



Appendix: Outline of Index Consultation and Index Advisory Panel

Item	Index Consultation	Index Advisory Panel
Tasks	Launch wide-ranging consultations on drafts of planned measures regarding TSE Indices on the JPX official website. Finalize measures based on replies	Nominate the panel members from among TSE Indices users and hold exchanges of opinions about the indices and their operation by TSE. If discussions, etc. at the Index Advisory Panel lead to consideration of specific measures or suspension of publication of an index, launch an Index Consultation.
Purpose	To set aside opportunities to gather various opinions and improve fairness and transparency of process when deciding on measures regarding the operation, etc. of TSE Indices	Continuously improve TSE Indices through exchanges of opinions with index users
Topics subject to Consultation/ Discussion	Index Consultations will be launched when deciding on the following topics. However, this shall not apply when the decision is of minor significance: (1) Important revisions to the index guidebooks (calculation methodologies)*; (2) Handling new types of corporate action not indicated in the index guidebooks; (3) Permanent suspension of publication of an index (except when there are no index users); and (4) Other topics for which the TSE Indices Administering Meeting determines that comments from a wide range of entities are necessary.	Topics to be discussed at the Index Advisory Panel are as follows: (1) Operation status of TSE Indices; and (2) Other matters regarding TSE Indices operation for which discussion is deemed necessary by the panel members or the secretariat. However, the Panel will not discuss topics that could affect the stock market such as the selection/removal of individual component issues for an index or specific criteria for calculating indices.
Relevant Persons	Opinions will be gathered from a wide range of entities, both corporations and individuals	Panel members will be chosen from the following: (1) Entities who have entered into a license agreement for index usage with TSE; and (2) Entities with whom TSE deems to have an indirect license agreement through entrustment, etc. by such entities to third party licensees
Other	Measures decided based on consultation replies, etc. will be announced on the JPX official website. (A new web page is to be set up on April 1, 2020.)	Panel members will have a duty to not disclose what has been discussed at the Index Advisory Panel. The panel will in principle be held at least once a year.

*Note that “important revisions” refer to: (i) a revision that requires rebalancing by passive asset managers when a change is made to the component issues of an index and/or their component ratios for an index after a revision to the index guidebook; (ii) a revision to rules for criteria for selecting component issues; (iii) a revision to handling of corporate actions; or (iv) a revision to the method of calculating index values.