

PRESS RELEASE
MAY 6, 2016

NIKKO ASSET MANAGEMENT CO., LTD.

Nikko Asset Management to List Japanese Equity ETF Invested in Firms Engaged in Physical and Human Capital Investment

Physical and Human Capital Focused ETF to be Listed on TSE on May 25

Nikko Asset Management is launching an ETF that tracks a Japanese equity index consisting of firms that take proactive and efficient measures with their investment in capital expenditure and human capital. The ETF will be launched on May 24 and listed on the Tokyo Stock Exchange on May 25.



The new ETF will track the JPX/S&P CAPEX & Human Capital Index by investing in its constituent stocks. The index was developed jointly by Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc. ("JPX Group") and S&P Dow Jones Indices.

The JPX/S&P CAPEX & Human Capital Index consists of firms actively and efficiently engaged in capital expenditure and human capital investment. Specifically, the top 200 stocks are selected to be used in the index by first screening TOPIX constituents in terms of "liquidity", "creditworthiness", and "stability", and then assessing and ranking the remaining candidates based on three factors "capital expenditures growth", "capital expenditures efficiency" and "adequacy of human capital investment".

Firms that take a proactive stance on capital expenditure and human capital investment are in line with the direction of Abenomics and expected to benefit from the potential economic growth in Japan. Moreover, the Bank of Japan announced in December that it would provide support to companies that are "proactively making investment in physical and human capital" by spending JPY 300 billion a year in purchasing ETFs that track such companies. The Listed Index Fund Japanese Economy Contributor Stocks will invest in the constituent stocks of the JPX/S&P CAPEX & Human Capital Index, which is in congruence with the Bank of Japan's supplemental measure.

Having taken the initiative in creating a range of ETFs for different types of investors, Nikko Asset Management continues to develop products that provide a broad range of investment opportunities.

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Note: This material is an English translation of a Japanese announcement made on May 6, 2016. Although Nikko AM intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.

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About Nikko Asset Management

Nikko Asset Management is positioning itself to be Asia's premier global asset manager. The firm offers world-class asset management solutions for global investors, and has US\$153.7 billion (18.49 trillion yen) in assets under management*. With more than 200 investment professionals**, the firm leverages its extensive global resources representing over 30 nationalities across 11 countries. Headquartered in Asia for over 55 years, Nikko Asset Management's vantage point, extending east to west, distinguishes its investment approach.

For more information, please visit <http://en.nikkoam.com/>

* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of December 31, 2015.

** As of December 31, 2015, including employees of Nikko Asset Management and its subsidiaries.

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