



July 30, 2013

Japan Exchange Group, Inc.
Nikkei Inc.

Outline of New Jointly Developed Index

As announced on May 14th, Japan Exchange Group, Inc. and Tokyo Stock Exchange, Inc. ("JPX Group") along with Nikkei Inc. ("Nikkei") have agreed to jointly develop a new index, for which discussions are currently underway. The basic concept of the new index agreed upon through these discussions has been compiled as follows.

We will proceed with development with the goal of commencing calculation by the end of the year, while continuing to refer to the opinions of market participants.

Positioning of the New Index	<p>The new index focuses on the importance of management conducted with an awareness of capital efficiency, profitability, and investor viewpoints. Its most unique attribute is the selection of constituents based on corporate performance indicators and data, such as ROE. The design philosophy and constituent selection criteria of the new index make it distinct from TOPIX, which covers the entire TSE 1st Section, and Nikkei 225, which includes the 225 highly liquid issues.</p> <p>The new index will measure shifts in market capitalization to represent changes in the corporate value of constituents selected from listed companies in the integrated cash equity markets of JPX Group. Also, we aim to meet practical needs for asset management linked to the new index by considering the market liquidity of each issue during constituent selection.</p> <p>We have high hopes that the new index will contribute to improved capital efficiency and corporate value, and promote innovation of the listed companies. In addition, by serving as a new investment benchmark for domestic and overseas investors, we expect the new index to stimulate the qualitative improvement and revitalization of the Japanese stock market.</p>
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Outline of New Index

The following represents the present state of design and may be subject to change in the future.

<p>Constituent Selection Method</p>	<p>[Market]</p> <p>Issues listed on JPX cash equity markets (TSE 1st Section, TSE 2nd Section, Mothers, JASDAQ)</p> <p>[Selection Criteria]</p> <p>Selection will be made based on comprehensive assessment of the following 2 quantitative indicators. Furthermore, in addition to financial figures and other quantitative indicators, qualitative indicators (matters pertaining to disclosure, etc.) will also be considered in constituent selection.</p> <ul style="list-style-type: none"> ▪ Indicators based on corporate performance (e.g., indicators related to capital efficiency such as ROE) ▪ Market liquidity indicators (e.g., trading volume, market value, etc.) <p>[Constituent Review]</p> <p>Review of constituents will be conducted once annually as a general rule.</p> <p>* Indicators which can be objectively measured and judged will be used when possible to ensure the transparency of selection criteria and methods.</p>
<p>No. of Constituents</p>	<p>The number of constituents shall be sufficient for market tracking and use in asset management, with a maximum of approx. 500 issues.</p>
<p>Calculation</p>	<p>Market capitalization-weighted (free-float adjusted)</p>
<p>Name</p>	<p>To be determined</p>
<p>Constituent and Calculation Guidebook</p>	<p>A list of constituents and constituent selection criteria are scheduled to be released in Fall 2013.</p>
<p>Calculation and Dissemination</p>	<p>Real-time dissemination (per 1 sec.) via the Tokyo Stock Exchange Market Information System is scheduled to begin by the end of 2013.</p>

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