



FTSE Japan Green Chip 35  
Index Methodology  
Version 1.0

## **FTSE Japan Green Chip 35 Index Methodology**

This methodology is to be read in conjunction with the FTSE Global Equity Index Series Ground Rules and the FTSE Environmental opportunities Index Series which are available at:

[http://www.ftse.com/Indices/FTSE\\_Global\\_Equity\\_Index\\_Series/Downloads/geis\\_ground\\_rules.pdf](http://www.ftse.com/Indices/FTSE_Global_Equity_Index_Series/Downloads/geis_ground_rules.pdf)

[http://www.ftse.com/Indices/FTSE\\_Environmental\\_Markets\\_Index\\_Series/Downloads/FTSE\\_Environmental\\_Opportunities\\_Index\\_Series\\_Ground\\_Rules.pdf](http://www.ftse.com/Indices/FTSE_Environmental_Markets_Index_Series/Downloads/FTSE_Environmental_Opportunities_Index_Series_Ground_Rules.pdf)

### **Index Construction**

The index is based on 35 initial constituents from FTSE Japan All Cap. Any subsequent changes to the universe shall be based on the below review methodology and all index constituents were derived from the FTSE Japan All-Cap Index. A constant number of 35 constituents will be maintained for the FTSE Japan Green Chip 35 Index. Any deletions will be replaced by a constituent from the reserve list.

### **Calculation Methodology**

Calculation of the index will be in line with FTSE GEIS methodology. In addition, constituents shall be capped at 10% at the opening of the Monday after the third Friday of every quarter of March, June, September, and December.

### **Main calculation currency**

The index will be calculated in Real Time (15 seconds) and end of day in Japanese Yen.

### **Intra Review Maintenance**

Intra Review rebalancing in order to ensure there are constantly 35 constituents of the index is conducted in line with FTSE Japan All Cap constituent changes. Constituents which are deleted from FTSE Japan All Cap will also be removed from the FTSE Japan Green Chip 35 Index and replaced with a constituent from the reserve list.

### **Annual Review**

Any deletions arising from the FTSE Japan All Cap as part of the Annual review in September will be a simultaneous deletion from the FTSE Japan Green Chip 35 Index. Replacements shall be selected by the highest ranking constituent by full market capitalisation from the Reserve List, using data as at the last trading day of August. The annual review will be implemented after the close of business on the third Friday in September.

Where a company is deleted from the FTSE Japan Green Chip 35 Index after the cut-off date, but before the periodic changes have been implemented the stock replacement shall be treated the same as an intra-review change - the highest ranking company from the Reserve List which is not already a proposed replacement arising from the September rebalancing will replace the deleted company.

**Reserve List**

The reserve list will contain a fixed number of constituents until June 2009. From June 2009 the reserve list shall be based on the FTSE Environmental Opportunities Index (Japan constituents). This reserve list shall be reviewed semi-annually in June and December, using data as of the last trading day of May and November and implemented after the close of business on the third Friday in June and December.

**Intra-review Changes**

When a company is removed from the FTSE Japan Green Chip 35 Index The vacancy will be filled by selecting the highest ranking security by full market value in the Reserve List as at the close of the index calculation five days prior to the deletion and adjusted accordingly.

**Corporate Action Changes**

In line with FTSE GEIS methodology.

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