

Nomura Japan Equity High Dividend 70, Total Dividend Weighted

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The Nomura Japan Equity High Dividend 70, Total Dividend Weighted is a total-dividend-weighted index comprising 70 Japanese stocks with high dividend yields. Based on the High Dividend 70 concept, it is designed to enable investors to expand their amount of investments more easily. The component stock weights are determined on the basis of total dividends. Stocks are screened for DOE, making it possible to measure shareholder returns both in terms of dividend policy and share buybacks.

As of end-Dec 2018

Yen-dominated index

No. of cons. 70
Reconfiguration Every February
Base period (base value) December 29, 2000 (=10000)
Weighting Total-dividend weighted (capped at 5%)

ETF

Bloomberg —
Listed market —
Currency —
Launch —
Fund manager —

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Nomura Japan Equity High Dividend 70,
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 Data publication services

Data for Nomura Japan Equity High
 Dividend 70, Total Dividend Weighted
 can be obtained via following channels.

INTERNET <http://qr.nomuraholdings.com/en/nhdivd/index.html>

Daily index values are published in the following media.

Bloomberg NMRI
 Excluding dividends NMRIJODD <Index>
 Including dividends NMRIJIDD <Index>

QUICK Excluding dividends SNJPHD#DW/NRIJ
 Including dividends SNJPHD#TRDW/NRIJ

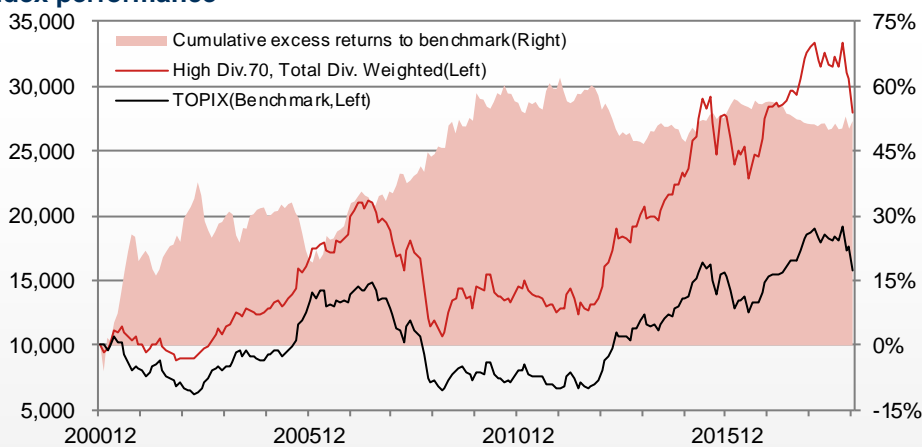
REUTERS Excluding dividends .NHDIV70TD
 Including dividends .NHDIV70TDTR

INTERNET <http://qr.nomuraholdings.com/en/nhdivd/index.html>

Summary

- Designed to make it easier to realize a high dividend strategy even with a larger scale of assets.
- The component stock weights are determined on the basis of total dividends. Compared with the equal-weighting method, the trading impact at the time of reconfiguration can be held down.
- By capping a component stock's weight at 5%, the index is unlikely to see a rise in turnover at the time of periodic reconfiguration, which can happen if an index is exposed too much to a particular component
- Stocks are screened for DOE (total dividends/shareholders' equity) to take quality and stability of dividends into account, making it possible to measure shareholder returns both in terms of dividend policy and share buybacks.
- By using the latest forecast and the two most recent years of actual data to calculate our dividend-related indicators, we aim to reduce the changes of component stocks and keep turnover low.

