

August 25, 2022

Name of Company KAGA ELECTRONICS CO., LTD.  
Representative Ryoichi Kado,  
Representative Director, President & COO  
(Stock Code: 8154 Tokyo Stock Exchange, Prime Market)  
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## Notice Regarding Continuous Inclusion as Constituent of JPX-Nikkei Mid and Small Cap Index

KAGA ELECTRONICS CO., LTD. hereby announces that, continuing from last fiscal year, it has been selected as a constituent of the JPX-Nikkei Mid and Small Cap Index for FY2022 (August 31, 2022 to August 30, 2023), which is jointly calculated by JPX Market Innovation & Research, Inc. and Nikkei Inc.

### 1. About JPX-Nikkei Mid and Small Cap Index

The JPX-Nikkei Mid and Small Cap Index is an index that applies the concept of the JPX-Nikkei 400, which is an index comprising highly attractive listed companies, to mid and small cap equities by selecting companies that focus on capital efficiency and investor-oriented management. It aims to foster greater awareness of such issues among listed companies and to meet the needs of investors looking to invest in such companies.

When selecting the constituent stocks of the said index, consideration is given to the liquidity of each stock in the market to facilitate actual use of the new index for asset management.

### 2. Constituent selection method

The constituents are selected from among common stocks whose main market is the Prime Market, the Standard Market, or the Growth Market of the Tokyo Stock Exchange through a screening process based on eligibility criteria, which include whether or not a deficit was recorded in the past three fiscal years, market capitalization, and market liquidity indicator, subsequent to which scoring of quantitative indicators (three-year average ROE and three-year cumulative operating profit) and additional scoring of qualitative factors (such as appointment of independent external directors and disclosure of earnings and other information in English) are conducted, to select the top 200 issues.

For further information on the JPX-Nikkei Mid and Small Cap Index, please follow the links below.

#### ■ Details on the JPX-Nikkei Mid and Small Cap Index

English : <https://www.jpx.co.jp/english/markets/indices/jpx-nikkei400/01-01.html>

Japanese : <https://www.jpx.co.jp/markets/indices/jpx-nikkei400/01.html>

#### ■ List of constituents of the JPX-Nikkei Mid and Small Cap Index (effective August 31, 2022)

English : [https://www.jpx.co.jp/english/news/6030/b5b4pj000004whbj-att/data4\\_e.pdf](https://www.jpx.co.jp/english/news/6030/b5b4pj000004whbj-att/data4_e.pdf)

Japanese : [https://www.jpx.co.jp/news/6030/nlsgeu000006e4sr-att/data4\\_j.pdf](https://www.jpx.co.jp/news/6030/nlsgeu000006e4sr-att/data4_j.pdf)

Kaga Electronics remains committed to meeting the expectations of its shareholders and investors, and will strive to increase its corporate value and enhance its IR activities.