

FY24 handbook

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[Japan index products](#)

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Russell/Nomura Japan Equity Indexes have the following characteristics:

- They are share price indexes that are weighted by free float-adjusted market capitalization and cover the top 98% of all listed stocks in terms of float-adjusted market capitalization, thereby offering broad market coverage.
- Stocks are chosen from the whole Japanese stock market.
- Because the indexes take into consideration the stable shareholding ratio, they reflect the stocks that are actually available for investment.
- There are style indexes for large and small companies and for value and growth stocks.
- The Russell/Nomura Prime Index contains the top 1,000 stocks in the Total Market Index in terms of free float-adjusted market cap, taking into account “banding” and the “negative list”.
- Stocks are selected quantitatively based on clearly defined criteria.
- The composition of each index is reviewed once a year.

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1. Introduction

The Russell/Nomura Japan Equity Indexes are Japanese equity indexes developed jointly by Nomura Fiduciary Research & Consulting Co., Ltd. (“NFRC”) and Frank Russell Company.^[1]

Russell/Nomura Japan Equity Indexes should be useful in:

- Determining investment strategies (strategic asset allocation)
- Determining manager structures
- Devising asset management benchmarks
- Supporting portfolio management activities
- Evaluating the performance of various investment styles
- Managing risk

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- Stocks are chosen from the whole Japanese stock market^[2]
- Because the indexes take into consideration the stable shareholding ratio, they reflect the stocks that are actually available for investment
- There are style indexes for large and small companies and for value and growth stocks
- The Russell/Nomura Prime Index contains the top 1,000 stocks in the Total Market Index in terms of free float–adjusted market cap, taking into account “banding” and the “negative list”
- Stocks are selected quantitatively based on clearly defined criteria
- The composition of each index is reviewed once a year

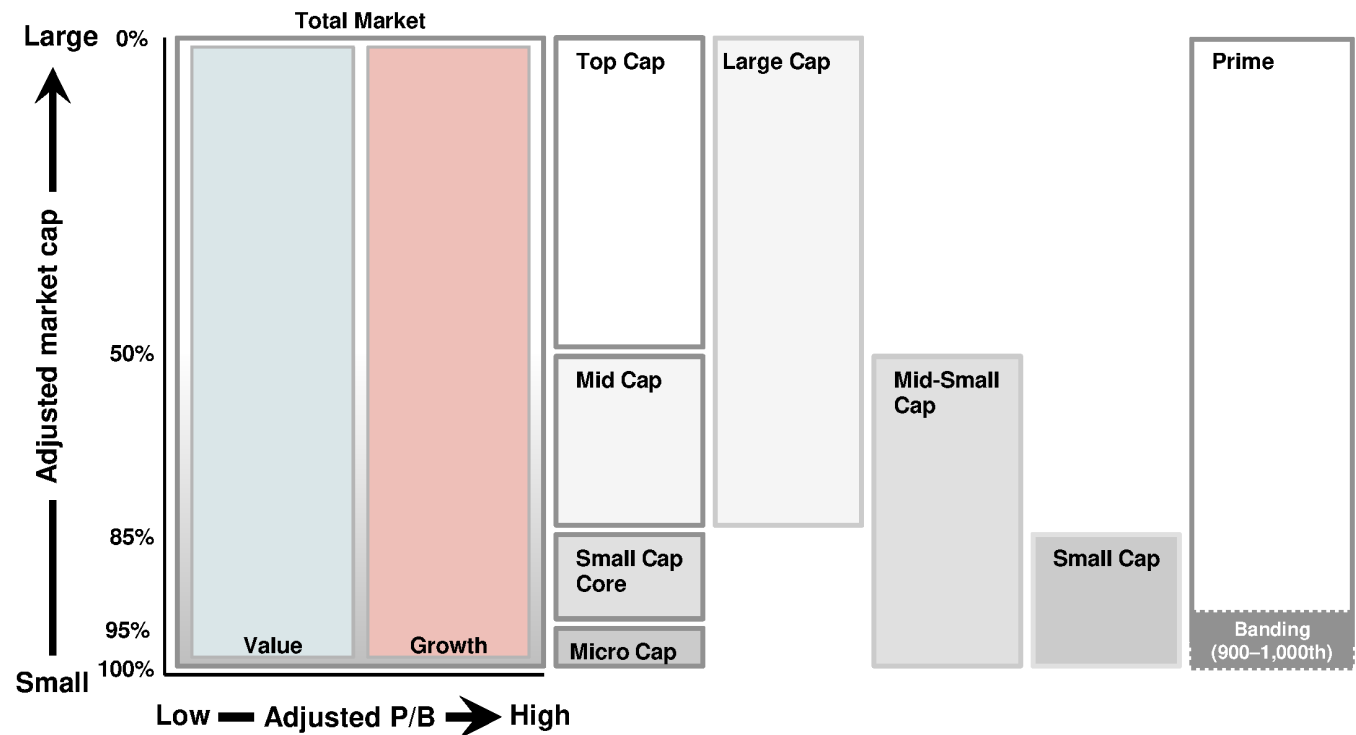
Complete details of rules for the Russell/Nomura Japan Equity Index can be found in the Russell/Nomura Japan Equity Index Rulebook.

1. NFRC took over the index business of Nomura Securities Co., Ltd., effective 1 February 2023.
2. Tokyo Stock Exchange (Prime Market, Standard Market, Growth Market, TOKYO PRO Market), Nagoya Stock Exchange, Sapporo Securities Exchange, and Fukuoka Stock Exchange.

2. Russell/Nomura Japan Equity Indexes

Russell/Nomura Japan Equity Indexes cover the top 98% of stocks listed on all markets in terms of free float-adjusted market cap. Size-based and investment style indexes are published separately as subindexes. Stocks are divided between the size-based indexes on the basis of their float-adjusted market capitalization, while the adjusted market capitalization of constituent stocks is divided between Value and Growth investment style indexes on the basis of their adjusted P/B ratios.

Fig. 1: Russell/Nomura Japan Equity Indexes



Source: NFRC

- The Russell/Nomura Total Market Index contains the top 98% of all stocks listed on Japanese stock exchanges in terms of free float-adjusted market cap
- The Russell/Nomura Prime Index contains the top 1,000 stocks in the Total Market Index in terms of free float-adjusted market cap, taking into account “banding” and the “negative list”
- Index compositions are based on the cumulative free float-adjusted market cap of the top-ranking constituent stocks in the Russell/Nomura Total Market Index in terms of free float-adjusted market cap

The Russell/Nomura Large Cap Index contains the top 85%

The Russell/Nomura Small Cap Index contains the bottom 15%

The Russell/Nomura Top Cap Index contains the top 50%

The Russell/Nomura Mid-Small Cap Index contains the bottom 50%

The Russell/Nomura Micro Cap Index contains the bottom 5%

- The Russell/Nomura Small Cap Core Index comprises stocks in the Small Cap Index, excluding the Micro Cap Index
- The Russell/Nomura Mid Cap Index contains the stocks in the Mid-Small Cap Index excluding those in the Small Cap Index

3. Russell/Nomura Japan Equity Indexes: composition

3.1 Number of stocks and market capitalization

Figure 2 shows the number and market capitalization of the stocks in the Russell/Nomura Total Market Index and in the total market.

