



August 7, 2018

Tokyo Stock Exchange, Inc.

Nikkei Inc.

Periodic Review of “JPX-Nikkei Index 400” and “JPX-Nikkei Mid and Small Cap Index”

The periodic review of the JPX-Nikkei Index 400 and the JPX-Nikkei Mid and Small Cap Index, jointly calculated by Tokyo Stock Exchange, Inc. and Nikkei Inc., has been conducted as follows.

As a result of the periodic review, 26 issues will be added and 25 issues will be removed from the JPX-Nikkei Index 400 and 54 issues will be added and 53 issues will be removed from the JPX-Nikkei Mid and Small Cap Index¹. Please refer to website for the list of constituents after the periodic review.

1. JPX-Nikkei Index 400

① Inclusions

Code	Issue	Market Division	Code	Issue	Market Division
1333	Maruha Nichiro Corporation	1	5393	NICHIAS CORPORATION	1
1820	Nishimatsu Construction Co.,Ltd.	1	5801	Furukawa Electric Co.,Ltd.	1
2201	Morinaga & Co.,Ltd.	1	5975	Topre Corporation	1
3197	SKYLARK HOLDINGS CO.,LTD.	1	6028	TechnoPro Holdings,Inc.	1
3436	SUMCO CORPORATION	1	6098	Recruit Holdings Co.,Ltd.	1
3626	TIS Inc.	1	6269	MODEC,INC.	1
4004	Showa Denko K.K.	1	7550	ZENSHO HOLDINGS CO.,LTD.	1
4324	DENTSU INC.	1	7974	Nintendo Co.,Ltd.	1
4849	en-japan inc.	1	8056	Nihon Unisys,Ltd.	1
4927	POLA ORBIS HOLDINGS INC.	1	8252	MARUI GROUP CO.,LTD.	1
5019	Idemitsu Kosan Co.,Ltd.	1	8283	PALTAC CORPORATION	1
5020	JXTG Holdings,Inc.	1	9508	Kyushu Electric Power Company,Incorporated	1
5021	COSMO ENERGY HOLDINGS COMPANY,LIMITED	1	9697	CAPCOM CO.,LTD.	1

¹ Due to removal in addition to the periodic review (6756: Hitachi Kokusai Electric Inc.), the current number of JPX-Nikkei Index 400 constituents is 399. As such, 1 more issue will be added in this periodic review.

Similarly, due to removal in addition to the periodic review (7260: Fuji Kiko Co., Ltd.), the current number of JPX-Nikkei Mid and Small Cap Index constituents is 199. As such, 1 more issue will be added in this periodic review.

② Removals

Code	Issue	Market Division
3880	Daio Paper Corporation	1
4272	NIPPON KAYAKU CO.,LTD.	1
5105	Toyo Tire & Rubber Co.,Ltd.	1
5232	Sumitomo Osaka Cement Co.,Ltd.	1
6256	NuFlare Technology,Inc.	J
6486	EAGLE INDUSTRY CO.,LTD.	1
6807	Japan Aviation Electronics Industry,Limited	1
7173	Tokyo Kiraboshi Financial Group,Inc.	1
7230	NISSIN KOGYO CO.,LTD.	1
7280	MITSUBA Corporation	1
7752	RICOH COMPANY,LTD.	1
8050	SEIKO HOLDINGS CORPORATION	1
8136	Sanrio Company,Ltd.	1

Code	Issue	Market Division
8233	Takashimaya Company,Limited	1
8334	The Gunma Bank,Ltd.	1
8358	Suruga Bank Ltd.	1
8377	Hokuhoku Financial Group, Inc.	1
8382	The Chugoku Bank,Limited	1
8418	Yamaguchi Financial Group,Inc.	1
8425	IBJ Leasing Company,Limited	1
8595	JAFCO Co.,Ltd.	1
8703	kabu.com Securities Co.,Ltd.	1
9031	Nishi-Nippon Railroad Co.,Ltd.	1
9044	Nankai Electric Railway Co.,Ltd.	1
9956	VALOR HOLDINGS CO.,LTD.	1

