

(Reference Translation)

TSE Index Guidebook

(Tokyo Stock Exchange REIT Index,
Tokyo Stock Exchange REIT Property Sector Index Series,
Tokyo Stock Exchange Infrastructure Funds Index)

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JPX Market Innovation & Research, Inc.

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Record of Changes

DATE	Changes
2018/7/23	Clarified the treatment of "Rights Offering"
2020/3/31	Revised the date for adjusting base market value following the shortening of stock settlement cycle to T+2
2020/4/27	Added "Tokyo Stock Exchange Infrastructure Funds Index"
2020/6/30	Revision to bring forward the date for minor adjustments related to ex-dividend
2020/12/25	Clarification of the stock price used for calculation, etc.
2023/2/13	* Added revisions with regard to the business transfer to JPXI (applied on April 1, 2022 retroactively) * 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 Tokyo Stock Exchange REIT Index, Tokyo Stock Exchange REIT Property Sector Index Series, and Tokyo Stock Exchange Infrastructure Funds Index (hereinafter, collectively referred to as “TSE REIT-related Indices”) 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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- In this document, the number of beneficiary right units and investment units are referred to as shares and stocks for convenience.

I . Outline of Indices

- TSE REIT-related Indices are calculated based on REITs or infrastructure funds listed on the TSE.
- The constituents base date and base value for each index is as below:

Index name	Constituents	Base Date	Base Value
Tokyo Stock Exchange REIT Index	All REIT listed on the TSE	March 31,2003	1,000
Tokyo Stock Exchange REIT Property Sector Index Series	The Tokyo Stock Exchange REIT Property Sector Index Series created by dividing the constituents of Tokyo Stock Exchange REIT index into the categories according to the property holder (more details in II 6)	February 26,2010	1,000

Index name	Constituents	Base Date	Base Value
Tokyo Stock Exchange Infrastructure Funds Index	All infrastructure funds listed on the TSE	March 27, 2020	1,000

II. Index Calculation

1. Outline

- TSE REIT-related Indices are calculated using free-float adjusted market capitalization weighting.
- The calculation formula and method for adjustments of base market value, etc. are in accordance with the Index Calculation Guidebook.

2. Index Type

- Tokyo Stock Exchange REIT Index calculates price return, total return and net total return versions. Tokyo Stock Exchange REIT Property Sector Index Series and Tokyo Stock Exchange Infrastructure Funds Index calculate both price and total return versions.
- The method of reflecting dividends in index values is in accordance with the Index Calculation Guidebook.

3. Free Float Weight Calculation

(1) Outline

- Free-Float Weight (FFW) is the percentage of listed shares deemed to be available for trading in the market. JPXI calculates the FFW for shares of each REIT (including infrastructure funds) and uses this value in index calculation. The FFW for shares of REIT X may be different from that for REIT Y.
- FFW is calculated by first estimating the amount of non-free-float shares (portion of listed shares deemed not to be available for trading in the market) using securities reports and such statutory documents required by the Financial Instruments and Exchange Act and publicly available documents released by listed companies, second, calculating non-FFW (Non-free-float shares / listed shares), and finally obtaining the FFW by removing the non-free-float factor from 1 ($1 - \text{Non-FFW}$). FFW is expressed by a figure in the range of 0.00000 to 1.00000 in increments of 0.00001.

(2) Estimation of non-free-float shares

- a) Securities reports and other statutory documents required by the Act, as well as from

publicly available documents released by each REIT.

b) Estimation of non-free-float shares

JPXI considers the following to be non-free-float shares

Shares held by the top 10 major shareholders, by board members, and other representatives (REIT Asset management company), as well as treasury

- JPXI may treat shares held by the top 10 major shareholders as free-float shares for the following entities:

As a general rule, shares considered as free-float :

- » Securities finance companies,
 - » Securities depositories,
 - » Trust banks specializing in asset management
 - » Other trust banks (cases deemed as free-float such as securities investment trust accounts)
 - » Global custodians, and
 - » Other entities who hold shares JPXI deems as available for trading in the market
- Furthermore, JPXI will conduct periodic reviews of FFW every year on the last business day of July.
 - JPXI will use documents, such as securities reports, from the previous accounting periods through December of the preceding fiscal year.
 - JPXI reserves the right to review FFW in some cases (such as third party allocation of shares, etc.) where it deems that the existing FFW is expected to be significantly affected.

c) Calculation of FFW

- Periodic review

At the periodic review, FFW is rounded up to the nearest 0.05 as indicated below after subtracting the non-FFW ratio from 1.

