

Nikkei Asia300 Index

Index Guidebook

Nikkei Inc.

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(September 23, 2019 version)

1 : Concept

The Nikkei Asia300 Index is based on the group of must-watch companies selected by Nikkei as “Asia300” from China/Hong Kong, South Korea, Taiwan, India, and 6 countries from South East Asia and is calculated as a free-float adjusted market value index. The aim of the index is to capture the dynamism of the region at the forefront of global economic growth.

The composite (Nikkei Asia300 Index) and ASEAN index are calculated real-time and are supplemented by individual end-of-day indices for 11 countries and regions. The indices are calculated by S&P Dow Jones Indices under the commission by Nikkei. Indices up to June 8, 2018 were calculated by the Singapore Exchange (SGX).

2 : Index Names

(1) Generic name

Nikkei Asia300 Index Series

(2) Each index name

(2-1) US Dollar based indices

- Nikkei Asia300 Index
- Nikkei Asia300 ASEAN Index
- Nikkei Asia300 China Index
- Nikkei Asia300 Hong Kong Index
- Nikkei Asia300 South Korea Index
- Nikkei Asia300 Taiwan Index
- Nikkei Asia300 Indonesia Index
- Nikkei Asia300 Malaysia Index
- Nikkei Asia300 Philippines Index
- Nikkei Asia300 Singapore Index
- Nikkei Asia300 Thailand Index
- Nikkei Asia300 Vietnam Index
- Nikkei Asia300 India Index

(2-2) Local currency indices

- Nikkei Asia300 China Index (CNY)
- Nikkei Asia300 Hong Kong Index (HKD)
- Nikkei Asia300 South Korea Index (KRW)
- Nikkei Asia300 Taiwan Index (TWD)

- Nikkei Asia300 Indonesia Index (IDR)
- Nikkei Asia300 Malaysia Index (MYR)
- Nikkei Asia300 Philippines Index (PHP)
- Nikkei Asia300 Singapore Index (SGD)
- Nikkei Asia300 Thailand Index (THB)
- Nikkei Asia300 Vietnam Index (VND)
- Nikkei Asia300 India Index (INR)

(note) 3 letters after the index names for local currency version are the ISO currency codes

3 : Constituents Management

(1) General rule

- The constituents of the Nikkei Asia300 Index are those stocks of the “Asia300”, listed in the following 11 countries and a region.
 - China, Hong Kong, South Korea, Taiwan, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, and India
- The constituents of the Nikkei Asia300 ASEAN Index are those stocks listed in the following 6 countries.
 - Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam
- Country and regional indices are comprised of the stocks where the major business of the issuing body exists, as stipulated by “Asia300”. For example, a Thai company listed in Singapore is a member of Thai index.
- Those stocks only listed on the North American exchanges are excluded from the indices.

(2) Periodic review

The constituents of the Nikkei Asia300 Index Series are to be changed as a result of the review of “Asia300” companies planned to be conducted once a year.

(3) Extraordinary Replacement

If the member company of the “Asia300” is changed due to the reasons other than the annual review, e.g. delisting of the stock, the treatment of such stock in the index will be announced accordingly.

4 : Index Calculation

(1) Basic Point

- The indices are calculated based on free-float adjusted market value method.
- The Nikkei Asia300 Index and the Nikkei Asia300 ASEAN Index are calculated every 15 seconds during the trading hours of the markets on which the constituents are listed. Other indices are calculated once at the end-of-the day basis.
- The Reuter's spot FX rates at the time of calculation are used for the currency conversions.
- If the stock prices are not available due to trading halt or zero trading volume, the prices used to calculate the previous day closing indices are used. If stocks go ex-right during the period, the prices are ex-right adjusted.
- Same as above when one or more exchanges do not trade due to holiday or otherwise for the Nikkei Asia300 Index and the Nikkei Asia300 ASEAN Index.
- Since the FX rates to convert the currencies are at the time of its calculation (real-time), indices denominated in the US Dollar reflect the changes in the FX rates in addition to the stock prices. However, the indices up to June 8, 2018 were calculated with fixed exchange rate at 16:00 in London time provided by WM/Reuters.
- The base date is December 1, 2015 and the base value is 1,000 for all the indices.

