Japan Exchange Group, Inc.

Earnings Conference for Q2 FY2026

October 28, 2026

Spearker: Yamaji Hiromi Director & Representative Executive Officer, Group CEO

Kawai Hiroki Senior Executive Officer & CFO (Corporate Strategy and Treasury)

Presentation

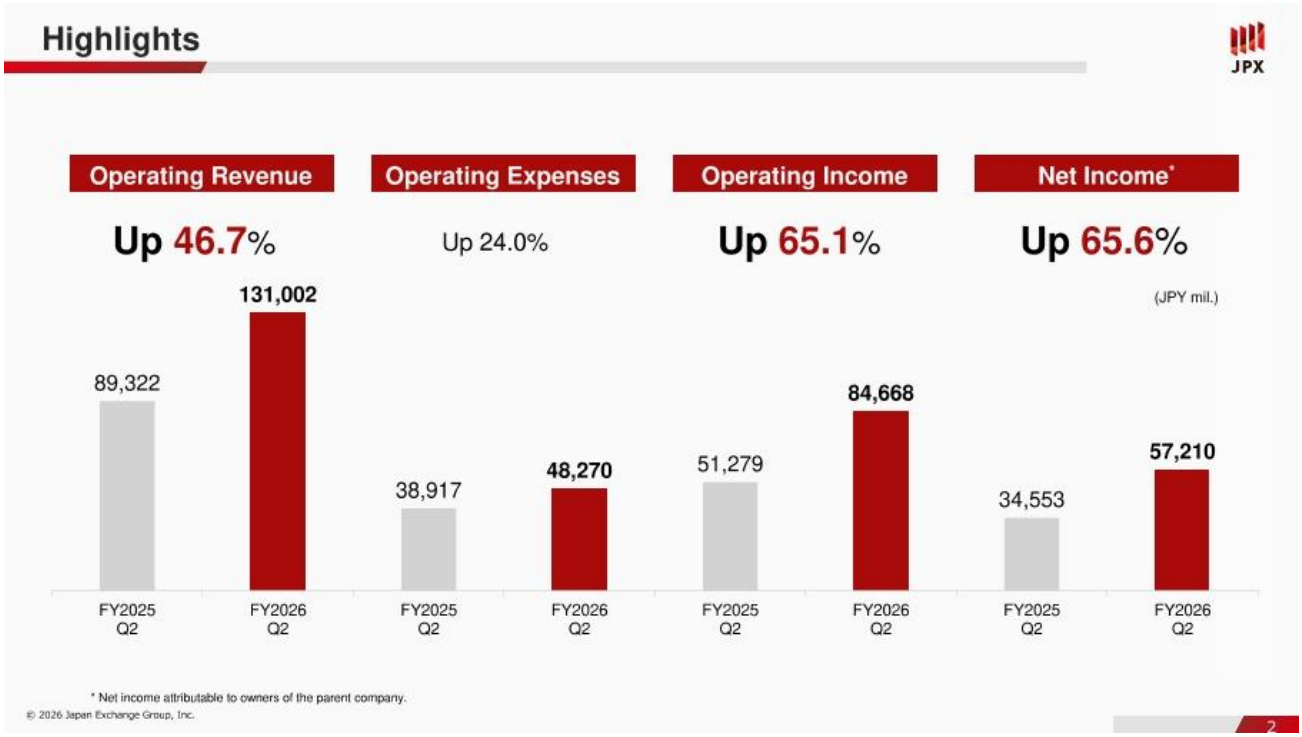
Takahashi: Thank you all very much for making time in your busy schedules to join us today. We'll now begin Japan Exchange Group, Inc.'s Q2 FY2026 earnings conference. We're holding today's session in a hybrid format, with some of you here in person and others joining via live webinar.

First, a brief overview of today's agenda. We'll begin with a presentation, followed by a Q&A session.

As before, SCRIPTS Asia, one of our group companies, will prepare and distribute a transcript and an English translation of today's presentation and Q&A. We also plan to post both on our website. We appreciate your understanding.

Let me introduce our speakers. Joining us today are Yamaji Hiromi, Director and Representative Executive Officer, Group CEO; and Kawai Hiroki, Senior Executive Officer and CFO. I'm Takahashi from Corporate Communications Department, and I'll be moderating today's session. Thank you.

To begin, CEO Yamaji will provide an overview of our Q2 FY2026 financial results.

