

August 8, 2023

Name of Company	KAGA ELECTRONICS CO., LTD.
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(Stock Code: 8154 Tokyo Stock Exchange, Prime Market)	
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Notice Regarding Selection as Constituent of JPX-Nikkei Index 400

KAGA ELECTRONICS CO., LTD. hereby announces that its stock, which currently is a constituent of the JPX-Nikkei Mid and Small Cap Index, has been newly selected as a constituent of the JPX-Nikkei Index 400 (scheduled to become effective on August 31, 2023). The indices are calculated jointly by JPX Market Innovation & Research, Inc. and Nikkei Inc.

1. About JPX-Nikkei Index 400

The JPX-NIKKEI Index 400 is an index composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The index seeks to promote the appeal of Japanese corporations domestically and abroad, while encouraging continued improvement of corporate value, thereby aiming to revitalize the Japanese stock market. The index is composed of 400 issues selected from among the common stocks whose main market is the Tokyo Stock Exchange (Prime Market, Standard Market, Growth Market).

2. Constituent selection method

The constituents are selected through a screening process based on eligibility criteria, which include whether or not liabilities exceeded assets or deficits were recorded in the past three fiscal years, and on market liquidity indicator in terms of market capitalization and trading value, subsequent to which scoring of quantitative indicators (three-year average ROE, three-year cumulative operating profit, and market capitalization on the base date for selection) and additional scoring of qualitative factors (such as appointment of independent external directors to constitute the majority of the board, appointment of female board members or executive officers, and disclosure of earnings and other information in English) are conducted, to select the top 400 issues.

Kaga Electronics will work toward its sustainable growth by steadily realizing the priority themes it has identified in its "Medium-Term Management Plan 2024" and "Medium- to Long-Term Sustainability Management Plan," and will strive even harder to further improve its corporate value and live up to the expectations of the broad range of investors.

■ Periodic Review of "JPX-Nikkei Index 400" and "JPX-Nikkei Mid and Small Cap Index"
<https://www.jpx.co.jp/english/news/6030/20230807-01.html>

■ Kaga Electronics "Medium-Term Management Plan 2024"
https://www.taxan.co.jp/en/ir/management/management_07.html

■ Kaga Electronics "Medium- to Long-Term Sustainability Management Plan"
<https://www.taxan.co.jp/en/csr/sdgs.html>