

News Release

Date: December 1, 2010

Contacts: Public Relations, +1-206-505-1858, Russell Investments
Index Products Group, Quantitative Research Center, Nomura Securities +813-3274-0924

Russell/Nomura Japan Equity Indexes add 9 new firms in annual reconstitution

The family of Russell/Nomura Indexes, which captures 98% of the float-adjusted market capitalization of the Japanese equity market, added 9 new firms as part of the annual reconstitution process on December 1, announced Nomura Securities Co., Ltd. and Russell Investments. The membership list was posted on <http://qr.nomuraholdings.com/en/frcnri/index.html>.

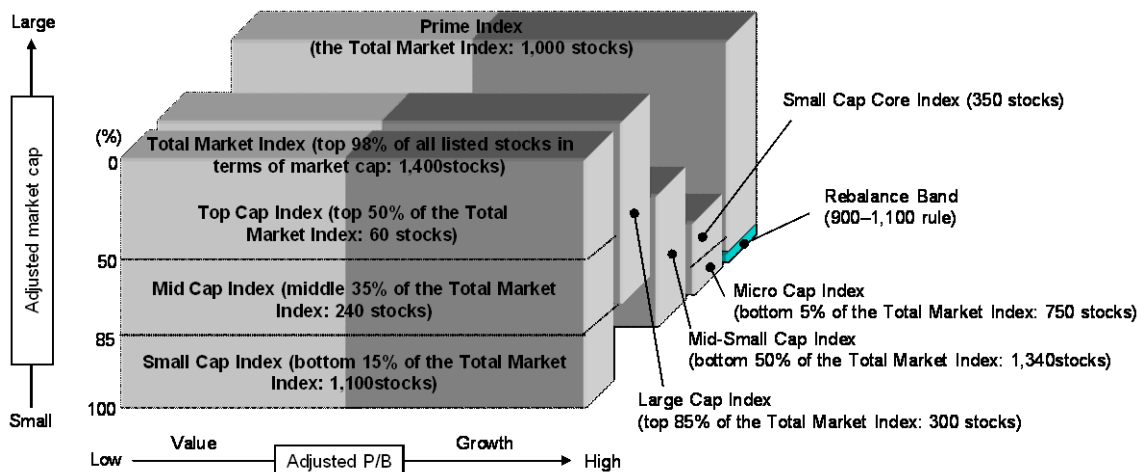
The end of Large turnover in Value and Growth Indexes

The total number of firms in the Russell/Nomura Total Market Index became 1,400, a decrease of 83. While 120 were eliminated from the Index, there were 37 additions, 9 of which were included in the Index for the first time. The total capitalization of the Index slightly increased from 185.1 trillion yen to 187.1 trillion yen (as of October 15, 2010, after float-adjusted).

The number of constituents in the Large Cap Index, which contains the top 85% of the Russell/Nomura Total Market Index based on capitalization size – decreased by 46 and became 300. The number of stocks in the Small Cap Index, which contains the bottom 15% of the Total Market Index decreased by 37 and became 1,100. (see Chart 1).

The Total Value Index had 135 deletions and 92 additions, while the Total Growth Index had 143 deletions and 67 additions. The capitalization turnover ratios for the Value and Growth Indexes are 14.5% and 14.6% respectively. The ratios are much lower than those in 2008 and in 2009, which were relatively high compared a historical level (see Chart 2). In terms of sector, while “Land Transportation” and “Iron & Steel” are tilted to Value, “Electric Appliances” and “Wholesale trade” are tilted to Growth (see Chart 3).

Chart 1 Russell/Nomura Japan Equity Indexes



Note: Number of stocks as of December 1, 2010 following annual reconstitution

Chart 2 Rebalancing Summary

	No. of stocks					% of total market cap			Turnover
	Pre	Post	Diff	OUT	IN	Pre	Post	Diff	
Total	1,483	1,400	-83	120	37	100.0%	100.0%	-	1.8%
Value	1,124	1,081	-43	135	92	48.2%	50.7%	2.5%	14.5%
Growth	665	589	-76	143	67	51.8%	49.3%	-2.4%	14.6%
Large	346	300	-46	48	2	86.7%	84.9%	-1.8%	3.1%
Value	219	190	-29	44	15	39.1%	40.2%	1.1%	16.0%
Growth	239	199	-40	49	9	47.6%	44.7%	-2.9%	15.4%
Small	1,137	1,100	-37	122	85	13.3%	15.1%	1.8%	15.8%
Value	905	891	-14	120	106	9.1%	10.5%	1.4%	21.5%
Growth	426	390	-36	118	82	4.2%	4.6%	0.4%	30.8%
Prime	990	1,000	10	26	36	97.8%	98.2%	0.4%	1.8%
Value	722	748	26	48	74	46.6%	49.3%	2.7%	14.7%
Growth	508	478	-30	87	57	51.2%	48.9%	-2.3%	14.5%

Note: “% of total market cap” based on share price as of October 15, 2010.

