

News Release

Date: December 1, 2011

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Russell/Nomura Japan Equity Indexes add 14 new firms in annual reconstitution

The family of Russell/Nomura Indexes, which captures 98% of the float-adjusted market capitalization of the Japanese equity market, added 14 new firms as part of the annual reconstitution process on December 1, announced Nomura Securities Co., Ltd. and Russell Investments. The membership list was posted on <http://qr.nomuraholdings.com/en/frcnri/index.html>.

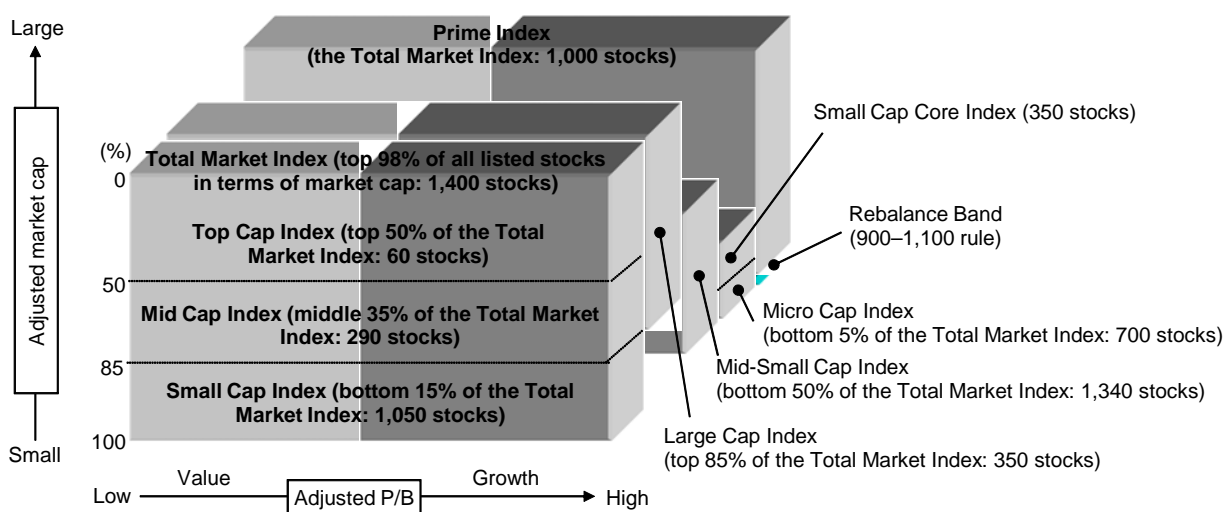
Turnovers in Value and Growth Indexes are within the normal range

The total number of firms in the Russell/Nomura Total Market Index became 1,400, an increase of 16. While 50 were eliminated from the Index, there were 66 additions, 14 of which were included in the Index for the first time. The total capitalization of the Index slightly increased from 170.5 trillion yen to 173.0 trillion yen (as of October 14, 2011, after float-adjusted).

The number of constituents in the Large Cap Index, which contains the top 85% of the Russell/Nomura Total Market Index based on capitalization size – increased by 52 and became 350. The number of stocks in the Small Cap Index, which contains the bottom 15% of the Total Market Index decreased by 36 and became 1,050. (see Chart 1).

The Total Value Index had 112 deletions and 87 additions, while the Total Growth Index had 57 deletions and 194 additions. The capitalization turnover ratios for the Value and Growth Indexes are 16.3% and 16.0% respectively. The ratios are higher than those in 2010, but are within the normal range (see Chart 2). In terms of sector, while “Electric appliances” and “Wholesale trade” are tilted to Value, “Information & communication” and “Retail trade” are tilted to Growth (see Chart 3).

Chart 1 Russell/Nomura Japan Equity Indexes



Note: Number of stocks as of December 1, 2011 following annual reconstitution

Chart 2 Rebalancing Summary

	No. of stocks					% of total market cap			Turnover
	Pre	Post	Diff	Out	In	Pre	Post	Diff	
Total	1,384	1,400	16	50	66	100.00%	100.00%	-	1.6%
Value	1,069	1,044	-25	112	87	50.40%	48.21%	-2.20%	16.3%
Growth	582	719	137	57	194	49.60%	51.79%	2.20%	16.0%
Large	298	350	52	5	57	83.07%	86.13%	3.06%	4.5%
Value	190	212	22	19	41	38.57%	39.09%	0.51%	18.0%
Growth	198	245	47	20	67	44.50%	47.05%	2.55%	17.5%
Small	1,086	1,050	-36	107	71	16.93%	13.87%	-3.06%	20.6%
Value	879	832	-47	124	77	11.83%	9.12%	-2.71%	25.1%
Growth	384	474	90	72	162	5.10%	4.75%	-0.35%	37.4%
Prime	989	1,000	11	19	30	97.93%	98.00%	0.07%	1.5%
Value	740	729	-11	68	57	48.79%	46.82%	-1.98%	16.5%
Growth	472	559	87	42	129	49.14%	51.19%	2.05%	15.9%

Note: “% of total market cap” based on share price as of October 14, 2011.

