

# **Bloomberg Japan ex- Financials High Dividend 50 Index Methodology**

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## Introduction

The Bloomberg Japan ex-Financials High Dividend 50 Index (“Index”) is comprised of 50 constituents of the Bloomberg Japan Large, Mid, and Small-Cap Index (“Parent Index”) that maintain financial soundness and have high estimated dividend yields. Market capitalization and liquidity criteria are applied as set out in Section 3. Index constituents are selected and rebalanced quarterly to equal-weights. Index value is calculated and published daily with the index base date of April 15, 2015 with the index value of 1,000.

This document is intended to be read in conjunction with the [Bloomberg Global Equity Indices Methodology](#); these documents collectively constitute the index methodology for this Index.

## Section 1: Overview

Name	Bloomberg Japan ex-Financials High Dividend 50 Index
Base Date	2015-04-15
Inception Date	2026-02-18
Selection	Quarterly
Share Rebalance	Quarterly
Publication	Weekdays
Currency	JPY
Tickers	BJXFD50 (Price Return) BJXFD50T (Total Return) BJXFD50N (Net Return)

## Section 2: Index Eligibility Process

### Universe

To be selected for the Bloomberg Japan ex-Financials High Dividend 50 Index, a company must be part of the Eligible Equity Universe defined in the Bloomberg Global Equity Index methodology. Please refer to the Bloomberg Global Equity Index methodology through the link below for additional details:

[Bloomberg Global Equity Indices Methodology](#)

### Market Eligibility

A security classified as Japan for Market Classification defined in the Bloomberg Global Equity Index methodology are eligible for inclusion.

### Size Eligibility

A security must belong to Large-, Mid-, Small- Size Segment defined in the Bloomberg Global Equity Indices methodology.

### Sector Eligibility

A security must not belong to REIT (151011), based on Bloomberg Industry Classification Standard (BICS) Level 3 industry.

### Multiple Classes of Securities

One security per issuer is permitted. If an issuer has multiple securities, then the security currently in the Index will take precedence if it has met all other criteria for eligibility. Otherwise, the security with the highest 90-day average daily value traded is eligible for inclusion in the Index.

## Section 3: Index Construction Process

### Security Selection Process

#### *Step 1: Size Screening*

- Select top 500 securities by issuer based on Free Float Market Capitalization

#### *Step 2: Financial Sector Screening*

- Securities in Financial Sector (14), based on Bloomberg Industry Classification Standard (BICS) Level 1 are excluded.

#### *Step 3: Liquidity Screening*

- Select top 400 securities based on 90-day average daily traded value

#### *Step 4: Estimate Coverage and Profitability History Screening*

Securities should fulfill following conditions:

- BEst Dividend Yield<sup>1</sup> with estimates provided by minimum of 3 analysts
- Positive latest fiscal year net income

#### *Step 5: Dividend Estimate Screening*

For each reconstitution, below steps to be followed;

1. Select top 25 constituents based on the BEst Dividend Yield from the stocks that meet the selection process 1 to 4 above.
2. Re-select existing index constituents if they are ranked 26<sup>th</sup> to 75<sup>th</sup> based on the BEst Dividend Yield until the number of index constituents reaches to 50.
3. If less than 50 companies are selected after this step, the remaining eligible companies with the highest BEst Dividend Yield are added until the number of index constituents reaches to 50.

If there are less than 50 constituents eligible to be selected after the step 5 above, then constituents to be selected based on the order of higher Free Float Market Capitalization, provided their BEst Dividend Yield being positive, until the numbers of constituents in the index reaches 50.

### Index Weighting

All selected securities are equally weighted at each rebalance.

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<sup>1</sup> BEst Dividend Yield Ratio calculated based on Bloomberg BEst Dividend Per Share (BEst DPS), which is calculated using a period-bound weighted average (Blended Forward) methodology.

## Index Rebalance and Reconstitution

The Index is reconstituted and rebalanced quarterly, based on selection on the last business day of March, June, Sep, and Dec

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Selection/Shares Determination Date</b>	Last Index business day of the month			X			X			X			X
<b>Announcement Date</b>	Four business days <sup>*1</sup> after Selection Date	X			X			X			X		
<b>Effective Date<sup>*2</sup></b>	Ten business days after Selection Date	X			X			X			X		

\*1Business Days = Trading days of Tokyo Stock Exchange in respect to Bloomberg Calendar code {CDR TK<GO>} / <TK-T>.

