

(Reference Translation)

TSE Index Guidebook (TOPIX Sector Indices • TOPIX-17 series)

February 13, 2023
JPX Market Innovation & Research, Inc.

Published: February 13, 2023

DISCLAIMER: This translation may be used for reference purposes only. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. This translation is subject to change without notice. JPX Market Innovation & Research, Inc., Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., Tokyo Commodity Exchange, Inc., Japan Exchange Regulation and/or their affiliates shall individually or jointly accept no responsibility or liability for damage or loss caused by any error, inaccuracy,

Contents

Record of Changes	3
Introduction	4
I . Outline of Indices.....	4
II. Index Calculation	6
1. Formula.....	6
2. Index Type.....	6
3. Dates of constituent inclusion and removal	6
III. Other	7
1. Publication/Dissemination of Index Data.....	7
2. Licensing	7
3. Contact	7

Record of Changes

DATE	Changes
2018/7/23	* First Edition
2020/3/31	* Revised the date for adjusting base market value following the shortening of stock settlement cycle to T+2
2020/6/30	* Revision to bring forward the date for minor adjustments related to ex-dividend
2020/12/25	* Clarification of the treatment of section transfers, etc.
2022/4/4	* Revisions pertaining to cash equity market restructuring * Added revisions with regard to the business transfer to JPXI (applied on April 1, 2022 retroactively)
2023/2/13	* Revised the structure of the provisions regarding formulas, etc. so that they are in accordance with "Index Calculation Guidebook"

Introduction

- JPX Market Innovation & Research, Inc. (hereinafter the “JPXI”) calculates and publishes the TOPIX Sector Indices and TOPIX-17 series in accordance with the methods described in this document. If an event not specified in this document occurs, or if JPXI determines that it is difficult to use the methods described in this document, JPXI may use an alternative method of index calculation as it deems appropriate.
- Copyright of this document is owned by JPXI and any copies, reprints and reproductions of this document in whole or in part are prohibited without the prior approval of JPXI. This document is prepared solely for the understanding of indices calculated and published by JPXI, and is not to be construed as a solicitation for trading any securities or related financial instruments. Information expressed in this document is subject to change without notice and in those cases JPXI undertakes no obligation to update any recipients of this document. JPXI shall accept no liability or responsibility for any loss or damage arising from errors, delays, or termination of the calculation or publication of TOPIX Sector Indices and TOPIX-17 series, changes to its calculation or publication method, the use of TOPIX Sector Indices and TOPIX-17 series or all or any part of this document or other similar events.

I . Outline of Indices

- The TOPIX Sector Indices consists of indices created by dividing the constituents of TOPIX into the following 33 sectors according to the industrial sectors defined by the Securities Identification Code Committee (SICC).
- TOPIX-17 Series consists of indices created by dividing the constituents of TOPIX into following 17 categories based on the 33 sectors according to the industrial sectors defined by the Securities Identification Code Committee (SICC).

Index Name	Constituent (33 Sectors)
TOPIX-17 FOODS	<ul style="list-style-type: none">• Fishery, Agriculture & Forestry• Foods
TOPIX-17 ENERGY RESOURCES	<ul style="list-style-type: none">• Mining• Oil and Coal Products
TOPIX-17 CONSTRUCTION & MATERIALS	<ul style="list-style-type: none">• Construction• Metal Products• Glass and Ceramics Products
TOPIX-17 RAW MATERIALS & CHEMICALS	<ul style="list-style-type: none">• Textiles and Apparels

