

April 21, 2010

**Addition of the index rule for TOB target companies at regular rebalance  
(Russell/Nomura Japan Equity Indexes)**

Russell Investments and the Quantitative Research Center of Nomura Securities have added the following sentence to “Universe of stocks” (6-1-2.) to the rulebook regarding the treatment of TOB target companies at regular rebalance.

Addition of the following sentence to “Universe of stocks” (6-1-2.)

6-1-2. Universe of stocks

• TOB target companies

Stocks that are the targets of tender offers may be removed from the universe of stock selection if and only if the following requirements are met:

- (1) The offer close date is between the base date of the stock selection<sup>1</sup> and the reconfiguration date<sup>2</sup>,
- (2) The company conducting the tender offer announces that it will acquire all of the shares it does not already own of the target company, and
- (3) The company conducting the tender offer is planning to acquire all of the stock of the target company in exchange for money or stock of the company conducting the offer. In addition, the target company agrees to the offer.

Note 1) Based on data as of the 15<sup>th</sup> day (or the preceding trading day if this falls on a nontrading day) of the month prior to the month preceding the regular reconfiguration (See page 21, section 6-1-3. Selection of stocks).

Note 2) First business day in December (See page 20, 6-1-1. Schedule).

Implementation

These changes to the index rules will take effect starting from the regular rebalance of December 2010.

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