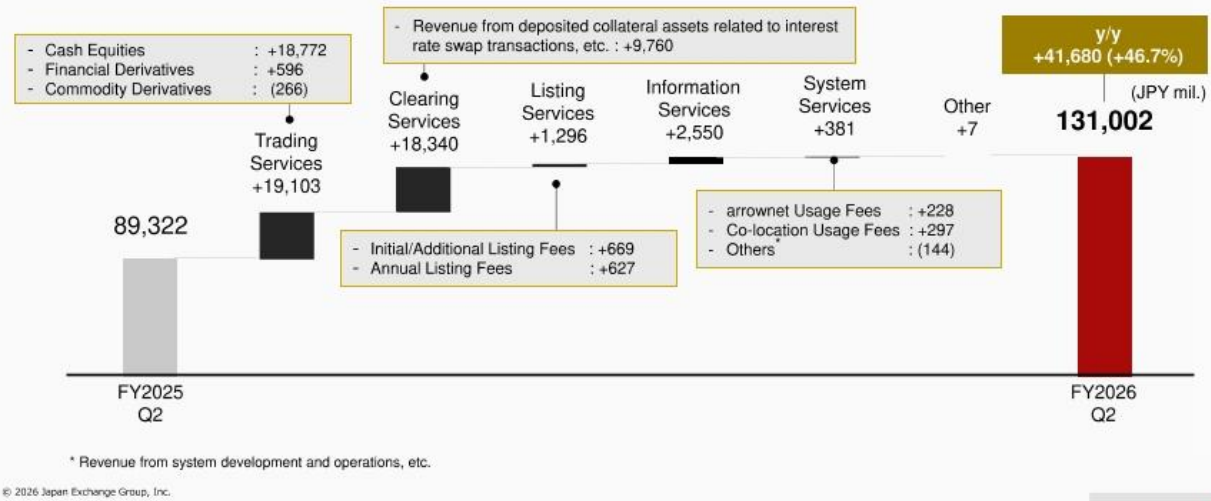


Yamaji: I'm Yamaji, CEO of Japan Exchange Group. Today, I'll give you an overview of our Q2 FY2026 results. Thank you for joining us.

Let me start with the earnings highlights. Operating revenue increased by JPY41.6 billion, or 46.7% YoY to JPY131 billion. Operating income rose by JPY33.3 billion, or 65.1%, to JPY84.6 billion, while net income grew by JPY22.6 billion, or 65.6%, to JPY57.2 billion.

Operating Revenue

- Trading services revenue and clearing services revenue increased due to the lively Japanese stock market.
- Revenue from deposited collateral assets related to interest rate swap transactions, etc. contributed to the increase in clearing services revenue.



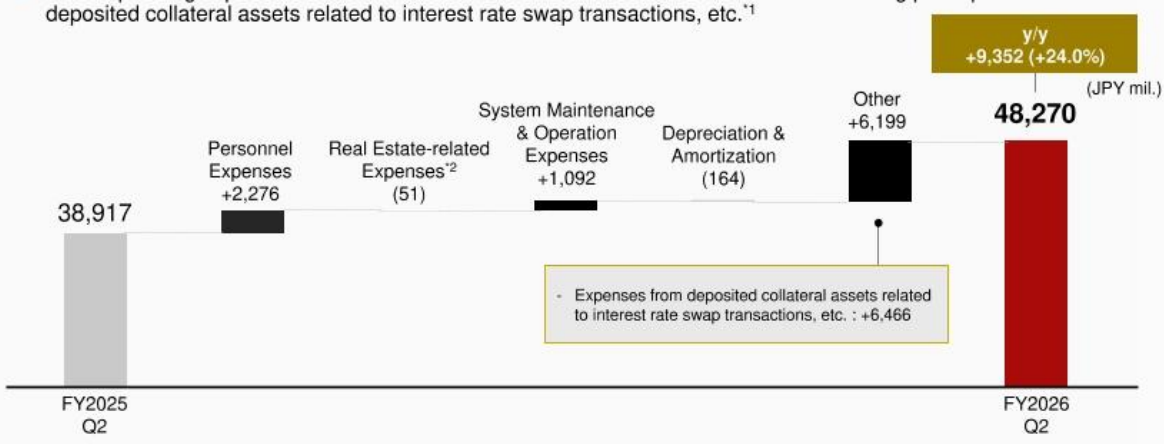
* Revenue from system development and operations, etc.

