

January 30, 2026

## **Request for Public Comments Regarding Partial Revisions to the Index Construction Rules of NFRC's Japan Equity Indexes**

The Index Services Department of Nomura Fiduciary Research & Consulting Co., Ltd. is considering revisions to the index construction rules of NFRC's Japan equity indexes. In order to enhance the transparency of index management, and to proceed with our review while taking into account a wide range of opinions from users and stakeholders, we invite comments in accordance with the outline below.

### **1. Subject Indexes**

- Russell/Nomura Japan Equity Indexes
- Nomura Japan Equity Regional Indexes
- Nomura Japan Equity High Dividend SMART 50
- Nomura Japan Equity High Dividend 70
- Nomura Japan Equity High Dividend 70, Total Dividend Weighted
- Nomura Japan Equity High Dividend 70 Market Neutral Index
- Nomura Shareholder Yield 70
- Nomura Enterprise Value Allocation Index
- Nomura AI Companies 70
- Nomura Japan Equity Beta Select Index
- Nomura High-yield J-REIT Index
- The Yomiuri Stock Index

## 2. Background

- a. In 2017, a tax regime for spin-offs was introduced, and in 2023 special tax measures for partial spin-offs were implemented. Furthermore, in 2025, Tokyo Stock Exchange, Inc. implemented the “Revisions to Securities Listing Regulations and Other Rules Pertaining to Revisions to the Initial Listing Day in the Case of Spin-Offs”<sup>1</sup>. In response to the increase in corporate demergers and spin-offs accompanying these institutional and regulatory changes, we are considering establishing rules to govern their treatment when they occur.
- b. The “Rules for Securities on Alert” introduced by Tokyo Stock Exchange, Inc. in 2007 were reviewed in 2013, and in 2024 they were further enhanced and reorganized under the category of “Securities on Special Alert”. These revisions aim to encourage listed companies to promptly strengthen their internal management systems, ensure that the improved systems become firmly established after remediation, and thereby enhance their effectiveness. In light of these institutional changes, and as a policy to avoid including securities that have issues with their internal management systems, we are considering excluding “Securities on Special Alert” from the eligible universe.

## 3. Key Issues Under Consideration

- a. Corporate Divestiture (company/division spinoff)  
For a newly listed stock as a result of a corporate divestiture (company/division spinoff), in order to avoid index trading attributable to the event, the inclusion ratio<sup>2</sup> for the existing constituent stock will be increased by an amount equivalent to the value of the new stock from the ex-rights date until the day before the new stock’s listing date.
- b. Securities on Special Alert  
Exclude “Securities on Special Alert” from the eligible universe used for periodic reconstitution.

## 4. Submission Deadline

Monday, March 2, 2026

<sup>1</sup> <https://www.jpx.co.jp/english/rules-participants/rules/revise/sjacobq000001oie-att/Outline.pdf>

<sup>2</sup> It is the ratio that shows the number of shares included in the index to the number of shares outstanding for index calculation purposes.

## 5. **Submission of Comments**

Email address for submission: [idx\\_mgr@nfrco.jp](mailto:idx_mgr@nfrco.jp)

Subject line: Index Comments

Please be sure to include:

- For individuals:
  1. Your name
  2. Your occupation
  3. Your contact information (telephone number and email address)
  4. Your comments
- For corporations, organizations, etc:
  1. Name of the submitter
  2. Submitter's capacity/affiliation and the name of the company/organization
  3. Your contact information (telephone number and email address)
  4. Your comments

Please note that, in order to accurately capture comments, we are unable to accept comments by telephone. Thank you for your understanding.

## 6. **Handling of Submitted Comments and Personal Information**

We will compile the submitted comments together with our views and publish them on our website. We may disclose only the names of companies/organizations. If you wish to remain anonymous, please indicate this in your submission. The personal information you provide will be used to allow us to confirm the contents of your comments (including contacting you as necessary) and for other purposes within the scope of our intended use, and will be handled appropriately in accordance with our internal rules. Please refer to the following for our privacy policy. Please note that we are unable to provide individual responses to comments.

- Privacy Policy  
<https://www.nfrco.jp/en/policy/privacy.html>

### **Contact**

Nomura Fiduciary Research & Consulting Co., Ltd.  
 Index Services Department  
[idx\\_mgr@nfrco.jp](mailto:idx_mgr@nfrco.jp)