

(Reference Translation)

Tokyo Stock Exchange Leveraged and Inverse Index Guidebook

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1 . Introduction

- Based on the stock indices calculated by the Tokyo Stock Exchange, Inc. (hereafter "TSE"), the TSE calculates indices that apply leverage effects to the base indices (hereafter "TSE Leveraged Indexes") and indices that reflect the opposite trend of the base indices (hereafter "TSE Inverse Indexes") in accordance with, as a rule, the methods described in this document. When an event that is not specified in this document occurs, or if the TSE decides it is impossible to use the methods described in this document, the TSE may use an alternative method of index calculation as it deems appropriate.
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2 . Outline

(1) Outline

TSE Leveraged Indexes apply a positive multiple to the daily rate of return of the base index, and are designed to act as indicators for leveraged investment in each base index.

TSE Inverse Indexes apply a negative multiple to the daily rate of return of the base index, and are designed to act as indicators for investments that move inversely (or a multiple of inverse movement) to the base index.

(2) Leveraged and Inverse Base Indexes

Base indexes are as below:

- TOPIX price index

3 . Calculation Method

(1) TSE Leveraged Indexes

- TSE Leveraged indexes apply a positive multiple to the daily rate of return*** of the base index using the below formula.

Current Day Index Value = Previous Day Index Value * (1 + N * % Base Index return from previous day)

- Base indexes, leverage rates, base dates and base values are as below:

Index Name	Base Index	Leverage Rate (N)	Base Date	Base Value
TOPIX Leveraged (2x) Index	TOPIX Price Index	2	December 30, 2011	10000 points

*** round off to two decimal places

(2) TSE Inverse Indexes

- TSE Inverse indexes apply a negative multiple to the daily rate of return*** of the base index using the below formula.

Current Day Index Value = Previous Day Index Value * (1 - N * % Base Index return from previous day)

- Base indexes, leverage rates, base dates and base values are as below:

Index Name	Base Index	Leverage Rate (N)	Base Date	Base Value
TOPIX Inverse (-1x) Index	TOPIX Price Index	1	December 30, 2011	10000 points
TOPIX Double Inverse (-2x) Index	TOPIX Price Index	2	December 30, 2011	10000 points

*** round off to two decimal places

4 . Others

(1) Publication

- TSE Leveraged and TSE Inverse Indexes are calculated by the TSE and are scheduled to be distributed to securities companies, media outlets, etc. throughout the country in real time (i.e. every 15 seconds) through the Market Information System (MAINS).

(2) License agreement

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(3) Contact

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