Fig. 2: Russell/Nomura Total Market Index and the total market

	No of stocks		Market cap (¥100mn)		
	R/N	Total market	Russell/Nomura (adjusted for stable shareholdings)	Russell/Nomura (not adjusted for stable shareholdings)	Total market (not adjusted for stable shareholdings)
Tokyo Stock Exchange	1,398	3,910	5,866,098	8,546,399	8,882,018
Others	2	103	978	2,885	10,530
Total	1,400	4,013	5,867,076	8,549,285	8,892,549

Note: Market cap data as of 17 Nov 2023. The Russell/Nomura Total Market Index (Russell/Nomura) is as of the Nov 2023 regular reconstitution. Market selection was the TSE, followed by the Nagoya Stock Exchange, the Fukuoka Stock Exchange, and the Sapporo Securities Exchange, in that order.

Source: NFRC

Figure 3 shows the number of stocks for each index as of the date of its regular reconstitution, together with the percentage of total market capitalization, and the market capitalization of the largest and smallest stocks.

Fig. 3: Number of stocks in each index and % of total market capitalization

Index	Number of stocks	% of total market cap	Market cap of largest and smallest stock (¥100mn)	
			Largest	Smallest
Total Market	1,400	100.0%	182,346	139
Value	1,017	47.2%	131,233	11
Growth	728	52.8%	160,904	10
Large	300	86.2%	182,346	2,789
Large Value	199	38.9%	131,233	233
Large Growth	194	47.3%	160,904	241
Top	50	49.6%	182,346	22,553
Top Value	28	19.1%	131,233	4,432
Top Growth	38	30.6%	160,904	2,971
Mid	250	36.6%	27,976	2,789
Mid Value	171	19.8%	26,663	233
Mid Growth	156	16.8%	27,976	241
Mid-Small	1,350	50.4%	27,976	139
Mid-Small Value	989	28.2%	26,663	11
Mid-Small Growth	690	22.2%	27,976	10
Small	1,100	13.8%	3,323	139
Small Value	818	8.4%	3,323	11
Small Growth	534	5.4%	3,205	10
Small Core	350	9.0%	3,323	615
Small Core Value	242	5.2%	3,323	47
Small Core Growth	191	3.8%	3,205	43
Micro	750	4.8%	1,015	139
Micro Value	576	3.1%	870	11
Micro Growth	343	1.7%	1,015	10
Prime	1,000	98.3%	182,346	259
Prime Value	707	46.1%	131,233	31
Prime Growth	554	52.3%	160,904	22

Note: Based on constituent stocks as of regular reconstitutions in Nov 2023. Market cap data as of 17 Nov 2023. Number of stocks for Value and Growth indexes is the number of stocks for which all or part of the market capitalization is allocated to the Value or Growth indexes. Market cap of stocks in Value and Growth indexes is the market capitalization for these stocks that is allocated to the Value or Growth indexes.

Source: NFRC

3.2 Number of stocks as of date of regular reconstitution

Figure 4 shows the number of stocks in each index as of the date of past regular reconstitutions

Fig. 4: Number of constituent stocks

Date (yyymm)	Total			Large	Small	Prime
		Value	Growth			
198101	1,091	656	713	400	691	—
198201	1,091	708	642	400	691	—
198301	1,091	766	592	400	691	—
198401	1,091	738	630	400	691	—
198501	1,104	706	672	400	704	—
198601	1,142	733	762	400	742	—
198701	1,142	833	672	400	742	—
198801	1,199	860	765	400	799	—
198901	1,267	877	778	400	867	—
199001	1,381	827	972	500	881	—
199101	1,561	920	1,118	500	1,061	—
199201	1,585	1,017	1,070	500	1,085	—
199301	1,586	1,092	954	500	1,086	—
199401	1,586	1,118	940	500	1,086	—
199501	1,749	1,111	1,090	500	1,249	—
199601	1,754	1,191	1,006	500	1,254	—
199701	1,854	1,251	1,082	500	1,354	—
199801	1,854	1,575	701	500	1,354	1,000
199901	1,854	1,584	616	500	1,354	1,000
200001	1,854	1,551	656	500	1,354	1,000
200101	1,854	1,544	642	500	1,354	1,000
200202	1,853	1,573	578	300	1,553	1,000
200212	1,500	1,225	527	300	1,200	1,000
200312	1,600	1,233	677	350	1,250	1,000
200412	1,700	1,231	796	400	1,300	1,000
200512	1,799	1,218	915	400	1,399	1,000
200612	1,700	1,241	766	350	1,350	1,000
200712	1,500	1,164	668	300	1,200	1,000
200812	1,400	1,111	519	300	1,100	1,000
200912	1,500	1,139	669	350	1,150	1,000
201012	1,400	1,081	589	300	1,100	1,000
201112	1,400	1,044	719	350	1,050	1,000
201212	1,500	1,159	712	350	1,150	1,000
201312	1,400	1,043	686	300	1,100	1,000
201412	1,500	1,103	806	350	1,150	1,000
201512	1,400	1,000	760	350	1,050	1,000
201611	1,500	1,104	801	350	1,150	1,000
201711	1,600	1,132	919	350	1,250	1,000
201811	1,600	1,108	877	350	1,250	1,000
201911	1,600	1,141	812	350	1,250	1,000
202011	1,600	1,228	813	350	1,250	1,000
202111	1,500	1,113	746	300	1,200	1,000
202211	1,500	1,103	776	300	1,200	1,000
202311	1,400	1,017	728	300	1,100	1,000

