

Nikkei Moat Stock Index

Index Guidebook

Nikkei Inc.

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(February 9, 2026 Edition)

1: Overview

- The Nikkei Moat Stock Index is an equal-weighted stock index composed of 30 stocks selected from among those listed on the Prime Market of the Tokyo Stock Exchange (excluding financials) that are deemed to possess a “moat”(*).

* A “moat” refers to the concept of an “economic moat,” meaning a competitive advantage—such as technological capabilities or brand strength—that allows a company to achieve sustained high profitability over a long period of time.

2: Name

(Japanese)

Official : 日経モート株指数

(English)

Official : Nikkei Moat Stock Index

3: Management of Constituents

(1) Basic Information

- The Nikkei Moat Stock Index, in principle, consists of 30 constituent stocks.
- A periodic review of the constituents is conducted each July.
- If constituent is removed due to an extraordinary event between annual reviews, a replacement is not added in principle during the interim period. The number of constituents is restored to 30 at the time of the next annual review.

(2) Eligible Stocks

- Stocks eligible for inclusion in the index are selected from among those listed on the Prime Market of the Tokyo Stock Exchange (TSE), excluding foreign stocks, preferred shares, stocks classified in the “Financials” sector under the NEEDS Industry Classification (major classification).

* The "NEEDS Industrial Classification" is Nikkei NEEDS' original industry classification based on the current industrial structure. Each company is assigned to industry category based on its business and sales structure. In order to fully take into account the diversified businesses of a company, multiple industry categories are assigned to each company in addition to its core business. The classifications are reviewed on a regular basis and also when there is a major

change in the core business.

(3) Periodic Review

- The last business day of June each year is designated as the “base date.” Constituent changes are implemented on the last business day of July. Constituent changes arising from the periodic review are announced in advance with sufficient notice.
- Constituents are selected in accordance with the procedures described below. Industry classification is based on the NEEDS Industry Classification (major classification), and consolidated financial data are used in principle.
 1. For each eligible stock, the “operating cash flow (CF) margin deviation” is calculated by subtracting the three-year average operating CF margin of the industry to which the stock belongs from the stock’s three-year average operating CF margin (Note 1).
 2. Stocks satisfying the following conditions are ranked in descending order of the operating CF margin deviation calculated in 1.
 - Current constituents
 - Market capitalization of at least ¥100 billion as of the base date.
 - The most recent sales rank within the top 20% among eligible stocks in the same industry.
 - Non-constituent stocks
 - Market capitalization of at least ¥100 billion as of the base date.
 - The most recent sales rank within the top 20% among eligible stocks in the same industry.
 - PEG ratio (Note 2) of less than 2 and greater than zero as of the base date.
 3. Constituents are selected from the top-ranked stocks determined in 2 in accordance with the following order of priority until the total number of constituents reaches 30:
 - (i) Current constituents ranked within the top 50
 - (ii) Non-constituent stocks
- If rapid changes in market conditions or other unavoidable circumstances give rise to concerns regarding the appropriateness of the constituent selection determined under the above process, necessary changes may be made after obtaining opinions from experts.

Note 1: The three-year average operating CF margin is calculated as total operating CF over the past three years divided by total sales over the past three years. Stocks

for which three years of data are not available, such as newly listed stocks, are excluded from the calculation and thus from the ranking. The industry average is calculated by dividing the total operating cash flow of all eligible stocks within each industry over the past three years by the total sales for the same period. Figures for companies with non-standard fiscal years are adjusted to a 12-month basis.

Note 2: PEG ratio = Forecast P/E ÷ Expected EPS growth rate (%). The EPS growth rate is calculated by dividing the forecast EPS for the current fiscal year by the actual EPS of the previous fiscal year, as of the base date.

(4) Extraordinary Removals

- When a constituent is designated as a security to be delisted or as security on alert, it is, in principle, removed five business days after the date of designation.
- When a constituent is delisted due to a merger or another similar corporate action, it is, in principle, removed on the delisting date.
- A constituent that is designated as a security under supervision is, in principle, not subject to removal at the time of designation. However, if it is later determined that the likelihood of future delisting is extremely high, or that maintaining the security as a constituent has become significantly inappropriate, the security may be removed at a later date after an advance public announcement.

