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Russell/Nomura Indexes Annual Reconstitution Announcement

The Russell/Nomura Japan Equity Indexes' annual reconstitution will be implemented on Dec 1st, 2006.

Information on additions and deletions to the indexes is available from the following URL:

<http://qr.nomuraholdings.com/en/frcnri/docs/eq200612e.txt>

Below is a summary of the reconstitution.

Rebalancing summary

	No.of stocks					% of total market cap			Turnover
	Pre	Post	Diff	Out	In	Pre	Post	Diff	
Total	1,771	1,700	-71	181	110	100.0%	100.0%	-	2.5%
Value	1,205	1,241	36	157	193	48.6%	50.0%	1.4%	18.5%
Growth	899	766	-133	267	134	51.4%	50.0%	-1.4%	17.6%
Large	397	350	-47	55	8	86.7%	84.9%	-1.9%	3.1%
Value	253	237	-16	51	35	40.3%	40.2%	-0.2%	20.3%
Growth	251	214	-37	58	21	46.4%	44.7%	-1.7%	17.7%
Top	70	60	-10	12	2	53.4%	49.9%	-3.5%	7.1%
Value	45	38	-7	12	5	23.2%	20.7%	-2.5%	27.3%
Growth	48	44	-4	9	5	30.3%	29.2%	-1.1%	18.9%
Mid	327	290	-37	57	20	33.3%	35.0%	1.7%	13.1%
Value	208	199	-9	48	39	17.1%	19.4%	2.3%	28.2%
Growth	203	170	-33	56	23	16.1%	15.5%	-0.6%	25.8%
Mid-Small	1,701	1,640	-61	183	122	46.6%	50.1%	3.5%	9.7%
Value	1,160	1,203	43	154	197	25.4%	29.3%	3.9%	22.8%
Growth	851	722	-129	265	136	21.2%	20.8%	-0.3%	23.3%
Small	1,374	1,350	-24	188	164	13.3%	15.1%	1.9%	16.5%
Value	952	1,004	52	143	195	8.3%	9.8%	1.6%	24.7%
Growth	648	552	-96	234	138	5.0%	5.3%	0.3%	29.7%
Small Core	490	450	-40	126	86	9.1%	10.1%	1.0%	23.5%
Value	341	321	-20	100	80	5.5%	6.3%	0.7%	30.8%
Growth	254	223	-31	97	66	3.5%	3.8%	0.3%	35.2%
Micro	884	900	16	200	216	4.2%	5.0%	0.9%	28.0%
Value	611	683	72	131	203	2.7%	3.6%	0.8%	34.4%
Growth	394	329	-65	177	112	1.5%	1.5%	0.0%	38.4%
Prime	985	1,000	15	44	59	96.6%	96.8%	0.2%	2.5%
Value	670	716	46	58	104	46.4%	47.7%	1.3%	18.7%
Growth	540	503	-37	122	85	50.2%	49.0%	-1.1%	17.6%

Note: Share prices as of end-October 2006.