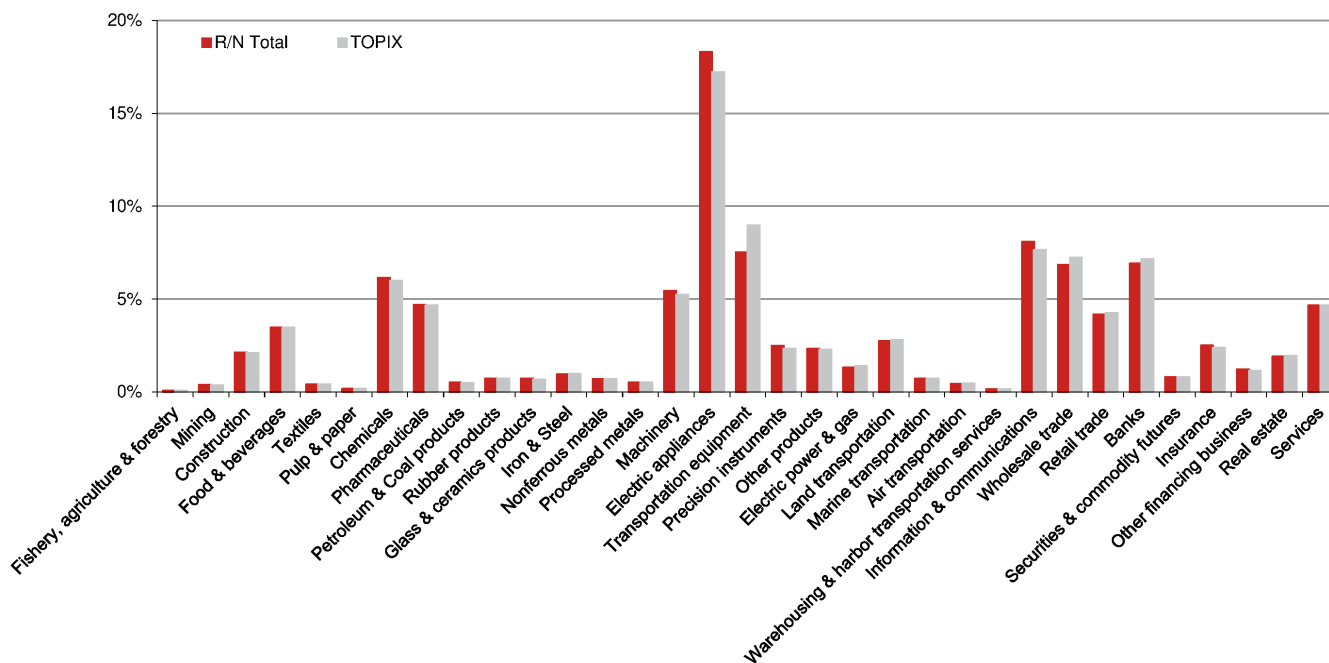
Note: As of regular reconstitution date each year.

Source: NFRC

3.3 Sector allocation

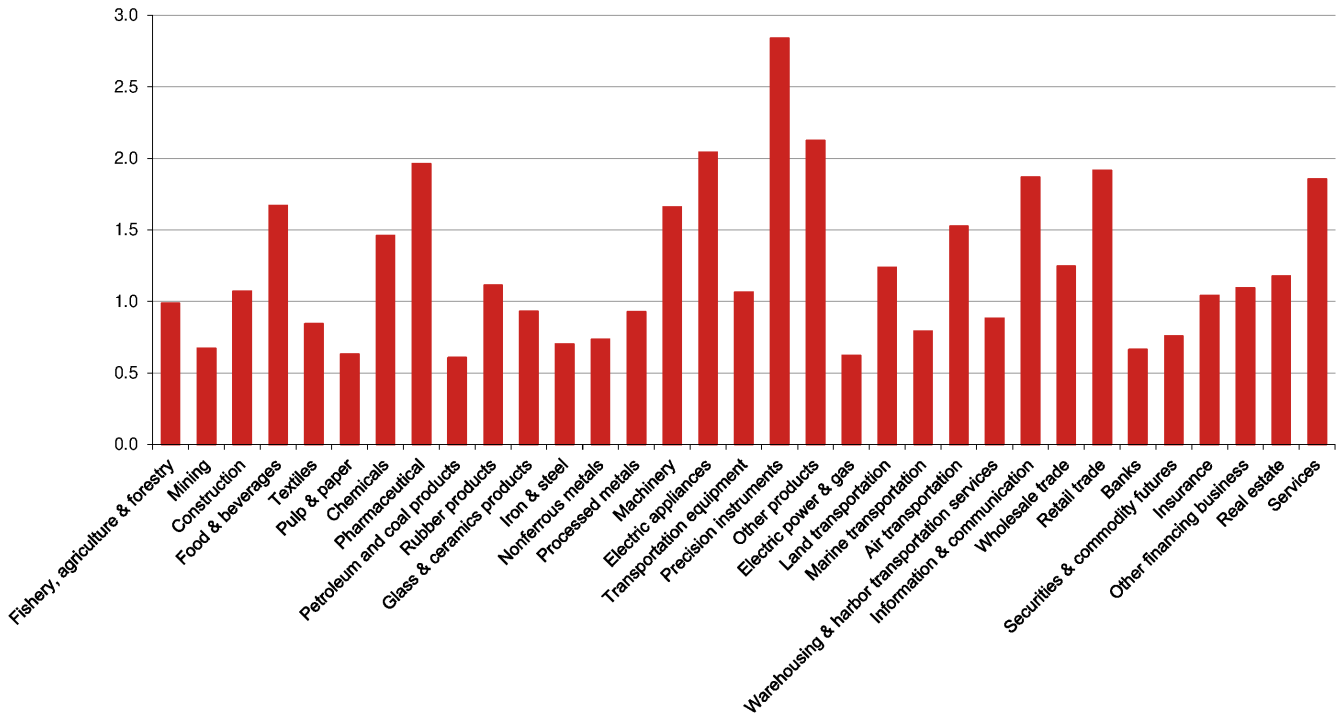
Figure 5 shows the percentage of Russell/Nomura Total Market Index market capitalization in each of 33 sectors. Compared with the TOPIX, the Russell/Nomura Total Market Index is more heavily weighted toward the electric appliances sector and less heavily weighted toward the transportation equipment sector.

Fig. 5: Sector allocation of Russell/Nomura Total Market Index and TOPIX



Note: Figures for Russell/Nomura Total Market Index are based on constituent stocks as of the regular reconstitution date in Nov 2023. Market cap data as of 17 Nov 2023. Source: NFRC

Fig. 6: Average adjusted P/B ratio by sector for the Russell/Nomura Total Market Index



Note: Figures for Russell/Nomura Total Market Index are based on constituent stocks as of the regular reconstitution date in Nov 2023. Market cap data as of 13 Oct 2023, the date of determination for the regular reconstitution. Average adjusted P/B = [sum of share prices of stocks included] / (sum of BPS adjusted for unrealized gains/losses of stocks included).

Source: NFRC

3.4 Top 10 stocks by market capitalization

Figure 7 shows the top 10 stocks by weighting in each index.

