



# Index Manual relating to the Solactive Japanese Buyback Index

Version 2.0 dated January 24st, 2020

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This document contains the underlying principles and regulations regarding the structure and the operating of the Solactive Japanese Buyback Index. Solactive AG (the “**Index Sponsor**”) shall make every effort to implement regulations. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Solactive AG is no recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.

# Introduction

This document (the “**Index Manual**”) is to be used as a guideline with regard to the composition, calculation and management of the Solactive Japanese Buyback Index. Any changes made to the Index Manual are initiated by the Committee specified in Section 1.6. This version of the Index Manual is correct as of the date on the cover of this document. The Solactive Japanese Buyback Index is calculated and published by Solactive AG. The name “Solactive” is copyrighted.

## 1 Index Specifications

The Solactive Japanese Buyback Index (the “**Index**”) is an Index of Solactive AG, and is calculated and published by Solactive AG. It tracks the price movements in shares of companies, which have announced a stock buyback in the last two months preceding the Selection Day.

The Index is a total return index, which means that dividends are reinvested, net of withholding tax. The current withholding tax rates applied are published by the Index Sponsor on the website <http://www.solactive.com/documents-and-downloads/>

The Index is calculated end of day and published in the currencies stated in 1.1.

### 1.1 Short Name and ISIN

Indexname	Index RIC	Index ISIN	Bloomberg	Currency
<b>Solactive Japanese Buyback Index</b>	.BUYJP	DE000SLA7PV2	BUYJP Index	JPY
<b>Solactive Japanese Buyback Index CAD</b>	.BUYJPCAD	DEBUYJPCAD01		CAD
<b>Solactive Japanese Buyback Index EUR</b>	.BUYJPEUR	DEBUYJPEUR01		EUR
<b>Solactive Japanese Buyback Index USD</b>	.BUYJPUSD	DEBUYJPUSD01		USD

### 1.2 Initial Value

The Index is based on 1000 as at the close of trading on the “**Index Base Date**” November 28<sup>th</sup> 2008.  
The Index was launched on the “**Index Launch Date**” July 23<sup>rd</sup> 2014.

### 1.3 Distribution

The Index is published via the price marketing services of Boerse Stuttgart GmbH and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether he will distribute/display the Index via his information systems.

### 1.4 Levels and Calculation Frequency

The level of the Index is calculated end of day on each Index Calculation Date based on the prices on the respective Exchanges on which the Index Components are listed.

Should there be no current Trading Price available on Reuters, the most recent Trading Price or the Trading Price on Reuters for the preceding Index Calculation Date is used in the calculation.

The daily index closing value is calculated using Reuters/WMCO closing spot rates as at 4pm London time.

The Index is calculated and published daily on every Index Calculation Date. In the event that data cannot be provided to the pricing services of Boerse Stuttgart GmbH the Index Level cannot be published.

Any incorrect calculation is adjusted on a retrospective basis. Please note that at the time of the calculation and publication of the Index, the prices used for the calculation may already have changed.

## 1.5 Weighting

On each Adjustment Day (subject to the provisions of Section 2.2) each Index Component of the Solactive Japanese Buyback Index is weighted as follows:

1. Sort the Index Components in a descending order of the Buyback Ratio (the Index Component with the highest Buyback Ratio is ranked number 1, the Index Component with the second highest Buyback Ratio is ranked number 2, etc.)
2. Weight the Index Components proportionally according to its Percentage Buyback Ratio (%BBR(i)).
3. The percentage Weight of each Index Component i is capped at 10% on the Selection Days. The excess weight is allocated proportionally to all Index Components whose percentage Weight is not capped.

In case the combined Weights do not sum up to 100%, the remaining Weight is allocated proportionally according to the Percentage Buyback Ratio.

Any remaining Weight is allocated according to the same procedure amongst all Index Components who have not been capped in any of the previous weighting steps.