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Turning to operating revenue, every revenue category increased, supported by strong activity in the Japanese equities market. Higher revenue from deposited collateral assets, including those related to interest rate swaps, was a major driver of the increase in clearing services revenue.

Operating Expenses

- Personnel expenses increased due to factors such as wage increases.
- System maintenance & operation expenses increased due to an increase in maintenance and repair expenses for each system.
- Other operating expenses increased due to an increase in the amount returned to clearing participants for deposited collateral assets related to interest rate swap transactions, etc.*1



*1 The amount of the revenue from deposited collateral assets related to interest rate swap transactions, etc. which has been returned to clearing participants is recorded under other operating expenses.
*2 A portion of real estate-related expenses, which are reported under depreciation in line with IFRS 16, Leases, is included under "Real Estate-related Expenses" in this chart.

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Now, turning to operating expenses. As I mentioned earlier, revenue from deposited collateral assets management rose, which in turn increased the amounts returned to clearing participants. We book those payments as expenses, so other operating expenses rose as well.

Personnel expenses also rose, partly due to increases in salaries. System maintenance and operation expenses were higher as well, reflecting the rising cost of maintaining our systems.

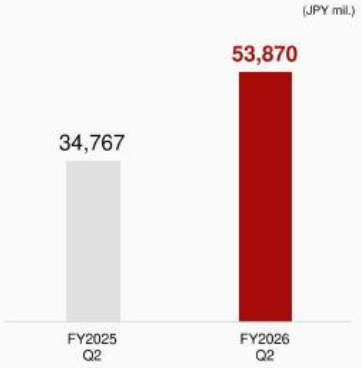
As a result, total operating expenses came to JPY48.2 billion, up JPY9.3 billion, or 24% from the same period last year.

Trading Services Revenue

JPX

- Trading services revenue increased significantly due to an increase in the trading value of cash equities.
- The increase in trading volume of 10-year JGB Futures contributed to the increase in transaction fees for financial derivatives.

Trading Services Revenue



Trading Value, Trading Volume, and Transaction Fees of Major Products

	Average Daily Trading Value/ Trading Volume			Transaction Fees (JPY mil.)		
	FY2025 Q2	FY2026 Q2	y/y	FY2025 Q2	FY2026 Q2	y/y
Cash Equities*1	6.28 tril.	**11.90 tril.**	+89.5 %	24,223	**42,210**	+74.3 %
Financial Derivatives*2	46 mil. Contracts	**45 mil. Contracts**	(0.9 %)	4,324	**4,893**	+13.1 %
TOPIX Futures (Large)	8.6 (10,000 contracts)	**8.9 (10,000 contracts)**	+3.1 %	869	**873**	+0.4 %
Nikkei 225 Futures (Including mini and micro*2)	13.5 (10,000 contracts)	**13.1 (10,000 contracts)**	(3.3 %)	1,702	**1,689**	(0.8 %)
Nikkei 225 Options	JPY 23.9 bil.	**JPY 40.7 bil.**	+70.7 %	1,090	**1,188**	+8.9 %
10-year JGB Futures	4.1 (10,000 contracts)	**5.4 (10,000 contracts)**	+31.0 %	969	**1,249**	+28.9 %
Commodity Derivatives*2	633 (10,000 contracts)	**271 (10,000 contracts)**	(57.1 %)	577	**304**	(47.2 %)

*1 Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.
*2 In line with the contract unit of each, the trading volumes of mini contracts and micro contracts are calculated using factors of 1/10 and 1/100, respectively.

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5

I'll now walk through the individual revenue categories. From April through September 2026, average daily trading value in cash equities rose 89.5% YoY to JPY11.9 trillion. This came amid uncertainty over developments in the Middle East and strong investor interest in AI-related stocks.

In financial derivatives, trading volume increased overall, with more activity in JGB futures and Nikkei 225 options. Higher stock prices also lifted the notional value per futures contract, driving particularly strong growth in trading of Nikkei 225 micro futures.

On the other hand, trading volume in our flagship Nikkei 225 large futures declined as the notional value per contract rose. Total trading volume for financial derivatives, converted into large-sized contracts to better reflect underlying trading activity, fell 0.9% YoY to 45 million contracts.

On the same converted basis, total trading volume for commodity derivatives also declined, falling 57.1% from the same period last year to 2.71 million contracts.