Sectors by styles – No. of constituents and weights

	Total Market						Prime					
	No.of stocks			Sector weights			No.of stocks			Sector weights		
	Pre	Post	Diff	Pre	Post	Diff	Pre	Post	Diff	Pre	Post	Diff
FISHERY,AGRICULTURE & FORESTRY	6	6	0	0.1%	0.1%	0.0%	5	4	-1	0.1%	0.1%	0.0%
MINING	6	5	-1	0.2%	0.4%	0.2%	2	3	1	0.2%	0.4%	0.2%
CONSTRUCTION	90	74	-16	2.1%	2.0%	-0.1%	41	38	-3	2.0%	1.9%	-0.1%
FOODS	77	72	-5	2.5%	2.5%	0.0%	44	43	-1	2.5%	2.4%	-0.1%
TEXTILES & APPARELS	42	33	-9	1.1%	1.1%	0.0%	21	22	1	1.1%	1.1%	0.0%
PULP & PAPER	14	12	-2	0.4%	0.3%	-0.1%	6	6	0	0.3%	0.3%	0.0%
CHEMICALS	118	113	-5	5.4%	5.3%	-0.1%	64	66	2	5.3%	5.3%	0.0%
PHARMACEUTICAL	40	38	-2	4.7%	4.6%	-0.1%	28	28	0	4.8%	4.7%	-0.1%
OIL & COAL PRODUCTS	10	7	-3	0.7%	0.7%	0.0%	6	6	0	0.7%	0.8%	0.1%
RUBBER PRODUCTS	11	10	-1	0.6%	0.6%	0.0%	9	9	0	0.6%	0.6%	0.0%
GLASS & CERAMICS PRODUCTS	24	27	3	1.1%	1.1%	0.0%	16	19	3	1.1%	1.1%	0.0%
IRON & STEEL	33	30	-3	2.5%	2.5%	0.0%	20	21	1	2.6%	2.6%	0.0%
NONFERROUS METALS	25	26	1	1.4%	1.4%	0.0%	18	20	2	1.4%	1.4%	0.0%
METAL PRODUCTS	35	28	-7	0.7%	0.6%	-0.1%	12	14	2	0.6%	0.6%	0.0%
MACHINERY	119	118	-1	4.0%	4.0%	0.0%	68	66	-2	3.9%	3.9%	0.0%
ELECTRIC APPLIANCES	176	173	-3	14.9%	14.8%	-0.1%	105	102	-3	15.1%	14.9%	-0.2%
TRANSPORTATION EQUIPMENT	62	61	-1	9.2%	9.3%	0.1%	44	44	0	9.5%	9.5%	0.0%
PRECISION INSTRUMENTS	25	25	0	1.4%	1.4%	0.0%	15	17	2	1.4%	1.4%	0.0%
OTHER PRODUCTS	42	42	0	1.8%	1.8%	0.0%	23	25	2	1.7%	1.8%	0.1%
ELECTRIC POWER & GAS	20	18	-2	4.2%	4.1%	-0.1%	16	16	0	4.3%	4.2%	-0.1%
LAND TRANSPORTATION	37	36	-1	3.4%	3.3%	-0.1%	24	23	-1	3.5%	3.3%	-0.2%
MARINE TRANSPORTATION	6	6	0	0.5%	0.5%	0.0%	5	5	0	0.5%	0.5%	0.0%
AIR TRANSPORTATION	3	2	-1	0.3%	0.3%	0.0%	2	2	0	0.3%	0.3%	0.0%
WAREHOUSING & HARBOR TRANSPORTATION SERVICES	18	15	-3	0.2%	0.2%	0.0%	5	6	1	0.2%	0.2%	0.0%
INFORMATION & COMMUNICATION	123	116	-7	5.7%	5.6%	-0.1%	57	59	2	5.7%	5.6%	-0.1%
WHOLESALE TRADE	133	128	-5	3.7%	3.7%	0.0%	52	51	-1	3.5%	3.5%	0.0%
RETAIL TRADE	139	141	2	3.7%	3.9%	0.2%	72	72	0	3.6%	3.7%	0.1%
BANKS	93	94	1	11.7%	12.1%	0.4%	74	77	3	12.0%	12.4%	0.4%
SECURITIES & COMMODITY FUTURES	22	24	2	2.3%	2.3%	0.0%	18	19	1	2.4%	2.4%	0.0%
INSURANCE	9	8	-1	2.6%	2.5%	-0.1%	8	8	0	2.6%	2.6%	0.0%
OTHER FINANCING BUSINESS	45	43	-2	2.1%	2.1%	0.0%	32	30	-2	2.1%	2.1%	0.0%
REAL ESTATE	68	79	11	3.1%	3.1%	0.0%	34	39	5	3.0%	3.0%	0.0%
SERVICES	100	90	-10	1.6%	1.7%	0.1%	39	40	1	1.4%	1.5%	0.1%
Total	1771	1700	-71	100.0%	100.0%	—	985	1000	15	100.0%	100.0%	—

Note: Share prices as of end-October 2006.

Sectors by styles – No. of constituents and weights (cont'd)

