



November 9, 2020

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, 32 issues will be added and 27 issues will be removed from the JPX-Nikkei Index 400 and 53 issues will be added and 49 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
1766	TOKEN CORPORATION	1
2222	Kotobuki Spirits Co.,Ltd.	1
2264	MORINAGA MILK INDUSTRY CO.,LTD.	1
2317	Systema Corporation	1
2593	ITO EN,LTD.	1
2811	KAGOME CO.,LTD.	1
3563	Sushiro Global Holdings Ltd.	1
3635	KOEI TECMO HOLDINGS CO.,LTD.	1
4189	KH Neochem Co.,Ltd.	1
4348	INFOCOM CORPORATION	1
4527	ROHTO PHARMACEUTICAL CO.,LTD.	1
4686	JUSTSYSTEMS CORPORATION	1
4816	TOEI ANIMATION CO.,LTD.	J
4921	FANCL CORPORATION	1
5105	Toyo Tire Corporation	1
5631	The Japan Steel Works,Ltd.	1

Code	Issue	Market Division
5857	Asahi Holdings,Inc.	1
6005	MIURA CO.,LTD.	1
6035	IR Japan Holdings,Ltd.	1
6134	FUJI CORPORATION	1
6465	HOSHIZAKI CORPORATION	1
6532	BayCurrent Consulting,Inc.	1
6670	MCJ Co.,Ltd.	2
6753	Sharp Corporation	1
6754	ANRITSU CORPORATION	1
8354	Fukuoka Financial Group,Inc.	1
8572	ACOM CO.,LTD.	1
9044	Nankai Electric Railway Co.,Ltd.	1
9142	Kyushu Railway Company	1
9504	The Chugoku Electric Power Company,Incorporated	1
9509	Hokkaido Electric Power Company,Incorporated	1
9603	H.I.S.Co.,Ltd.	1

¹ Due to removal in addition to the periodic review(4217: Hitachi Chemical Company, Ltd., 4508: Mitsubishi Tanabe Pharma Corporation, 8028: FamilyMart Co., Ltd., 8036: Hitachi High-Tech Corporation and 8729: Sony Financial Holdings Inc.), the current number of JPX-Nikkei Index 400 constituents is 395. As such, 5 more issues will be added in this periodic review.

Similarly, due to removal in addition to the periodic review (3258: UNIZO Holdings Company, Limited, 3756: Mamezou Holdings Co., Ltd., 6065: LIKE Kids, Inc., and 6256: NuFlare Technology, Inc.), the current number of JPX-Nikkei Mid and Small Cap Index constituents is 196. As such, 4 more issue will be added in this periodic review.

② Removals

Code	Issue	Market Division
2124	JAC Recruitment Co.,Ltd.	1
2206	Ezaki Glico Co.,Ltd.	1
2432	DeNA Co.,Ltd.	1
3254	PRESSANCE CORPORATION	1
3668	COLOPL,Inc.	1
4246	DaikyoNishikawa Corporation	1
4587	PeptiDream Inc.	1
4681	RESORTTRUST,INC.	1
4751	CyberAgent,Inc.	1
4902	KONICA MINOLTA,INC.	1
5486	Hitachi Metals,Ltd.	1
5703	Nippon Light Metal Holdings Company,Ltd.	1
5714	DOWA HOLDINGS CO.,LTD.	1
5975	Topre Corporation	1

Code	Issue	Market Division
6269	MODEC,INC.	1
6324	Harmonic Drive Systems Inc.	J
6463	TPR CO.,LTD.	1
6473	JTEKT Corporation	1
6641	Nissin Electric Co.,Ltd.	1
6755	FUJITSU GENERAL LIMITED	1
6806	HIROSE ELECTRIC CO.,LTD.	1
7012	Kawasaki Heavy Industries,Ltd.	1
7606	UNITED ARROWS LTD.	1
7867	TOMY COMPANY,LTD.	1
8227	SHIMAMURA Co.,Ltd.	1
8628	MATSUI SECURITIES CO.,LTD.	1
9404	Nippon Television Holdings,Inc.	1

