efforts to raise employees' awareness of compliance and educate them.</p>	<p><u>Internal Training</u> PwC inspected JPXI's compliance handbook distributed to employees to confirm the compliance requirements have been disseminated to employees. PwC also inspected materials that showed the distribution status of compliance related information via the company's intranet to confirm the actual distribution of information. In addition, PwC inspected the e-learning attendance record to confirm that the training on ethics and Code of Conduct was held and employees in charge of the index had taken the training.</p>
	<p><u>Whistleblowing System</u> JPXI has a whistleblower system in place, and the President & CEO is responsible for receiving, investigating and taking corrective actions regarding whistleblowing.</p>	<p><u>Whistleblowing System</u> PwC inspected the compliance handbook and related internal guidelines to confirm that the President & CEO is responsible for receiving, investigating and taking corrective actions regarding whistleblowing.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
4. Control Framework for Administrators		
<p>An Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark. The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs. The control framework should be documented and available to relevant Regulatory Authorities, if any. A summary of its main features should be Published or Made Available to Stakeholders.</p> <p>This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas:</p>	<p>JPXI sets forth the following policies and procedures on the calculation and publication processes for JPXI Indices, to establish and operate an appropriate control framework.</p>	
	<p>a) and c) (Policies) JPXI has its Code of Conduct, mechanisms to block information flow, compensation structure, internal training and a whistleblowing system as stated in the Policies Concerning Calculation of JPXI Indices and JPX Corporate Governance Report as a framework over conflicts of interest. Refer to the response to Principle 3 for details.</p>	<p>a) and c) (Policies) Refer to Principle 3 above.</p>
	<p>b) (Policies) Refer to the responses to Principle 6 through Principle 19 for the policies for maintaining the soundness and quality of index calculation. JPXI Indices are calculated based on Prices at the Regulated Exchange Markets; therefore, b) ii. is not applicable.</p>	<p>b) (Policies) Refer to Principle 6 to 19 below</p>

IOSCO Principles	JPXI's Response	PwC's Testing
4. Control Framework for Administrators		
	<p>(Relevant Activities) JPXI conducts the following relevant activities to maintain the soundness and quality of its index calculation:</p> <ul style="list-style-type: none"> • A supervisor reviews the results of index constituent selections and other duties carried out by personnel. • The calculations of JPXI Indices are monitored at JPXI through daily meetings on the administration of said indices (hereinafter referred to as "JPXI Indices Administering Meeting"). • JPXI Indices are calculated and published automatically through TSE's or OSE's systems based on Prices at the Regulated Exchange Markets. • JPXI has appropriate access controls over the system for the index-related activities according to the administrative authority of its employees. <p>Refer to the responses to Principle 16 through Principle 19 for arrangements to ensure the accountability and effectiveness of the complaints mechanisms.</p>	<p>(Relevant Activities) PwC inspected samples of review evidence for the index constituent data maintenance and index constituent selections to confirm the supervisor's review was performed. PwC inspected the records of the daily JPXI Indices Administering Meeting on a sample basis to confirm the daily monitoring activities were performed in the meeting. PwC recalculated a sample of JPXI Indices in accordance with the Calculation Methodologies and agreed to the indices calculated and published automatically in TSE's and OSE's index calculation system and market information system. PwC inspected samples of user access request forms (addition, change and removal) and user access lists to confirm that JPXI controls access rights according to the administrative authority for employees. Regarding the arrangement to ensure the accountability and effectiveness of the complaints mechanism, refer to Principle 16 to 19 below.</p>
	<p>d) (Policies)</p> <ul style="list-style-type: none"> • JPXI sets forth the Policies Concerning Calculation of JPXI Indices to require employees engaged in duties concerning the calculation of indices to retain sufficient knowledge on the indices. 	<p>d) (Policies) PwC inspected the Policies Concerning Calculation of the JPXI Indices to confirm they included the elements described in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
4. Control Framework for Administrators		
	<p>(Relevant Activities) JPXI provides staff training related to revisions of laws and regulations, which have impacts on the design of indices or on the index-related activities, in order to continuously reflect them in the design of indices.</p>	<p>(Relevant Activities) PwC inspected the training records to confirm that training related to the index-related activities was provided to employees engaged in those activities.</p>
<p>Where a Benchmark is based on Submissions: Administrators should promote the integrity of inputs by:</p> <ul style="list-style-type: none"> a) Ensuring as far as possible that the Submitters comprise an appropriately representative group of participants taking into consideration the underlying Interest measured by the Benchmark; b) Employing a system of appropriate measures so that, to the extent possible, Submitters comply with the Submission guidelines, as defined in the Submitter Code of Conduct and the Administrators' applicable quality and integrity standards for Submission; c) Specifying how frequently Submissions should be made and specifying that inputs or Submissions should be made for every Benchmark determination; and d) Establishing and employing measures to effectively monitor and scrutinize inputs or Submissions. This should include pre-compilation or pre-publication monitoring to identify and avoid errors in inputs or Submissions, as well as ex-post analysis of trends and outliers. 	<p>JPXI Indices are calculated based on Prices at the Regulated Exchange Markets therefore, the clauses relating to indices based on submissions are not applicable.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
5. Internal Oversight		
<p>Administrators should establish an oversight function to review and provide challenge on all aspects of the Benchmark determination process. This should include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.</p> <p>The oversight function should be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.</p> <p>An Administrator should develop and maintain robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities, if any. The main features of the procedures should be Made Available to Stakeholders. These procedures should include:</p> <ul style="list-style-type: none"> a) The terms of reference of the oversight function; b) Criteria to select members of the oversight function; c) The summary details of membership of any committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of committee members. 	<p>(Policies)</p> <p>JPXI believes that the likelihood of conflicts of interest is extremely low due to the high transparency and objectivity of the Calculation Methodologies and also due to the automatic calculation of JPXI Indices by the system; therefore, JPXI does not have an oversight function comprising separate committees or other governance arrangements.</p> <p>JPXI stipulates in the Policies Concerning Calculation of JPXI Indices that JPXI monitors the index-related activities by holding the JPXI Indices Administering Meeting, which comprises employees with sufficient knowledge and expertise in index-related activities.</p> <p>Additionally, regarding the jointly developed indices calculated and published by JPXI, JPXI stipulates in the administering regulations related to jointly developed indices that JPXI and the partner of the jointly developed indices have discussions regarding the maintenance and improvement of the indices and other matters related to the management of the indices by periodically holding the Jointly Developed Indices Administering Meeting which comprises members from JPXI and the partner.</p> <p>(Relevant Activities)</p> <ul style="list-style-type: none"> a) JPXI utilizes the JPXI Indices Administering Meeting to monitor index-related activities, as well as, when necessary, consider whether to amend the Calculation Methodologies or suspend the publication of indices permanently based on market conditions and how these may impact the indices. 	<p>(Policies)</p> <p>PwC inspected the Policies Concerning Calculation of JPXI Indices, and the administering regulations related to jointly developed indices to confirm that they included the elements described in JPXI's Response.</p> <p>(Relevant Activities)</p> <ul style="list-style-type: none"> a) PwC inspected sample records of JPXI Indices Administering Meeting to confirm JPXI consider market conditions and its impact on the indices, where necessary.

