

**JASDAQ**  
August 6, 2003

**Index Corporation**  
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### **Index Corporation Announces the Issuance of New Shares**

Index Corporation announced that its Board of Directors today approved the issuance of new shares by private placement. Details regarding the new share issue are found below.

1. Details of the Issue of New Shares	
(1) Number of new shares to be issued	4,161 shares of common stock
(2) Issue price	¥560,000 per share
(3) Total value of new shares to be issued	¥2,330,160 thousand
(4) Amount included in capital	¥280,000 per share
(5) Total amount included in capital	¥1,165,080 thousand
(6) Date for application	Aug. 19 (Tues.) to Aug. 21 (Thurs.), 2003
(7) Date for payment	Aug. 22 (Fri.), 2003
(8) Record date for dividends	Mar. 1 (Sat.), 2003
(9) Allottees and number of shares to be allotted	
Mitsubishi Corporation	1,785 shares
Takara Co., Ltd.	1,000 shares
<b>The Gibraltar Life Insurance Co., Ltd.</b>	<b>267 shares</b>
<b>UFJ Trust Bank Limited (Trust Account A)</b>	<b>89 shares</b>
COMMERZ Japan Small Cap Open	12 shares
Nikko Growing Venture Mother Fund	708 shares
“Growing up” Small Stock Fund	300 shares
Total	4,161 shares

(10) The above are subject to filing of the appropriate documentation required pursuant to the Securities Exchange Act of Japan.

[Reference]

Issued and Outstanding Shares (Changes in Capital)

Total number of shares issued and outstanding	89,138 shares (as of Jul. 31, 2003)
(Capital	¥2,102,000,000)
Increase due to share issuance	4,161 shares
(Additional capital	¥1,165,080,000)
Total number of shares issued and outstanding after issuance	93,299 shares
(Capital after increase	¥3,267,080,000)

Reasons for Increasing Capital and Proposed Uses of Funds

(1) Reasons for Increasing Capital

Index is involved in the development, operation and other aspects of a variety of systems and contents that utilize mobile communications and broadband. While these businesses have strong growth potential, the tumultuous changes in the company's operating environment mean that profitability depends to a large extent on accurate timing of business activities. Index's primary aim in issuing new shares is to develop as quickly and accurately as possible its various businesses with the companies detailed below.

Index will explore the possibility of developing mobile-based solutions in Japan and overseas, broadband-based "video-on-demand" systems, and other businesses utilizing advanced information infrastructure with Mitsubishi Corporation. In the mobile area, with user needs becoming more diverse each year, in tandem with rapid advancements in mobile phones, there is an emergent demand for development capabilities able to cope with these changes. In the broadband business domain, efficient business operations are key to meeting clients' exponentially growing needs.

Index also plans to collaborate with Takara Co., Ltd., primarily on the

development of products that wed entertainment with cutting-edge technology. Both parties will work to reduce the lead-time to market as far as possible, a crucial factor in the development of such products.

Both Mitsubishi Corporation and Takara Co., Ltd. have a basic policy of strengthening business relationships through long-term investments. In allotting shares to the five remaining financial institutions and other recipients, the company selected investors that it deemed ran sound business operations and intended to invest from a long-term perspective.

Index plans to continue actively disclosing any business alliances that may have a significant impact on its operating results.

### (2) Proposed Uses of Funds

The issuance of new shares is expected to generate funds in the amount of ¥2,330,160 thousand, from which ¥10,000 thousand will be deducted to cover related expenses. The remaining funds are earmarked for systems development expenses for the businesses outlined above, operation of broadband and other businesses, and investment in affiliates connected with the aforementioned business activities.

### (3) Forecast of Consolidated Operating Results

No revisions have been made to previous forecasts.

Millions of yen (except per share data)

	Net sales	Ordinary profit	Net income	Net income per share (yen)
Aug. 31, 2003 (Forecasts announced with interim results for period ended Aug. 31, 2003)	20,000	2,000	1,000	10,718.22
Aug. 31, 2002	9,683	1,005	556	6,720.78

(For the period ended August 31, 2002, net income per share was calculated based on the average number of shares during the period. Net

income per share for the period ended August 31, 2003, however, was calculated based on the total of the number of shares issued and outstanding on July 31, 2003 and the number of new shares issued.)

(4) Distribution of Earnings to Shareholders

Index intends to work to improve operating results so as to actively return profits to shareholders.

(5) Method for Determining Issue Price

The issue price was set at ¥560,000, representing a 5.6% discount on the average closing price for Index's shares (¥593,766) as quoted by the Japan Securities Dealers Association for the 6-month period up to the day before the meeting of the Board of Directors for approval of the share issuance.

(6) Allottees

See attachments.

(7) Issues Regarding Notification of Transfer of Allotted Shares

Index has no formal agreement with the allottees regarding the continuous holding of the allotted shares or depository. However, for two years from the effective issue date of the allotted shares (August 25, 2003), the company and allottees have informally agreed that in the event that some or all of the allotted shares are sold that the allottee shall immediately notify the company in writing of the purchaser's name and address, number of shares sold, date of sale, sale price, reasons for sale, the method of sale and related information.

(8) Stance Regarding Future Increases in Capital

Future increases in capital will be carefully considered following an in-depth analysis of business expansion plans, demand for funds and forecasts of operating results.

(9) Timeline for Capital Increase

Aug. 6, 2003 (Wed.)

Issuance of new shares approved at a meeting of the Board of Directors. Securities documentation filed with the Kanto Local Finance Bureau.

Notice of Board decision to issue shares submitted to the Japan Securities Dealers Association.

Press kits regarding announcement of the share issuance mailed.

