

(Reference Translation)

TSE Index Guidebook (TSE Growth Market 250 Index)

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JPX Market Innovation & Research, Inc.

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Record of Changes

DATE	Changes
2022/4/4	• Launch
2023/9/12	<ul style="list-style-type: none">• Effective as of November 6, 2023, the following will be implemented.<ul style="list-style-type: none">- The name of the index will be changed from “Tokyo Stock Exchange Mothers Index” to “Tokyo Stock Exchange Growth Market 250 Index”.- “I. Outline of Index” will be revised.- The descriptions regarding the special treatment (e.g. phased weighting reduction constituents) related to TSE market restructuring (April 4, 2022) will be deleted.
2024/1/31	• "Securities on Alert" was renamed to "Securities on Special Alert".

Introduction

- JPX Market Innovation & Research, Inc. (hereinafter the “JPXI”) calculates and publishes the Tokyo Stock Exchange Growth Market 250 Index (hereinafter the “TSE Growth Market 250 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 Index

- The TSE Growth Market 250 Index is a market capitalization weighted index which uses the TSE Growth Market Index as its universe and stocks are selected by JPXI based on their market capitalization.
- The base date for weighting calculations used in cap adjustments for the TSE Growth Market 250 Index (hereinafter the “weighting base date”) is the last business day of every August.
- The base date is September 12, 2003. The base value is 1,000.

II. Index Calculation

1. Outline

- The TSE Growth Market 250 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.
- The free-float weight (FFW) used in TSE Growth Market 250 Index calculation applies a cap adjustment ratio as described below.
- The upper weighting limit for any one constituent is 20%.

- If an issue's weight calculated by free-float adjusted market capitalization as of the weighting base date is over the upper limit, a cap-adjustment ratio will be applied to said issue on the last business day of October. Even if the weight again exceeds the upper limit due to stock price movements or other reasons, the cap-adjustment ratio will not be changed until the last business day of the next October.

2. Index Type

- 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. Inclusion or Removal of Constituents

(1) October periodic review

a. Constituent selection

- A periodic review of constituents will be conducted once a year (on the last business day of October).
- The base date for the periodic review (hereinafter the "rebalance base date") will be the last business day of August. The list of inclusions/removals will be published on the JPX website on the fifth business day of October.
- The selection process shall be conducted as follows:
 - The constituent universe shall be issues which are constituents of the TSE Growth Market Index as of the rebalance base date. However, issues which fall under any of the following criteria will be excluded:
 - ✧ Securities designated as Securities to be Delisted as of the rebalance base date
 - ✧ Securities designated as Securities on Special Alert as of the rebalance base date
 - ✧ Securities that have announced a listing segment transfer as of the rebalance base date
 - ✧ Constituents of TOPIX as of the rebalance base date
 - In principle, issues will also be excluded from the constituent universe if they are found to fall under the criteria for exclusion between the rebalance base date and the announcement of the periodic review results.
 - 250 issues will be selected as constituents in descending order of market capitalization as of the rebalance base date. However, if the number of eligible issues in the constituent universe is fewer than 300, the number of constituents will

be decided by subtracting 50 from the number of eligible issues.

b. Other

- The number of constituents as of the rebalance date can be lower or higher than 250 as defined in a. Constituent selection, due to, for example, non-periodic removal of issues which are designated as Securities to be Delisted after the periodic review announcement date, or non-periodic inclusion of newly listed issues, etc.

(2) Non-periodic removal

- Constituents which are delisted, designated as Securities to be Delisted, designated as Securities on Special Alert, or included in TOPIX shall be removed.

(3) Non-periodic inclusion

- Issues which carry out initial listings on the Growth Market (excluding technical listings and TOPIX constituents) will be included in the TSE Growth Market 250 Index on the last business day of the month following the month containing the listing date.
- Issues which transfer to the Growth Market (except for TOPIX constituents) will be included in the TSE Growth Market 250 Index on the last business day of the month following the month containing the transfer date.
- In the event a constituent of TSE Growth Market 250 Index is delisted due to a stock transfer, stock swap, merger for creating a new company or demerger, and the newly created, surviving, or succeeding company undergoing such a stock transfer, etc. is listed without delay, TSE Growth Market 250 Index, JPXI will add the new company to the index.

(4) Treatment of data for selection

- The market capitalization used in constituent selection is the number of shares of each issue used for calculation of the TSE Growth Market Index as of the rebalance base date, multiplied by the stock price used for calculation.

(5) Dates of constituent inclusion and removal

	Event Requiring Adjustment	Adjustment Date
Inclusion	New listing on Growth Market (excluding technical listing and TOPIX constituents)	Last business day of the month following listing
	New listing of a newly formed company resulting from a stock transfer, etc. (*1) that results in a TSE	New listing date (*2)

		Event Requiring Adjustment	Adjustment Date
		Growth Market 250 Index constituent being delisted and the new company being included in the TSE Growth Market 250 Index.	
		Delisting of a TSE Growth Market 250 Index constituent due to a stock swap or an absorption-type merger with a surviving stock that is not a TSE Growth Market 250 Index constituent, and the surviving stock is included in the TSE Growth Market 250 Index.	Delisting date
		Periodic Review	Last business day of October
		Transfer to Growth Market	Last business day of the month following transfer
Removal	Delisting	New listing of a newly formed company resulting from a stock transfer, etc. (*1) that results in a TSE Growth Market 250 Index constituent being delisted and the newly formed company being included in the TSE Growth Market 250 Index.	Listing date of the newly formed company (normally two business days following delisting date)
		Delisting other than those stated above (e.g. mergers/stock swaps between two TSE Growth Market 250 Index constituents with the surviving company remaining as a TSE Growth Market 250 Index constituent, etc.)	Delisting date
		Periodic Review	Last business day of October
		Inclusion in TOPIX	Inclusion date
		Designation as Securities to be Delisted or designation as Securities on Special Alert	Four business days after designation (*3)

*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.

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

III. Other

1. Publication/Dissemination of Index Data

(1) Index Values

- TSE Growth Market 250 Index 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. The price index is disseminated every 15 seconds.
- The Total Return Index is calculated daily at market close.

(2) Index Data

- Index data relating to the TSE Growth Market 250 Index (base market value, 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 the TSE Growth Market 250 Index. 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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