## 1.6 Decision-making Bodies

A committee (in this Index Manual referred to as the "**Committee**" or the "**Index Committee**") composed of staff from the Index Sponsor is responsible for selecting and weighting the new index composition in accordance with the rules as described in this Index Manual. The Committee shall also decide about the implementation of any necessary adjustments to the Index in accordance with any applicable regulations that might affect any product that references the Index.

The Committee shall also decide about the future composition of the Index in the event that any Extraordinary Event occurs.

The Committee shall make all decisions and any amendments to the Index Manual on a commercially reasonable basis.

## 1.7 Publication

All specifications and information relevant for calculating the Index are made available on the <http://www.solactive.com> web page and sub-pages (or any successor pages thereto).

## 1.8 Historical Data

Historical data will be maintained from the Index Base Date on November 28<sup>th</sup> 2008.

## 1.9 Licencing

Licences to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by the Index Sponsor.

## **2 Composition of the Index**

### **2.1 Selection of the Index Components**

The Index contains between 15 and 25 Index Components as of the Adjustment Days (subject to the provisions of Section 2.2).

The initial composition of the Index as well as any ongoing adjustment is based on the following rules:

On each Selection Day, the Index Sponsor will determine the Selection Pool. From the Selection Pool the Index Sponsor selects all companies that have announced a Stock Buyback in the Observation Period.

The companies in the Selection Pool are ranked according to their Buyback Ratio. The company with the largest relevant Buyback Ratio is assigned rank number 1, the company with the second-largest relevant Buyback Ratio is rank number 2, etc. The top 25 companies with the highest ranks are then chosen as Index Components and the new Index composition determined this way is valid starting the immediately following Adjustment Day (subject to the provisions of Section 2.2). For the avoidance of doubt, rank number 1 is higher than rank number 2.

The number of Index Components is therefore naturally capped at 25.

In case less than 15 Index Components can be selected according to the process above, the following rule applies.

The highest ranked Index Component(s) in terms of its Percentage Buyback Ratio from the previous Selection Day will be maintained in the Index on condition that a minimum Full Market Capitalization of 100 billion JPY and a minimum 3 months ADV of 300 million JPY (see Section 4 of this document) as of the current Selection Day are fulfilled.

### **2.2 Ordinary Adjustment**

The composition of the Solactive Japanese Buyback Index (BUYJP) is reviewed (see 2.1) on each Selection Day and the new Index composition is announced no later than two Index Calculation Days following the Selection Day.

The new Index composition then becomes effective after close of business on the Adjustment Day immediately following such Selection Day.

On or after 30 September 2014, each Index rebalancing which starts on an Adjustment Day is spread over a ten-day period (Rebalance Period) in order to increase the potential liquidity profile of the Index.

### **2.3 Extraordinary Adjustment**

If a company included in the Solactive Japanese Buyback Index is removed from the Index between two Adjustment Days due to an Extraordinary Event, the Index Weight of the Index Component is reinvested proportionally to all remaining Index Components. This is announced by the Index Sponsor on the Index Calculation Date on which the new composition of the Index is determined by the Committee.

If all information is readily available to the Index Sponsor, the Index Sponsor tries to provide two Index Calculation Dates prior notice before the day on which the new Index composition will become effective.

## **2.4 Backtested Index Levels**

Historical index levels prior to the Index Launch Date (“Backtested Index Levels”) are based on simulated past performances derived using the index rules outlined in this Index Manual. Solactive AG has calculated the Backtested Index Levels by reinvesting dividends paid by index components using the standard formula instead of the Laspeyres formula as stated in this Index Manual (the concepts of standard formula and Laspeyres formula are both defined in the Index Calculation Guidelines available at <http://www.solactive.com/documents-and-downloads/>). Simulated past performances rely on data by 3rd party data vendors, which may have been adjusted, restated or corrected ex post. The Backtested Index Levels are not adjusted for any ex-post adjustments. Although Solactive AG uses all reasonable care to select its data sources, it shall not be held responsible for any inaccuracy of the data it uses or for any use of past index levels (including the Backtested Index Levels). Any changes made to the index methodology after the Index Launch Date are not reflected in the Backtested Index Levels.