2. JPX-Nikkei Mid and Small Cap Index

① Inclusions

Code	Issue	Market Division
1430	First-corporation Inc.	1
2266	ROKKO BUTTER CO.,LTD.	1
2410	CAREER DESIGN CENTER CO.,LTD.	1
2471	S-Pool,Inc.	J
2685	Adastra Co.,Ltd.	1
2764	Hiramatsu Inc.	1
2930	Kitanotatsujin Corporation	1
3036	ALCONIX CORPORATION	1
3076	Ai Holdings Corporation	1
3103	UNITIKA LTD.	1
3176	Sanyo Trading Co.,Ltd.	1
3245	DEAR LIFE CO.,LTD.	1
3252	Nippon Commercial Development Co.,Ltd.	1
3385	YAKUODO.Co.,Ltd.	1
3433	TOCALO Co.,Ltd.	1
3445	RS Technologies Co.,Ltd.	1
3452	B-Lot Company Limited	1
3454	First Brothers Co.,Ltd.	1
3457	HOUSE DO Co.,Ltd.	1
3668	COLOPL,Inc.	1
3687	Fixstars Corporation	1
3688	VOYAGE GROUP,INC.	1
3762	TECHMATRIX CORPORATION	1
3825	Remixpoint,inc.	2
3901	MarkLines Co.,Ltd.	1
4346	Nexyz.Group Corporation	1
4348	INFOCOM CORPORATION	J

Code	Issue	Market Division
4369	Tri Chemical Laboratories Inc.	1
4641	Altech Corporation	1
4722	Future Corporation	1
4745	Tokyo Individualized Educational Institute,INC.	1
4792	YAMADA Consulting Group Co.,Ltd.	J
4845	Scala,Inc.	1
4979	OAT Agrio Co.,Ltd.	1
5122	OKAMOTO INDUSTRIES,INC.	1
5184	NICHIRIN CO.,LTD.	2
5358	Isolite Insulating Products Company,Limited	1
6035	IR Japan Holdings,Ltd.	2
6258	HIRATA Corporation	1
6266	TAZMO CO.,LTD.	2
6745	HOCHIKI CORPORATION	1
7177	GMO Financial Holdings,Inc.	J
7244	ICHIKOH INDUSTRIES,LTD.	1
7520	Eco's Co.,Ltd.	1
7717	V Technology Co.,Ltd.	1
8096	KANEMATSU ELECTRONICS LTD.	1
8167	RETAIL PARTNERS CO.,LTD.	2
8841	TOC Co.,Ltd.	1
8844	COSMOS INITIA Co.,Ltd.	J
8860	FUJI CORPORATION LIMITED	1
9039	Sakai Moving Service Co.,Ltd.	1
9267	Genky DrugStores Co.,Ltd.	1
9757	Funai Soken Holdings Incorporated	1
9790	Fukui Computer Holdings,Inc.	1

② Removals

Code	Issue	Market Division
1810	MATSUI CONSTRUCTION CO.,LTD.	1
1813	Fudo Tetra Corporation	1
1870	YAHAGI CONSTRUCTION CO.,LTD.	1
1934	YURTEC CORPORATION	1
2138	CROOZ,Inc.	J
2146	UT Group Co.,Ltd.	J
2157	KOSHIDAKA HOLDINGS Co.,LTD.	1
2174	GCA Corporation	1
2175	SMS CO.,LTD.	1
2222	Kotobuki Spirits Co.,Ltd.	1
2305	STUDIO ALICE Co.,Ltd.	1
2362	YUMESHIN HOLDINGS CO.,LTD.	J
2427	OUTSOURCING Inc.	1
2492	Infomart Corporation	1
2726	PAL GROUP Holdings CO.,LTD	1
2749	JP-HOLDINGS,INC.	1
3242	URBANET CORPORATION CO.,LTD.	J
3649	FINDEX Inc.	1
3657	Poletowin Pitcrew Holdings,Inc.	1
4008	Sumitomo Seika Chemicals Company,Limited.	1
4028	ISHIHARA SANGYO KAISHA,LTD.	1
4301	AMUSE INC.	1
4553	TOWA PHARMACEUTICAL CO.,LTD.	1
4819	Digital Garage,Inc.	1
4849	en-japan inc.	1
4919	Milbon Co.,Ltd.	1
5715	FURUKAWA CO.,LTD.	1