(2) Calculation Calendar

- In principle, the indices of the Nikkei Asia300 Index and Nikkei Asia300 ASEAN Index are calculated from Monday to Friday except on January 1. However, the indices will not be calculated when all of the relevant exchanges are closed.
- Country indices are also calculated from Monday to Friday except on January 1. However, the indices will not be calculated when the market of the country is closed. Note that there are cases where constituents of the index include those traded outside of the country or the region it covers, i.e. Nikkei Asia300 Thai Index has Singapore traded stock. In such cases, the index is not calculated when market of the mother country is closed e.g. on Thai holidays, Thai index is not calculated even if the Singapore market is open.

(3) Formula

- An index at a time of t is calculated with the following formula.

$$Index_t = \frac{\text{Sum of Free Float Market Cap of Constituents}_t}{\text{Divisor}_t} \times 1,000$$

$$\text{Sum of Free Float Market Cap of Constituents}_t = \sum_i^N (P_{i,t} \times S_{i,t} \times F_{i,t} \times E_{i,t})$$

$P_{i,t}$: Stock Price of constituent $_i$ at time of t (on local currency)

$S_{i,t}$: Number of shares of constituent $_i$ at time of t

$F_{i,t}$: Free float ratio for constituent $_i$ at time of t

$E_{i,t}$: Spot currency rate for constituent $_i$ at time of t (*)

N : Number of constituents in the index

(*) Exchange rate between trading currency and calculation currency. For example, the rate for a stock traded in SGD in the USD based index is an inverse number of USD/SGD (1 USD=SGD).

- Divisors are adjusted in accordance with the S&P DJI's methodology ("Equity Indices Policies & Practices Methodology" and "Index Mathematics Methodology"). Divisors will be adjusted for the various actions in the index (e.g. constituents change, changes in the number of shares and Free float ratio for the constituents, capital increase/decrease etc.) to keep the index level between pre and after the event unchanged.
- (4) Price, Number of shares and Free float ratio
- Prices, number of shares, and the free float ratios are managed in accordance with the S&P DJI methodology.
 - If a company is listed on two or more market, the stock price on the primary market determined by Nikkei will be used.
 - If a company is listed both China market (A-shares) and Hong Kong market (H-shares), the stock price, number of shares and free float ratio for H-share will be used in principle.
 - For China market (A-shares), prices on Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are used in principle. However, prices on Shanghai Stock Exchange and Shenzhen Stock Exchange were used up to September 20, 2019.

5 : Index Value

(1) Historical indices

- Based on the constituents as at the end of the September 2016, historical indices are calculated back to December 1, 2005 for reference purposes. Note that Nikkei Asia300 Vietnam Index and Nikkei Asia300 Vietnam Index (VND) are calculated from December 1, 2008 due to scarcity of the trading activity.
- For the historical reference indices, those stocks listed on the first business day of December are used to calculate the indices up to the end of November, next year.
- A Singapore company, SMRT, delisted at the end of October was deleted from the indices on the day of delisting.

(2) Index Restatement

- Indices may be revised in accordance with the S&P DJI's methodology.

6 : Others

(1) Licensing

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Appendix : Change history of Index Guidebook

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| March 1, 2017 version | Initial version |
| June 11, 2018 version | <ul style="list-style-type: none"> - Modified the description of Periodic review in the “3:Constituents Management” - Modified the description of the calculation interval and the currency conversions in the “4:Index Calculation” - Modified the description in the “1:Concept”, ”4:Index Calculation”, “5:Index Value” and “6:Others” due to change of the calculation agent. |
| April 1, 2019 version | <ul style="list-style-type: none"> - Modified the description of the exclusion in the “3:Constituents Management (1) General rule” |
| September 23, 2019 version | <ul style="list-style-type: none"> - Added the description of the prices for China A-Shares in the “4:Index Calculation (4) Price, Number of shares and Free float ratio” |