

Nikkei Stock Average FactSheet

The Nikkei Stock Average, the Nikkei 225 is used around the globe as the premier index of Japanese stocks. More than 60 years have passed since the commencement of its calculation, which represents the history of Japanese economy after the World War II. Because of the prominent nature of the index, many financial products linked to the Nikkei 225 have been created and are traded worldwide while the index has been sufficiently used as the indicator of the movement of Japanese stock markets. The Nikkei 225 is a price-weighted equity index, which consists of 225 stocks in the 1st section of the Tokyo Stock Exchange.

■ (Constituents)

The Nikkei 225 is comprised of 225 stocks selected from domestic common stocks in the 1st section of the Tokyo Stock Exchange, excluding ETFs, REITs, preferred equity contribution securities, tracking stocks (on subsidiary dividend) etc other than common stocks.

■ (Calculation method)

The presumed value is set for each constituent, which succeeds "par value system" used to be introduced for Japanese equities, and the each constituent stock price is adjusted by the presumed par value. The Nikkei 225 is calculated by dividing the summation of the adjusted prices by the divisor. The purpose of the divisor is to maintain the continuity of the index by eliminating the effect of external factors not directly related to the market movement in calculating the price-weighted index. This method using the divisor is called "Dow adjustment".

■ (Change in constituents)

The constituents are changed at the beginning of October every year based on the Annual Review. (There might be no change in components as the result of the review). The selection shall be conducted based on the two factors, "liquidity" and "sector balance". (Nikkei introduces 6 sectors categories consolidated from the 36 Nikkei industrial classifications). When a component is delisted due to its bankruptcy and the reorganization of its company group etc, the stock would be deleted from the index and a new component would be added, following the procedure of the Extraordinary Replacement.

■ (Base date etc)

The commencement date of the calculation was September 7th, 1950, which had been retroactively calculated in the past on the end-of-day basis, to May 16th, 1949. The Nikkei 225 is currently calculated every 5 seconds while the Tokyo Stock Exchange opens.

■ Graph (Dec/28/2018)



■ Performance (Dec/28/2018)

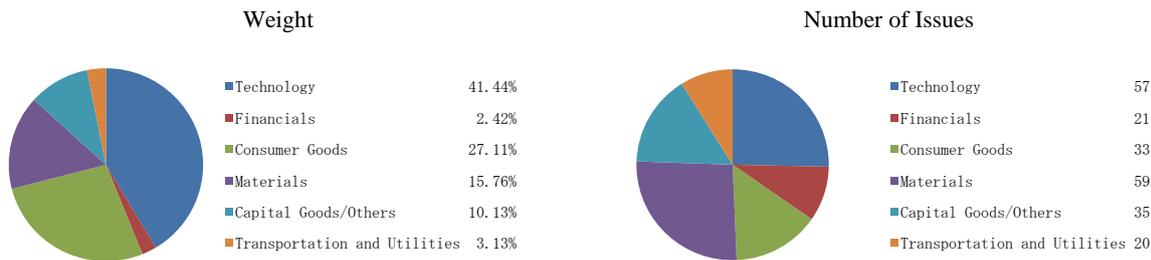
	Avg. Return (%)	Volatility (%)	PER	PBR	Dividend Yield (%)	Market Cap (%)	Annualized Returns (%)	
2014	0.04	1.28	15.96	1.40	1.37	63.28	1 year	-12.08
2015	0.04	1.33	15.57	1.29	1.54	59.71	3 years	1.69
2016	0.02	1.71	16.18	1.33	1.59	59.44	5 years	4.20
2017	0.07	0.75	15.06	1.32	1.63	59.35		
2018	-0.05	1.22	11.22	1.04	2.30	59.19		

*Market Cap (%) indicates the percentage of TSE 1st Section

■ Top 10 Components by weight (Dec/28/2018)

Company	Code	Sector	Nikkei Industry Classification	Weight (%)	ParValue (yen)	Price (yen)	PER	PBR	Dividend Yield (%)
Fast Retailing	9983	Consumer Goods	Retail	10.43	50	56370	34.85	6.66	0.85
Softbank Group	9984	Technology	Communications	4.05	50/3	21915	7.96	1.26	0.60
Fanuc	6954	Technology	Electric Machinery	3.08	50	16670	22.71	2.16	4.72
KDDI	9433	Technology	Communications	2.91	25/3	15744	10.06	1.50	3.81
Familymart Uny Holdings	8028	Consumer Goods	Retail	2.57	50	13910	44.00	3.12	0.91
Tokyo Electron	8035	Technology	Electric Machinery	2.32	50	12515	8.66	2.44	5.79
Terumo	4543	Technology	Precision Instruments	2.30	25	12448	29.38	3.40	0.87
Daikin Industries	6367	Capital Goods/Others	Machinery	2.16	50	11695	19.00	2.44	1.20
Kyocera	6971	Technology	Electric Machinery	2.04	25	11016	20.86	0.81	2.18
Secom	9735	Consumer Goods	Services	1.69	50	9114	23.97	2.04	1.81

■ Sector Weight (Dec/28/2018)



■ Recent Component Changes (Dec/28/2018)

	Deleted	Added	Divisor Change
Jan/24/2017	Mitsumi Electric(6767)	Otsuka Holdings(4578)	Extraordinary Change 26.301
Aug/1/2017	Toshiba(6502)	Seiko Epson(6724)	Extraordinary Change 26.581
Oct/2/2017	Hokuetsu Kishu Paper(3865)	Recruit Holdings(6098)	Periodic Change 26.950
	Meidensha(6508)	Japan Post Holdings(6178)	
Oct/1/2018	Furukawa(5715)	CyberAgent(4751)	Periodic Change 26.993
Dec/26/2018	Nisshin Steel(5413)	DIC(4631)	Extraordinary Change 27.003

■ Vendor Code

		(Total Return)	(Net Total Return)
QUICK	101	S101#TR/NKNJ	S101#NR/NKNJ
Bloomberg	NKY	NKYTR	NKYNTR
THOMSON REUTERS	.N225	.N225TR	.N225NTR

■ Reference

Please refer to the "Index Guidebook" for the detail of the calculation method or constituents selection rules.

→(URL) <https://indexes.nikkei.co.jp/>

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