## 3 Calculation of the Index

### 3.1 Index Formula

The Index Value on an Index Calculation Date at the relevant time is calculated in accordance with the following formula:

$$Index_t = \frac{\sum_{i=1}^N p_{i,t} * f_{i,t} * x_{i,t}}{D_t}$$

with:

$x_{i,t}$  = Number of Index Shares of the Index Component i on Index Calculation Date t

$p_{i,t}$  = Trading Price of Index Component i on Index Calculation Date t

$f_{i,t}$  = Foreign exchange rate to convert the Trading Price of Index Component i on Index Calculation Date t into the Index Currency

$D_t$  = Divisor on Index Calculation Date t

The initial Divisor on the Index Base Date is calculated according to the following formula:

$$D_{t_0} = \frac{\sum_{i=1}^N (p_{t_0} * f_{i,t_0} * x_{i,t_0})}{1000}$$

### 3.2 Accuracy

The value of the Index will be rounded to the nearest 0.01.

The Number of Index Shares of the Index Components will be rounded to the nearest integer.

Trading Prices and foreign exchange rates will be rounded to the nearest 0.0001.

Divisors will be rounded to the nearest 0.000001.

### 3.3 Adjustments

The Index needs to be adjusted for systematic changes in prices due to Corporate Actions once these become effective.

Following the Committee's decision, the Solactive Japanese Buyback Index is adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Index Sponsor.

### 3.4 Dividends and other Distributions

In respect of dividend reinvestment of Index Components, the Solactive Post Ex-Date Dividend Adjustment Methodology applies for this Index with an effective date as of January 24, 2020. Consequently, all dividend payments that have been reinvested with their estimated dividend amounts and have no confirmed final dividend amounts before of January 24, 2020 will be treated as described will follow is available in the Equity Index Methodology, available on <https://www.solactive.com/wp-content/uploads/2019/12/Equity-Index-Methodology>.

Estimated dividends that have not been confirmed on or have gone ex after the Selection Day on the 29 November 2019 will be treated with the next upcoming Friday Implementation Day as stated in the Equity Index Methodology when they are/become confirmed.

### 3.5 Corporate Actions

#### 3.5.1 Principles

Following the announcement of an Index Components of the terms and conditions of a corporate action the Index Sponsor determines whether such corporate action has a dilutive, concentrative or similar effect on the price of the respective Index Component.

If this should be the case the Index Sponsor shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar effect and shall determine the date on which this adjustment shall come into effect.

Amongst other things the Index Sponsor can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

#### 3.5.2 Capital Increases

In the case of capital increases with ex-date t+1 the Index is adjusted as follows:

$$x_{i,t+1} = x_i * \frac{1+B}{1}$$

with:

$x_{i,t+1}$  = Number of Index Shares of Index Component i on Index Calculation Date t+1  
 $x_{i,t}$  = Number of Index Shares of Index Component i on Index Calculation Date t  
 $B$  = Shares received for every share held

$$p_{i,t+1}^* = \frac{p_{i,t} + s \cdot B}{1+B}$$

with:

$p_{i,t}$  = Trading Price of Index Component i on Index Calculation Date t  
 $p_{i,t+1}^*$  = Hypothetical price of Index Component i on Trading Day t+1  
 $s$  = Subscription price in the Index Component currency

$$D_{t+1} = D_t \cdot \frac{\sum_{i=1}^N (p_{i,t} \cdot f_{i,t} \cdot x_{i,t}) + \sum_{i=1}^N [(p_{i,t+1}^* \cdot f_{i,t} \cdot x_{i,t+1}) - (p_{i,t} \cdot f_{i,t} \cdot x_{i,t})]}{\sum_{i=1}^N (p_{i,t} \cdot f_{i,t} \cdot x_{i,t})}$$