Code	Issue	Market Division
5930	Bunka Shutter Co.,Ltd.	1
5959	OKABE CO.,LTD.	1
5981	TOKYO ROPE MFG.CO.,LTD	1
5988	PIOLAX,INC.	1
6055	JAPAN MATERIAL Co.,Ltd.	1
6508	MEIDENSHA CORPORATION	1
6651	NITTO KOGYO CORPORATION	1
6786	RVH Inc.	2
6789	Roland DG Corporation	1
6871	MICRONICS JAPAN CO.,LTD.	1
6908	IRISO ELECTRONICS CO.,LTD.	1
6911	New Japan Radio Co.,Ltd.	1
6961	ENPLAS CORPORATION	1
7173	Tokyo Kiraboshi Financial Group,Inc.	1
7224	ShinMaywa Industries,LTD.	1
7230	NISSIN KOGYO CO.,LTD.	1
7280	MITSUBA Corporation	1
7321	Kansai Mirai Financial Group,Inc.	1
7408	JAMCO CORPORATION	1
7716	NAKANISHI INC.	J
8423	Accretive Co.,Ltd.	1
9468	KADOKAWA DWANGO CORPORATION	1
9616	KYORITSU MAINTENANCE CO.,LTD.	1
9728	NIPPON KANZAI Co.,Ltd.	1
9842	ARCLAND SAKAMOTO CO.,LTD.	1
9990	SAC'S BAR HOLDINGS INC.	1

*As for the market division, "1"=1st section, "2"=2nd section, "M"=Mothers, "J"=JASDAQ.

3. Effective Date of Periodic Review

August 31, 2018

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Annex1. Referencial Data for JPX-Nikkei Index 400 Periodic Review

(1) 3-year ROE simple average

Issues	FY2018	FY2017
JPX-Nikkei 400 constituents	12.8%	12.5%
TSE 1st Section Issues (*1)	8.8%	8.3%
non-constituents (*1,*2)	6.2%	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 400 excluding the JPX-Nikkei 400 constituents.

(2) Market division balance

Market	FY2018	FY2017
TSE 1st Section	396	395
TSE 2nd Section	1	1
Mothers	1	1
JASDAQ	2	3

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

(3) Fulfilling situation for qualitative factors

Criteria	FY2018		FY2017	
	No. of issues	Percentage	No. of issues	Percentage
Appointment of independent outside directors *1	264(1244)	66.0% (34.6%)	228(1024)	57.0% (28.9%)
Adoption of IFRS	106(190)	26.5% (5.3%)	84(149)	21.0% (4.2%)
Disclosure of English earnings information	197(642)	49.3% (17.8%)	186(593)	46.5% (16.8%)

*1 This criteria was changed from 2017 periodic review as below.

"Out of the total number of directors, at least one-third or a minimum of three directors are appointed as independent outside directors on the base date.

If one-third of the total number of directors is less than two, at least two independent outside directors are appointed."

*2 Figures in () mean the fulfilling situation for qualitative factors of all the eligible constituents for JPX-Nikkei 400

(4) Turnover Ratio

Turnover ratio (Market capitalization-based, one-way)	6.1%
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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 2018.

Annex2. Referencial Data for JPX-Nikkei Mid and Small Cap Index Periodic Review

(1) 3-year ROE simple average

Issues	FY2018	FY2017
JPX-Nikkei Mid and Small constituents	19.8%	18.7%
TSE 1st Section Issues (*1)	8.8%	8.3%
non-constituents (*1,*2)	6.2%	5.9%

*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	FY2018	FY2017
TSE 1st Section	178	177
TSE 2nd Section	8	6
Mothers	2	4
JASDAQ	12	13

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

(3) Fulfilling situation for qualitative factors

Criteria	FY2018		FY2017	
	No. of issues	Percentage	No. of issues	Percentage
Appointment of independent outside directors	170(2501)	85.0% (69.5%)	172(2337)	86.0% (66.0%)
Adoption of IFRS	13(190)	6.5% (5.3%)	12(149)	6.0% (4.2%)
Disclosure of English earnings information	68(642)	34.0% (17.8%)	62(593)	31.0% (16.8%)

*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)	31.7%
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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 2018.