IOSCO Principles	JPXI's Response	PwC's Testing
5. Internal Oversight		
<p>The responsibilities of the oversight function include:</p> <p>a) Oversight of the Benchmark design:</p> <ul style="list-style-type: none"> i. Periodic review of the definition of the Benchmark and its Methodology; ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate); iii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorising or requesting the Administrator to undertake a consultation with Stakeholders where known or its Subscribers on such changes as per Principle 12; and iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation. <p>b) Oversight of the integrity of Benchmark determination and control framework:</p> <ul style="list-style-type: none"> i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party; ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and 	<p>Regarding the jointly developed indices calculated and published by JPXI, JPXI holds the Jointly Developed Indices Administering Meeting periodically to make decisions on matters related to the jointly developed indices.</p> <p>Refer to the responses to Principle 10 for the periodic review of the design of indices, Principle 12 for the revisions to the Calculation Methodologies and Principle 13 for the suspension and migration of indices.</p> <p>b)</p> <p>Through the JPXI Indices Administering Meeting, JPXI monitors the index-related activities such as overall management and operation of the indices, etc. as well as discussing remedial actions to be taken, where necessary.</p>	<p>Regarding the jointly developed indices, PwC inspected samples of the minutes of the Jointly Developed Indices Administering Meeting to confirm decisions were made in accordance with the administering regulations for the Jointly Developed Indices Administering Meeting.</p> <p>Regarding the periodic review of the design of indices, the revisions to the Calculation Methodologies and the suspension and migration of indices, refer to Principle 10, 12 and 13 respectively.</p> <p>b)</p> <p>Refer to Principle 4 above.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
5. Internal Oversight		
<p>iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.</p> <p>Where conflicts of interests may arise in the Administrator due to its ownership structures or controlling interests, or due to other activities conducted by any entity owning or controlling the Administrator or by the Administrator or any of its affiliates: the Administrator should establish an independent oversight function which includes a balanced representation of a range of Stakeholders where known, Subscribers and Submitters, which is chosen to counterbalance the relevant conflict of interest.</p>		
<p>Where a Benchmark is based on Submissions: the oversight function should provide suitable oversight and challenge of the Submissions by:</p> <p>a) Overseeing and challenging the scrutiny and monitoring of inputs or Submissions by the Administrator. This could include regular discussions of inputs or Submission patterns, defining parameters against which inputs or Submissions can be analysed, or querying the role of the Administrator in challenging or sampling unusual inputs or Submissions;</p> <p>b) Overseeing the Code of Conduct for Submitters;</p> <p>c) Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and</p>	<p>JPXI Indices are calculated based on Prices at the Regulated Exchange Markets; therefore, the clauses relating to indices based on submissions are not applicable.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
5. Internal Oversight		
d) Establishing measures to detect potential anomalous or suspicious Submissions and in case of suspicious activities, to report them, as well as any misconduct by Submitters of which it becomes aware to the relevant Regulatory Authorities, if any.		

