

(Reference Translation)

TSE Index Guidebook (Transition Indices)

April 4, 2022
Tokyo Stock Exchange, Inc.

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Record of Changes

DATE	Changes
2022/4/4	• Launch

Introduction

- Tokyo Stock Exchange, Inc. (TSE) calculates and publishes the Tokyo Stock Exchange Mothers Core Index and JASDAQ-TOP20 (hereinafter “TSE Mothers Core Index/JASDAQ-TOP20”), which will be discontinued on April 3, 2023. This document describes the methods used to calculate these indices as transition indices from April 4, 2022. If an event not specified in this document occurs, or if TSE determines that it is difficult to use the methods described in this document, TSE may use an alternative method of index calculation as it deems appropriate.
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I. Outline of Indices

- TSE Mothers Core Index/JASDAQ-TOP20 keeps the constituents as of April 1, 2022 except for non-periodic inclusion and removal.
- TSE Mothers Core Index/JASDAQ-TOP20 is calculated until April 3, 2023.
- Method to determine the constituents as of April 1, 2022, the base date and base value of indices are set out in the Tokyo Stock Exchange Index Guidebook (Tokyo Stock Exchange Mothers Core Index) and the Tokyo Stock Exchange Index Guidebook (JASDAQ-TOP20).

II. Index Calculation

1. Outline

- TSE Mothers Core Index is calculated using adjusted stock price average and JASDAQ-TOP20 is calculated using stock price average.
- The calculation formula of indices and adjustments to base market value, etc. are set out in the Tokyo Stock Exchange Index Guidebook (Tokyo Stock Exchange Mothers

Core Index) and Tokyo Stock Exchange Index Guidebook (JASDAQ-TOP20).

- Event requiring adjustment to the base market value, etc. shall be in accordance with this guidebook.

2. Index Type

- For TSE Mothers Core Index, a price return index and a total return index are calculated. And, for JASDAQ-TOP20, a price return index is calculated.
- The method of reflecting dividends in index values is in accordance with the Tokyo Stock Exchange Index Guidebook (Tokyo Stock Exchange Mothers Core Index).

3. Inclusion or Removal of Constituents

(1) Non-periodic removal

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

(2) Non-periodic inclusion

- In the event a constituent of TSE Mothers Core Index/JASDAQ-TOP20 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 will add the newly created company to the index.
- In the event a constituent of TSE Mothers Core Index/JASDAQ-TOP20 is delisted due to a stock swap or absorption-type merger, in which stocks of the surviving company or the parent company holding all shares of the constituent company (namely, the wholly-owning company) is not a constituent of TSE Mothers Core Index, etc., then TSE will add the stocks of the surviving company or the wholly-owning parent company to the index.

III. Adjustments to Base Market Value

1. Inclusion or Removal of Constituents

	Event Requiring Adjustment		Adjustment Date
Inclusion	New listing of a newly formed company resulting from a stock transfer, etc. (*1) that results in the constituent of the TSE Mothers Core Index/JASDAQ-TOP20 being delisted and the newly formed company being included in the TSE Mothers Core Index/JASDAQ-TOP20		New listing date (*2)
	Delisting of the constituent of the TSE Mothers Core Index/JASDAQ-TOP20 due to a stock swap or an absorption-type merger with a surviving company or a wholly-owning company whose stock is not the constituent of the TSE Mothers Core Index/JASDAQ-TOP20 and the surviving stock is included in the TSE Mothers Core Index/JASDAQ-TOP20		Delisting date
Removal	Delisting	New listing of a newly formed company resulting from a stock transfer, etc. (*1) that results in the constituents of the TSE Mothers Core Index/JASDAQ-TOP20 being delisted and the newly formed company being included in the TSE Mothers Core Index/JASDAQ-TOP20	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 Mothers Core Index/JASDAQ-TOP20 constituents with surviving company remaining as a TSE Mothers Core Index/JASDAQ-TOP20 constituent, etc.)	Delisting date
	Designation as Securities to be Delisted		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.

2. Changes in Number of Shares Used for Index Calculation, Adjustments

Accompanying Corporate Action, etc.

Event Requiring Adjustment	Adjustment Date (*2)	Adjustment target
Stock split, reverse stock split, gratis allotment of shares	Ex-rights date	Adjusted Share Unit for TSE Mothers Core Index, and, Stock Price Adjustment Ratio for JASDAQ-TOP20
Capital increase through non-gratis allotment	Ex-rights date	Divisor
Capital increase through gratis allotment of subscription warrants (limited to cases where the allotted subscription warrants are listed) (*1)	Ex-rights date	Divisor

*1: Capital increase through gratis allotment of subscription warrants (namely, rights offering) corresponds to an increase in shares by the number of shares calculated by multiplying the number of shares used for index calculation as of the last day with rights by the number of the subscription warrants allotted per share. When the subscription warrants securities allocated are not listed, they are treated as "Exercise of subscription warrants".

*2 Adjustment to divisor, share unit and share price adjustment ratio 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.

(3) Data Source

- Information on the reasons for adjustments of base market value, etc., details on the adjustments, adjustment dates and other data are available through the "Sho-ho" (TSE Notice) published daily by TSE based on reports, etc. made by listed companies. (Please refer to the appendix for information on calculating FFW.)
- If a listed company revises the contents of a previously published report that resulted in an index adjustment, retroactive index adjustments will NOT be made based on the revised contents.

IV. Other

1. Publication/Dissemination of Index Data

1) Index Values

- TSE Mothers Core Index/JASDAQ-TOP20 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 TSE Mothers Core Index/JASDAQ-TOP20 price index is disseminated every 15 seconds.
- The Total Return Index of TSE Mothers Core Index is calculated daily at market close.

2) Index Data

- Index data relating to TSE Mothers Core Index/JASDAQ-TOP20 (base market value, number of shares for each constituent, etc.) is provided for a fee through the Tokyo Market Information service.

2. Licensing

- TSE reserves all calculation, publication and other rights pertaining to TSE Mothers Core Index /JASDAQ-TOP20. 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 TSE.

3. Contact

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