

The following is an English version of the official Japanese announcement, which has been given to the Tokyo Stock Exchange and the media in Tokyo, Japan.



August 12 2021

For Immediate Release

SPARX Group Co., Ltd.  
President and Group CEO Shuhei Abe  
(Code: 8739, TSE First Section)

**SPARX has been Selected as a Constituent of “the JPX-Nikkei Mid&Small Cap Index”**

TOKYO (August 12, 2021) - SPARX Group Co., Ltd. (the “Company”) would like to inform you that the Company has been selected as a Constituent of “the JPX-Nikkei Mid and Small Cap Index”, which is the fifth consecutive year as a constituent of “the JPX-Nikkei Mid and Small Cap Index” since 2017.

The JPX-Nikkei Mid and Small Cap Index applies the concept introduced for the JPX-Nikkei Index 400, an index consisting of companies highly attractive for investors, to mid and small cap equities in order to select companies that focus on capital efficiency.

When selecting top 200 stocks as the index components, common stocks mainly traded on the Tokyo Stock Exchange (First Section, Second Section, Mothers and JASDAQ) are screened by market capitalization, market liquidity indicators and other factors, then scored by quantitative indicators including 3-year average ROE and 3-year cumulative operating profit, to which points are added in terms of qualitative factors such as the election of independent outside directors.

Going forward, the Company aims to further improve its corporate value to respond to the expectation of our shareholders and investors.

Please see the following URL for the details of the JPX-Nikkei Mid and Small Cap Index:

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

No further entry

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