IOSCO Principles	JPXI's Response	PwC's Testing
6. Benchmark Design		
<p>The design of the Benchmark should seek to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.</p> <p>Benchmark design should take into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest:</p> <ul style="list-style-type: none"> a) Adequacy of the sample used to represent the Interest; b) Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing); c) Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark; d) The distribution of trading among Market Participants (market concentration); e) Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark). 	<p>(Policies) JPXI has documented the Calculation Methodologies aiming to design JPXI Indices to reflect the actual economic reality on the Interests in an accurate and highly reliable manner based on Prices at the Regulated Exchange Markets and published them on the JPX website. JPXI calculates and publishes JPXI Indices in accordance with the Calculation Methodologies established in this manner.</p> <p>(Relevant Activities) Refer to the responses to Principle 10 for the periodic review of the Calculation Methodologies to confirm whether the Interests of JPXI Indices currently measured has diminished or are not functioning due to structural changes in the market.</p>	<p>(Policies) PwC confirmed that the Calculation Methodologies were published on the JPX website.</p> <p>(Relevant Activities) Refer to the responses to Principle 10 for the periodic review of the Calculation Methodologies.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
7. Data Sufficiency		
<p>The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:</p> <p>a) Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</p> <p>b) Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Benchmark measures in order for it to function as a credible indicator of prices, rates, indices or values.</p> <p>This Principle requires that a Benchmark be based upon (i.e., anchored in) an active market having observable Bona Fide, Arms-Length Transactions. This does not mean that every individual Benchmark determination must be constructed solely of transaction data. Provided that an active market exists, conditions in the market on any given day might require the Administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions. Depending upon the Administrator's Methodology, this could result in an individual Benchmark determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8.</p>	<p>JPXI Indices satisfy the sufficiency of data as JPXI Indices are calculated based on prices in highly liquid markets at the exchange.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
7. Data Sufficiency		
<p>Provided that subparagraphs (a) and (b) above are met, Principle 7 does not preclude Benchmark Administrators from using executable bids or offers as a means to construct Benchmarks where anchored in an observable market consisting of Bona Fide, Arms-Length transactions.</p> <p>This Principle also recognizes that various indices may be designed to measure or reflect the performance of a rule-based investment strategy, the volatility or behaviour of an index or market or other aspects of an active market. Principle 7 does not preclude the use of non-transactional data for such indices that are not designed to represent transactions and where the nature of the index is such that non-transactional data is used to reflect what the index is designed to measure. For example, certain volatility indices, which are designed to measure the expected volatility of an index of securities transactions, rely on non-transactional data, but the data is derived from and thus “anchored” in an actual functioning securities or options market.</p>		

IOSCO Principles	JPXI's Response	PwC's Testing
8. Hierarchy of Data Inputs		
<p>An Administrator should establish and Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks. In general, the hierarchy of data inputs should include:</p> <ul style="list-style-type: none"> a) Where a Benchmark is dependent upon Submissions, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; b) Reported or observed concluded Arm's-length Transactions in the underlying interest; c) Reported or observed concluded Arm's-length Transactions in related markets; d) Firm (executable) bids and offers; and e) Other market information or Expert Judgments. 	<p>JPXI calculates and publishes JPXI Indices automatically based on Prices at the Regulated Exchange Markets in accordance with the Calculation Methodologies; therefore, the hierarchy of data inputs is not applicable to JPXI Indices.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
8. Hierarchy of Data Inputs		
<p>Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology. The Administrator should retain flexibility to use the inputs it believes are appropriate under its Methodology to ensure the quality and integrity of its Benchmark. For example, certain Administrators may decide to rely upon Expert Judgment in an active albeit low liquidity market, when transactions may not be consistently available each day. IOSCO also recognizes that there might be circumstances (e.g., a low liquidity market) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given Benchmark determination.</p>		

