

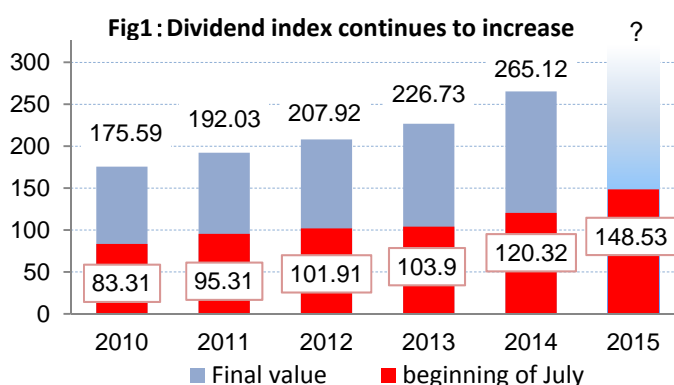
## Nikkei 225 in June

As of the end of June, the Nikkei Stock Average (Nikkei 225) stood at 20235.73 down 327.42 points or 1.59% from the end of May 2015, which declined on a monthly basis for the first time in this year. At the end of the month, the index plummeted because Eurozone could not agree on a bailout plan with Greek until the deadline of its debt payment to IMF. Beforehand, the Nikkei 225 soared to 20868, the highest level since December 1996, which exceeded the peak level touched in April 2000 during the period of the IT bubble.

### This month's Topic : Dividend index continues to update its historical high?

The Nikkei Stock Average Dividend Point Index climbed to 148.53 yen on July 1st. Almost 90 % constituent companies finished the annual shareholder meetings held in June and the dividends paid by the companies were reflected into the dividend index. The level significantly surpassed 120.32, the 2014 year's dividend index at the beginning of July 2014, which recorded the historical high as its final value for the second year in a row. It seems that the 2015's dividend index will update the historical high at the beginning of April 2016.

The Nikkei dividend index is calculated by accumulating the each actual dividend per share into the formula of the Nikkei 225 every time the each dividend value is fixed. Its final value with the year is published at the beginning of April in the subsequent year after the all constituent dividend payments are fixed. The index is expressed with a year such as the Nikkei Stock Average Dividend Point Index (2015) since the index is calculated by accumulating the dividends every calendar year basis. The dividend index starts to be published from April 2010 and it was retroactively calculated to 1998.



The largest contributor to the increase in the dividend index was Fanac (6954). Its contribution level was 19.31 yen (in 148.54 yen of the 2015's index) while the level was 3.66 yen in the 2014's index at the beginning of July in the year respectively. The company announced its policy on returns to the shareholders such as an increase in the dividend payout ratio to 60% from 30%. As a result, the dividend per share of Fanac for the last term (October 2014 to March 2015) skyrocketed to 491.93 yen from 93.26 yen for the same period in the previous year, which could lead to the significant increase in the dividend index (2015).

The Table 1 shows a ranking by the contribution levels to the 2015's dividend index. It is

noticeable that companies on the highest places have increased the dividend payments, which resulted in the greater contributions. The dividend index futures listed on the SGX expect further increases in the dividend payments by the index constituent companies. The prices of the dividend future contract with the settlement year of 2015 was 330 yen, higher than 323 yen of an expected final value of the dividend index based on estimated dividends on ex-dividend dates from July to December in 2015 and the current 2015's dividend

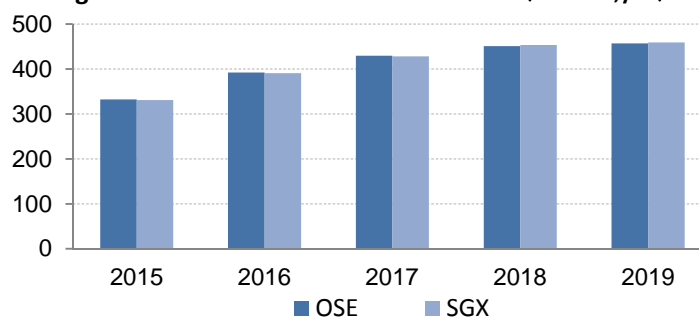
**Table 1: Ranking of the contribution levels**

company name	Benigning of July 2015	Beginning of July 2014
Fanuc	19.31	3.66
KDDI	7.07	5.50
Fast Retailing	6.87	5.89
Toyota Motor	4.91	3.93
Kyocera	4.71	3.14
Takeda Pharmaceutical	3.53	3.53
Astellas Pharma	3.14	2.75
Eisai	3.14	3.14
Tokyo Electron	2.67	0.98
Nitto Denko	2.55	1.96