Thurs., Aug. 7, 2003

Board decision to issue new shares announced.

Thurs., Aug. 14, 2003

Effective date of filing of documents submitted regarding the share issuance.

Tues., Aug. 19, 2003

Investor solicitation began.

Thurs., Aug. 21, 2003

Application date

Fri., Aug. 22, 2003

Payment date

Sat., Aug. 23, 2003

Date of appropriation to capital

Mon., Aug. 25, 2003

Date of delivery of share certificates

(10) Major Shareholders Following the Issuance of New Shares (Based on shareholders register as of February 28, 2003)

Rank	Name	No. of shares held	Percent of total shares (%)
1	Masami Ochiai	27,660	29.6
2	Mitsubishi Corporation	9,297	9.9
3	Yoshimi Ogawa	6,745	7.2
4	The Master Trust Bank of Japan, Ltd.	3,427	3.6
5	The Mitsubishi Trust and Banking Corporation	2,515	2.6

6	Kazutoshi Watanabe	2,160	2.3
7	Japan Trustee Services Bank, Ltd.	2,154	2.3
8	Takara Co., Ltd.	2,086	2.2
9	Fuji Television Network, Inc.	2,040	2.1
10	UFJ Trust Bank Limited	1,736	1.8
Total shares issued and outstanding		93,299	

The capital increase has caused no change in major shareholders or the leading shareholder.

### Allottee Profiles

Allottee		Mitsubishi Corporation	
Shares allotted		1,785 shares	
Amount to be paid		¥999,600,000	
Details of allottee	Address	6-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan 100-8086,	
	President	Mikio Sasaki	
	Capital	¥126,608 million	
	Main business	General trading company	
	Major shareholders	The Master Trust Bank of Japan, Ltd. (Trust Account), Japan Trustee Services Bank, Ltd. (Trust Account), The Tokio Marine and Fire Insurance Company, Limited, Meiji Life Insurance Company	
Relationship	Investment	Shares of allottee held by Index	None
		Shares of Index stock held by allottee	7,512 shares ( as of Feb. 28, 2003 )
	Business transactions, other	Systems development collaboration	
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).	

Allottee		Takara Co., Ltd.	
Shares allotted		1,000 shares	
Amount to be paid		¥560,000 thousand	
Description of	Address		19-16, Aoto 4-chome, Katsushika-ku, Tokyo, Japan 125-8503
	President		Keita Satoh
	Capital		¥18,121 million
	Main business		Toy design, development, manufacture and sales
	Major shareholders		Konami Corporation, Tak Co., Ltd.
Relationship	Investment	Shares of recipient's stock held by Index	None
		Shares of Index stock held by the recipient	1,086 shares ( as of Feb. 28, 2003 )
	Business transactions, other		Systems development collaboration
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).	

Allottee		The Gibraltar Life Insurance Co., Ltd.	
Shares allotted		267 shares	
Amount to be paid		¥149,520 thousand	
Details of allottee	Address		13-10, Nagatacho 2-chome, Chiyoda-ku, Tokyo, Japan 100-8953
	President		Timothy E. Feige
	Capital		¥50,000 million
	Main business		Life insurance
	Major shareholders		—
Relat	Investment	Shares of recipient's stock held by Index	None

	Shares of Index stock held by the recipient	None
	Business transactions, other	None
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).

Allottee		UFJ Trust Bank Limited (Trust Account A)	
Shares allotted		89 shares	
Amount to be paid		¥49,840 thousand	
Details of allottee	Address		13-10, Nagatacho 2-chome, Chiyoda-ku, Tokyo, Japan 100-8953
	Representative		Masahiko Sasaki
	Capital		US\$1 million
	Main business		Investment banking
	Major shareholders		—
Relationship	Investment	Shares of recipient's stock held by Index	None
		Shares of Index stock held by the recipient	None
	Business transactions, other		None
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).	

Allottee		COMMERZ Japan Small Cap Open	
Shares allotted		12 shares	
Amount to be paid		¥6,720 thousand	
Details of allottee	Address		2-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo, Japan 100-0011
	President		Hitoshi Yamamoto
	Capital		¥598 million (total worth of net assets)
	Main business		Investment fund
	Major shareholders		—
Relationship	Investment	Shares of recipient's stock held by Index	None
		Shares of Index stock held by the recipient	12 shares (as of Aug. 1, 2003)
	Business transactions, other		None
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).	

Allottee		Nikko Growing Venture Mother Fund	
Shares allotted		708 shares	
Amount to be paid		¥396,480 thousand	
Details of allottee	Address		1-3, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan 100-0006
	President		Masafumi Hikima
	Capital		¥22,571 million (total worth of net assets)
	Main business		Investment fund
	Major shareholders		—
Relat	Investment	Shares of recipient's stock held by Index	None

	Shares of Index stock held by the recipient	142 shares (as of Aug. 1, 2003)
	Business transactions, other	None
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).

Allottee		“Growing up” Small Stock Fund	
Shares allotted		300 shares	
Amount to be paid		¥168,000 thousand	
Details of allottee	Address		1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan 100-0005
	President		Kazunari Abe
	Capital		¥10,475 million (total worth of net assets)
	Main business		Investment fund
	Major shareholders		—
Relationship		Shares of recipient’s stock held by Index	None
	Investment	Shares of Index stock held by the recipient	100 shares (as of Aug. 1, 2003)
	Business transactions, other		None
Issues concerning ownership of allotted shares		Index will request that the allottee formally agree to allow the Japan Securities Dealers Association to publicly disclose relevant information regarding either the partial or complete sale of the allotted shares for a period of two years from the issue date (Aug. 25, 2003).	