IOSCO Principles	JPXI's Response	PwC's Testing
9. Transparency of Benchmark Determinations		
<p>The Administrator should describe and publish with each Benchmark determination, to the extent reasonable without delaying an Administrator publication deadline:</p> <p>a) A concise explanation, sufficient to facilitate a Stakeholder's or Market Authority's ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (i.e., transaction-based, spread-based or interpolated/extrapolated);</p> <p>b) A concise explanation of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</p>	<p>JPXI calculates and publishes JPXI Indices automatically based on Prices at the Regulated Exchange Markets in accordance with the Calculation Methodologies. In addition, JPXI publishes the Calculation Methodologies on the JPX website. Expert judgments are not used for calculating JPXI Indices.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
10. Periodic Review		
<p>The Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator also should periodically review whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark. The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.</p>	<p>(Policies) JPXI stipulates in the Policies Concerning Calculation of JPXI Indices and the internal manual for periodic review of the Calculation Methodologies that JPXI reviews the necessity of revisions to the Calculation Methodologies at least once a year to check whether the Interests of JPXI Indices currently being measured have diminished or are not functioning due to structural changes in the market. JPXI also stipulates in the Policies Concerning Calculation of JPXI Indices to publish a summary of changes to the Calculation Methodologies on the JPX website upon obtaining internal approvals of authorized officers and staff.</p>	<p>(Policies) PwC inspected the Policies Concerning Calculation of JPXI Indices and JPXI's internal manual for periodic review on the Calculation Methodologies to confirm they include the elements described in JPXI's Response.</p>
	<p>(Relevant Activities) In November 2024, JPXI conducted the periodic review of the Calculation Methodologies based on the Policies Concerning Calculation of JPXI Indices and the internal manual for periodic review on the Calculation Methodologies and confirmed that there were no material changes in the market. In addition, changes to the Calculation Methodologies have been announced on the JPX website after obtaining internal approval. The next periodic review is scheduled in November 2025.</p>	<p>(Relevant Activities) PwC inspected a sample of supporting evidence for the periodic review on the Calculation Methodologies to confirm the periodic review was performed in November 2024 in accordance with the Policies Concerning Calculation of JPXI Indices and JPXI's internal manual for periodic review on the Calculation Methodologies and there were no critical changes. As for the changes to the Calculation Methodologies, PwC confirmed it was announced on the JPX website after obtaining internal approval.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
11. Content of the Methodology		
<p>The Administrator should document and Publish or Make Available the Methodology used to make Benchmark determinations. The Administrator should provide the rationale for adopting a particular Methodology. The Published Methodology should provide sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments.</p> <p>At a minimum, the Methodology should contain:</p> <p>a) Definitions of key terms;</p> <p>b) All criteria and procedures used to develop the Benchmark, including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;</p> <p>c) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;</p> <p>d) The procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);</p>	<p>(Policies)</p> <p>JPXI publishes the Policies Concerning Calculation of JPXI Indices, the Calculation Methodologies that are used to calculate JPXI Indices, the TSE Index Data Correction Policy and the OSE/TOCOM Index Data Correction Policy.</p>	<p>(Policies)</p> <p>PwC confirmed the Policies Concerning Calculation of JPXI Indices, the Calculation Methodologies, the TSE Index Data Correction Policy and the OSE/TOCOM Index Data Correction Policy was published on the JPX website.</p>
	<p>a), b), g) and h)</p> <p>JPXI sets forth the following in the Calculation Methodologies:</p> <ul style="list-style-type: none"> • Definitions of key terms related to index calculation. • Calculation methodologies and data used in index calculation. • Responsibility of JPXI to receive inquiries on the Calculation Methodologies. For the important revisions to the Calculation Methodologies, JPXI conducts Index Consultation for the purpose of ensuring opportunities to hear diverse opinions, including those of stakeholders and improving the fairness and transparency of the process. Refer to the response to Principle 12 for Index Consultation and the procedures to revise the Calculation Methodologies. <p>For the confirmation of whether the Interests of JPXI Indices currently measured has diminished or are not functioning due to structural changes in the market, refer to the responses to Principle 6 and Principle 10.</p>	<p>a), b), g) and h)</p> <p>PwC inspected the Policies Concerning Calculation of JPXI Indices and the Calculation Methodologies to confirm they include the elements described in JPXI's response.</p> <p>Refer to the response to Principle 12 for the Index Consultation and the procedures to revise the Calculation Methodologies.</p> <p>Refer to the responses to Principle 6 and Principle 10 for the confirmation whether the Interests of JPXI Indices currently measured has diminished or are not functioning due to structural changes in the market.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
11. Content of the Methodology		
<p>e) The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;</p> <p>f) Information regarding the frequency for internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;</p> <p>g) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and</p> <p>h) The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p>	<p>c), d), and f)</p> <p>JPXI stipulates the following in the Policies Concerning Calculation of JPXI Indices:</p> <ul style="list-style-type: none"> • The JPXI Indices Administering Meeting discusses matters requiring judgments to maintain the consistency of judgments in the index calculation. • In the event that TSE is forced to close its stock market prior to the end of its daily trading hours due to a computer malfunction, a natural disaster, or other such unavoidable reasons, JPXI shall calculate TSE Indices using the latest published stock price information, in the following sequence: <ol style="list-style-type: none"> (1) Special Quote Price or Sequential Trade Quote Price (2) Contract Price (3) Base Price for Index Calculation (determined in the following order: (i) Theoretical Ex-rights Price, (ii) Most Recent Special Quote Price or Sequential Trade Quote Price on or before the previous trading day, (iii) Most Recent Contract Price on or before the previous trading day.) • In the event that OSE, TOCOM, or both, are forced to close their markets prior to the end of the daily trading hours due to a computer malfunction, natural disaster, or other such unavoidable reasons, JPXI shall calculate OSE/TOCOM Indices using the published settlement prices for constituents. 	<p>c), d), and f)</p> <p>PwC inspected the Policies Concerning Calculation of JPXI Indices and confirmed that the contents described in the JPXI's Response were stipulated.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
11. Content of the Methodology		
	<ul style="list-style-type: none"> • In the event that TSE is forced to suspend its stock market due to a computer malfunction, a natural disaster, or other such unavoidable reason, and trading is then resumed through a reboot of the system, TSE Indices shall be calculated by JPXI using the stock price information published after resumption of trading in the following sequence; <ol style="list-style-type: none"> (1) Special Quote Price or Sequential Trade Quote Price (2) Most Recent Contract Price after resumption of trading (3) Base Price for Index Calculation when neither (1) nor (2) is available after resumption of trading (determined in the following order: (i) Theoretical Ex-rights Price, (ii) Most Recent Special Quote Price or Sequential Trade Quote Price on or before the previous trading day, (iii) Most Recent Contract Price on or before the previous trading day.) • In the event that OSE, TOCOM, or both, are forced to suspend their markets due to a computer malfunction, a natural disaster, or other such unavoidable reasons, and trading is thereafter resumed through a reboot of the system, JPXI shall calculate OSE/TOCOM Indices using the published settlement prices for constituents after the resumption. 	

IOSCO Principles	JPXI's Response	PwC's Testing
11. Content of the Methodology		
	<ul style="list-style-type: none"> • In the event that the JPXI Indices Administering Meeting deems that conditions of stock market operated by TSE are not appropriate to implement changes to TSE Indices (for example, due to unavoidable circumstances like natural disasters), JPXI may handle such changes differently from the process outlined in the Calculation Methodologies, after notification on the JPX website. This could include, for example, postponement or suspension of the periodic review. These changes are constituent selections, adjustments to base market value and others as specified in the Calculation Methodologies. Such conditions include, but are not limited to, a sudden surge in volatility and/or lack of liquidity in the entire market. • If any revision to the Calculation Methodologies is required, JPXI reviews the rationale of revision and the adequacy of contents in the internal approval process by authorized officers and staff. Refer to the response to Principle 12 for the procedures for the Index Consultation when an important revision is to be made to the Calculation Methodologies. 	