Fig. 7: Top 10 stocks by weighting in each index

Rank	Top	Top Value	Top Growth
1	7203 Toyota Motor	8306 Mitsubishi UFJ Financial Group	6758 Sony Group
2	6758 Sony Group	8316 Sumitomo Mitsui Financial Group	6861 Keyence
3	8306 Mitsubishi UFJ Financial Group	7203 Toyota Motor	8035 Tokyo Electron
4	6861 Keyence	7267 Honda Motor	9432 Nippon Telegraph and Telephone
5	8035 Tokyo Electron	8058 Mitsubishi	7203 Toyota Motor
6	9432 Nippon Telegraph and Telephone	8031 Mitsui & Co	4063 Shin-Etsu Chemical
7	8316 Sumitomo Mitsui Financial Group	9984 SoftBank Group	4568 Daiichi Sankyo
8	8058 Mitsubishi	8411 Mizuho Financial Group	9433 KDDI
9	6501 Hitachi	4502 Takeda Pharmaceutical	7974 Nintendo
10	4063 Shin-Etsu Chemical	6752 Panasonic Holdings	6098 Recruit Holdings
Mid		Mid Value	Mid Growth
1	5401 Nippon Steel	5401 Nippon Steel	2802 Ajinomoto
2	2802 Ajinomoto	6971 Kyocera	9983 Fast Retailing
3	7011 Mitsubishi Heavy Industries	9022 Central Japan Railway	4452 Kao
4	9983 Fast Retailing	8725 MS&AD Insurance Group Holdings	4543 Terumo
5	9020 East Japan Railway	9020 East Japan Railway	7733 Olympus
6	4452 Kao	2502 Asahi Group Holdings	4523 Eisai
7	6971 Kyocera	1605 Inpex	9735 Secom
8	4543 Terumo	8630 Sompo Holdings	6920 Lasertec
9	2502 Asahi Group Holdings	9101 Nippon Yusen	4911 Shiseido
10	7733 Olympus	1925 Daiwa House Industry	8113 Unicharm
Small Core		Small Core Value	Small Core Growth
1	4202 Daicel	4202 Daicel	4186 Tokyo Ohka Kogyo
2	9044 Nankai Electric Railway	5901 Toyo Seikan Group Holdings	4516 Nippon Shinyaku
3	5901 Toyo Seikan Group Holdings	9831 Yamada Holdings	7729 Tokyo Seimitsu
4	9831 Yamada Holdings	8233 Takashimaya	3563 Food & Life Companies
5	8233 Takashimaya	9504 Chugoku Electric Power	2501 Sapporo Holdings
6	4186 Tokyo Ohka Kogyo	9364 Kamigumi	9989 Sundrug
7	4516 Nippon Shinyaku	9987 Suzuken	8056 Biprogy
8	7729 Tokyo Seimitsu	9044 Nankai Electric Railway	2593 Ito En
9	3563 Food & Life Companies	7180 Kyushu Financial Group	3349 Cosmos Pharmaceutical
10	5803 Fujikura	1951 Exeo Group	9749 Fuji Soft
Micro		Micro Value	Micro Growth
1	3433 Tocalo	5911 Yokogawa Bridge Holdings	4816 Toei Animation
2	3167 TOKAI Holdings	9302 Mitsui-Soko Holdings	1407 West Holdings
3	5911 Yokogawa Bridge Holdings	2733 Arata	4373 Simplex Holdings
4	9302 Mitsui-Soko Holdings	6737 Eizo	8153 Mos Food Services
5	4816 Toei Animation	6804 Hosiden	3076 Ai Holdings
6	3569 Seiren	9956 Valor Holdings	2678 Askul
7	1407 West Holdings	7242 KYB	2931 Euglena
8	8140 RYOSAN	8140 RYOSAN	6315 Towa
9	3148 Create SD Holdings	7278 Exedy	2685 Adastria
10	4373 Simplex Holdings	4506 Sumitomo Pharma	6036 KeePer Technical Laboratory
Prime		Prime Value	Prime Growth
1	7203 Toyota Motor	8306 Mitsubishi UFJ Financial Group	6758 Sony Group
2	6758 Sony Group	8316 Sumitomo Mitsui Financial Group	6861 Keyence
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Note: As of 13 Oct 2023, the date of determination for the regular reconstitution.

