

## Russell/Nomura Indexes Annual Reconstitution

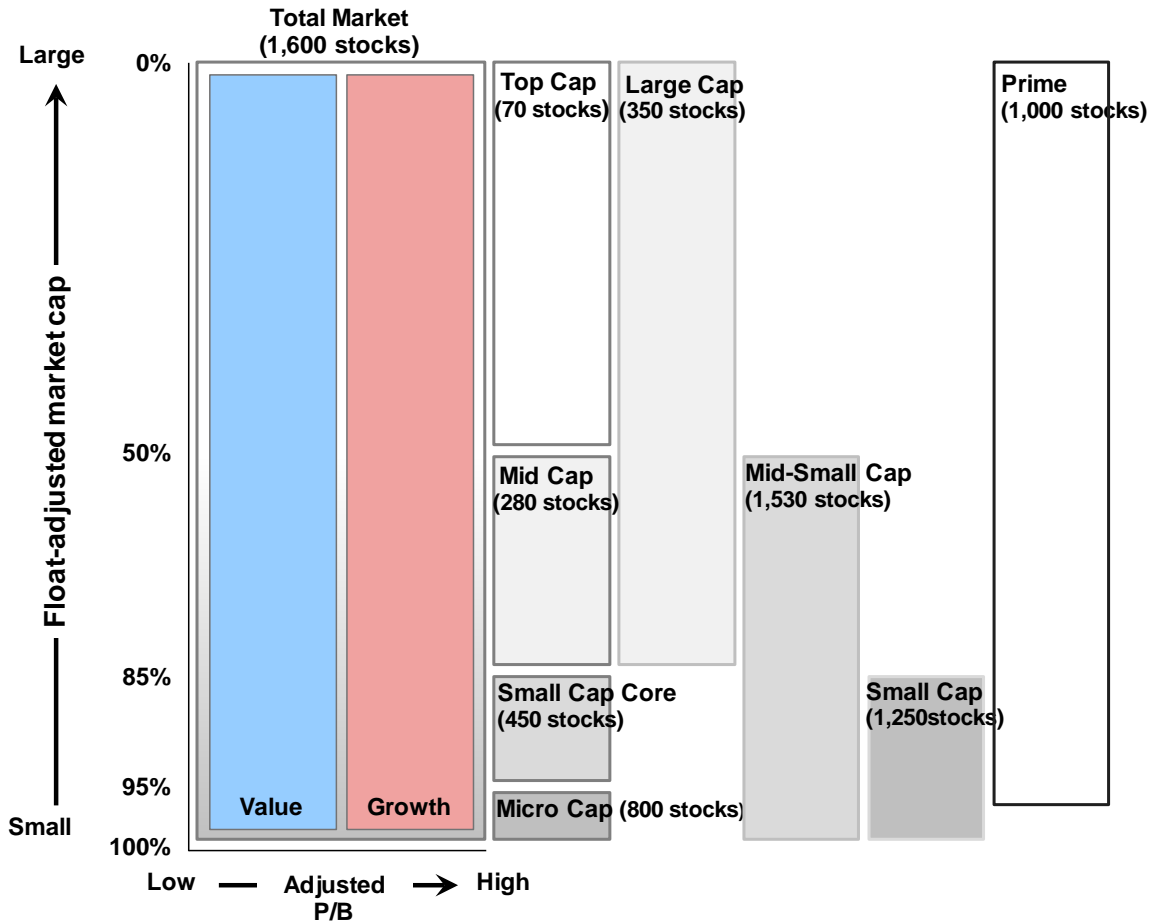
**Tokyo, November 20, 2017**—Nomura Securities Co., Ltd. and FTSE Russell Indexes today announced that the Russell/Nomura Japan Equity Indexes' annual reconstitution for 2017 has been implemented. The number of constituents in the Russell/Nomura Total Market Index, which captures 98% of the float-adjusted market capitalization of the Japanese equity market, came to 1,600. The membership list has been posted on <http://qr.nomuraholdings.com/en/frcnri/index.html>

The total number of firms in the Russell/Nomura Total Market Index was 1,600 as a result of 151 additions and 37 deletions. The total capitalization of the Index was approximately 430 trillion yen (as of October 13, 2017, float-adjusted).

