

# Nikkei Stock Average DP Index Guidebook

April 9, 2010

Nikkei Inc.

- With the commencement of the calculation and publication of the Nikkei Stock Average Dividend Point Index (DP) in April 2010, Nikkei Inc (Nikkei) has compiled this index guidebook of the Nikkei Stock Average DP. It will be kept updated following any revision of the index calculation rule etc in the future.
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# 「Nikkei Stock Average DP Index Guide Book」

## 1 : Concept

The Nikkei Stock Average Dividend Point Index is an index that accumulates the dividends received from Nikkei Stock Average (Nikkei Average) constituents when investors hold shares in all constituents used in the calculation of the Nikkei Average for one calendar year. The index is calculated for each calendar year.

## 2 : Formula

The Nikkei Stock Average DP on any date  $t$  is the accumulated value of  $IDIV_{i,x}$  fixed until the previous day of  $t$

$$IDIV_{i,x} = \frac{d_{i,x} \times \frac{50}{v_{i,x}}}{D_x}$$

### **(Definition of the each term and its index)**

$i$  : the  $i$  th constituent of the Nikkei Average

$x$  : its ex-dividend date

$IDIV_{i,x}$  : dividend of the  $i$  th component on the day  $x$ , adjusted to the level of the Nikkei Average

$d_{i,x}$  : dividend per share of the  $i$  th component corresponding to the day  $x$  (Actual value)

$v_{i,x}$  : presumed par value of the  $i$  th component on the day  $x$

$D_x$  : divisor of the Nikkei Average on the day  $x$

Note) To avoid a calculation error, the index is calculated by accumulating the dividends fixed for days between the beginning of the year and the calculation date (instead of adding a day's increased value on the previous day's index value.  $D_x$  indicates the divisor used for the calculation of the Nikkei Average on the day  $x$

## 3 : Condition of the index calculation

- ① Coverage stocks: *Constituents of the Nikkei Average*
- ② Coverage dividends: *gross cash dividends whose ex-dividend dates are between January 1 and December 31(both inclusive), including special dividends and*

*commemorative dividends. However, in cases where a Non-cash Dividend (securities, etc.) that is easily measured at fair value is declared, and if Nikkei deems it necessary (in case of not changing the divisor etc), the Non-cash Dividend may be included with advance notice, while ensuring the consistency with the calculation method and the methodology of the Nikkei average. Any corporate gifts (i.e. kabunushi yutai) are not included in the coverage.*

- ③ Timing to include: *on the next business day after each dividend is fixed. The actual dividends are only used for the calculation.*
- ④ When to fix:  
*Dividend paid corresponding to the annual accounting period->on the dates of the annual regular shareholder meetings*  
*Dividends paid on the other dates->on the dates of the publication by the companies*
- ⑤ Frequency: *Daily (Business date)*
- ⑥ Unit: *Two decimal places, yen in Japanese, the same as the Nikkei Average*

#### 4 : Calculation of the index

##### (1) Dividend index for each year

The dividend index is calculated as described above, and is represented by putting the year in parenthesis following the index name.(e.g. Nikkei Stock Average DP(2010)),

- ① When to start: *on the second business day of January (The index will be zero until the first dividend in the constituents is fixed for the year)*
- ② When to end (when to publish the final price): *on the first business day of April in the subsequent year.*

##### (2) Modification of the index value

If any event is announced where it is necessary to modify the index value at a later date (eg. correction of dividend data by a company etc) as a general rule, Nikkei will amend the index value with the modified data at the next subsequent calculation date. Retroactive modification of the index value will not be conducted.

#### 5 : Calculation and publication

As a general rule, the index is calculated and published by 3pm on every business day.

## 6 : Relationship between accounting months and times to fix the dividends

Annual accounting month	Num of coms	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
January	3	A						2Q(Intr)								
February	6		A						2Q(Intr)							
March	202			A			1Q			2Q(Intr)			3Q			
April	0				A						2Q(Intr)					
May	1					A						2Q(Intr)				
June	0						A						2Q(Intr)			
July	0	2Q(Intr)						A								
August	1		2Q(Intr)						A							
September	0			2Q(Intr)						A						
October	0				2Q(Intr)						A					
November	0					2Q(Intr)						A				
December	12						2Q(Intr)						A			

Note) A=annual accounting, 1Q=first quarter, 2Q (intr) =second quarter (interim)  
3Q=third quarter,

The starting points for arrow lines indicate the times for ex-dividend, and the end points represent the times to fix the actual dividends (possible to be earlier)

Regarding quarterly dividends for 1Q and 3Q, only described in the fiscal year ending in March (currently 2 shares)

The number of each annual accounting month (fiscal year ending in the month) is based on the constituents of the Nikkei average as of March 18 2010.

## 7 : Others

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(Appendix) Modification history of Index Guidebook

Issue Date	Changed contents
March 18, 2010	Initial Version
April 9, 2010	Include additional information into Note in 「2:Formula (Definition of the each term and its index)」
	Include additional information into 「②Coverage dividends」 in 「3:Condition of the index calculation」
	Modify and Include additional information in 「4:Dividend index for each year」. Change to 「4:Calculation of the index」 and 「(1)Dividend Index for each year」, and add 「(2)Modification of the index value」
	Change to 「5:Calculation and publication」 from 「5:Dissemination of the index」, and include the related information