with



$p_{i,t}$  = Trading Price of Index Component i on Index Calculation Date t  
 $f_{i,t}$  = Foreign exchange rate to convert the Trading Price of Index Component i on Index Calculation Date t into the Index Currency  
 $x_{i,t}$  = Number of Index Shares of the Index Component i on Index Calculation Date t  
 $p_{i,t+1}^*$  = Hypothetical price of Index Component i on Index Calculation Date t+1  
 $x_{i,t+1}$  = Number of Index Shares of the Index Component i on Index Calculation Date t+1  
 $D_t$  = Divisor on Index Calculation Date t  
 $D_{t+1}$  = Divisor on Index Calculation Date t+1

### 3.5.3 Share Splits

In the case of share splits with ex-date on Index Calculation Date t+1 it is assumed that the prices change in ratio of the terms of the split. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * B$$

$x_{i,t}$  = Number of Index Shares of the affected Index Component on Index Calculation Date t  
 $x_{i,t+1}$  = Number of Index Shares of the affected Index Component on Index Calculation Date t+1  
 $B$  = Shares after the share split for every share held before the split

### 3.5.4 Stock Distributions

In the case of stock distributions with ex-date on Index Calculation Date t+1 it is assumed that the prices change according to the terms of the distribution. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * (1 + B)$$

$x_{i,t}$  = Number of Index Shares of the affected Index Component i on Index Calculation Date t  
 $x_{i,t+1}$  = Number of Index Shares of the affected Index Component i on Index Calculation Date t+1  
 $B$  = Shares received for every share held

## 3.6 Calculation of the Index in the Event of a Market Disruption Event

The Index is not calculated if a Market Disruption Event or Force Majeure Event occurs. If the Market Disruption Event or Force Majeure Event continues over a period of eight Index Calculation Dates, then the Committee will determine the necessary action (including but not limited to taking into account the market conditions prevailing at this point in time, the last quoted Trading Price for each of the Index Components as well as any other conditions that it deems relevant for calculating the Index value) such that the affected securities resulting from the Market Disruption Event are no longer causing such disruption to occur.

## 4 Definitions

**“Adjustment Day”** is five Index Calculation Dates after the Selection Day. If that day is not a Trading Day the Adjustment Day will be the immediately following Trading Day

**“Rebalance Period”** is the period starting from (and including) the Adjustment Day until and (including) the immediately following 9 Trading Days (for clarification: the entire Rebalance Period is 10 Trading Days).

An **“Implementation Date”** is a day on which the post ex-date dividend adjustments are implemented to the affected indices.

**“Affiliated Exchange”** is with regard to an Index Component an exchange, a trading or quotation system on which options and futures contracts on the Index Component are traded.

**“Buyback Ratio”** is defined as the ratio of total shares announced to be bought back in the relevant period, divided by the total shares outstanding at the beginning of the period. For each Index Component *i* the Buyback Ratio is calculated as follows:

$$\frac{\text{Total number of shares announced to be bought back during the Observation Period for Index Component } i}{\text{Total number of shares outstanding of Index Component } i \text{ at the beginning of the Observation Period}}$$

The necessary data is obtained from one or several leading providers of financial data. Information regarding share buybacks which is not publicly available as of a Selection Day through such provider(s) of financial data therefore cannot be used in determining the Index composition. The Committee ultimately chooses such provider(s).

**“Committee”** or **“Index Committee”** is composed of staff from the Index Sponsor and is responsible for selecting and weighting the new index composition in accordance with the rules as described in this document.

**“Corporate Actions”** include

- Dividend Payments,
- Mergers and Acquisitions,
- Rights Issues,
- Stock Dividends,
- Stock Splits, and
- Spin offs.

**“Delisting”** means in respect of an Index Component, that the Exchange on which such Index Component is listed announces pursuant to its rules or regulations that the listing of, the trading in or the issuing of public quotes on the Index Component on the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Sponsor.

