

(Reference Translation)

TSE Index Guidebook

(TSE Prime Market Composite Index)

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JPX Market Innovation & Research, Inc.

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Record of Changes

DATE	Changes
2022/4/4	• Launch
2025/1/31	• Uniformity of terminology in each calculation methodology

Introduction

- JPX Market Innovation & Research, Inc. (JPXI) calculates and distributes Tokyo Stock Exchange Prime Market Composite Index (hereinafter the “TSE Prime Market Composite Index”) in accordance with the methods described in this document. If an event not specified in this document occurs, or if JPXI determines that it is difficult to use the methods described in this document, JPXI may use an alternative method of index calculation as it deems appropriate.
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I. Outline of Indices

- The TSE Prime Market Composite Index consists of all domestic common stocks, domestic classified stocks, foreign stocks listed exclusively on Tokyo Stock Exchange (hereinafter the “TSE”), and domestic preferred equity contribution securities listed on the TSE Prime Market. As preferred equity contribution securities are not assigned a specific market segment, their inclusion is determined based on market capitalization and liquidity, etc.
- However, the timing of inclusions and removals differs from that of the listing system (please refer to part II below).
- The base date is April 1, 2022. The base value is 1,000 points.

II. Index Calculation

1. Calculation Method

- The TSE Prime Market Composite Index is calculated using market capitalization weighting.

- The calculation formula and method for adjustments of base market value, etc. are in accordance with the Index Calculation Guidebook.
- For the cap-adjustment ratio, domestic common stocks are given the same value as for the TSE Prime Market Index, and domestic classified stocks, foreign stocks listed exclusively on TSE, and domestic preferred equity contribution securities are given the value “1”.

2. Index Type

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

3. Constituent Inclusion and Removal

(1) Non-periodic removal from Constituents

- Constituents which are delisted or designated as Securities to be Delisted shall be removed.

(2) Non-periodic inclusion to Constituents

- Stocks which carry out initial listings (excluding technical listings) on the Prime Market will be included in the TSE Prime Market Composite Index on the last business day of the month following the month containing the listing date.
- In the event that an issue eligible for selection is delisted due to a share transfer, share exchange, merger, or company split (hereinafter “share transfer, etc.”), and the resulting newly created, surviving, or succeeding company (hereinafter “newly created company, etc.”) immediately lists its stock, said newly created company, etc. will be included in the index.

(3) Dates of constituent inclusion and removal

	Event Requiring Adjustment		Adjustment Date
Inclusion	Initial Listing	Initial listing on Prime Market (excluding technical listing)	Last business day of the month following listing
		When a constituent has been delisted due to a share transfer, etc. and the resulting newly created company, etc. is included as a constituent	Initial listing date (*)

	Event Requiring Adjustment		Adjustment Date
	Transfer to Prime Market		Transfer date (*)
Removal	Delisting	When a constituent has been delisted due to a share transfer, etc. and the resulting newly created company, etc. is included as a constituent	Initial listing date of the newly formed company (normally two business days following delisting date) (*)
		Other than the above (e.g., non-surviving company as a result of a merger, share exchange, etc.)	Delisting date (*)
	Market segment transfer from Prime Market		Transfer date
	Designation as Securities to be Delisted		Four business days after designation (*)

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

III. Other

1. Distribution of Index Values and Index Data

(1) Index Values

- The daily closing values of the TSE Prime Market Composite Index are distributed.

(2) Index Data

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

2. Licensing

- JPXI and/or its affiliates reserve all calculation, distribution, publication, and other rights pertaining to the TSE Prime Market Composite Index. As such, use of such indices in the composition and/or sale of financial products such as funds or linked bonds (including using the index as the basis for options, swaps, warrants, or other OTC derivatives) requires a license from JPXI. A license from JPXI is also required for the provision, distribution, etc. of TSE Prime Market Composite Index to third parties.

3. Contact

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