\*2The Index reconstitutions and rebalances are effective after the close of trading.

## Section 4: Index Maintenance

### Index Calculation

Refer to the [Bloomberg Global Equity Indices Methodology](#) for index calculation details.

### Deletion Policy

Index securities are not deleted outside Index Rebalance and Reconstitution window except in the case of a delisting.

### Addition Policy

Index securities are not added outside of the Index reconstitution.

### Replacement Policy

Index securities are not replaced outside of the Index reconstitution.

### Corporate Actions

Refer to [Bloomberg Global Equity Indices Non-Market Cap Corporate Action Methodology](#) for the treatment of corporate actions.

## Section 5: Backtest Assumptions

Point-in-time data, unless otherwise noted, were used for the historical index eligibility and construction process described in Section 2 and 3 since the base date of the index.

## Appendix I: Risks and Limitations of the Indices

### Risks

The following is a summary of certain risks associated with the Index but is not meant to be an exhaustive list of all risks associated with the Index. Although the Index is designed to be representative of the markets it is measuring, it may not be representative of every use case. There is also inherent, though transparent, judgment in its construction, as outlined in this Methodology. The Index is designed for general applicability and not to address the individual circumstances and needs of users. BISL does not advise about the usefulness of the Index to a particular circumstance; users are therefore encouraged to seek their own counsel for such matters. This Methodology is subject to change, which may impact its usefulness to users. Although efforts will be made to alert users of any change, every individual user may not be aware of them. Such changes may also significantly impact the usefulness of the Index. BISL may also decide to cease publication of this Index. BISL maintains internal policies regarding user transitions, but no guarantee is given that an adequate alternative is available generally or for a particular use case. Markets for stocks, as with all markets, can be volatile. As the Index is designed to measure this market, it could be materially impacted by market movements, thus significantly affecting the use or usefulness of the Index for some or all users. Also, certain equity markets are less liquid than others – even the most liquid markets may suffer periods of illiquidity. Illiquidity can have an impact on the quality or amount of data available to BISL for calculation and may cause the Index to produce unpredictable results.

### Limitations of the index

Though the Index is designed to be representative of the markets it measures or otherwise aligns with its stated objective, it may not be representative in every case or achieve its stated objective in all instances. It is designed and calculated strictly to follow the rules of this Methodology, and any Index level or other output is limited in its usefulness to such design and calculation.

Markets can be volatile, including those market interests that the Index measures or upon which the Index is dependent to achieve its stated objective. For example, illiquidity can have an impact on the quality or amount of data available to the administrator for calculation and may cause the Index to produce unpredictable or unanticipated results.

In addition, market trends and changes to market structure may render the objective of the Index unachievable or to become impractical to replicate by investors.

In particular, the Index measures global equity markets. As with all equity investing, the Index is exposed to market risk. The value of equities fluctuate with the changes in economic forecasts, interest rate policies established by central banks and perceived geopolitical risk. The Index does not take into account the cost of replication and as a result a tracking portfolio's returns will underperform the Index with all else equal. As the Index is designed to measure those markets, it could be materially impacted by market movements, thus significantly impacting the use or usefulness of the fixings for some or all users.

In addition, certain indices may be designed to measure smaller subsets of the Parent Index such as specific styles, size, and sector. Some of these sub-indices have very few qualifying constituents and may have none for a period of time. During such period, the sub-index will continue to be published at its last value, effectively reporting a 0% return, until new constituents qualify. If no constituents are expected to qualify (due to changes in market structure and other factors), the index may be discontinued. In such an event, this discontinuation will be announced to index users.

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## Appendix II: Benchmark Oversight and Governance

### **Benchmark governance, audit and review structure**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Index and data reviews**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Expert judgement**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Conflicts of interest**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Restatement policy**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Cessation policy**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Appendix III: Methodology ESG Disclosure**

This Index does not take into account any ESG factors or pursue any ESG objectives. Please refer to the [Bloomberg Global Equity Indices Methodology](#) for ESG disclosures.

## Appendix IV: Methodology Document Changes

Date	Update
February 2026	Document creation

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