The number of constituents in the Large Cap Index included the same 350 stocks as in the annual reconstitution held last year. The number of stocks in the Top Cap Index and the Mid Cap Index, which are sub-indices of the Large Cap Index, were both the same as last year. The number of stocks in the Small Cap Index, which represents the bottom 15% of the Total Market Index, increased to 1,250 (see Chart 1).

The Total Value Index had 134 additions and 95 deletions, while the Total Growth Index had 210 additions and 87 deletions. The capitalization turnover ratios (one-sided) for the Total Value and Growth indices are low at less than 10% (see Chart 2). In terms of sector concentration, all changes in value and growth weightings are in the 2% range, smaller than last year. With regard to the Large Cap Index, "Land Transportation" and "Retail Trade" are tilted toward Value, while the growth weighting of "Electric Appliances", "Chemicals" and "Machinery" increased by over 1% (see Chart 3). With regard to the Small Cap Index, "Land Transportation" is tilted toward Growth.

**Chart 1 Russell/Nomura Japan Equity Indexes**



Note: Number of stocks as of November 20, 2017 following annual reconstitution

**Chart 2 Rebalancing Summary**

	No. of stocks					% of total market cap			Turnover ratio (one-sided)
	Pre	Post	Diff	Out	In	Pre	Post	Diff	
Total	1,486	1,600	114	37	151	100.00%	100.00%	-	1.6%
Value	1,093	1,132	39	95	134	49.92%	49.30%	-0.62%	9.1%
Growth	796	919	123	87	210	50.08%	50.70%	0.62%	9.8%
Large	350	350	0	17	17	84.63%	84.41%	-0.21%	2.1%
Value	220	223	3	20	23	39.95%	40.17%	0.22%	9.2%
Growth	243	240	-3	28	25	44.68%	44.24%	-0.44%	9.6%
Small	1,136	1,250	114	54	168	15.37%	15.59%	0.21%	9.8%
Value	873	909	36	90	126	9.97%	9.13%	-0.84%	15.8%
Growth	553	679	126	83	209	5.40%	6.46%	1.05%	27.2%
Prime	991	1,000	9	29	38	97.38%	97.09%	-0.30%	1.5%
Value	726	704	-22	71	49	48.27%	47.58%	-0.69%	9.1%
Growth	559	604	45	52	97	49.11%	49.51%	0.39%	9.5%

Note: "% of total market cap" based on share price as of October 13, 2017

Turnover ratio (one-sided) is calculated:

$$\frac{\sum | \text{market cap weighting before reconstitution} - \text{market cap weighting after reconstitution} |}{2}$$

