



JPX-Nikkei 400 Leveraged and Inverse Index Guidebook

May 22, 2015

Japan Exchange Group, Inc.
Tokyo Stock Exchange, Inc.
Nikkei Inc.

Published: May 22, 2015

DISCLAIMER: This translation may be used for reference purposes only. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. This translation is subject to change without notice. Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc., Nikkei Inc. and/or their affiliates shall individually or jointly accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or changes with regard to this translation.

Table of Contents

Introduction.....	3
I . Outline of the Index.....	4
II . Index Calculation.....	5
1. JPX-Nikkei 400 Leveraged Index	5
2. JPX-Nikkei 400 Inverse Index.....	5
III. Other.....	6
1. Publication of Index Data.....	6
2. Licensing.....	6

Record of Changes

DATE	Changes
2015/5/22	• Newly created

Introduction

- Japan Exchange Group, Inc. (JPX), Tokyo Stock Exchange, Inc. (TSE) (hereinafter collectively called “the JPX group”) and Nikkei Inc. (Nikkei) (hereinafter the JPX group and Nikkei are collectively referred to as “the Index Provider”) calculates indices that apply leverage effects to JPX-Nikkei Index 400 (hereafter “JPX-Nikkei 400 Leveraged Index”) and indices that reflect the opposite trend of JPX-Nikkei Index 400 (hereafter “JPX-Nikkei 400 Inverse Index”) (hereinafter JPX-Nikkei 400 Leveraged Index and JPX-Nikkei 400 Inverse Index are collectively referred to as “JPX-Nikkei 400 Leveraged and Inverse Index”) in accordance with, as a rule, the methods described in this document. If an event not specified in this document occurs, or if the Index Provider determines that it is difficult to use the methods described in this document, the Index Provider may use an alternative method of index calculation as it deems appropriate.
- Copyright of this document is owned by the Index Provider and any copies, reprints and reproductions of this document in whole or in part are prohibited without the prior approval of the Index Provider. This document is prepared solely for the understanding of indices calculated and published by the Index Provider, and is not to be construed as a solicitation for trading any securities or related financial instruments. The Index Provider shall accept no liability or responsibility for any loss or damage arising from errors, delays, or termination of the calculation or publication of JPX-Nikkei 400 Leveraged and Inverse Index, changes to its calculation or publication method, the use of JPX-Nikkei 400 Leveraged and Inverse Index or all or any part of this document or other similar events.

I . Outline of the Index

- The JPX-Nikkei 400 Leveraged Index applies a positive multiple to the daily rate of return of the base index, and is designed to act as an indicator for leveraged investment in the base index.
- The JPX-Nikkei 400 Inverse Index applies a negative multiple to the daily rate of return of the base index, and is designed to act as an indicator for investments that move inversely (or a multiple of inverse movement) to the base index.

II. Index Calculation

For the number of shares used for index calculation and base market value, the “JPX-Nikkei Index 400 Guidebook” is applied and the data for the JPX-Nikkei 400 on the same day is used. The same also applies to the prices for index calculation.

1. JPX-Nikkei 400 Leveraged Index

The JPX-Nikkei 400 Leveraged Index applies a positive multiple to the daily rate of return*** of the base index using the below formula. The index is denominated in points and is calculated to the second decimal place (values beyond the second decimal are rounded).

Current Day Index Value = Previous Day Index Value * (1 + N * % Base Index return from previous day)

Base index, leverage rates, base date, and base value are as below:

	Base Index	Leverage Rate(N)	Base Date	Base Value
JPX-Nikkei 400 Leveraged (2x) Index	JPX-Nikkei 400 (price return)	2	August 30, 2013	10000 points

*** round off to two decimal places

2. JPX-Nikkei 400 Inverse Index

The JPX-Nikkei 400 Inverse Index applies a negative multiple to the daily rate of return*** of the base index using the below formula. The index is denominated in points and is calculated to the second decimal place (values beyond the second decimal are rounded).

Current Day Index Value = Previous Day Index Value * (1 - N * % Base Index return from previous day)

Base index, leverage rates, base date, and base value are as below:

	Base Index	Leverage Rate (N)	Base Date	Base Value
JPX-Nikkei 400 Inverse (-1x) Index	JPX-Nikkei 400 (price return)	1	August 30, 2013	10,000 points
JPX-Nikkei 400 Double Inverse (-2x) Index	JPX-Nikkei 400 (price return)	2	August 30, 2013	10,000 points

*** round off to two decimal places

III. Other

1. Publication of Index Data

- Index values of JPX-Nikkei 400 Leveraged and Inverse Indexes are disseminated in real-time (every 15 seconds) through the Market Information System to securities companies, news media, and other institutions all over the country. The index values are calculated retroactively back to August 31, 2006 on an end-of-day basis.

2. Licensing

- JPX-Nikkei 400 Leveraged and Inverse Indexes are copyrighted material calculated in a methodology independently developed and created by the Index Provider and the Index Provider is the sole exclusive owner of the copyright and other intellectual property rights in JPX-Nikkei 400 Leveraged and Inverse Indexes and the methodology to calculate JPX-Nikkei 400 Leveraged and Inverse Indexes. Commercial use of JPX-Nikkei 400 Leveraged and Inverse Indexes must be licensed by the Index Provider. Such uses include, but are not limited to, the provision of derivative products such as futures and options, creation and marketing of linked funds or linked securities, or distribution of the indexes for data and analytic services.