IOSCO Principles	JPXI's Response	PwC's Testing
11. Content of the Methodology		
	<p>e) JPXI corrects TSE Indices in accordance with the TSE Index Data Correction Policy and corrects OSE/TOCOM Indices in accordance with the OSE/TOCOM Index Data Correction Policy. The corrections are reported to the risk management committee based on the risk management policy and the risk management rules.</p>	<p>e) PwC inspected the TSE Index Data Correction Policy and the OSE/TOCOM Index Data Correction Policy to confirm that the correction method and publication method were stipulated. PwC inspected the risk management policy and risk management rules to confirm that they stipulate the corrections are reported to the risk management committee.</p>
	<p>(Relevant Activities) JPXI reviews structural changes in the market at least once a year to consider the need for revising the Calculation Methodologies.</p>	<p>(Relevant Activities) PwC inspected the result of periodic review on the Calculation Methodologies to confirm that the review on the Calculation Methodologies were conducted in November 2024 and that the consideration was given to the necessity of any changes in the Calculation Methodologies.</p>
<p>Where a Benchmark is based on Submissions, the additional Principle also applies: The Administrator should clearly establish criteria for including and excluding Submitters. The criteria should consider any issues arising from the location of the Submitter, if in a different jurisdiction to the Administrator. These criteria should be available to any relevant Regulatory Authorities, if any, and Published or Made Available to Stakeholders. Any provisions related to changes in composition, including notice periods should be made clear.</p>	<p>This principle is not applicable to JPXI Indices as they are not based on submissions.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
12. Changes to the Methodology		
<p>An Administrator should Publish or Make Available the rationale of any proposed material change in its Methodology, and procedures for making such changes. These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark's use) of changes.</p> <p>Those procedures should be consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations. When changes are proposed, the Administrator should specify exactly what these changes entail and when they are intended to apply. The Administrator should specify how changes to the Methodology will be scrutinised, by the oversight function.</p> <p>The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark's use and the nature of the Stakeholders. Procedures should:</p> <p>a) Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyse and comment on the impact of such proposed material changes, having regard to the Administrator's assessment of the overall circumstances; and</p>	<p>(Policies) JPXI stipulates the following in the Policies Concerning Calculation of JPXI Indices and publishes it on the website:</p> <ul style="list-style-type: none"> The Index Consultation is a function implemented for the purpose of improving the fairness and transparency of the process for deciding measures regarding the administration of JPXI Indices by setting aside opportunities for JPXI to gather diverse opinions from index users. The Index Consultation will be implemented when making decisions on the following items (limited to matters regarding TSE Indices with respect to item (2)). However, this shall not apply when the JPXI Indices Administering Meeting deems that the decision is of minor significance. <p>(1) Important revisions to the Calculation Methodologies (2) Handling of new types of corporate action not indicated in the Calculation Methodologies (3) Other matters for which the JPXI Indices Administering Meeting determines that comments from a wide range of entities are necessary</p>	<p>(Policies) PwC inspected the Policies Concerning Calculation of JPXI Indices and the Index Consultation Implementation Guidelines to confirm they include the elements described in JPXI's Response. In addition, PwC inspected the Policies Concerning Calculation of JPXI Indices and the Index Consultation Implementation Guidelines on the website to confirm that it was published on the website and available to the public.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
12. Changes to the Methodology		
<p>b) Provide for Stakeholders' summary comments, and the Administrator's summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<ul style="list-style-type: none"> • In the case of TSE Indices, an important revision refers to a revision of the Calculation Methodologies that results in a change to the component issues of an index and/or their component ratios for an index requiring rebalancing by passive asset managers at a time other than the periodic review, a revision to the method for selecting component issues, a revision to the handling of corporate actions, or a revision to the method for calculating index value. In the case of OSE/TOCOM Indices, it refers to a revision to the method for selecting component issues or the method for calculating index values. • In the event that the Index Consultation is conducted or a revision to the Calculation Methodologies is to be made, a decision shall be required based on internal approval. <p>JPXI stipulates the following in the Index Consultation Implementation Guidelines and publishes it on the JPX website:</p> <ul style="list-style-type: none"> • As a general rules, the consultation period shall be at least thirty (30) days, counting from the day after publication. If the period is less than thirty (30) days, JPXI will publish the reasons for this on the JPX website. • JPXI will make the final decision on matters put out for consultation at the JPXI Indices Administering Meeting, taking into consideration the opinions submitted. Finalized measures will be published on the JPX website. 	

