

# FAQ

## (Nikkei Stock Average Dividend Point Index)

Nikkei Inc.

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**1. What is the “Nikkei Stock Average DP” appeared in the newspaper, i.e. Nihon Keizai Shimbun (in Japanese) ?**

The Nikkei Stock Average Dividend Point Index (DP), indicates how much dividends investors could receive during a year if the Nikkei Stock Average, the Nikkei 225 is used to resemble a stock. The dividend index is calculated by accumulating the each received dividend every time the amount is fixed if they are supposed to hold the 225 constituent stocks from January to December in a year. Nikkei started calculating and publishing the index from April 2010.

**2. Why is some year figure, e.g. 2012 put with the index ?**

This is because the index is calculated by accumulating the amount of constituent stocks' dividends in each year. For instance, the Nikkei Stock Average Dividend Point Index (2012) represents the accumulated amount of dividends in case investors are supposed to hold the constituents of the Nikkei 225 between January and December 2012. Based on current constituents, the index firstly includes the interim dividend by a company with the account month of February, the second quarter. After it finally includes the fixed dividends by companies with annual accounting month of December, the year's final index value is determined at the beginning of April in the following year.

**3. What would the index value indicate ?**

It indicates the accumulated dividend amount in case of holding the constituents of the Nikkei 225 with the same weights as those used for the calculation of the Nikkei 225. Therefore after the each stock's dividend is adjusted by the price adjustment factor, then the adjusted value is divided by the divisor on the ex-dividend day, and then the figures are accumulated to obtain the index value. It represents so called an income gain (dividend) in using the Nikkei 225 to resemble a stock.

**4. When would the value be changed ?**

The year-end dividends are included on the next day of the annual regular shareholder meeting, while the dividends for other periods, i.e. interim dividends are included on the next day when the figures are published by the companies. Because most of the constituents have annual accounting month of March, the index tends to increase in June and October to November when the year-end dividends and the interim dividends are fixed respectively.

**5. Is it possible to obtain the past data ?**

Yes. You can obtain the daily data for the past three years free of charge through a page of the Nikkei Stock Average Dividend Point Index or Download Centers in “Indexes” page on this web site. The index value since 1998 or the individual dividend figures to compute and track the indexes are provided on “Premium Data Package”, paid information pages on this web site.

**6. Are there any financial products linked to the index ? What is the purpose for the usage ?**

Futures on the Nikkei Stock Average Dividend Point Index are traded where investors predict the final value of the dividend indexes of the years. Such future contracts have been traded on the Osaka Exchange (OSE) and on the Singapore Exchange (SGX). The OSE lists the eight contracts and the SGX lists ten contracts respectively. Major participants are financial institutions such as institutional investors however some security brokers started taking orders for individual investors. The dividend futures tend to rise if investors expect dividends to increase, while the futures would fall if they expect dividends to decrease. They could gain by selling some future contracts based on the expectation for dividends to decrease, then buying them back at the lower prices as expected, which could cover losses due to decreases in dividends. Also investors buying products linked to the Nikkei 225 could use the future contracts to fix and cash in the realized return, or to avoid the risk in the fluctuation of the dividend in the future.