FFW for periodic review

1 – Non FFW ratio	≤0.05	≤0.10	≤0.15	≤0.20	≤0.25	≤0.30	≤0.35	≤0.40	≤0.45
FFW	0.05	0.10	0.15	0.20	0.25	0.30	0.35	0.40	0.45

≤0.50	≤0.55	≤0.60	≤0.65	≤0.70	≤0.75	≤0.80	≤0.85	≤0.90	≤0.95	≤1.00
0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85	0.90	0.95	1.00

- Extraordinary Review

JPXI reserves the right to review FFW in the following cases, where it deems that the existing FFW is expected to be significantly affected.

Allocation of new shares to a third party, mergers, take-over bids (TOB), and other events deemed applicable by JPXI.

- FFW for newly listed REITs

With respect to a new listing of a REIT (excluding technical listing due to mergers, etc.), FFW of those shares will be set to "0.6", because shareholding cannot be determined at that time. FFW of the shares will be updated at the time of periodic review.

- FFW for newly listed infrastructure funds

With respect to a new listing of an infrastructure fund (excluding technical listing due to mergers, etc.), FFW of those shares will be set to "0.6", because shareholding cannot be determined at that time. FFW of the shares will be updated at the time of periodic review.

4. Inclusion or Removal of Constituents

(1) Summary of the Tokyo Stock Exchange REIT Property Sector Index Series

- The Tokyo Stock Exchange REIT Property Sector Index Series created by dividing the constituents of TSE REIT index into the following 3 categories according to the property sectors namely "Office", "Residential", and "Retail & Logistics, Others". (A single REIT issue may only be classified into one property sector, and will not be included in multiple property sector indices.)
- The JPXI conducts an annual review of the constituents of the indices in the Tokyo Stock Exchange REIT Property Sector Index Series in July.

(2) July Review

- Based on the most recent securities report submitted for each REIT as of the base date (Last business day of May) for the periodic review, classify each REIT into one of three property sectors, namely "Office", "Residential", and "Retail & Logistics, Others".
- Specifically, issues are classified according to the description under the "investment policy" item of the securities report containing description on the use of properties

subject to investment by the REIT.

- In the case of multiple uses of properties subject to investment described under the “investment policy” item, confirm the basic policy on the investment ratio for each use and classify the issue based on the use with the highest investment ratio.
- In the case where there is no description on the investment ratio for each use, or where there are multiple property sectors with high investment ratios, refer to the list of investment properties in the securities report and classify the issue based on the property sector with the highest appraised value.
- The list of constituent changes is published on the fifth business day of July and index calculation applying such constituent changes will begin on the last business day of July.

(3) Dates of constituent inclusion and removal

	Event Requiring Adjustment		Adjustment Date *1
Inclusion	New listings on TSE REIT Market or TSE Infrastructure Funds Market (Direct listing)		Last business day of the month following listing
	New listing of a newly formed company resulting from Merger that results in the delisting of a constituent of a TSE REIT-related Index and the new company being included in a TSE REIT-related Index.		New listing date *2
	Review for the Property Sector (Tokyo Stock Exchange REIT Property Sector Index Series only)		Last business day of July
Removal	Delisting	New listing of a newly formed company resulting from Merger that results in the delisting of a constituent of a TSE REIT-related Index and the new company being included in a TSE REIT-related Index.	Listing date of the newly formed company (normally two business days following delisting date)
		Delisting other than those stated above	Delisting date
	Designation as Securities to be Delisted		Four business days after designation*3
	Review for the Property Sector		Last business day of July

	Event Requiring Adjustment	Adjustment Date *1
	(Tokyo Stock Exchange REIT Property Sector Index Series only)	

*1: Adjustments to the base market value are made after the end of trading on the business day before the adjustment date (i.e., before the market opens on the adjustment date). The same shall apply hereinafter.

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

*3: Next business day when the designation date falls on a holiday.

III. Other

1. Publication/Dissemination of Index Data

(1) Index Values

- The Price return index values are disseminated in real-time through the Market Information System to securities companies, news media, and other institutions all over the country. The price index is disseminated every second, and other indices are disseminated every 15 seconds.
- The Total Return Index and Net total return index (Tokyo Stock Exchange REIT index only) is calculated daily at market close.

(2) Index Data

- Index data relating to TSE REIT-related Indices (base market value, number of shares for each constituent, etc.) is 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 TSE REIT-related Indices. 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

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