Turnover ratio is calculated: $[\Sigma | \text{market cap weighting before reconstitution} - \text{market cap weighting after reconstitution} | / 2]$

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%	0.5%
Mining	0.1%	0.1%	0.2%	0.2%	-0.4%	0.0%
Construction	-0.5%	0.6%	-0.6%	0.6%	0.7%	0.7%
Foods	-1.0%	0.9%	-0.8%	0.8%	-1.0%	1.2%
Textiles & apparels	0.0%	0.0%	-0.1%	0.0%	0.7%	0.1%
Pulp & paper	-0.2%	0.2%	-0.1%	0.2%	-0.2%	0.1%
Chemicals	-0.9%	0.8%	-1.2%	1.4%	0.9%	-4.4%
Pharmaceutical	-0.4%	0.2%	-0.3%	0.3%	-0.5%	-0.3%
Oil & coal products	0.1%	0.0%	0.1%	0.0%	-0.4%	0.0%
Rubber products	-0.9%	0.9%	-1.1%	1.0%	-0.2%	0.0%
Glass & ceramics products	0.4%	-0.4%	0.9%	-0.5%	-1.2%	0.8%
Iron & steel	0.9%	-0.8%	0.9%	-0.6%	1.0%	-2.3%
Nonferrous metals	0.8%	-0.7%	0.7%	-0.8%	0.9%	0.0%
Metal products	-0.1%	0.1%	-0.2%	0.1%	0.5%	0.0%
Machinery	-0.6%	0.4%	-0.4%	0.2%	-0.7%	3.1%
Electric appliances	2.2%	-3.0%	2.5%	-3.1%	0.8%	-3.1%
Transportation equipment	1.8%	-1.9%	1.7%	-2.2%	0.5%	1.4%
Precision instruments	-0.1%	-0.1%	0.0%	-0.2%	-0.1%	0.9%
Other products	-0.2%	0.1%	-0.3%	0.1%	0.4%	0.3%
Electric power & gas	-0.2%	0.3%	-0.7%	0.3%	0.1%	0.0%
Land transportation	-1.3%	1.1%	-1.8%	1.3%	0.2%	-1.4%
Marine transportation	0.1%	0.0%	0.1%	0.0%	0.1%	-0.1%
Air transportation	—	0.0%	—	0.0%	—	0.1%
Warehousing & harbor transportation services	0.0%	0.0%	0.0%	—	0.0%	0.4%
Information & communication	-2.7%	2.5%	-3.5%	2.9%	-0.5%	-0.7%
Wholesale trade	3.7%	-3.5%	4.8%	-3.8%	-0.2%	-0.4%
Retail trade	-2.0%	1.9%	-2.2%	2.0%	-0.5%	3.0%
Banks	1.1%	0.0%	0.9%	0.0%	0.4%	0.1%
Securities & commodity futures	0.1%	0.0%	0.0%	—	0.3%	0.0%
Insurance	0.3%	-0.1%	0.2%	-0.1%	—	—
Other financing business	-0.2%	0.1%	0.1%	0.1%	-1.1%	0.4%
Real estate	0.2%	-0.4%	0.4%	-0.4%	-0.1%	-0.1%
Services	-0.4%	0.3%	-0.3%	0.4%	-0.3%	-0.2%

Note: Based on the share price as of October 14, 2011. 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 adds 13 new companies

The Russell/Nomura Prime Index, which is a sub-index of the Russell/Nomura Japan Equity Index, was designed as a benchmark for passive management strategies for institutional investors. It represents all Japanese equity markets and measures the performance of Japan's top 1,000 float-adjusted stocks. As a result of this year's reconstitution, 13 companies came into the Index for the first time. Its total market capitalization slightly increased from 167 trillion yen to 170 trillion yen (as of October 14, 2011, after float-adjusted). The turnover ratio of the Index was low at 1.5%, following the same trend seen in the previous years.

Among the 13 additions overall, each "Wholesale trade", "Transportation equipment", "Information & communication", and "Chemicals" sectors has two newly added constituents.

About Russell/Nomura Japan Equity Indexes

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

The Indexes are reconstituted annually on the first business day of December, in order to accurately reflect changes in the Japanese marketplace. The membership list is determined based on the float-adjusted market capitalization as of October 15 (last business day is selected 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 indexes 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).

About Russell Investments

Russell Investments is an independent, global financial services firm that provides strategic advice, investment solutions, implementation services and global performance benchmarks that are customized to meet the unique needs of institutional investors, financial advisors and individuals.

Celebrating its 75th anniversary in 2011, 25 years in Sydney and Tokyo and 15 years in the Netherlands, Russell has pioneered innovations that have come to define many practices that are standard in the investment world today, and has four decades of experience researching and selecting money managers globally.

Russell has about \$137 billion in assets under management (as of 9/30/11) and works with 2,300 institutional clients, 530 independent distribution partners and millions of individual investors globally. As a consultant to some of the largest pools of capital in the world, Russell has \$2 trillion in assets under advisement (as of 12/31/2010) and traded \$1.4 trillion last year through its implementation services business. The Russell Global Indexes calculate over 50,000 benchmarks daily covering 85 countries and more than 10,000 securities.

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About Nomura

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