Index Name	Constituent (33 Sectors)
	<ul style="list-style-type: none"> • Pulp and Paper • Chemicals
TOPIX-17 PHARMACEUTICAL	<ul style="list-style-type: none"> • Pharmaceutical
TOPIX-17 AUTOMOBILES & TRANSPORTATION EQUIPMENT	<ul style="list-style-type: none"> • Rubber Products • Transportation Equipment
TOPIX-17 STEEL & NONFERROUS METALS	<ul style="list-style-type: none"> • Iron and Steel • Nonferrous Metals
TOPIX-17 MACHINERY	<ul style="list-style-type: none"> • Machinery
TOPIX-17 ELECTRIC APPLIANCES & PRECISION INSTRUMENTS	<ul style="list-style-type: none"> • Electric Appliances • Precision Instruments
TOPIX-17 IT & SERVICES, OTHERS	<ul style="list-style-type: none"> • Other Products • Information & Communication • Services
TOPIX-17 ELECTRIC POWER & GAS	<ul style="list-style-type: none"> • Electric Power and Gas
TOPIX-17 TRANSPORTATION & LOGISTICS	<ul style="list-style-type: none"> • Land Transportation • Marine Transportation • Air Transportation • Warehousing and Harbor Transportation Service
TOPIX-17 COMMERCIAL & WHOLESALE TRADE	<ul style="list-style-type: none"> • Wholesale Trade
TOPIX-17 RETAIL TRADE	<ul style="list-style-type: none"> • Retail Trade
TOPIX-17 BANKS	<ul style="list-style-type: none"> • Banks
TOPIX-17 FINANCIALS (EX BANKS)	<ul style="list-style-type: none"> • Securities and Commodities Futures • Insurance • Other Financing Business
TOPIX-17 REAL ESTATE	<ul style="list-style-type: none"> • Real Estate

- The base date and base value for each index is as below:

Index	Base Date	Base Point
TOPIX Sector Indices Chemicals, Pharmaceutical, Wholesale Trade, Retail Trade, Banks, Securities & Commodity Futures, Insurance, Other Financing Business	1992/01/06	1,000
Sectors other than the above	1968/01/04	100

Index	Base Date	Base Point
TOPIX-17 Series	2002/12/30	100

II. Index Calculation

1. Formula

- TOPIX Sector Indices and TOPIX-17 series are calculated using market capitalization weighting.

2. Index Type

- JPXI calculates both price and total return versions of TOPIX Sector Indices and TOPIX-17 series.
- The method of reflecting dividends in index values is in accordance with the Index Calculation Guidebook.

3. Dates of constituent inclusion and removal

	Event Requiring Adjustment		Adjustment Date
Inclusion	New listing of a newly formed company resulting from a corporate consolidation, etc. (*1) that results in a TOPIX Sector Indices and TOPIX-17 series constituent being delisted and the new company being included in TOPIX Sector Indices and TOPIX-17 series .		New listing date (*2)
	Inclusion into TOPIX		Date of inclusion into TOPIX
	Change in sector		Date of change
Removal	Delisting	New listing of a newly formed company resulting from a corporate consolidation, etc. (*1) that results in a TOPIX Sector Indices and TOPIX-17 series constituent being delisted and the new company being included in TOPIX Sector Indices and TOPIX-17 series.	Listing date of the newly formed company (normally two business days following delisting date)
		Delisting other than those stated above (e.g. mergers/acquisitions between two TOPIX Sector Indices and TOPIX-17 series constituents with surviving company remaining as a TOPIX Sector	Delisting date

	Event Requiring Adjustment	Adjustment Date
	Indices and TOPIX-17 series constituent, etc.)	
	Removal from TOPIX	Date of removal from TOPIX
	Change in sector	Date of change

*1: Stock transfer, stock swap, merger for creating a new company, or demerger.

*2: Next business day when the new listing date falls on a holiday.

III. Other

1. Publication/Dissemination of Index Data

1) Index Values

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

2) Index Data

- Index data relating to TOPIX Sector Indices and TOPIX-17 series (base market value, number of shares for each constituent, etc.) are provided for a fee through the Tokyo Market Information service.

2. Licensing

- JPXI and/or its affiliates reserve all calculation, publication and other rights pertaining to TOPIX Sector Indices and TOPIX-17 series. As such, commercial use of such indices in the composition and/or sale of financial products such as funds or linked bonds (including using the index as the basis for options, swaps, warrants, or other OTC derivatives) or provision of index data requires a license from JPXI.

3. Contact

JPX Market Innovation & Research, Inc.

Index Business Department

E-mail : index@jpx.co.jp