(5) Constituents for Retroactive Calculation

- Constituents used for retroactive calculation (see section 4-(8)) are selected based on the NEEDS Industry Classification as of the end of December 2025, and the periodic reviews are implemented on the last business day of the month following each base date. The extraordinary removal rules described in section 3-(4) are also applied retroactively in the calculation. Until the July 2021 periodic review, stocks listed on the First Section of the Tokyo Stock Exchange were included as eligible stocks.

4 : Index Calculation

(1) Basic Information

- The index is calculated using an equal-weighted methodology.
- The base value is set at 10,000 as of July 31, 2013 (the Inception Date).
- The index value is expressed in points and is rounded to two decimal places, with

the third decimal place rounded.

- The index is calculated once per day on an end-of-day basis using Tokyo Stock Exchange closing prices.

(2) Calculation Formula

- The daily index value shall be calculated using the following formula.

$$\text{Index value} = \Sigma \{ \text{Share price} \times \text{Weight Factor} \} \div \text{Divisor}$$

(3) Stock Prices

- The priority order for selecting prices is as follows:
 1. Special Quote, Sequential Trade Quote or Temporary Quote
 2. Closing price
 3. Base price

The base price is the value selected in the following order of priority: the theoretical ex-rights price, the Special Quote, Sequential Trade Quote or Temporary Quote of the previous day, or the previous day's closing price.

(4) Weight Factors

- The weight factor (number of index shares) used for the calculation of the index for each stock is determined as of each periodic review base date using the following formula, with fractional values rounded down:

$$\text{Weight Factor} = 1 \div \text{Stock price as of the base date} \times 10^8$$

- After the weight factors have been set, if a constituent stock undergoes a stock split or reverse stock split, the weight factor is adjusted on the ex-rights date in proportion to the split ratio.

(5) Divisor

- The Divisor on July 31, 2013, the Inception Date, is determined by the following formula.

$$\text{Divisor} = \Sigma \{ \text{Share prices} \times \text{Weight Factor on the Inception Date} \} \div 10000$$

- After the Inception Date, the Divisor is adjusted each time a constituent replacement occurs using the following formula.

$$\begin{aligned} \text{Divisor (Next Day)} &= \text{Divisor (Today)} \\ &\times (\Sigma \{ \text{Base Price of each constituent on the next day} \\ &\quad \times \text{Weight Factor for the next day} \}) \\ &\div (\Sigma \{ \text{Base Price of each constituent today} \\ &\quad \times \text{Weight Factor today} \}) \end{aligned}$$

(6) Spin-Offs

- When shares of the spun-off independent company are distributed to the shareholders of a constituent company and the spun-off company is going to be listed in the short period, the spun-off company is temporarily incorporated into the index calculation between the spin-off ex-date and the listing date. The spun-off company is to be excluded from the index calculation on the next business day after the listing date.
- The offering price or the reference price submitted by the listing sponsor is to be used as the price of the stock temporarily included in the index calculation until the market price is determined after its listing. The Weight Factor is to be set by considering the original component stock's Weight Factor and the spin-off distribution ratio.

(7) Modification of the index value

- If any event occurs and comes out at a later date where it is necessary to modify the index value, as a general rule, Nikkei reflects the modified data into the index value on the index calculation date coming subsequently after the event comes out, as the date when the event occurs. Retroactive calculation for the modification will not be conducted in principle.

(8) Retroactive calculation in the past

- The index is retroactively calculated to the Inception Date (July 31,

2013=10,000) on an end-of-day basis.

- The constituents used for the retroactive calculation are as described in section 3-(5).

5: Others

(1) Total Return Index calculation

As related indices to the “Nikkei Moat Stock Index,” the following indices, which take dividends into account, are calculated on an end-of-day basis:

- “Nikkei Moat Stock Index (Total Return)”
- “Nikkei Moat Stock Index (Net Total Return)”

The basic calculation principles, including the treatment of dividends, follow those of the “Nikkei 225 Total Return Index.”

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(Appendix) Index Guidebook Change History

February 9, 2026 Edition	First Edition
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