**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%	-	-	0.1%	-0.4%
MINING	0.0%	-	0.0%	-	0.0%	-
CONSTRUCTION	-0.5%	0.5%	-0.4%	0.6%	-0.2%	-0.8%
FOODS	0.3%	-0.3%	0.1%	-0.2%	1.0%	-1.1%
TEXTILES & APPARELS	0.3%	-0.3%	0.4%	-0.3%	0.0%	0.2%
PULP & PAPER	0.0%	0.0%	0.0%	-	0.1%	0.0%
CHEMICALS	-1.3%	1.2%	-1.4%	1.4%	-0.7%	0.1%
PHARMACEUTICAL	0.7%	-0.9%	0.7%	-0.8%	0.8%	-0.9%
OIL & COAL PRODUCTS	0.2%	-0.1%	0.2%	-0.1%	0.1%	-
RUBBER PRODUCTS	-0.3%	0.3%	-0.3%	0.4%	-0.3%	-0.2%
GLASS & CERAMICS PRODUCTS	-0.1%	0.1%	0.0%	-0.1%	-0.7%	1.2%
IRON & STEEL	0.1%	-	0.0%	-	0.3%	-
NONFERROUS METALS	-0.3%	0.3%	-0.1%	0.3%	-1.1%	0.1%
METAL PRODUCTS	-0.1%	0.1%	-0.1%	0.1%	0.1%	0.3%
MACHINERY	-1.0%	1.0%	-0.9%	1.2%	-1.2%	-0.3%
ELECTRIC APPLIANCES	-1.1%	1.1%	-1.2%	1.7%	-0.4%	-0.7%
TRANSPORTATION EQUIPMENT	0.0%	-0.3%	-0.3%	-0.3%	0.5%	0.0%
PRECISION INSTRUMENTS	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.5%
OTHER PRODUCTS	0.0%	-0.1%	0.1%	0.0%	-0.1%	-0.2%
ELECTRIC POWER & GAS	0.1%	-0.1%	0.1%	-	0.0%	0.0%
LAND TRANSPORTATION	0.9%	-0.9%	1.1%	-1.1%	0.1%	1.1%
MARINE TRANSPORTATION	0.0%	-	0.0%	-	0.0%	-
AIR TRANSPORTATION	-0.1%	0.1%	-0.2%	0.1%	-	-
WAREHOUSING & HARBOR TRANSPORTATION SERVICES	0.0%	0.0%	0.0%	-	0.1%	0.0%
INFORMATION & COMMUNICATION	0.6%	-0.8%	0.7%	-1.0%	0.1%	0.8%
WHOLESALE TRADE	0.1%	0.0%	0.0%	-0.1%	0.7%	0.1%
RETAIL TRADE	0.8%	-0.8%	1.0%	-1.3%	0.1%	0.6%
BANKS	0.1%	-0.1%	-0.2%	-0.1%	0.7%	-
SECURITIES & COMMODITY FUTURES	0.0%	0.0%	0.0%	-	0.1%	-0.1%
INSURANCE	0.0%	0.0%	-0.1%	-	0.0%	0.0%
OTHER FINANCING BUSINESS	-0.1%	0.0%	-0.1%	-0.1%	0.0%	0.8%
REAL ESTATE	0.3%	-0.2%	0.2%	-0.2%	0.4%	-0.1%
SERVICES	0.4%	0.2%	0.7%	0.2%	-0.6%	-1.0%

Note: Based on the share price as of October 13, 2017. 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 had 38 additions and 29 deletions**

The Russell/Nomura Prime Index is a sub-index of the Russell/Nomura Total Market Index. The Index was designed as a benchmark for passive management strategies for institutional investors and is composed of Japan's top 1,000 market cap stocks (float-adjusted). As a result of this year's reconstitution, the Index had 38 additions and 29 deletions. The total market capitalization of the Prime Index is approximately 418 trillion yen (as of October 13, 2017, float-adjusted), and the turnover ratio (one-sided) of the index is 1.5%, maintaining a low level.

20 stocks, including two firms that conducted IPOs in 2017, entered the index for the first time. Of the 20 new additions, 19 stocks were components of the Prime Growth Index.

**About Russell/Nomura Japan Equity Indexes:**

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

The indices are reconstituted annually in order to accurately reflect changes in the Japanese marketplace. (The annual reconstitution for this year was implemented on Nov 20, 2017, after closing on Nov 17). Component stocks are determined based on the float-adjusted market capitalization as of October 15 (last business day if October 15 is a holiday).

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 indices 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).

---

ends

---

**For further information please contact:**

<b>Name</b>	<b>Company</b>	<b>Telephone</b>
Index Operations Dept.	Nomura Securities Co., Ltd.	81-3-6703-3986

**Nomura**

Nomura is an Asia-headquartered financial services group with an integrated global network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Retail, Asset Management, and Wholesale (Global Markets and Investment Banking). Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit [www.nomura.com](http://www.nomura.com).