IOSCO Principles	JPXI's Response	PwC's Testing
12. Changes to the Methodology		
	<p>(Relevant Activities) The changes to the Calculation Methodologies during the period from April 1, 2024 to March 31, 2025 were made after the internal approval process.</p> <p>Regarding material changes to Calculation Methodologies, JPXI conducted the Index Consultation and announced the revised Calculation Methodologies for Revisions of TOPIX and other indices.</p>	<p>(Relevant Activities) For the changes to the Calculation Methodologies for the period from April 1, 2024 to March 31, 2025, PwC inspected the evidence of approvals on a sample basis to confirm those changes were made after internal approval in accordance with the Policies Concerning Calculation of JPXI Indices.</p> <p>PwC inspected the evidence of the Index Consultation to confirm that the index consultations were conducted on the material changes to the Calculation Methodology as described on the left column, and it was confirmed that the revised Calculation Methodologies were published on the website.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
13.Transition		
<p>Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark. The Administrator should take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.</p> <p>These written policies and procedures should be Published or Made Available to all Stakeholders. Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <p>a) Contracts or other financial instruments that reference a Benchmark, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</p> <p>b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.</p> <p>Administrators' written policies and procedures to address the possibility of Benchmark cessation could</p>	<p>(Policies)</p> <p>JPXI stipulates in the Policies Concerning Suspension or Migration of JPXI Indices that JPXI considers a permanent suspension of the publication of an index in any of the following cases:</p> <ul style="list-style-type: none"> • When calculating and publishing new alternative indices in line with major revisions made in the design of an index. • When a significant decrease in demand for an index is noted such as the absence of parties who have license agreements with JPXI for the use of the JPXI Indices (hereinafter referred to as "Index User(s)"). • When an index is no longer deemed to fulfill the initial purpose of its calculation due to structural changes in the market and a revision to its Calculation Methodology cannot be expected to resolve the issue. <p>The Policies Concerning Suspension or Migration of JPXI Indices is published on the JPX website. The policies also set forth procedures for suspension or migration of the JPXI Indices as follows:</p> <ul style="list-style-type: none"> • When conducting the permanent suspension of the publication of an index, JPXI obtains internal approvals of authorized officers and staff after considering impacts of the suspension on the Index Users at the JPXI Indices Administering Meeting. • If Index Users exist, JPXI collects their opinions through the Index Consultation. 	<p>(Policies)</p> <p>PwC inspected the Policies Concerning Suspension or Transition of JPXI Indices to confirm they include the elements described in JPXI's Response. PwC inspected the Policies Concerning Suspension or Transition of the JPXI Indices to confirm that it is published and available to the public.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
13.Transition		
	<ul style="list-style-type: none"> When permanently suspending the publication of an index, JPXI discloses the period of and the grounds for such an action on the JPX website at least one (1) month before such suspension. 	
<p>include the following factors, if determined to be reasonable and appropriate by the Administrator:</p> <p>a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics (e.g., credit quality, maturities and liquidity of the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;</p> <p>b) The practicality of maintaining parallel Benchmarks (e.g., where feasible, maintain the existing Benchmark for a defined period of time to permit existing contracts and financial instruments to mature and publish a new Benchmark) in order to accommodate an orderly transition to a new Benchmark;</p> <p>c) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p>	<ul style="list-style-type: none"> When migrating to a new alternative index, JPXI considers the impact on the previous index (such as the existence of financial instruments that track the index) and if necessary, continues the calculation and publication of the previous index for a defined period of time in parallel with the new alternative index. <p>(Relevant Activities) The Tokyo Stock Exchange High-Speed Index and the Ex-TSE First Section Index, which were suspended during the period from April 1, 2024 to March 31, 2025, were treated in accordance with the Policies Concerning Suspension or Migration of JPXI Indices as follows:</p> <ul style="list-style-type: none"> JPXI suspended the Tokyo Stock Exchange High-Speed Index on November 1, 2024, based on index usage conditions. Following internal approval, the suspension was announced on the JPX website at least one month prior to the suspension. As there were no Index Users, JPXI did not conduct Index Consultation. 	<p>(Relevant Activities) With regard to the indices suspended during the period from April 1, 2024 to March 31, 2025, PwC inspected the document for approval and observed the JPX website and confirmed that the contents described in the JPXI's Response have been performed.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
13.Transition		
<p>d) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and</p> <p>e) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.</p>	<ul style="list-style-type: none"> JPXI calculated the Ex-TSE First Section Index from April 4, 2022 to January 31, 2025, and suspended it on January 31, 2025 as originally planned. The Index Consultation was conducted as Revisions of TOPIX and Other Indices (consultation period: from March 26 to April 9, 2021) 	

IOSCO Principles	JPXI's Response	PwC's Testing
14. Submitter Code of Conduct		
<p>Where a Benchmark is based on Submissions, the following additional Principle also applies: The Administrator should develop guidelines for Submitters ("Submitter Code of Conduct"), which should be available to any relevant Regulatory Authorities, if any and Published or Made Available to Stakeholders.</p> <p>The Administrator should only use inputs or Submissions from entities which adhere to the Submitter Code of Conduct and the Administrator should appropriately monitor and record adherence from Submitters. The Administrator should require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred.</p> <p>The Administrator's oversight function should be responsible for the continuing review and oversight of the Submitter Code of Conduct.</p> <p>The Submitter Code of Conduct should address:</p> <ul style="list-style-type: none"> a) The selection of inputs; b) Who may submit data and information to the Administrator; c) Quality control procedures to verify the identity of a Submitter and any employee(s) of a Submitter who report(s) data or information and the authorization of such person(s) to report market data on behalf of a Submitter; d) Criteria applied to employees of a Submitter who are permitted to submit data or information to an Administrator on behalf of a Submitter; e) Policies to discourage the interim withdrawal of Submitters from surveys or Panels; 	<p>This principle is not applicable to JPXI Indices as they are not based on submissions.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
14. Submitter Code of Conduct		
<p>f) Policies to encourage Submitters to submit all relevant data; and</p> <p>g) The Submitters' internal system and controls, which should include:</p> <ul style="list-style-type: none"> i. Procedures for submitting inputs, including Methodologies to determine the type of eligible inputs, in line with the Administrator's Methodologies; ii. Procedures to detect and evaluate suspicious inputs or transactions, including inter-group transactions, and to ensure the Bona Fide nature of such inputs, where appropriate; iii. Policies guiding and detailing the use of Expert Judgment, including documentation requirements; iv. Record keeping policies; v. Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs; vi. Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime); vii. Suspicious Submission reporting; viii. Roles and responsibilities of key personnel and accountability lines; ix. Internal sign off procedures by management for submitting inputs; x. Whistle blowing policies (in line with Principle 4); and 		