Source: NFRC

4. Performance analysis

4.1 Annual returns

Fig. 8: Annual returns on individual indexes

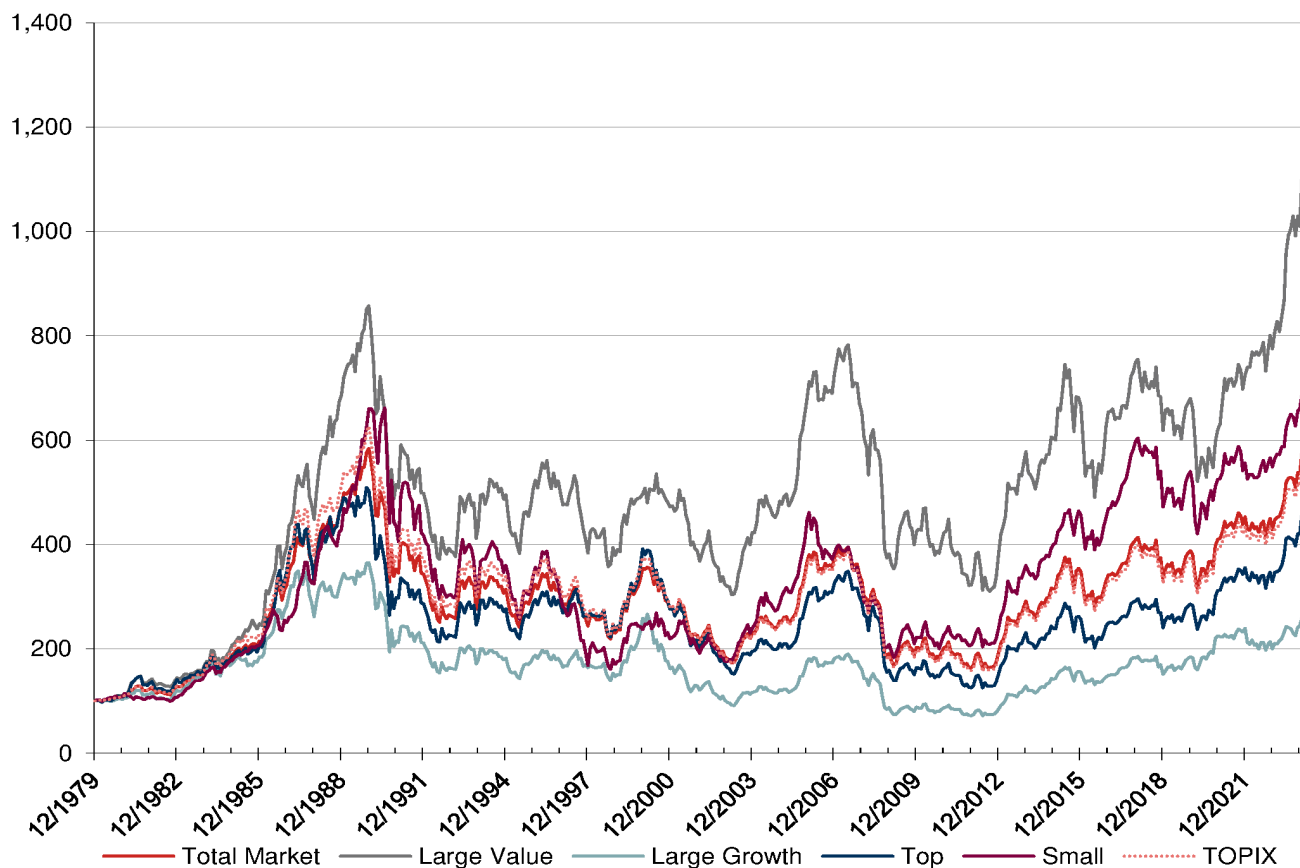
Index	Excluding dividends					Including dividends				
	1 yr	2 yrs	5 yrs	10 yrs	Jan 2001–	1 yr	2 yrs	5 yrs	10 yrs	Jan 2001–
Total Market	33.24%	18.41%	12.25%	9.56%	4.95%	35.53%	20.88%	14.64%	11.81%	6.82%
Value	42.48%	24.57%	13.64%	9.89%	6.21%	45.37%	27.74%	16.78%	12.71%	8.39%
Growth	24.53%	12.68%	10.99%	9.40%	3.77%	26.23%	14.44%	12.64%	11.08%	5.33%
Large	34.64%	18.82%	12.87%	9.75%	4.69%	36.89%	21.27%	15.27%	12.02%	6.58%
Large Value	44.79%	25.25%	14.40%	10.14%	5.83%	47.66%	28.44%	17.60%	13.03%	8.05%
Large Growth	25.89%	13.36%	11.68%	9.60%	3.83%	27.58%	15.13%	13.34%	11.30%	5.41%
Top	38.45%	20.34%	14.73%	10.15%	4.23%	40.66%	22.69%	17.13%	12.53%	6.22%
Top Value	51.28%	28.44%	17.55%	11.14%	5.55%	54.13%	31.49%	20.76%	14.18%	7.87%
Top Growth	29.08%	14.43%	13.15%	9.84%	3.56%	30.81%	16.25%	14.88%	11.66%	5.27%
Mid	29.24%	16.76%	10.26%	9.24%	5.48%	31.55%	19.35%	12.65%	11.34%	7.22%
Mid Value	37.56%	21.73%	10.38%	8.94%	6.19%	40.44%	25.11%	13.55%	11.62%	8.26%
Mid Growth	19.98%	11.42%	9.27%	9.17%	4.33%	21.60%	13.10%	10.80%	10.67%	5.71%
Mid-Small	27.91%	16.53%	9.75%	9.00%	5.77%	30.28%	19.11%	12.13%	11.11%	7.54%
Mid-Small Value	35.74%	21.68%	10.40%	8.92%	6.76%	38.65%	24.95%	13.46%	11.53%	8.82%
Mid-Small Growth	18.23%	10.32%	8.31%	8.82%	4.10%	19.89%	12.02%	9.84%	10.33%	5.48%
Small	24.94%	16.06%	8.60%	8.58%	6.53%	27.46%	18.63%	10.98%	10.71%	8.35%
Small Value	32.15%	21.52%	10.43%	8.94%	7.75%	35.13%	24.61%	13.29%	11.43%	9.80%
Small Growth	13.37%	7.36%	5.55%	7.97%	3.72%	15.14%	9.07%	7.09%	9.49%	5.10%
Small Core	25.16%	15.88%	8.43%	8.54%	6.18%	27.63%	18.39%	10.78%	10.65%	7.97%
Small Core Value	33.63%	22.10%	10.59%	8.98%	7.48%	36.57%	25.14%	13.42%	11.44%	9.49%
Small Core Growth	13.03%	7.02%	5.20%	7.98%	3.60%	14.80%	8.73%	6.77%	9.54%	5.01%
Micro	24.40%	16.44%	9.00%	8.75%	7.18%	27.03%	19.16%	11.45%	10.93%	9.07%
Micro Value	29.50%	20.53%	10.28%	8.97%	8.24%	32.55%	23.71%	13.18%	11.52%	10.36%
Micro Growth	13.73%	8.05%	6.17%	8.00%	4.01%	15.50%	9.76%	7.65%	9.44%	5.32%
Prime	33.33%	18.40%	12.31%	9.57%	4.90%	35.61%	20.87%	14.70%	11.82%	6.77%
Prime Value	42.70%	24.60%	13.72%	9.92%	6.14%	45.59%	27.77%	16.86%	12.75%	8.33%
Prime Growth	24.64%	12.72%	11.07%	9.42%	3.78%	26.34%	14.49%	12.72%	11.10%	5.35%
TOPIX	33.37%	18.50%	12.12%	9.45%	4.73%	35.68%	21.00%	14.55%	11.73%	6.62%

Note: As of end-Mar 2024. Returns are annualized and based on average monthly yen-based returns for each period.

Source: NFRC

4.2 Performance

Fig. 9: Index performance



Note: Shows monthly index values (yen basis, excluding dividends) in Dec 1979–Mar 2024, rebased so that end-Dec 1979 = 100.

Source: NFRC

Fig. 10: Average returns, standard deviation, and correlation coefficients

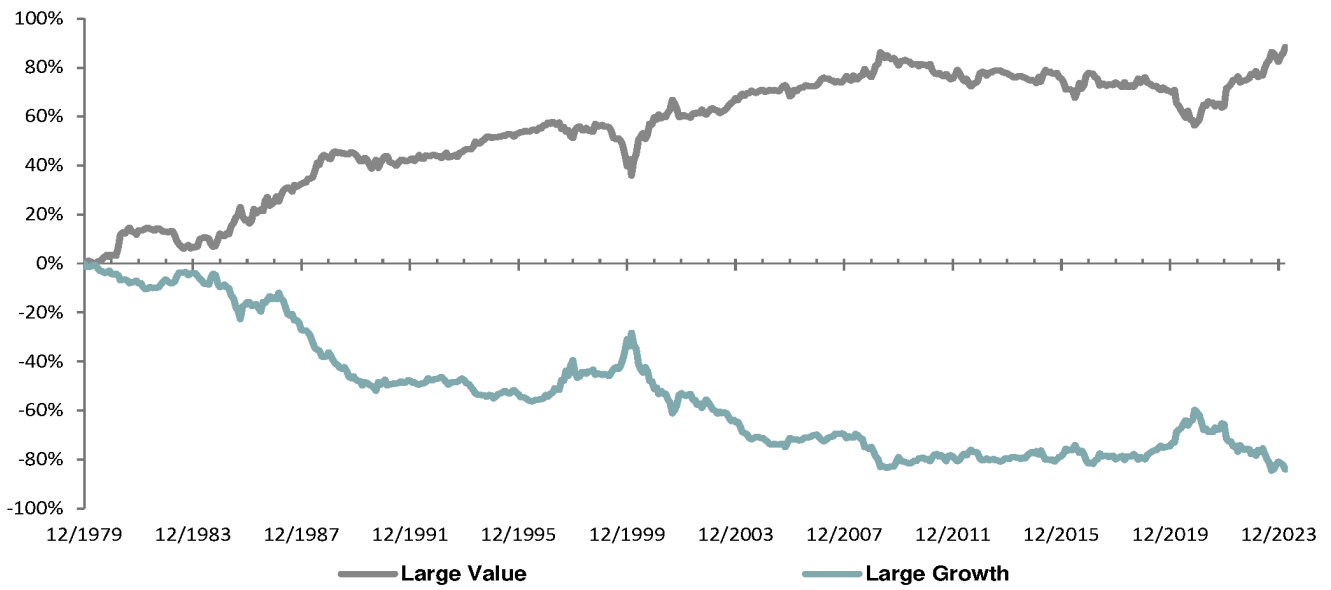
	Average return	Standard deviation	R/N	TOPIX
R/N	5.71%	17.57%	1	
TOPIX	5.67%	17.88%	0.9952	1

