

Annex4. Referencial Data for JPX-Nikkei Mid and Small Cap Index Periodic Review

Note: The figures of FY2016 are as of the initial selection.

(1) 3-year ROE simple average

Issues	FY2017	FY2016
JPX-Nikkei Mid and Small constituents	18.7%	18.2%
1st Section Issues (*1)	8.3%	8.2%
non-constituents (*1,*2)	5.9%	5.8%

*1 Issues a) with liabilities in excess of assets during any of 3 periods, b) their 3-year average ROE is more than 200% or less than -200%, or c) those financial data are not available for calculation are excluded. 3-year simple average ROE is as of the announce date of periodic review.

*2 All the eligible constituents for JPX-Nikkei Mid and Small excluding the JPX-Nikkei Mid and Small constituents.

(2) Market division balance

Market	FY2017	FY2016
1st Section	177	178
2nd Section	6	3
Mothers	4	3
JASDAQ	13	16

* Market division balance is as of the announce date of periodic review.

(3) Fulfilling situation for qualitative factors

Criteria	FY2017		FY2016	
	No. of issues	Percentage	No. of issues	Percentage
Appointment of independent outside directors	172(2337)	86.0% (66.0%)	158(2071)	79.0% (59.0%)
Adoption of IFRS	12(149)	6.0% (4.2%)	8(111)	4.0% (3.2%)
Disclosure of English earnings information	62(593)	31.0% (16.8%)	49(549)	24.5% (15.6%)

*Figures in () mean the fulfilling situation for qualitative factors of all the eligible constituents for JPX-Nikkei Mid and Small

(4) Turnover Ratio

Turnover ratio (Market capitalization-based, one-way)	23.8%
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* Sum of increments (decrements) in market capitalization weight for each constituent before and after the periodic review

Turnover ratio = Sum of weight increments = Sum of weight decrements

* Turnover ratio is calculated based on market capitalization for index calculation as of the end of July 2017.