IOSCO Principles	JPXI's Response	PwC's Testing
14. Submitter Code of Conduct		
<p>xi. Conflicts of interest procedures and policies, including prohibitions on the Submission of data from Front Office Functions unless the Administrator is satisfied that there are adequate internal oversight and verification procedures for Front Office Function Submissions of data to an Administrator (including safeguards and supervision to address possible conflicts of interests as per paragraphs (v) and (ix) above), the physical separation of employees and reporting lines where appropriate, the consideration of how to identify, disclose, manage, mitigate and avoid existing or potential incentives to manipulate or otherwise influence data inputs (whether or not in order to influence the Benchmark levels), including, without limitation, through appropriate remuneration policies and by effectively addressing conflicts of interest which may exist between the Submitter's Submission activities (including all staff who perform or otherwise participate in Benchmark Submission responsibilities), and any other business of the Submitter or of any of its affiliates or any of their respective clients or customers.</p>		

IOSCO Principles	JPXI's Response	PwC's Testing
15. Internal Controls over Data Collection		
<p>When an Administrator collects data from any external source the Administrator should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of the Front Office Function, the Administrator should seek corroborating data from other sources.</p>	<p>For JPXI Indices calculated without outsourcing data collection, calculation and publication to a third party, JPXI has established structures for appropriate use of data from external sources in accordance with the Calculation Methodologies.</p> <p>For JPXI Indices for which data collection, calculation and publication have been outsourced to third parties, refer to Principle 2.</p> <p>(Policies) Regarding data from external sources, JPXI stipulates the followings in the Calculation Methodologies and publishes them on the JPX website.</p> <ul style="list-style-type: none"> • JPXI uses expected dividend data provided by TOYO KEIZAI INC. for constituent selections for Tokyo Stock Exchange Dividend Focus 100 Index in TSE Indices. • JPXI uses publicly available statistical data for constituent weight rebalance of Nikkei-JPX Commodity Index in OSE/TOCOM Indices. 	<p>(Policies) PwC inspected the Calculation Methodologies for the Tokyo Stock Exchange Dividend Focus 100 Index and the Nikkei-JPX Commodity Index published on the JPX website to confirm that they include the information in which are the use of the expected dividend data provided by Toyo Keizai Inc. and the public data for constituent weight rebalance.</p> <p>PwC inspected the contract with Toyo Keizai Inc. and confirmed that it is the contract to receive expected dividend data.</p> <p>For procedures related to indices that are outsourced to the third parties for data collection, calculation, and publication, refer to Principle 2.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
15. Internal Controls over Data Collection		
	<p>(Relevant Activities) In the constituent selections for Tokyo Stock Exchange Dividend Focus 100 Index and the constituent weight rebalance of Nikkei-JPX Commodity Index, JPXI ensures the integrity of external data use by establishing a structure in which multiple personnel independently perform the constituent selection or rebalance and reconcile each result, and a supervisor confirms the reconciliation result.</p>	<p>(Relevant Activities) PwC inspected the document for the constituent selections for Tokyo Stock Exchange Dividend Focus 100 Index and the check sheets for the constituent weight rebalance of Nikkei-JPX Commodity Index to confirm that two different personnel independently performs the constituent selections and the constituent rebalance and a supervisor confirmed them.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
16. Complaints Procedures		
<p>The Administrator should establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination.</p> <p>The complaints procedures policy should:</p> <ul style="list-style-type: none"> a) Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process; b) Contain procedures for receiving and investigating a complaint made about the Administrator's Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints; c) Contain a process for escalating complaints, as appropriate, to the Administrator's governance body; and 	<p>(Policies)</p> <p>JPXI sets forth the Policies for Addressing Objections regarding JPXI Indices to establish a fair and appropriate complaints mechanism for complaints received regarding the JPXI Indices, publishes it on the JPX website and accepts inquiries from external parties via email.</p> <p>In the policies, an objection shall mean a complaint or request which pertains to JPXI Indices that is received through the method prescribed in the Policies from a party who has a license agreement with JPXI for the use of indices or a party who receives index data directly from JPXI via TMI¹.</p> <p>The Policies also set forth specific procedures for addressing complaints as follows:</p> <ul style="list-style-type: none"> • JPXI receives objections from Index Users via emails addressed to index@jpx.co.jp. JPXI requires the following pieces of information that are necessary for investigating such objections and for providing responses to such Index Users: <ul style="list-style-type: none"> (1) A clear indication of an objection that is in line with the Policies, (2) The name, company name, email address and phone number of the Index User, (3) The name of the index in question, subject period, numeric value and other such grounds for the objection, and (4) Other materials which serve as a basis for the objection. 	<p>(Policies)</p> <p>PwC inspected the Policies for Addressing Objections regarding JPXI Indices to confirm they include the elements described in JPXI's Response.</p> <p>PwC inspected the Policies for Addressing Objections regarding JPXI Indices on the JPX website to confirm that it was published and available to the public.</p>