Note: Russell/Nomura is Russell/Nomura Total Market Index. Based on monthly returns (yen basis, excluding dividends) in Jan 1980–Mar 2024. Average return and standard deviation data are annualized.

Source: NFRC

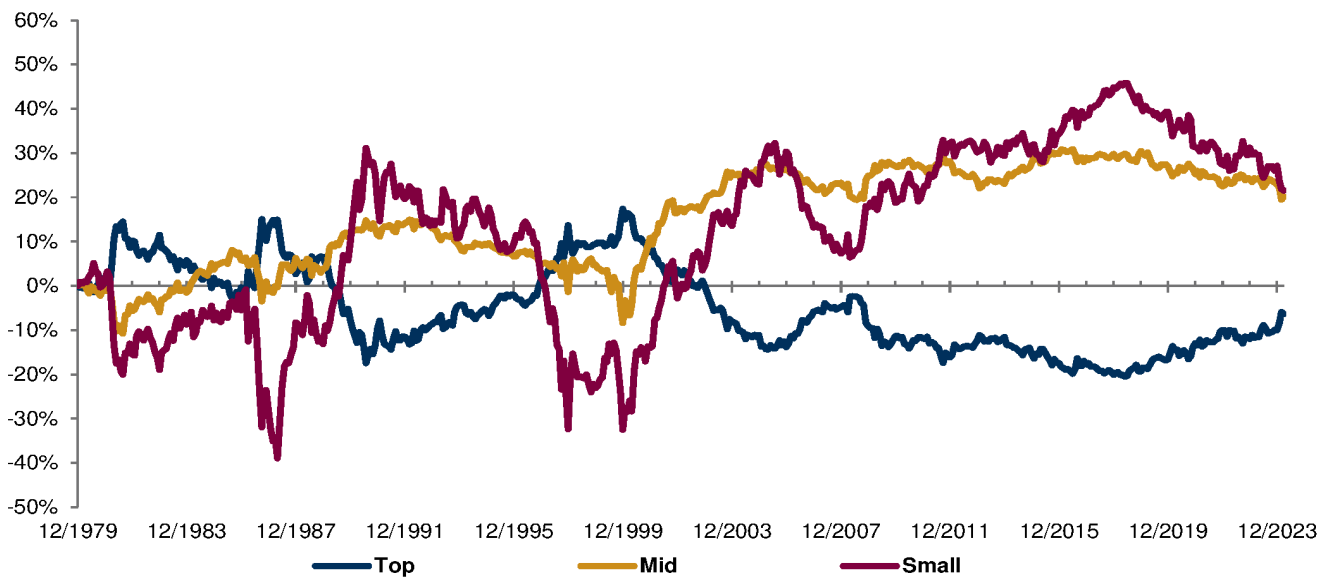
4.3 Relative performance of style indexes

Fig. 11: Cumulative excess returns on value and growth indexes



Note: Shows cumulative excess monthly returns (including dividends) on each index versus the Russell/Nomura Total Market Index, Jan 1980–Mar 2024.
Source: NFRC

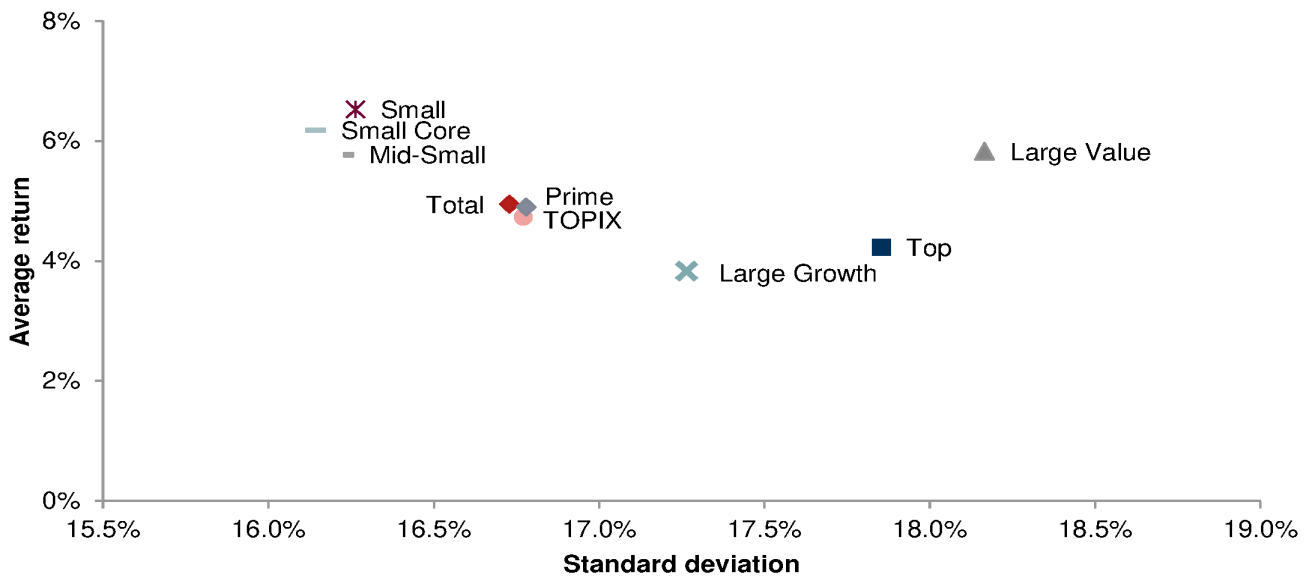
Fig. 12: Cumulative excess returns on size-based indexes