**“Dividend Correction Factor”** is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country.

**“Exchange”** is, in respect of the Selection Pool and every Index Component, the respective primary exchange where the Index Component has its primary listing. The Committee may decide to declare a different stock exchange the “Exchange” for trading reasons, even if the company is only listed there via a stock substitute.

**“Extraordinary Event”** means any of the following:

- a Merger
- a Takeover Bid
- a Delisting
- a Nationalisation
- an Insolvency

The Trading Price for this Index Component on the day the event came into effect is the last available market price for this Index Component quoted on that day (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Index Sponsor). This price is used as the Trading Price of the particular Index Component until the end of the day on which the composition of the Index is next set. In the event of the Insolvency of an Index Component, the Index Component shall remain in the Index until the next Adjustment Day (subject to the provisions of Section 2.2). As long as a market price for the affected Index Component is available on an Index Calculation Date, this shall be applied as the Trading Price for this Index Component on the relevant Index Calculation Date, as determined in each case by the Index Sponsor. The Committee may also decide to eliminate the respective Index Component at an earlier point in time prior to the next Adjustment Day (subject to the provisions of Section 2.2). The procedure in this case is identical to an elimination due to an Extraordinary Event.

An Index Component can only be removed pursuant to this provision as of close of a day on which the Index Committee considers, using publicly available sources, that there is sufficient liquidity to trade such Index Component on such day. Only exception would be a removal at a price of 0, which would only occur in case the Index Committee has to assume - considering publicly available sources - that the fair value of the relevant Index Component is 0. The Committee always attempts to preserve tradability of the entire index in making decisions regarding Extraordinary Events. An announcement outlining the specific treatment will be made publicly available in any case on the webpage of the Index Sponsor. The procedure following these decisions is identical to an elimination due to an Extraordinary Event as defined in 2.3 of this document.

**“Force Majeure Event”** means an event or circumstance (including without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Sponsor and that the Index Sponsor determines affects the Index, any of the Index Components or the methodology on which the Index is based.

**“Full Market Capitalization”** is with regard to each of the Companies in the Selection Pool on a Selection Day calculated by multiplying the number of shares outstanding of the company by its share price.

**“Index”** is the shortcut of the Solactive Japanese Buyback Index and includes all Index Components which fulfils the requirements defined in the Selection Pool.

**“Index Base Date”** or **“ $t_0$ ”** means November 28<sup>th</sup> 2008.

**“Index Calculation Date”** means a day on which Tokyo Stock Exchange is open for trading.

**“Index Component”** or **“Index Component i”** means each share currently included in the Index. At any time, the list of Index Components comprising the Index is available on the Index Sponsor's website.

**“Trading Day”** is with respect to an Index Component included in the Index at the Rebalance Day and every Index Component included in the Index at the Calculation Day immediately following the Rebalance Day (for clarification: this provision is intended to capture the Trading Days for the securities to be included in the Index as new Index Components with close of trading on the relevant Exchange on the Rebalance Day) a day on which the relevant Exchange is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled Exchange closing time and days on which the Exchange is open for a scheduled shortened period. The Index Administrator is ultimately responsible as to whether a certain day is a Trading Day.

**“Index Currency”** means the currency in which the Index is denominated and shall be Japanese Yen (“JPY”).

**“Index Launch Date”** means July 23<sup>rd</sup> 2014 and is the beginning of the live calculation of the Index.

**“Index Sponsor”** means Solactive AG or any other appropriately appointed successor in this function.

**“Insolvency”** occurs with regard to an Index Component if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Components or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