2. JPX-Nikkei Mid and Small Cap Index

① Inclusions

Code	Issue	Market Division
1419	Tama Home Co.,Ltd.	1
1766	TOKEN CORPORATION	1
1820	Nishimatsu Construction Co.,Ltd.	1
1949	SUMITOMO DENSETSU CO.,LTD.	1
1969	Takasago Thermal Engineering Co.,Ltd.	1
2157	KOSHIDAKA HOLDINGS Co.,LTD.	1
3097	The Monogatari Corporation	1
3150	gremz,Inc.	2
3176	Sanyo Trading Co.,Ltd.	1
3445	RS Technologies Co.,Ltd.	1
3475	Good Com Asset Co.,Ltd.	1
3482	Loadstar Capital K.K.	M
3633	GMO Pepabo,Inc.	2
3738	T-Gaia Corporation	1
3772	Wealth Management,Inc.	2
3916	Digital Information Technologies Corporation	1
3978	MACROMILL,INC.	1
3990	UUUM Co.,Ltd.	M
4189	KH Neochem Co.,Ltd.	1
4215	C.I. TAKIRON Corporation	1
4433	HITO-Communications Holdings,Inc.	1
4553	TOWA PHARMACEUTICAL CO.,LTD.	1
4651	SANIX INCORPORATED	1
4800	Oricon Inc.	J
5290	Vertex Corporation	2
5302	Nippon Carbon Co.,Ltd.	1
5304	SEC CARBON,LIMITED	2

Code	Issue	Market Division
5352	KROSAKI HARIMA CORPORATION	1
5480	Nippon Yakin kogyo Co.,Ltd.	1
5805	SWCC SHOWA HOLDINGS CO.,LTD.	1
5911	Yokogawa Bridge Holdings Corp.	1
6062	CHARM CARE CORPORATION	1
6088	SIGMAXYZ Inc.	1
6099	ELAN Corporation	1
6552	GameWith,Inc.	1
6677	SK-Electronics CO.,LTD.	J
6727	Wacom Co.,Ltd.	1
6804	Hosiden Corporation	1
7508	G-7 HOLDINGS Inc.	1
7725	INTER ACTION Corporation	1
7748	HOLON CO.,LTD.	J
7867	TOMY COMPANY,LTD.	1
8929	Aoyama Zaisan Networks Company,Limited	2
9039	Sakai Moving Service Co.,Ltd.	1
9263	VISIONARYHOLDINGS CO.,LTD.	J
9302	MITSUI-SOKO HOLDINGS Co.,Ltd.	1
9416	VISION INC.	1
9418	USEN-NEXT HOLDINGS Co.,Ltd.	1
9436	OKINAWA CELLULAR TELEPHONE COMPANY	J
9519	RENOVA,Inc.	1
9619	ICHINEN HOLDINGS CO.,LTD.	1
9716	NOMURA Co.,Ltd.	1
9810	NIPPON STEEL TRADING CORPORATION	1

② Removals

Code	Issue	Market Division
1430	First-corporation Inc.	1
1879	SHINNIHON CORPORATION	1
2120	LIFULL Co.,Ltd.	1
2146	UT Group Co.,Ltd.	1
2183	Linical Co.,Ltd.	1
2281	Prima Meat Packers,Ltd.	1
2440	Gurunavi,Inc.	1
2681	GEO HOLDINGS CORPORATION	1
2685	Adastria Co.,Ltd.	1
3053	PEPPER FOOD SERVICE CO.,LTD.	1
3103	UNITIKA LTD.	1
3167	TOKAI Holdings Corporation	1
3228	SANEI ARCHITECTURE PLANNING CO.,LTD.	1
3254	PRESSANCE CORPORATION	1
3284	Hoosiers Holdings	1
3387	create restaurants holdings inc.	1
3397	TORIDOLL Holdings Corporation	1
3457	HOUSE DO Co.,Ltd.	1
3668	COLOPL,Inc.	1
4082	DAIICHI KIGENSO KAGAKU-KOGYO CO.,LTD	1
4318	QUICK CO.,LTD.	1
4839	WOWOW INC.	1
5017	Fuji Oil Company,Ltd.	1
5122	OKAMOTO INDUSTRIES,INC.	1
5184	NICHIRIN CO.,LTD.	2