Note: Shows cumulative excess monthly returns (including dividends) on each index versus the Russell/Nomura Total Market Index, Jan 1980–Mar 2024.
Source: NFRC

4.4 Risk-return characteristics of individual indexes

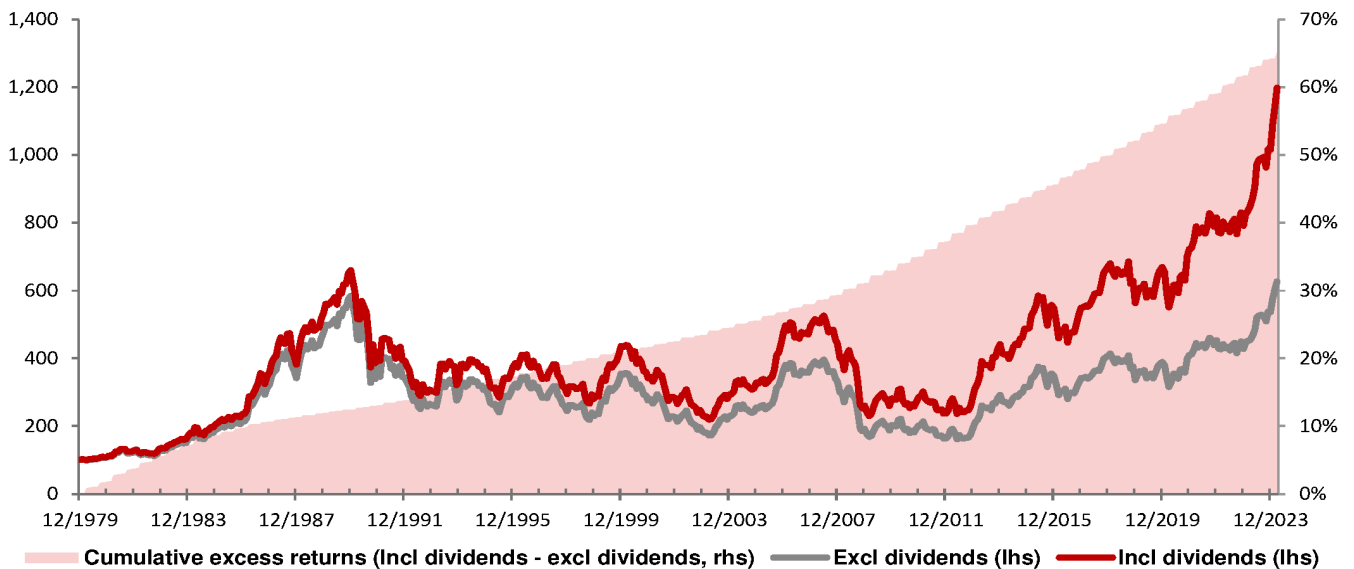
Fig. 13: Average return and standard deviation of individual indexes



Note: Shows average returns and standard deviation on annualized basis, calculated from monthly returns (excluding dividends) in Jan 2001–Mar 2024. Source: NFRC

4.5 Impact of dividends

Fig. 14: Impact of dividends on performance of Russell/Nomura Total Market Index



Note: Shows monthly values of Russell/Nomura Total Market Index in Dec 1979–Mar 2024, rebased so that end-Dec 1979 = 100. Cumulative excess returns are the sum of index returns (including dividends) in excess of index returns (excluding dividends). Source: NFRC

5. Index investability

5.1 Turnover ratios as of regular reconstitutions

Figure 15 shows turnover ratios as of the date of regular reconstitutions.

Fig. 15: Turnover ratios at time of regular reconstitutions

Date (yyyymm)	Total		Large	Small	Prime
	Value	Growth			
198101	2.4%	11.2%	3.5%	13.1%	—
198201	2.1%	15.7%	3.1%	12.1%	—
198301	2.1%	15.2%	3.1%	13.5%	—
198401	2.6%	14.2%	4.3%	16.2%	—
198501	2.9%	16.3%	4.1%	17.5%	—
198601	3.7%	15.6%	4.8%	16.2%	—
198701	2.3%	17.5%	3.3%	18.4%	—
198801	3.5%	12.4%	5.1%	16.8%	—
198901	3.7%	17.1%	4.9%	15.8%	—
199001	3.0%	15.9%	7.2%	27.3%	—
199101	3.4%	19.0%	4.6%	20.9%	—
199201	1.9%	13.1%	3.1%	13.6%	—
199301	1.9%	12.0%	3.2%	13.3%	—
199401	1.5%	11.7%	2.6%	12.0%	—
199501	3.3%	13.6%	4.0%	15.4%	—
199601	2.2%	13.1%	2.5%	9.8%	—
199701	2.2%	18.0%	2.3%	10.7%	—
199801	1.4%	18.4%	2.5%	16.6%	1.4%
199901	3.1%	12.9%	4.1%	12.3%	3.0%
200001	3.4%	31.3%	5.4%	31.8%	3.5%
200101	2.8%	18.6%	3.8%	18.3%	2.7%
200202	2.5%	16.7%	7.6%	43.0%	2.4%
200212	3.3%	15.5%	4.7%	15.8%	2.2%
200312	2.5%	19.6%	4.6%	20.2%	2.1%
200412	3.5%	17.5%	4.9%	18.9%	3.4%
200512	3.2%	21.0%	3.8%	15.8%	3.1%
200612	2.5%	18.6%	3.1%	16.4%	2.5%
200712	1.8%	20.5%	3.5%	18.8%	1.7%
200812	1.6%	29.3%	3.8%	17.6%	1.7%
200912	1.6%	26.8%	4.2%	21.6%	1.5%
201012	1.8%	14.5%	3.1%	15.8%	1.8%
201112	1.6%	16.2%	4.6%	20.6%	1.5%
201212	1.9%	13.2%	2.7%	11.9%	1.7%
201312	1.6%	16.1%	3.2%	20.1%	1.7%
201412	1.7%	11.9%	3.9%	19.0%	1.5%
201512	1.7%	13.1%	2.7%	12.2%	1.7%
201611	1.3%	14.6%	2.3%	12.9%	1.1%
201711	1.6%	9.2%	2.2%	9.9%	1.5%
201811	1.8%	12.5%	2.8%	10.9%	1.8%
201911	2.0%	11.8%	2.7%	9.1%	2.0%
202011	2.1%	16.8%	3.1%	12.4%	2.2%
202111	1.7%	11.0%	3.6%	18.4%	1.7%
202211	1.3%	10.9%	2.2%	9.7%	1.3%
202311	1.6%	10.6%	2.3%	10.1%	1.6%
Average	2.3%	15.9%	3.7%	16.4%	2.0%

Note: Turnover ratio is $[\Sigma | \text{market cap weighting before reconstitution} - \text{market cap weighting after reconstitution} | / 2]$, based on share price on business day before regular reconstitution. The figures thus show one-way turnover for an index fund constructed using the full replication approach. A change in all of the constituent stocks would give a turnover ratio of 100%.

