

## S&P Japan 500 Consultation Results

**TOKYO, JUNE 6, 2017:** S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the S&P Japan 500 and its component indices.

Effective prior to the market open on Monday, June 19, 2017, in conjunction with the implementation of the June 2017 Quarterly Review, S&P DJI will make the following methodology changes to the S&P Japan 500 and its component indices:

**Market Capitalization Screening.** Index composition was reviewed using float-adjusted market capitalization after the market close on the review reference date. S&P DJI will instead use the three-month average float-adjusted market capitalization in order to diminish the impact of market capitalization fluctuations.

**Index Selection Buffers.** S&P DJI will introduce buffers for the removal and replacement of current index constituents in order to reduce portfolio turnover as follows:

- At each review, stocks in the index universe will be ranked by their three-month average float-adjusted market capitalizations.
- If a current constituent ranks below the threshold rank detailed below, it is removed.
- The largest non-constituent that is ranked within the representative size segment is added as a replacement, provided all other eligibility factors are met.

The removal and replacement rank thresholds are as follows:

Index	Removal	Replacement
S&P/TOPIX 150	Rank lower than 220	Rank among the top 150
S&P Japan Mid Cap 100	Rank lower than 330	Rank between 151 and 250 (inclusive)
S&P Japan Small Cap 250	Rank lower than 650	Rank between 251 and 500 (inclusive)

**Float Rate for New Additions.** S&P DJI will introduce a minimum float rate requirement for new index additions in order to ensure the stocks included in an index are liquid and investable. For new index additions, a float rate of at least 50% will be required.

**GICS Sector Balance Criteria.** S&P DJI will aim to maintain the weighting for each Global Industry Classification Standard (GICS®) sector in the S&P Japan 500 and S&P/TOPIX 150 within  $\pm 3\%$  from its weighting in the S&P Japan BMI in order to ensure representative sector weightings.

Consultation feedback received has been favorable for the changes being implemented.

Please note that the index methodologies on S&P Dow Jones Indices’ website are being updated to reflect these changes.

For more information about S&P Dow Jones Indices, please visit [www.spdji.com](http://www.spdji.com).

## ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than based on any other provider in the world. With over 1,000,000 indices and more than 120 years of experience constructing innovative and transparent solutions, S&P Dow Jones Indices defines the way investors measure and trade the markets.

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