

News Release

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Russell/Nomura Japan Equity Indexes add 38 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 38 new firms as part of the annual reconstitution process on December 3, announced Nomura Securities Co., Ltd. and Russell Investments. The membership list was posted on <http://qr.nomuraholdings.com/en/frcnri/index.html>.

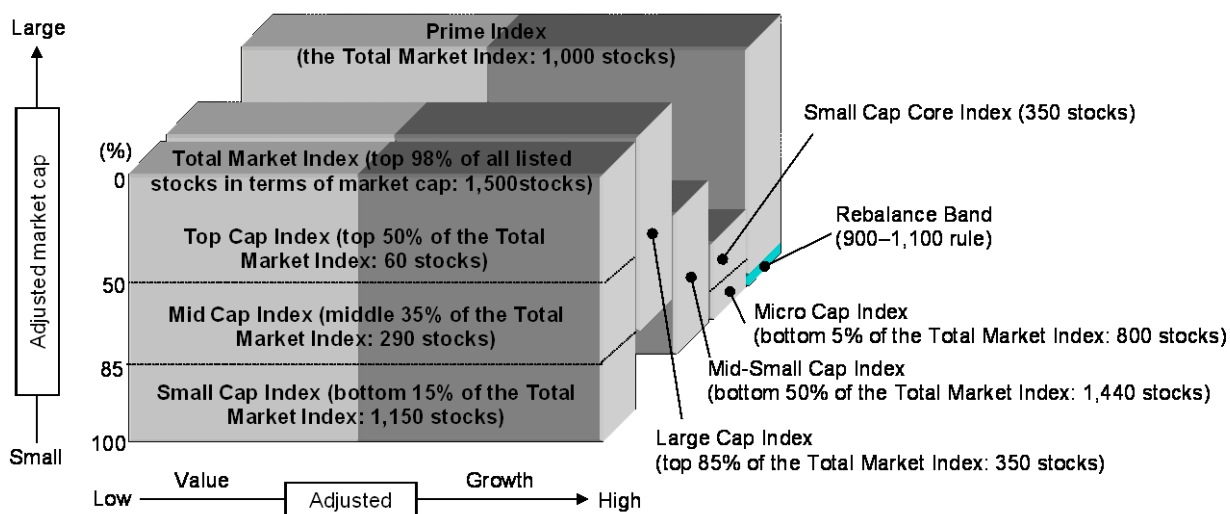
The number of Russell\Nomura constituents is increased

The total number of firms in the Russell/Nomura Total Market Index became 1,500, an increase of 113. While 37 were eliminated from the Index, there were 150 additions, 38 of which were included in the Index for the first time. The total capitalization of the Index slightly increased from 166.8 trillion yen to 170.0 trillion yen (as of October 15, 2012, 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 2 and became 350. The number of stocks in the Small Cap Index, which contains the bottom 15% of the Total Market Index, also increased by 111 and became 1,150. (see Chart 1).

The Total Value Index had 72 deletions and 196 additions, while the Total Growth Index had 139 deletions and 136 additions. The capitalization turnover ratios for the Value and Growth Indexes are 13.1% and 11.6% respectively. The ratios are lower than those of historical average (see Chart 2). In terms of sector, while “Chemicals” is tilted to Value, “Transportation equipment” is tilted to Growth (see Chart 3).

Chart 1 Russell/Nomura Japan Equity Indexes



Note: Number of stocks as of December 3, 2012 following annual reconstitution

Chart 2 Rebalancing Summary

	No. of stocks					% of total market cap			Turnover
	Pre	Post	Diff	Out	In	Pre	Post	Diff	
Total	1,387	1,500	113	37	150	100.00%	100.00%	-	1.9%
Value	1,035	1,159	124	72	196	47.31%	48.46%	1.15%	13.1%
Growth	715	712	-3	139	136	52.69%	51.54%	-1.15%	11.6%
Large	348	350	2	24	26	86.16%	86.25%	0.08%	2.8%
Value	211	218	7	29	36	38.39%	38.90%	0.52%	13.5%
Growth	244	239	-5	41	36	47.78%	47.34%	-0.43%	11.8%
Small	1,039	1,150	111	61	172	13.84%	13.75%	-0.08%	11.7%
Value	824	941	117	68	185	8.93%	9.56%	0.63%	18.9%
Growth	471	473	2	127	129	4.91%	4.20%	-0.71%	34.9%
Prime	990	1,000	10	25	35	97.94%	97.71%	-0.22%	1.7%
Value	722	746	24	58	82	45.88%	46.81%	0.92%	12.9%
Growth	556	527	-29	106	77	52.06%	50.91%	-1.15%	11.5%

Note: “% of total market cap” based on share price as of October 15, 2012.

