

Revisions of the Guidebooks for “JPX-Nikkei Index 400” and “JPX-Nikkei Mid and Small Cap Index”

The Index Guidebooks for “JPX-Nikkei Index 400” and “JPX-Nikkei Mid and Small Cap Index” jointly calculated by Nikkei Inc. and Tokyo Stock Exchange, Inc. and will be revised as below, based on the announcement, “Change in Minor Adjustment Date Related to Ex-dividend” published on March 27, 2020.

Link to the announcement: https://indexes.nikkei.co.jp/en/nkave/archives/news/20200327E_2.pdf

1. Key changes

Change in Minor Adjustment Date Related to Ex-dividend
IV.2.(2) b

* For details, please see the attached table comparing new and old versions.

2. Effective Revision Date

June 30, 2020

(Changes will be effective from the first minor adjustment date after the revision date)

Appendix: Changes to the Guidebook

After amendment	Before amendment
<p>IV. Adjustments to Base Market Value</p> <p>2. Adjustment Method</p> <p>(2) Total Return Index</p> <p>b. Minor Adjustment to Reflect Difference Between Estimated Dividend and <u>Dividend Announced in the Earnings Report, etc.</u></p> <ul style="list-style-type: none"> Minor adjustments are made with respect to those constituents for which the estimated dividend used on the ex-dividend date and the dividend announced in the earnings report <u>or the notice of dividends of surplus (hereinafter the “earnings report, etc.”)</u> are different. Specifically, the total dividend adjustment amount is calculated <u>and the base market value adjustments are made on the last business day of the month in which the dividend is announced in the earnings report, etc. (hereinafter the “publication date”; if the publication date is one business day before the last business day of the month or the last business day of the month, adjustments will be, as a general rule, made on the last business day of the next month).</u> <p><u>[Deleted]</u></p>	<p>IV. Adjustments to Base Market Value</p> <p>2. Adjustment Method</p> <p>(2) Total Return Index</p> <p>b. Minor Adjustment to Reflect Difference Between Estimated and Actual Dividends</p> <ul style="list-style-type: none"> Minor adjustments are made with respect to those constituents for which the estimated dividend used on the ex-dividend date and the dividend announced in the earnings report are different. Specifically, the total dividend adjustment amount is <u>calculated on the 7th day of the 3rd month after the ex-dividend date (or the previous business day if the 7th day falls on a holiday), and the base market value is adjusted using that amount. (For example, for companies that announce earnings in March, the adjustment is made on June 7th.)</u> <u>Data used to calculate the adjustment amount is the information available as of three business days before the adjustment date. However, if a dividend adjustment is announced outside of this timeframe and the Index Provider deems that the adjustment will have a significant impact on the index value, an additional minor adjustment will be made.</u>