Source: NFRC

5.2 Estimated number of days' impact in the case of regular reconstitutions

Figure 16 shows the estimated number of days' impact in the case of regular reconstitutions for passive funds that track each index using the full replication approach. The higher the turnover ratio on the date of the regular reconstitution, and the greater the number of stocks with low liquidity that are added, the greater the number of days' impact.

Fig. 16: No. of days' impact in case of regular reconstitutions

Index	No. of days of impact Maximum (days)	Turnover ratio (one-way)	Index market cap (¥trn)	Number of stocks				
				Before	After	Change	OUT	IN
Total Market	1	1.6%	587	1,485	1,400	-85	146	61
Value	2	10.6%	277	1,093	1,017	-76	141	65
Growth	1	10.3%	310	766	728	-38	149	111
Large	1	2.3%	506	299	300	1	18	19
Large Value	1	11.4%	228	201	199	-2	23	21
Large Growth	1	10.6%	278	186	194	8	23	31
Top	1	9.3%	291	60	50	-10	14	4
Top Value	1	19.5%	112	38	28	-10	11	1
Top Growth	1	15.8%	179	44	38	-6	13	7
Mid	1	16.5%	215	239	250	11	21	32
Mid Value	1	18.8%	116	163	171	8	20	28
Mid Growth	1	24.0%	98	142	156	14	23	37
Mid-Small	2	10.6%	296	1,425	1,350	-75	149	74
Mid-Small Value	3	13.5%	165	1,055	989	-66	138	72
Mid-Small Growth	2	20.0%	130	722	690	-32	149	117
Small	5	10.1%	81	1,186	1,100	-86	162	76
Small Value	8	15.6%	49	892	818	-74	137	63
Small Growth	6	21.1%	32	580	534	-46	147	101
Small Core	2	17.8%	53	398	350	-48	83	35
Small Core Value	2	21.1%	31	283	242	-41	65	24
Small Core Growth	2	26.4%	22	216	191	-25	66	41
Micro	16	19.6%	28	788	750	-38	160	122
Micro Value	23	18.5%	18	609	576	-33	118	85
Micro Growth	20	38.2%	10	364	343	-21	129	108
Prime	1	1.6%	577	992	1,000	8	36	44
Prime Value	1	10.6%	270	713	707	-6	56	50
Prime Growth	1	10.2%	307	539	554	15	63	78

Note: Based on constituent stocks as of regular reconstitution in Nov 2023. Market cap data as of 17 Nov 2023. We estimated the number of days' impact (maximum) for each index as the number of days required for a scheduled reconstitution of a ¥100bn passive fund that tracks the index using the full replication approach, based on $[\max(|\text{market cap before reconstitution} - \text{market cap after reconstitution}| / \text{average daily trading value})]$. Average daily trading value is the average over the year to 13 Oct 2023, the date of determination for the regular reconstitution of the Russell/Nomura indexes. Turnover ratio is $[\sum |\text{market cap weighting before reconstitution} - \text{market cap weighting after reconstitution}| / 2]$.

Source: NFRC

5.3 Estimating number of days of impact and minimum unit of investment when a fund is established

Figure 17 shows the minimum unit of investment and number of days of impact when passive funds are established that track indices using the full replication approach.

The minimum unit of investment is calculated as shown below. Our calculation assumes at least 50% of shares in a stock trading unit are included, as we round up for incomplete trading units.

$$\text{Minimum unit of investment} = \max_{i=1..n} \left\{ \frac{(\text{trading unit } i \times 50\% \times \text{transaction price } i)}{\text{index weighting } i} \right\}$$

Here, the notation "n" represents the number of stocks in the index and the notation "i" indicates the i^{th} stock in the index.

As the minimum unit of investment is calculated by dividing the minimum investment amount for each constituent stock by its weighting, the smaller the minimum investment amount for the constituent stock, or the larger its weighting, the smaller the minimum unit of investment will be. The method for calculating the number of impact days is the same as in 5.2.

Fig. 17: Number of days of impact and minimum unit of investment when a fund is established

Index	No. of days of impact Maximum (days)	Minimum unit of investment (¥100mn)	Index market cap (¥trn)	Number of stocks
Total Market	2	215	587	1,400
Value	3	542	277	1,017
Growth	1	408	310	728
Large	1	21	506	300
Large Value	1	49	228	199
Large Growth	1	80	278	194
Top	1	3	291	50
Top Value	1	0	112	28
Top Growth	1	2	179	38
Mid	1	9	215	250
Mid Value	1	25	116	171
Mid Growth	1	28	98	156
Mid-Small	3	108	296	1,350
Mid-Small Value	5	323	165	989
Mid-Small Growth	3	172	130	690
Small	9	30	81	1,100
Small Value	15	96	49	818
Small Growth	10	42	32	534
Small Core	2	5	53	350
Small Core Value	3	18	31	242
Small Core Growth	3	16	22	191
Micro	26	10	28	750
Micro Value	39	36	18	576
Micro Growth	31	13	10	343
Prime	1	78	577	1,000
Prime Value	1	184	270	707
Prime Growth	1	261	307	554

Note: Based on constituent stocks as of regular reconstitution in Nov 2023. Market cap data as of 17 Nov 2023. We estimated the number of days' impact (maximum) for each index as the number of days required for a scheduled reconstitution of a ¥100bn passive fund that tracks the index using the full replication approach, based on $[\max (| \text{market cap before reconstitution} - \text{market cap after reconstitution} | / \text{average daily trading value})]$. Average daily trading value is the average over the year to 13 Oct 2023, the date of determination for the regular reconstitution of the Russell/Nomura indexes. Turnover ratio is $[\Sigma | \text{market cap weighting before reconstitution} - \text{market cap weighting after reconstitution} | / 2]$.

Source: NFRC

6. Data publication services

Data for the Russell/Nomura Japan Equity Indexes can be obtained via the following channels.³

Index values are published in the following media:

- Bloomberg (RNJI)
- Jiji (RNSI/12400, RNSIIDV/12400)
- QUICK (NRIJ500–503, 510–517)
- Reuters (FRCNRI01, FRCNRI02, FRCNRI03, FRCNRI04, .JRNP, .JRNS)
- NFRC website (<http://qr.nomuraholdings.com/en/frcnri/index.html>)

More detailed data

More detailed data on index values and individual stock information can be obtained through Nomura Research Institute services e-Aurora and IDS.

For information, contact:

Nomura Research Institute
Investment Information Systems Business Department
E-mail: ids-sales@nri.co.jp

Other reports

Russell/Nomura Japan Equity Indexes rulebook

Russell/Nomura Japan Equity Indexes - Performance summary (monthly reports)

3. Published data are all for reference only.

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