

March 10, 2006

Changes to the treatment of supervision post stocks in the annual reconstitution and
intra-period revisions of stable shareholding ratios
(Russell/Nomura Japan Equity Indexes)

Russell Investment Group and the Financial & Economic Research Center of Nomura Securities have revised the index inclusion rules, as outlined below, regarding the treatment of supervision post stocks in the annual reconstitution of Russell/Nomura Japan Equity Indexes. We have also revised the rules concerning intra-period revisions of stable shareholding ratios.

1. Index rule revisions

(1) Revisions

We have revised the rules regarding the treatment of liquidation post and supervision post stocks in the annual reconstitution of the equity universe.

- Old rule: Liquidation post stocks are not added to the equity universe.
- New rule: Liquidation post stocks are not added to the equity universe. Supervision post stocks are not added to the equity universe unless they were constituents of Russell/Nomura indexes immediately prior to the annual reconstitution.

(2) Implementation

These revisions to the index rules will take effect from the next annual reconstitution.

2. Intra-period revisions of stable shareholding ratios

(1) Revisions

Outside of the annual reconstitution, stable shareholding ratios will be revised as necessary, in principle, in the event of substantial changes in stable shareholdings due to corporate actions such as the conversion of preferred stocks, M&A involving private (non-listed) companies, tender offer bids (TOB), as well as private placements. The decision as to whether or not to revise stable shareholding ratios will be made upon confirmation of the number of shares following such corporate actions, and in the case revisions are implemented, an announcement to this effect will be made and the changes duly reflected in the indexes

(2) Implementation

These changes to the index rules will take effect on April 1, 2006.

Contact

Financial & Economic Research Center
Nomura Securities, Tokyo
idx_mgr@frc.nomura.co.jp
+81-3-3274-0924