Unit: yen

index level. The dividend future prices increase as the periods to the settlements are longer, which reflects market participants' strong expectations that the trend of expansions in returns to the shareholders will continue in the future for long.

**Fig2: Nikkei 225 Dividend Index Futures (June 30 ,yen)**



**Performance Summary of June 2015**

(Data as of end of June)

Name of Index	Index Value	Monthly Return	Avg Return	Volatility	Yealy High	The Date	Yearly Low	The Date
Nikkei 225	20235.73	-1.59%	0.12%	1.09%	20868.03	24-Jun	16795.96	14-Jan
JPX-Nikkei Index 400	14716.19	-2.68%	0.11%	1.01%	15159.05	24-Jun	12308.20	7-Jan
Nikkei 225 TR	30041.85	-1.38%	0.13%	1.08%	30919.68	24-Jun	24719.38	14-Jan
Nikkei 225 VI (Volatility)	21.41	15.92%	0.25%	5.87%	26.58	6-Jan	16.84	23-Jun
Nikkei 225 VI Futures	22255.52	-9.89%	-0.33%	2.50%	50080.55	6-Jan	20232.42	23-Jun
Nikkei 225 USD Hedged	21505.36	-1.57%	0.12%	1.09%	22179.49	24-Jun	17851.30	14-Jan
Nikkei 225 EUR Hedged	18946.77	-1.58%	0.12%	1.09%	19531.69	24-Jun	15690.33	14-Jan
Nikkei 225 Covered Call	17719.68	-0.14%	0.11%	0.94%	18242.04	24-Jun	14648.80	14-Jan
Nikkei 225 Risk Control	18137.21	-1.24%	0.06%	0.67%	18586.71	24-Jun	16255.58	14-Jan
Nikkei 225 Leveraged	16924.07	-3.38%	0.25%	2.17%	18015.34	24-Jun	11771.84	14-Jan
Nikkei 225 Inverse	2419.21	1.38%	-0.12%	1.09%	2942.85	14-Jan	2348.03	24-Jun
Nikkei 225 Double Inverse	2717.10	2.56%	-0.25%	2.17%	4059.40	14-Jan	2561.74	24-Jun
Nikkei 300	330.55	-2.73%	0.11%	1.00%	340.64	24-Jun	274.44	14-Jan
Nikkei China Related 50	1728.33	-4.27%	0.11%	1.02%	1805.35	29-May	1471.94	14-Jan
Nikkei 500 Average	1800.34	-0.82%	0.13%	0.99%	1846.63	24-Jun	1464.27	7-Jan
Nikkei Japan 1000	1928.97	-2.60%	0.11%	1.00%	1988.05	24-Jun	1603.46	14-Jan
Nikkei JASDAQ Average	2718.39	2.05%	0.10%	0.59%	2779.64	24-Jun	2329.73	3-Feb

Name of Index	Index Value	Change	Hist. High	The year	Hist. Low	The year
Nikkei 225 DP	148.53	23.45%	148.53	2015	46.54	2002

Note: Avg Return and Volatility are calculated on the daily return for the past 1 year.

"Change" in the Nikkei 225 Dividend Point Index (Nikkei 225 DP) indicates a comparison with the value at the end of June 2014. Historical High and Low in the dividend index were based on the values in the same month since 1998.

(Disclaimer) Although Nikkei Inc. (Nikkei) has produced this document, obtaining information and data from such sources that Nikkei believes reliable; Nikkei shall not be liable for the accuracy or completeness etc., and shall not accept any liability for any loss or damage arising from usage of this document. Nikkei shall not guarantee updates of newest information anytime on this document and may change the contents without notice. All rights of this document are reserved.