Code	Issue	Market Division
5358	Isolite Insulating Products Company,Limited	1
5702	DAIKI ALUMINIUM INDUSTRY CO.,LTD.	1
5949	UNIPRES CORPORATION	1
6013	TAKUMA CO.,LTD.	1
6035	IR Japan Holdings,Ltd.	1
6046	LINKBAL INC.	M
6080	M&A Capital Partners Co.,Ltd.	1
6125	OKAMOTO MACHINE TOOL WORKS,LTD.	2
6191	AirTrip Corp.	1
6258	HIRATA Corporation	1
6266	TAZMO CO.,LTD.	1
6364	HOKUETSU INDUSTRIES CO.,LTD.	1
6406	FUJITEC CO.,LTD.	1
6486	EAGLE INDUSTRY CO.,LTD.	1
6817	SUMIDA CORPORATION	1
7185	Hirose Tusyo Inc.	J
7220	MUSASHI SEIMITSU INDUSTRY CO.,LTD.	1
7256	KASAI KOGYO CO.,LTD.	1
7419	Nojima Co.,Ltd.	1
7593	VT HOLDINGS CO.,LTD.	1
7611	HIDAY HIDAKA Corp.	1
7613	SIIX CORPORATION	1
9069	SENKO Group Holdings Co.,Ltd.	1
9974	Belc CO.,LTD.	1

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

3. Effective Date of Periodic Review

November 30, 2020

As a result of the Index Consultation, Periodic Review in 2020 has been postponed to November. For details, please check the Index Consultation page on the JPX website.

<https://www.jpx.co.jp/english/markets/indices/governance/index-consultation/index.html>

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

(1) 3-year ROE simple average

Issues	FY2020	FY2019
JPX-Nikkei 400 constituents	12.7%	13.5%
TSE 1st Section Issues (*1)	8.5%	9.0%
non-constituents (*1,*2)	5.4%	6.1%

*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	FY2020	FY2019
TSE 1st Section	395	394
TSE 2nd Section	1	0
Mothers	0	1
JASDAQ	4	5

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

(3) Fulfilling situation for qualitative factors

Criteria	FY2020		FY2019	
	No. of issues	Percentage	No. of issues	Percentage
Appointment of independent outside directors *1	344 (1971)	86.0% (53.5%)	304 (1526)	76.0% (41.9%)
Adoption of IFRS	123 (223)	30.8% (6.1%)	115 (211)	28.8% (5.8%)
Disclosure of English earnings information	220 (774)	55.0% (21.0%)	212 (706)	53.0% (19.4%)
Disclosure of English Corporate Governance Report	185 (271)	46.3% (7.4%)	161 (220)	40.3% (6.0%)

*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)	3.3%
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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 October 2020.

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

(1) 3-year ROE simple average

Issues	FY2020	FY2019
JPX-Nikkei Mid and Small constituents	19.8%	19.8%
TSE 1st Section Issues (*1)	8.5%	9.0%
non-constituents (*1,*2)	5.4%	6.2%

*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	FY2020	FY2019
TSE 1st Section	177	183
TSE 2nd Section	8	4
Mothers	4	4
JASDAQ	11	9

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

(3) Fulfilling situation for qualitative factors

Criteria	FY2020		FY2019	
	No. of issues	Percentage	No. of issues	Percentage
Appointment of independent outside directors *1	148 (1971)	74.0% (53.5%)	109(1526)	54.5%(41.9%)
Adoption of IFRS	15 (223)	7.5% (6.1%)	19(211)	9.5%(5.8%)
Disclosure of English earnings information	76 (774)	38.0% (21.0%)	76(706)	38.0%(19.4%)
Disclosure of English Corporate Governance Report	20 (271)	10.0% (7.4%)	12(220)	6.0%(6.0%)

*1 This criteria was changed from 2019 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 Mid and Small

(4) Turnover Ratio

Turnover ratio (Market capitalization-based, one-way)	28.7%
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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 October 2020.