A **“Market Disruption Event”** occurs if

1. one of the following events occurs or exists on a Trading Day prior to the opening quotation time for an Index Component:
  - A) trading is suspended or restricted (due to price movements that exceed the limits allowed by the Exchange or an Affiliated Exchange, or for other reasons):
    - 1.1. across the whole Exchange; or
    - 1.2. in options or futures contracts on or with regard to an Index Component or an Index Component that is quoted on an Affiliated Exchange; or
    - 1.3. on an Exchange or in a trading or quotation system (as determined by the Index Sponsor) in which an Index Component is listed or quoted; or
  - B) an event that (in the assessment of the Index Sponsor) generally disrupts and affects the opportunities of market participants to execute on the Exchange transactions in respect of a share included in the Index or to determine market values for a share included in the Index or to execute on an Affiliated Exchange transaction with regard to options and futures contracts on these shares or to determine market values for such options or futures contracts; or
2. trading on the Exchange or an Affiliated Exchange is ceased prior to the usual closing time (as defined below), unless the early cessation of trading is announced by the Exchange or Affiliated Exchange on this Trading Day at least one hour before:
  - (aa) the actual closing time for normal trading on the Exchange or Affiliated Exchange on the Trading Day in question or, if earlier.
  - (bb) the closing time (if given) of the Exchange or Affiliated Exchange for the execution of orders at the time the quote is given.

**“Normal Exchange closing time”** is the time at which the Exchange or an Affiliated Exchange is normally closed on working days without taking into account after-hours trading or other trading activities carried out outside the normal trading hours; or
3. a general moratorium is imposed on banking transactions in the country in which the Exchange is resident if the above-mentioned events are material in the assessment of the Index Sponsor, whereby the Index Sponsor makes his decision based on those circumstances that he considers reasonable and appropriate.

**“Merger”** means the occurrence of any of the following:

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person; or
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Component is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation); or

- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal person); or
- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

**“Nationalisation”** is a process whereby all shares or the majority of the assets of a company are nationalised or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

**“Number of Index Components”** or **“N”** is on any given Index Calculation Date the number of Index Components included in the Index.

**“Number of Index Shares”** is in respect of an Index Component and on any given Index Calculation Date the number of such Index Components in one Index. It is determined for each Index Component and each Selection Day by the Index Sponsor by using the target Weight of such Index Component.

**“Observation Period”** is defined as the period between the current Selection Day (including the Selection Day) and the last Selection Day (excluding the Selection Day).

**“Percentage Buyback Ratio”** or **“%BBR(i)”** is defined as the Buyback Ratio of Index Component i divided by the sum of all Buyback Ratios of the Index Components:

$$\%BBR(i) = \frac{\text{Buyback Ratio of Index Component } i}{\sum_{j=1}^N \text{Buyback Ratio of Index Component } j}$$

**“Selection Day”** is the last Index Calculation Date in January, March, May, July, September and November.

**“Selection Pool”** in respect of a Selection Day are those companies that fulfil the following conditions:

- (a) Announcement of at least one Stock Buyback during the Observation Period ending on the Selection Day.
- (b) Domicile in and listing on a regulated stock exchange of the following country:
  - Japan.
- (c) Full Market Capitalisation of at least 100 billion JPY.
- (d) 3 months ADV of at least 300 million JPY in the last three months.

**“Stock Buyback”** means a company buying back its own shares on the market.

**“Takeover Bid”** is a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from an Index Component or the right to acquire these shares, as determined by the Index Sponsor based on notices submitted to public or self-regulatory authorities or other information considered by the Index Sponsor to be relevant.

**"Three Months Average Daily Traded Value" or "3-month ADV"** is the average daily value traded for the past 3 months.

**"Trading Price"** means, with regards to an Index Component (subject to the provisions given above under "Extraordinary Events") and in respect of an Index Calculation Date, is the most recent trading price of such Index Component on such Index Calculation Date.

**"Weight"** is the percentage share of an Index Component in the Index.

## **5 Appendix**

### **5.1 Contact Data**

#### **Information regarding the Solactive concept**

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### **5.2 Calculation of the Index – Change in Calculation Method**

The application by the Index Sponsor of the method described in this document is final and binding. The Index Sponsor shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to this method. The Index Sponsor may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. Despite the modifications and changes the Index Sponsor will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.