

July 30, 2008

Revisions to the index rules of the Russell/Nomura Japan Equity Indexes

Russell Investments and the Quantitative Research Dept. of Nomura Securities have added index exclusion rules, as outlined below, concerning events which affect a constituent's eligibility for inclusion in the Russell/Nomura Japan Equity Indexes. We have also added an index rule covering intra-period revisions to stable shareholding ratios.

In addition, we have revised the wording of one section of the rule in accordance with changes to the listing definitions of security exchanges. Finally, we have also revised the wording of another section of the rule in regards to foreign stocks.

1. New index rule concerning the removal of stocks

In the case of an event, such as a merger or acquisition which affects a constituent's eligibility for inclusion in the Russell/Nomura Japan Equity Indexes, any removal decision will be made once there is an official announcement by the companies, stock exchange, government or regulatory agency.

2. New index rule addition concerning intra-period revisions to stable shareholding ratios

If the stable shareholding ratio changes due to a share buyback, the shareholding ratio will be adjusted on the day the share adjustment occurs.

Stable shareholding ratio after adjustment = (stable shareholding ratio prior to adjustment x number of shares outstanding for index purposes prior to the share buyback + the change in shares outstanding as a result of the share buyback) / (number of shares outstanding for index purposes prior to the share buyback + the change in shares outstanding as a result of the share buyback)

This ensures that the number of shares included in index calculations, which is adjusted for stable shareholdings, remains the same both before and after the share buyback.

3. Revisions of statements of index rules in regards to universe of stocks

(1) Revisions in accordance with changes to the listing definitions of security exchanges

We have revised the wording of index rules, in accordance with changes to the listing definitions of security exchanges, regarding the eligibility of stocks for the regular rebalance of the indexes.

Old statement: Liquidation post stocks are not added to the equity universe. Supervision post stocks are not added to the equity universe unless they were constituents of Russell/Nomura indexes immediately prior to the annual reconstitution.

New statement: Delisted stocks and stocks on posts for delisting are not included in the universe. Securities under Supervision (Examination), Securities under Supervision (Confirmation), and supervision post stocks that are not part of the index composition at the moment of regularly scheduled reconfigurations are not included in the universe.

(2) Revisions in reference to foreign stocks

We have revised the statements of foreign stocks' section.

Old statement: [Stocks listed on foreign sections of Japanese exchanges] Stocks regarded as overseas companies (ie, stocks listed on the foreign sections of Japanese exchanges) are excluded.

New statement: [Foreign stocks] Stocks listed on foreign sections of Japanese exchanges, or stocks regarded as overseas companies are excluded, even if these stocks are traded in Japanese market.

4. Implementation

These changes to the index rules will take effect on August 1, 2008.

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