	Total Market Value						Total Market Growth					
	No.of stocks			Sector weights			No.of stocks			Sector weights		
	Pre	Post	Diff	Pre	Post	Diff	Pre	Post	Diff	Pre	Post	Diff
FISHERY, AGRICULTURE & FORESTRY	3	6	3	0.1%	0.2%	0.1%	4	2	-2	0.1%	0.0%	-0.1%
MINING	4	3	-1	0.2%	0.1%	-0.1%	3	2	-1	0.2%	0.8%	0.6%
CONSTRUCTION	74	62	-12	2.7%	2.7%	0.0%	24	19	-5	1.5%	1.3%	-0.2%
FOODS	65	64	-1	3.2%	3.2%	0.0%	23	15	-8	1.9%	1.8%	-0.1%
TEXTILES & APPARELS	36	29	-7	1.5%	1.6%	0.1%	17	11	-6	0.8%	0.5%	-0.3%
PULP & PAPER	14	12	-2	0.7%	0.7%	0.0%	2	1	-1	0.0%	0.0%	0.0%
CHEMICALS	91	89	-2	5.2%	5.3%	0.1%	53	46	-7	5.5%	5.4%	-0.1%
PHARMACEUTICAL	26	28	2	3.8%	2.2%	-1.6%	23	19	-4	5.6%	7.0%	1.4%
OIL & COAL PRODUCTS	8	6	-2	1.6%	1.3%	-0.2%	7	1	-6	0.4%	0.2%	-0.2%
RUBBER PRODUCTS	10	10	0	0.8%	1.1%	0.3%	3	1	-2	0.3%	0.0%	-0.3%
GLASS & CERAMICS PRODUCTS	20	22	2	1.4%	1.5%	0.1%	11	14	3	0.7%	0.7%	0.0%
IRON & STEEL	28	27	-1	1.0%	2.8%	1.8%	12	9	-3	3.9%	2.2%	-1.7%
NONFERROUS METALS	16	17	1	1.6%	1.4%	-0.2%	16	16	0	1.2%	1.4%	0.2%
METAL PRODUCTS	31	22	-9	1.0%	0.9%	-0.1%	7	7	0	0.4%	0.4%	0.0%
MACHINERY	81	88	7	3.2%	3.4%	0.2%	68	58	-10	4.7%	4.6%	-0.1%
ELECTRIC APPLIANCES	119	125	6	16.1%	14.8%	-1.3%	99	87	-12	13.8%	14.8%	1.0%
TRANSPORTATION EQUIPMENT	50	51	1	10.4%	7.5%	-2.9%	35	30	-5	8.1%	11.1%	3.0%
PRECISION INSTRUMENTS	13	14	1	0.3%	0.4%	0.1%	16	16	0	2.4%	2.4%	0.0%
OTHER PRODUCTS	36	34	-2	2.8%	1.9%	-0.9%	12	13	1	0.8%	1.7%	0.9%
ELECTRIC POWER & GAS	19	18	-1	8.4%	7.7%	-0.7%	3	2	-1	0.2%	0.5%	0.3%
LAND TRANSPORTATION	22	22	0	1.9%	1.7%	-0.2%	23	21	-2	4.8%	4.8%	0.0%
MARINE TRANSPORTATION	2	5	3	0.4%	0.6%	0.2%	6	5	-1	0.6%	0.4%	-0.2%
AIR TRANSPORTATION	1	—	-1	0.3%	—	-0.3%	2	2	0	0.4%	0.6%	0.2%
WAREHOUSING & HARBOR TRANSPORTATION SERVICES	16	14	-2	0.5%	0.4%	-0.1%	5	3	-2	0.0%	0.0%	0.0%
INFORMATION & COMMUNICATION	51	52	1	4.6%	5.4%	0.8%	93	82	-11	6.8%	5.8%	-1.0%
WHOLESALE TRADE	102	111	9	4.6%	6.4%	1.8%	57	31	-26	2.8%	1.0%	-1.8%
RETAIL TRADE	78	94	16	1.9%	3.4%	1.5%	86	81	-5	5.5%	4.4%	-1.1%
BANKS	86	90	4	9.4%	10.9%	1.5%	20	13	-7	13.9%	13.2%	-0.7%
SECURITIES & COMMODITY FUTURES	14	18	4	3.6%	3.0%	-0.6%	12	12	0	1.1%	1.7%	0.6%
INSURANCE	7	8	1	4.3%	4.4%	0.1%	2	1	-1	0.9%	0.6%	-0.3%
OTHER FINANCING BUSINESS	29	33	4	1.3%	1.9%	0.6%	24	17	-7	2.9%	2.4%	-0.5%
REAL ESTATE	23	32	9	0.7%	0.5%	-0.2%	51	60	9	5.3%	5.7%	0.4%
SERVICES	30	35	5	0.8%	0.9%	0.1%	80	69	-11	2.4%	2.4%	0.0%
Total	1205	1241	36	100.0%	100.0%	—	899	766	-133	99.9%	99.8%	—

Note: Share prices as of end-October 2006.