Turnover ratio is calculated: $[\Sigma | \text{market cap weighting before reconstitution} - \text{market cap weighting after reconstitution} | / 2]$

Chart 3 Change in Weighting by Sector in Russell/Nomura Style Indexes

	Total Value	Total Growth	Large Value	Large Growth	Small Value	Small Growth
Fishery, agriculture & forestry	0.0%	0.0%	-	-	-0.2%	0.1%
Mining	0.6%	-0.5%	0.6%	-0.6%	0.5%	-0.1%
Construction	-0.1%	-0.1%	-0.2%	-0.1%	-0.2%	-0.2%
Foods	0.8%	-0.8%	0.7%	-1.0%	0.9%	1.0%
Textiles & apparels	-0.1%	0.1%	-0.2%	0.1%	0.3%	-0.4%
Pulp & paper	0.0%	0.0%	-0.1%	0.0%	0.3%	0.0%
Chemicals	-0.5%	0.4%	-0.2%	0.2%	-1.8%	2.0%
Pharmaceutical	-0.1%	0.4%	-0.3%	0.5%	0.5%	-1.0%
Oil & coal products	0.0%	-0.1%	-0.1%	-0.1%	0.5%	-0.1%
Rubber products	0.2%	-0.3%	0.3%	-0.3%	-0.2%	0.0%
Glass & ceramics products	-0.3%	0.4%	-0.4%	0.5%	-0.4%	-0.2%
Iron & steel	1.2%	-1.3%	1.4%	-1.6%	0.3%	2.3%
Nonferrous metals	0.0%	-0.1%	0.1%	-0.1%	0.0%	-0.6%
Metal products	0.0%	0.0%	0.0%	-0.1%	0.0%	0.5%
Machinery	-0.2%	0.2%	-0.1%	0.1%	-1.2%	1.4%
Electric appliances	-1.1%	1.5%	-1.1%	1.9%	-0.6%	-0.6%
Transportation equipment	0.8%	-0.5%	1.3%	-0.6%	-0.8%	1.2%
Precision instruments	-0.1%	0.2%	0.0%	0.2%	-0.3%	0.0%
Other products	-0.1%	0.1%	-0.1%	0.1%	-0.3%	0.1%
Electric power & gas	0.5%	-0.8%	0.8%	-0.9%	0.0%	-0.1%
Land transportation	1.1%	-1.2%	1.5%	-1.3%	-0.1%	1.2%
Marine transportation	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Air transportation	-	0.1%	-	0.1%	-	0.1%
Warehousing & harbor transportation services	0.0%	0.0%	0.0%	-	-0.1%	-0.2%
Information & communication	0.2%	-0.5%	0.2%	-0.4%	0.6%	-1.6%
Wholesale trade	-3.2%	3.2%	-4.0%	3.5%	-0.1%	0.0%
Retail trade	0.1%	-0.4%	0.0%	-0.6%	0.2%	0.4%
Banks	0.3%	-0.1%	0.3%	-0.2%	0.5%	1.0%
Securities & commodity	0.3%	-0.3%	0.3%	-0.3%	0.5%	-1.1%
Insurance	-0.2%	0.1%	-0.2%	0.2%	0.0%	-
Other financing business	-0.1%	0.0%	-0.2%	0.0%	0.2%	-0.1%
Real estate	-0.1%	0.3%	-0.3%	0.4%	0.5%	-0.8%
Services	0.1%	-0.1%	0.0%	0.2%	0.4%	-4.3%

Note: Based on the share price as of October 15, 2010. Highlighted in red are sectors whose weightings in Growth Index increased over 1%, while highlighted in blue are sectors whose weightings in Value Index increased over 1%.

Russell/Nomura Prime Index adds 18 new companies

The Russell/Nomura Prime Index, which is a sub-index of the Russell/Nomura Japan Equity Index, was designed as a benchmark for passive management strategies for institutional investors. It represents all Japanese equity markets and measures the performance of Japan's top 1,000 float-adjusted stocks. As a result of this year's reconstitution, 18 companies came into the Index for the first time. Its total market capitalization slightly increased from 181 trillion yen to 184 trillion yen (as of October 15, 2010, after float-adjusted). The turnover ratio of the Index was low at 1.8%, following the same trend seen in the previous years.

Among the 18 additions overall, the Retail Trade sector ranked first with five newly added constituents, followed by "Wholesale trade" (2), and "Transportation equipment" (2).

About Russell/Nomura Japan Equity Indexes

In 1995, Russell Investments and Nomura Securities Co., Ltd. jointly developed Russell/Nomura Japan Equity Indexes that serve to measure performance based on various investment policies. The indexes are value weighted and include only common stocks domiciled in Japan. All indexes are subsets of the Russell/Nomura Total Market Index, which represents approximately 98% of the investable Japan equity market.

The Indexes are reconstituted annually on the first business day of December, in order to accurately reflect changes in the Japanese marketplace. The membership list is determined based on the float-adjusted market capitalization as of October 15.

Securities that leave the Russell/Nomura indexes between reconstitution dates due to mergers, acquisitions or other similar corporate activity are not replaced. Thus, the number of securities in the indexes over the year fluctuates according to corporate activity. The only additions between reconstitution dates are as a result of spin-offs and initial public offerings falling in the large segment (as determined by the latest reconstitution).

About Russell Investments

Russell Investments provides strategic advice, world-class implementation, state-of-the-art performance benchmarks and a range of institutional-quality investment products. Russell has \$149 billion in assets under management as of September 30, 2010, and serves individual, institutional and advisor clients in more than 40 countries. Founded in 1936, Russell is a subsidiary of the Northwestern Mutual Life Insurance Company. For further information about Russell, please visit www.russell.com.

About Nomura Group

Nomura is a leading financial services group and the preeminent Asian-based investment bank with worldwide reach. Nomura provides a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate and government clients through an international network in over 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London, and New York, Nomura employs over 27,000 staff worldwide. Nomura's unique understanding of Asia enables the company to make a difference for clients through three business divisions: retail, wholesale (global markets, investment banking, and other wholesale), and asset management. For further information about Nomura, please visit www.nomura.com.

###