

Revised	Current
<b>III. JPX-Nikkei Index 400 Constituent Selection</b>	<b>III. JPX-Nikkei Index 400 Constituent Selection</b>
<b>1. Initial Selection and Periodic Review</b>	<b>1. Initial Selection and Periodic Review</b>
(1)(abbreviated)	(1)(abbreviated)
<b>(2) JPX-Nikkei 400 Selection Criteria</b>	<b>(2) JPX-Nikkei 400 Selection Criteria</b>
<ul style="list-style-type: none"> <li>The selection process shall be conducted as follows. The “market capitalization” indicated below is based on the number of listed shares used for index calculation.</li> </ul>	<ul style="list-style-type: none"> <li>The selection process shall be conducted as follows. The “market capitalization” indicated below is based on the number of listed shares used for index calculation.</li> </ul>
<p>① <u>Selection of eligible constituents</u></p> <p><u>i. Common stocks</u></p> <p><u>Common stocks whose main market is the TSE 1st Section, 2nd Section, Mothers, or JASDAQ market on the base date (for dual-listed foreign stocks, as a general rule, only when their trading value at TSE in the most recent year from the base date is greater than that on their other listed exchanges) are regarded as eligible constituents.</u></p> <p><u>ii. Non-common stocks</u></p> <p><u>Issues other than common stocks may be included into the eligible constituents if they are regarded equivalent to common stocks and their inclusion is deemed particularly necessary by the Index Provider.</u></p> <p>② Issues which fall under any of the following items shall be removed from the pool of eligible constituents. (abbreviated)</p>	<p>① Issues which fall under any of the following items shall be removed from the pool of eligible constituents. (abbreviated)</p>

<p>③～⑥ (abbreviated)</p>	<p>②～⑤ (abbreviated)</p>
<p>⑦ Selection shall be conducted as below, based on the final scores in ⑥ above.</p> <p>(a) Initial Selection</p> <p>The top 400 issues shall be selected according to the rankings in ⑥ above.</p> <p>(b) Periodic Review</p> <p>i. The top 440 issues shall be selected according to the rankings in ⑥ above from the issues eligible as constituents of JPX-Nikkei 400 on the base date.</p> <p>ii. If 400 issues are not selected in the preceding paragraph i., the top ranking issues according to the rankings in ⑥ above shall be selected until the number of constituents reaches 400.</p> <p><u>If, as a result of the process above, the 400 constituents contain issues that will be delisted due to conducting a corporate consolidation, etc., adjustments for the final constituents may be conducted if necessary.</u></p>	<p>⑥ Selection shall be conducted as below, based on the final scores in ⑤ above.</p> <p>(a) Initial Selection</p> <p>The top 400 issues shall be selected according to the rankings in ⑤ above.</p> <p>(b) Periodic Review</p> <p>i. The top 440 issues shall be selected according to the rankings in ⑤ above from the issues eligible as constituents of JPX-Nikkei 400 on the base date.</p> <p>ii. If 400 issues are not selected in the preceding paragraph i., the top ranking issues according to the rankings in ⑤ above shall be selected until the number of constituents reaches 400.</p>
<p><b>2. Removal of Constituents in addition to the Periodic Review</b> (abbreviated)</p>	<p><b>2. Removal of Constituents in addition to the Periodic Review</b> (abbreviated)</p>
<p><b>3. Inclusion of Constituents in addition to the Periodic review</b></p> <ul style="list-style-type: none"> <li>In cases where constituents are delisted due to conducting a corporate consolidation, merger, acquisition, merger involving the establishment of a new company, or split pursuant to the former Commercial Code (shareholder-directed spinoff), in cases where the newly established company, surviving company, or inheriting company resulting from such corporate consolidation, etc. is listed without delay, such newly established company, etc. shall be added only if the</li> </ul>	<p><b>3. Inclusion of Constituents in addition to the Periodic review</b></p> <ul style="list-style-type: none"> <li>In cases where constituents are delisted due to conducting a corporate consolidation, merger, acquisition, merger involving the establishment of a new company, or split pursuant to the former Commercial Code (shareholder-directed spinoff), in cases where the newly established company, surviving company, or inheriting company resulting from such corporate consolidation, etc. is listed without delay, such newly established company, etc. shall be added only if the</li> </ul>

<p>main body of the newly established company (the Index Provider determines that considering <u>acquisition ratio, market value, trading value</u> etc.) was a JPX-Nikkei 400 constituent. (see Chapter IV)</p> <ul style="list-style-type: none"> <li>• Even though the number of constituents in JPX-Nikkei 400 may decrease between periodic reviews due to the removal of constituents by means other than the periodic review as described in the previous item 2., no supplementary inclusions are made to meet the intended number of constituents (inclusions to meet the intended number of constituents are only made during the periodic review in August).</li> </ul>	<p>main body of the newly established company (the Index Provider determines that considering <u>acquisition ratio</u> etc.) was a JPX-Nikkei 400 constituent. (see Chapter IV)</p> <ul style="list-style-type: none"> <li>• Even though the number of constituents in JPX-Nikkei 400 may decrease between periodic reviews due to the removal of constituents by means other than the periodic review as described in the previous item 2., no supplementary inclusions are made to meet the intended number of constituents (inclusions to meet the intended number of constituents are only made during the periodic review in August).</li> </ul>
<p><b>IV. Adjustments to Base Market Value</b></p>	<p><b>IV. Adjustments to Base Market Value</b></p>
<p><b>1. Events that Require Adjustment</b></p>	<p><b>1. Events that Require Adjustment</b></p>
<p><b>(1) Inclusion or Removal of Constituents</b></p>	<p><b>(1) Inclusion or Removal of Constituents</b></p>
<p>(Description for Inclusion, in the table) New listing of a newly established company resulting from a corporate consolidation, etc. (*1) that results in a JPX-Nikkei 400 constituent being delisted and the new company being <u>included in JPX-Nikkei 400</u>.</p> <p>(Description for Removal, in the table) New listing of a newly formed company resulting from a corporate consolidation, etc. (*1) that results in a JPX-Nikkei 400 constituent being delisted and the new company being <u>included in JPX-Nikkei 400</u>.</p>	<p>(Description for Inclusion, in the table) New listing of a newly established company resulting from a corporate consolidation, etc. (*1) that results in a JPX-Nikkei 400 constituent being delisted and the new company being <u>immediately listed on the TSE</u>.</p> <p>(Description for Removal, in the table) New listing of a newly formed company resulting from a corporate consolidation, etc. (*1) that results in a JPX-Nikkei 400 constituent being delisted and the new company being <u>immediately listed on the TSE</u>.</p>