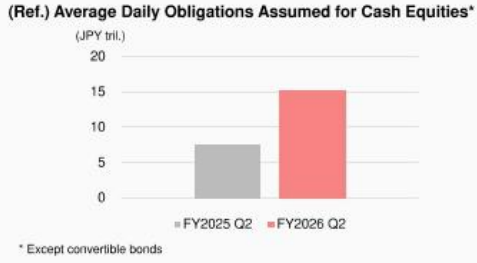
Taken together, these factors drove trading services revenue up by JPY19.1 billion, or 54.9%, YoY to JPY53.8 billion.

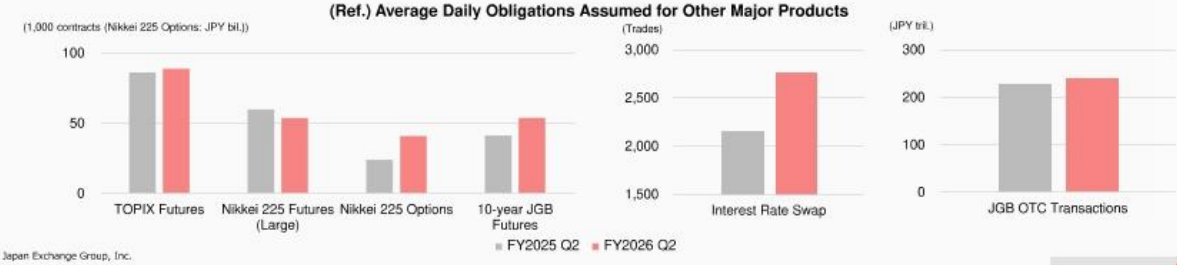
Pages 6 and 7 cover market trends from April through September 2026, so I'll skip discussing them here.

Clearing Services Revenue

- The increase in revenue from deposited collateral assets related to interest rate swap transactions, etc. and the increase in obligations assumed for cash equities contributed to the increase in clearing services revenue.







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Clearing services revenue increased by JPY18.3 billion, or 79.5%, YoY to JPY41.3 billion. This reflected higher revenue from deposited collateral assets management, as well as an increase in the value of obligations assumed for cash equities and the number of obligations assumed for interest rate swaps.

Listing Services Revenue

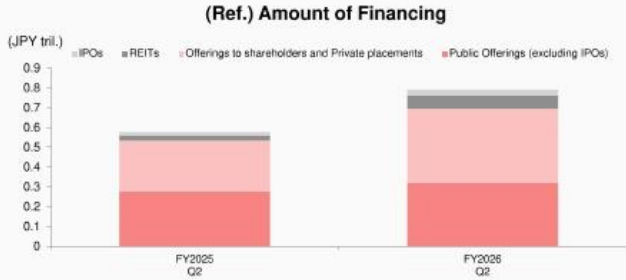
- Initial/additional listing fees increased due mainly to an increase in financing.
- Annual listing fees increased due to an increase in assets under management resulting from domestic ETF prices exceeding the previous years' prices as of the calculation of annual listing fees (end of each year).



Breakdown of Listing Services Revenue

(JPY mil.)

	FY2025 Q2	FY2026 Q2	y/y
Initial/Additional Listing Fees	1,215	**1,884**	+55.0%
Annual Listing Fees	6,686	**7,314**	+9.4%

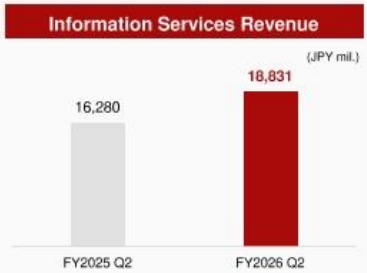


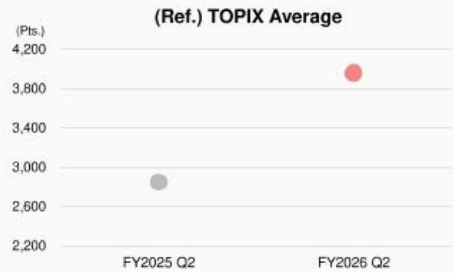
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Listing services revenue rose by JPY1.2 billion, or 16.4%, YoY to JPY9.1 billion, driven by increased fundraising by listed companies and growth in the net assets of domestic ETFs.

