

April 30, 2021
Tokyo Stock Exchange, Inc.

Revisions of TOPIX and Other Indices

(Changes from the initial proposal based on the index consultation results)

Number	Topic	Changes from the initial proposal	Initial proposal
1	(1) 3b. Adjustment to the weighting of phased weighting reduction constituents	If the tradable share market capitalization and the annual traded value ratio of a constituent have reached JPY 10 billion or more and 0.2 or more respectively at re-evaluation point, the transition factor shall be increased in increments of 0.1 from the fifth stage, reaching 1.0 as of the eighth stage (the last business day of July 2024).	If the tradable share market capitalization and the annual traded value ratio of a constituent have reached JPY 10 billion or more and 0.2 or more respectively at re-evaluation point, the transition factor shall be returned to one (1) as of the fifth stage and said constituent will be removed from the list of phased weighting reduction constituents.
2	(2) 1b. Indices to be discontinued one year after implementation date	The TSE Mothers Index will be continued. For the calculation method, please see the following document. < https://www.jpx.co.jp/english/markets/indices/governance/index-consultation/b5b4pj000003vcm3-att/en_consultation4add.pdf >	The TSE Mothers Index will be discontinued one year after the implementation date (April 3, 2023)
3	(2) 3a. Transition indices	In light of the continuation of the TSE Mothers Index, the TSE Growth 250 Index (Provisional) will not be established.	TSE Growth 250 Index (Provisional) will be established from the implementation date (April 4, 2022).
4	(2) 3a. Transition indices	TSE Standard <u>Market</u> TOP20 Index and TSE Growth <u>Market</u>	TSE Standard-TOP20 Index (Provisional) and TSE

(Reference Translation)

Number	Topic	Changes from the initial proposal	Initial proposal
		Core Index will be established from the implementation date (April 4, 2022).	Growth Core Index (Provisional) will be established from the implementation date (April 4, 2022).
5	(2) 3b. Statistical indicators	TSE Prime Market Index, TSE Standard Market Index, TSE Growth Market Index, TSE Prime Market Composite Index and Ex-TSE First Section Index will be established from the implementation date (April 4, 2022).	TSE Prime Market Index (Provisional), TSE Standard Market Index (Provisional), TSE Growth Market Index (Provisional), TSE Prime Market Composite Index (Provisional) and Ex-TSE First Section Index (Provisional) will be established from the implementation date (April 4, 2022).
6	(3) 3. Transition Method	<p>In the initial proposal, we proposed that based on the market impact simulation results, changes in the FFW ratio due to the revision of the calculation method would be carried out in three (3) stages on the last business days of April, May, and June 2022.</p> <p>Regarding this, to ensure the further reduction of market impact and provide opportunities to reflect the efforts of listed companies which have a lot of room to increase free-float shares, for stocks whose free-float weight based on the current calculation methodology minus the free-float weight based on the new calculation methodology exceeds 0.1, the upper limit of the fluctuation during the transition period will be set to 0.1. The same upper limit will be applied to post-transition periodic reviews of the free-float weight, which will be carried out according to the fiscal year end of each company after July</p>	To avoid excessive impact of this revision on the market, changes in the FFW ratio due to the revision of the calculation method will be carried out in three (3) stages on the last business days of April, May, and June 2022.

(Reference Translation)

Number	Topic	Changes from the initial proposal	Initial proposal
		2022. The regular periodic reviews carried out at the end of April 2022, for listed companies with fiscal years ending July, August and September 2021, will also use the three-stage transition as above.	