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%	—	—	0.2%	-0.2%
Mining	0.4%	-0.1%	0.5%	-0.2%	0.0%	0.0%
Construction	-0.1%	0.0%	0.1%	0.0%	-1.0%	0.5%
Foods	-0.6%	0.5%	-0.8%	0.9%	0.1%	-3.8%
Textiles & apparels	0.2%	-0.2%	0.2%	-0.2%	-0.1%	0.0%
Pulp & paper	0.1%	-0.1%	0.0%	-0.1%	0.7%	0.0%
Chemicals	1.1%	-1.1%	1.3%	-1.3%	0.6%	1.2%
Pharmaceutical	0.0%	0.4%	0.1%	0.3%	-0.3%	0.3%
Oil & coal products	-0.1%	0.0%	-0.2%	0.0%	0.4%	—
Rubber products	-0.1%	0.0%	-0.1%	0.0%	0.0%	0.0%
Glass & ceramics products	0.4%	-0.4%	0.4%	-0.4%	0.6%	-0.5%
Iron & steel	0.3%	-0.4%	0.5%	-0.4%	-0.3%	0.0%
Nonferrous metals	-0.1%	0.0%	0.0%	0.0%	-0.1%	0.2%
Metal products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Machinery	0.5%	-0.3%	0.3%	-0.1%	1.5%	-1.5%
Electric appliances	0.8%	-0.9%	0.7%	-1.2%	1.2%	1.5%
Transportation equipment	-2.4%	2.0%	-3.1%	2.4%	0.8%	-3.0%
Precision instruments	0.1%	0.0%	0.1%	-0.1%	0.0%	0.4%
Other products	0.0%	0.0%	-0.1%	0.0%	0.1%	0.3%
Electric power & gas	-0.2%	0.1%	-0.2%	0.1%	-0.1%	0.1%
Land transportation	-0.3%	0.3%	-0.5%	0.3%	0.2%	-0.4%
Marine transportation	0.0%	0.0%	-0.1%	—	0.4%	0.0%
Air transportation	0.5%	0.2%	0.7%	0.3%	0.1%	-0.1%
Warehousing & harbor transportation services	0.0%	0.0%	0.0%	0.0%	0.1%	-0.2%
Information & communication	0.6%	-0.6%	1.0%	-0.9%	-1.0%	3.2%
Wholesale trade	-0.1%	-0.2%	0.1%	-0.3%	-0.7%	1.3%
Retail trade	0.3%	-0.3%	0.7%	-0.1%	-1.4%	-0.6%
Banks	-0.6%	0.1%	-0.2%	0.2%	-1.5%	-1.4%
Securities & commodity futures	-0.1%	0.0%	-0.1%	—	-0.1%	0.1%
Insurance	-0.7%	0.6%	-0.9%	0.6%	—	0.3%
Other financing business	-0.2%	0.1%	-0.1%	0.0%	-0.3%	1.2%
Real estate	-0.3%	0.3%	-0.3%	0.4%	-0.3%	-0.6%
Services	0.3%	-0.1%	0.3%	-0.2%	0.3%	1.8%

Note: Based on the share price as of October 15, 2012. 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 23 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, 23 companies came into the Index for the first time. Its total market capitalization slightly increased from 163 trillion yen to 166 trillion yen (as of October 15, 2012, after float-adjusted). The turnover ratio of the Index was low at 1.7%, following the same trend seen in the previous years.

Among the 23 additions overall, six retail trade sector stocks, three services, and three wholesale trade are 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 (Russell) is a global asset manager and one of only a few firms that offer actively managed multi-asset portfolios and services that include advice, investments and implementation. Working with institutional investors, financial advisors and individuals, Russell's core capabilities extend across capital markets insights, manager research, portfolio construction, portfolio implementation and Indexes.

Russell has about \$159 billion in assets under management (as of 9/30/2012) and works with 2,400 institutional clients, more than 580 independent distribution partners and advisors, and individual investors globally. As a consultant to some of the largest pools of capital in the world, Russell has \$2.4 trillion in assets under advisement (as of 12/31/2011). It has four decades of experience researching and selecting investment managers and meets annually with more than 2,200 managers around the world. Russell traded more than \$1.5 trillion in 2011 through its implementation services business. Russell calculates more than 80,000 benchmarks daily covering 98% of the investable market globally, 83 countries and more than 10,000 securities. Approximately \$3.9 trillion in assets are benchmarked to the Russell Indexes.

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About Nomura

Nomura is a leading financial services group and the preeminent Asian-based investment bank with worldwide reach. Nomura provides a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate and government clients through an international network in over 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London, and New York, Nomura employs over 27,000 staff worldwide. Nomura's unique understanding of Asia enables the company to make a difference for clients through three business divisions: retail, asset management, and wholesale (fixed income, equities, and investment banking). For further information about Nomura, please visit www.nomura.com.