¹ JPXI's information distribution system

IOSCO Principles	JPXI's Response	PwC's Testing
16. Complaints Procedures		
<p>d) Require all documents relating to a complaint, including those submitted by the complainant as well as the Administrator's own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.</p> <p>Disputes about a Benchmarking determination, which are not formal complaints, should be resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that should be Published or Made Available to Subscribers and Published or Made Available to Stakeholders as soon as possible as set out in the Methodology.</p>	<ul style="list-style-type: none"> • JPXI accepts objections from Index Users in good faith and makes an effort to respond in a prompt and appropriate manner. JPXI always maintains a neutral and fair attitude for formal complaints which are received from Index Users and conducts investigations in accordance with the details of such objections. However, JPXI may delay or refrain from providing a response when it determines that insufficient information has been provided by the Index User or that the details of the objection are seen as inappropriate and departing from normal social conventions. • The results of an investigation conducted in response to an objection shall be provided to the objecting party in a prompt manner by email or in writing within three (3) business days from the completion of the investigation. • Based on internal regulations, details of objection and investigation results for formal objections are retained, in principle, for a period of five (5) years. • JPXI responds in good faith and in a prompt manner to other questions, doubts, consultations and other such matters which are received from Index Users regarding indices. <p>(Relevant Activities) JPXI responds to concerns, questions, consultations and other matters from the Index Users in good faith and in a prompt manner, in accordance with the Policies for Addressing Objections regarding JPXI Indices. JPXI did not receive any formal complaints during the period from April 1, 2024 to March 31, 2025.</p>	<p>(Relevant Activities) PwC inquired of a responsible person in JPXI and inspected samples of questions and responses received from the Index Users to confirm that JPXI responded to concerns, questions and consultations quickly for the period from April 1, 2024 to March 31, 2025.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
16. Complaints Procedures		
		PwC inquired of a responsible person in JPXI and received a response that JPXI received no formal complaints for the period from April 1, 2024 to March 31, 2025.

IOSCO Principles	JPXI's Response	PwC's Testing
17. Audits		
<p>The Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated criteria and with the Principles. The frequency of audits should be proportionate to the size and complexity of the Administrator's operations. Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator (except for Benchmarks that are otherwise regulated or supervised by a National Authority other than a relevant Regulatory Authority), an Administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated Methodology. The frequency of audits should be proportionate to the size and complexity of the Administrator's Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.</p>	<p>JPXI has engaged with PwC to carry out annual external assurance operations to ensure JPXI's Response to IOSCO Principles.</p>	<p>PwC, as an independent assurance provider, was appointed to provide a reasonable assurance opinion on JPXI's Response to the IOSCO Principles.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
18. Audit Trail		
<p>Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</p> <p>a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p> <p>b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p> <p>c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p> <p>d) The identity of each person involved in producing a Benchmark determination; and</p> <p>e) Any queries and responses relating to data inputs. If these records are held by a Regulated Market or Exchange the Administrator may rely on these records for compliance with this Principle, subject to appropriate written record sharing agreements.</p>	<p>(Policies) JPXI stipulates in the rules on information security that JPXI retains the data used for index calculation for five (5) years.</p> <p>(Relevant Activities) JPXI retains the following records related to the index calculation:</p> <ul style="list-style-type: none"> • Data and other information used for index constituent selections and other matters. • Documents related to the jointly developed indices and minutes of Jointly Developed Indices Administering Meetings, • Records of internal decisions related to revisions to the Calculation Methodologies or unordinary incidents, and • Documents related to queries from regulatory authorities. <p>In addition, the index calculation results from TSE's systems or OSE's systems are stored in the database.</p>	<p>(Policies) PwC inspected the JPXI's rules on information security to confirm they included the elements described in JPXI's Response.</p> <p>(Relevant Activities) PwC inspected a sample of data used for index constituent selections, data related to jointly developed indices, the minutes of Jointly Developed Indices Administering Meeting, evidence of approvals for revisions of the Calculation Methodologies or unordinary incidents and the index calculation results from TSE's systems and OSE's systems to confirm they were retained in accordance with the rules on information security.</p>
<p>When a Benchmark is based on Submissions, the following additional Principle also applies: Submitters should retain records for five years subject to applicable national legal or regulatory requirements on:</p> <p>a) The procedures and Methodologies governing the Submission of inputs;</p> <p>b) The identity of any other person who submitted or otherwise generated any of the data or information provided to the Administrator;</p> <p>c) Names and roles of individuals responsible for Submission and Submission oversight;</p>	<p>This principle is not applicable to JPXI Indices as they are not based on submissions.</p>	<p>No testing performed as there are no relevant policies or control activities in JPXI's Response.</p>

IOSCO Principles	JPXI's Response	PwC's Testing
18. Audit Trail		
<ul style="list-style-type: none"> d) Relevant communications between submitting parties; e) Any interaction with the Administrator; f) Any queries received regarding data or information provided to the Administrator; g) Declaration of any conflicts of interests and aggregate exposures to Benchmark related instruments; h) Exposures of individual traders/desks to Benchmark related instruments in order to facilitate audits and investigations; and i) Findings of external/internal audits, when available, related to Benchmark Submission remedial actions and progress in implementing them. 		

IOSCO Principles	JPXI's Response	PwC's Testing
19. Cooperation with Regulatory Authorities		
<p>Relevant documents, Audit Trails and other documents subject to these Principles shall be made readily available by the relevant parties to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.</p>	<p>If requested by authorities, JPXI will submit documents and other materials subject to these Principles in a prompt manner in accordance with the appropriate internal procedures depending on the nature of the request.</p>	<p>PwC inquired of a responsible person in JPXI and received a response that JPXI will respond to requests from the regulatory authorities appropriately. Regarding the record retentions relevant to the index calculation, refer to Principle 18 above.</p>