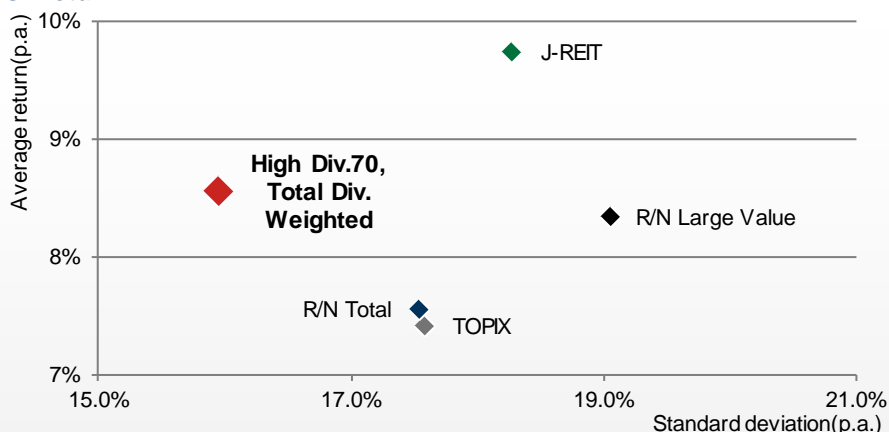
Index performance



((above) Shows total returns of yen-denominated indexes, rebased so that end-Dec 2000 = 10,000.
 (below) Ref Note1)

| | 1m | 3m | FYTD | 1-year | 2-year | 5-year | 200101~ |
|------------------------------------------|--------|--------|--------|--------|--------|--------|---------|
| High Div.70, Total Div. Weighted | -8.4% | -15.8% | -11.0% | -15.3% | -0.1% | 7.1% | 7.0% |
| TOPIX | -10.2% | -17.6% | -11.9% | -16.0% | 2.2% | 6.0% | 4.1% |
| High Div.70, Total Div. Weighted - TOPIX | 1.8% | 1.8% | 0.8% | 0.7% | -2.3% | 1.1% | 2.9% |
| IR | - | - | - | 0.14 | -0.59 | 0.28 | 0.41 |

Risk return



(Yen-denominated monthly total returns are annualized. April 2003-, Ref. Note2)

| | High Div.70, Total Div. Weighted | TOPIX | R/N Total | R/N Large Value | RET Tokyo Stk. Exchange |
|------------------|----------------------------------|--------|-----------|-----------------|-------------------------|
| Average return | 8.55% | 7.41% | 7.55% | 8.34% | 9.73% |
| Std. deviation | 15.95% | 17.58% | 17.54% | 19.06% | 18.27% |
| Return/Std. dev. | 0.54 | 0.42 | 0.43 | 0.44 | 0.53 |

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Valuation

(F1 based, Priority given to consolidated results supplemented by parent, Ref. Note3)

| | PER | PBR | D/Y (%) | ROE (%) |
|----------------------------------------------|--------------|-------------|-------------|-------------|
| High Div. 70, Total Div. Weighted | 9.54 | 0.91 | 4.05 | 9.76 |
| R/N Total | 12.03 | 1.10 | 2.59 | 9.46 |
| R/N Large Value | 9.07 | 0.78 | 3.20 | 8.89 |

(Note1)

- 1) The data less than a year shows the return in the period, and that of more than a year is annualized (total returns of yen-denominated indexes).
- 2) Annualized return is calculated by multiplying the average monthly return by 12 during the data period.
- 3) Excess return is calculated by subtracting benchmark index return from the index return.
- 4) IR (Information Ratio) = (monthly excess return × 12) ÷ (standard deviation of monthly excess return multiplied by square root of 12)

(Note2)

- 1) Average return is calculated by multiplying the average monthly return by 12 during the data period.
- 2) Standard deviation is obtained by multiplying specimen standard deviation of monthly return by square root of 12.
- 3) Return/Standard deviation = 1) ÷ 2)

(Note3)

- 1) Annual results announced from April through March are regarded as in the same fiscal year.
- 2) The market capitalization of each constituent is calculated considering its number of shares included in the index. However, if some of the constituents are in parent/child list relationships, the shares of the child companies are not included in calculation.
- 3)
 - PER (Price Earnings Ratio) = aggregated market capitalization ÷ aggregated profit after tax
 - PBR (Price Book-value Ratio) = aggregated market capitalization ÷ aggregated shareholders' equity
 - D/Y (Dividend Yield) = aggregated dividend ÷ aggregated market capitalization
 - ROE (Return On Equity) = aggregated profit after tax ÷ ((shareholders' equity + shareholders' equity of the previous FY) ÷ 2)

Reports

Nomura Japan Equity High Dividend 70, Total Dividend Weighted rulebook

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