Sectors by styles – No. of constituents and weights (cont'd)

	Large Cap						Small Cap					
	No. of stocks			Sector weights			No. of stocks			Sector weights		
	Pre	Post	Diff	Pre	Post	Diff	Pre	Post	Diff	Pre	Post	Diff
FISHERY, AGRICULTURE & FORESTRY	—	—	—	—	—	—	6	6	0	0.7%	0.6%	-0.1%
MINING	1	1	0	0.2%	0.4%	0.2%	5	4	-1	0.5%	0.4%	-0.1%
CONSTRUCTION	15	11	-4	1.8%	1.7%	-0.1%	75	63	-12	3.9%	4.1%	0.2%
FOODS	14	12	-2	2.2%	2.1%	-0.1%	63	60	-3	5.0%	4.8%	-0.2%
TEXTILES & APPARELS	8	7	-1	1.0%	0.9%	-0.1%	34	26	-8	2.1%	1.9%	-0.2%
PULP & PAPER	2	2	0	0.3%	0.3%	0.0%	12	10	-2	0.9%	0.8%	-0.1%
CHEMICALS	30	27	-3	5.2%	5.1%	-0.1%	88	86	-2	6.3%	6.3%	0.0%
PHARMACEUTICAL	15	13	-2	5.2%	5.0%	-0.2%	25	25	0	1.8%	2.1%	0.3%
OIL & COAL PRODUCTS	5	5	0	0.8%	0.9%	0.1%	5	2	-3	0.2%	0.2%	0.0%
RUBBER PRODUCTS	3	2	-1	0.6%	0.6%	0.0%	8	8	0	0.6%	0.8%	0.2%
GLASS & CERAMICS PRODUCTS	8	7	-1	1.0%	1.0%	0.0%	16	20	4	1.3%	1.6%	0.3%
IRON & STEEL	9	8	-1	2.6%	2.6%	0.0%	24	22	-2	1.9%	1.9%	0.0%
NONFERROUS METALS	8	9	1	1.3%	1.4%	0.1%	17	17	0	2.1%	1.5%	-0.6%
METAL PRODUCTS	4	4	0	0.5%	0.5%	0.0%	31	24	-7	1.8%	1.5%	-0.3%
MACHINERY	19	20	1	3.2%	3.4%	0.2%	100	98	-2	8.8%	7.4%	-1.4%
ELECTRIC APPLIANCES	47	44	-3	15.7%	15.8%	0.1%	129	129	0	10.1%	9.1%	-1.0%
TRANSPORTATION EQUIPMENT	20	18	-2	10.1%	10.2%	0.1%	42	43	1	3.9%	4.0%	0.1%
PRECISION INSTRUMENTS	6	6	0	1.4%	1.4%	0.0%	19	19	0	1.6%	1.4%	-0.2%
OTHER PRODUCTS	8	6	-2	1.7%	1.6%	-0.1%	34	36	2	2.5%	2.7%	0.2%
ELECTRIC POWER & GAS	13	13	0	4.7%	4.8%	0.1%	7	5	-2	0.4%	0.3%	-0.1%
LAND TRANSPORTATION	17	17	0	3.7%	3.6%	-0.1%	20	19	-1	1.5%	1.3%	-0.2%
MARINE TRANSPORTATION	3	3	0	0.6%	0.6%	0.0%	3	3	0	0.3%	0.2%	-0.1%
AIR TRANSPORTATION	2	2	0	0.3%	0.4%	0.1%	1	—	-1	0.0%	—	0.0%
WAREHOUSING & HARBOR TRANSPORTATION SERVICES	2	2	0	0.1%	0.1%	0.0%	16	13	-3	0.9%	0.8%	-0.1%
INFORMATION & COMMUNICATION	22	19	-3	5.7%	5.5%	-0.2%	101	97	-4	5.7%	6.0%	0.3%
WHOLESALE TRADE	11	11	0	3.2%	3.3%	0.1%	122	117	-5	6.7%	6.0%	-0.7%
RETAIL TRADE	21	16	-5	3.1%	3.0%	-0.1%	118	125	7	7.7%	8.7%	1.0%
BANKS	38	29	-9	12.7%	12.9%	0.2%	55	65	10	5.6%	7.3%	1.7%
SECURITIES & COMMODITY FUTURES	8	6	-2	2.4%	2.4%	0.0%	14	18	4	1.6%	2.0%	0.4%
INSURANCE	7	6	-1	2.9%	2.9%	0.0%	2	2	0	0.2%	0.5%	0.3%
OTHER FINANCING BUSINESS	14	8	-6	2.0%	1.8%	-0.2%	31	35	4	2.6%	3.6%	1.0%
REAL ESTATE	9	8	-1	2.8%	2.7%	-0.1%	59	71	12	5.1%	5.1%	0.0%
SERVICES	8	8	0	1.0%	1.1%	0.1%	92	82	-10	5.4%	5.2%	-0.2%
Total	397	350	-47	100.0%	100.0%	—	1374	1350	-24	100.0%	100.0%	—

Note: Share prices as of end-October 2006.