FPG
Financial Products Group

Selection as a Composition Stock of the Index "JPX-Nikkei Mid and Small Cap Index"

Financial Products Group Co., Ltd. ("FPG"- 7148: TSE listed) announced on December 15, 2016 that it has been newly selected as one of the issues to compose the index "JPX-Nikkei Mid and Small Cap Index".

The new index was jointly developed by Tokyo Stock Exchange, Inc. and Nikkei Inc. The index is composed of the top 200 companies with small and medium-size market capitalization, screened by criteria such as 3-year average ROE (Return on Equity), 3-year cumulative operating profit, and appointment of Independent Outside Directors (at least 2).

The index applies the same concept of the JPX-Nikkei Index 400, which is an index comprised of listed companies which are highly attractive to equity investors, to small and mid cap listed companies based on capital efficiency and investor-oriented management. FPG is already a constituent of the JPX-Nikkei Index 400.

The expected start date of the calculation of the index is March 13, 2017.

FPG achieved ROE of 45.2% for FY2016, showing highly effective use of its capital. In addition, the board of directors is composed of three independent directors among four members, representing its independent and transparent corporate governance system, indicating investor-oriented management style.

FPG will continue to strive to achieve a sustainable expansion of its business and increase in its enterprise value to meet the expectations of investors going forward.

Ends.