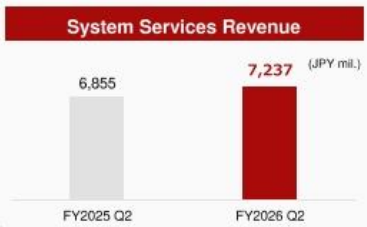
Information Services Revenue & System Services Revenue

- Information services revenue increased due mainly to an increase in revenue from market information usage fees resulting from the expanded use of market data and an increase in revenue from index licensing fees resulting from higher stock prices.





- System services revenue increased due mainly to an increase in the usage of co-location services.



Breakdown of System Services Revenue

(JPY mil.)

	FY2025 Q2	FY2026 Q2	y/y
arrownet Usage Fees	1,801	**2,029**	+12.7%
Co-location Usage Fees	3,194	**3,492**	+9.3%
Others*	1,859	**1,715**	(7.8%)

* Revenue from system development and operations, etc.

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10

Information services revenue increased by JPY2.5 billion, or 15.7%, YoY to JPY18.8 billion. This reflected an increase in market-data volume as usage expanded, along with higher revenue from index licensing fees as stock prices rose.

System services revenue grew by JPY300 million, or 5.6%, YoY to JPY7.2 billion, supported in part by greater use of co-location services.

FY2026 Forecast

- There is no change from the "Notice of Revisions to Earnings Forecast and Dividend Forecast" released on September 24, 2026.

	FY2025	FY2026 (Forecast)		
		Revised on July 28	**Revised on September 24**	Change from the July 28 forecast
Operating Revenue (JPY mil.)	198,735	241,500	**252,500**	+4.6 %
Operating Expenses (JPY mil.)	83,598	97,500	**100,000**	+2.6 %
Operating Income (JPY mil.)	116,289	145,500	**154,500**	+6.2 %
Net Income (JPY mil.) (Attributable to owners of the parent company)	79,139	98,500	**105,000**	+6.6 %
Earnings Per Share	JPY 76.81	JPY 96.40	**JPY 102.88**	-
Dividend Per Share	JPY 61	JPY 77	**JPY 82**	+6.5 %
Dividend Payout Ratio	79.4%	Approx. 80%	**Approx. 80%**	-

Average daily trading volume/value of major products

	FY2025	FY2026 (Forecast)		
		Revised on July 28	**Revised on September 24**	Change from the July 28 forecast
Cash Equities (trading value)*1	JPY 7.5243 tril.	JPY 10.2 tril.	**JPY 11 tril.**	+7.8 %
TOPIX Futures (trading volume)	89,529 contracts	87,000 contracts	**88,000 contracts**	+1.1 %
Nikkei 225 Futures (trading volume)*2	137,175 contracts	136,000 contracts	**133,000 contracts**	(2.2 %)
Nikkei 225 Options (trading value)	JPY 28.8 bil.	JPY 30.0 bil.	**JPY 38.5 bil.**	+28.3 %
10-year JGB Futures (trading volume)	45,286 contracts	51,000 contracts	**52,000 contracts**	+2.0 %

*1 Average daily trading value of auction and off-auction trades of common stock on the TSE Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.
*2 Includes Nikkei 225 mini contracts (calculated using a factor of 1/10) and Nikkei 225 Micro Futures contracts (calculated using a factor of 1/100).

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11

Turning to our FY2026 earnings forecast, we're maintaining the guidance we updated in September. We expect operating revenue of JPY252.5 billion and net income of JPY105 billion.

For ordinary dividends, our basic policy is to maintain a payout ratio of at least 60%. For this fiscal year, we're forecasting a dividend payout ratio of approximately 80% and a full-year dividend of JPY82 per share.

Yesterday, we also announced a two-for-one stock split to lower the minimum amount needed to invest in our shares. The decision reflects calls from individual investors to lower the minimum investment amounts for shares in listed companies. The record date will be March 31, 2027.

By lowering the minimum investment amount, we'll make it easier for more investors to buy our shares.

Question & Answer

Watanabe [Q]: This is Watanabe from Daiwa Securities. Thank you for the presentation. I have two questions.

First, as AI continues to advance, what positive and negative effects do you expect it to have on your financial results?

Kawai [A]: We have a number of AI initiatives underway. They fall into two broad areas: using AI to improve our own operational efficiency, and introducing or expanding AI-enabled services.

Starting with operational efficiency, we established an AI Committee under the CEO last year and began pursuing these efforts in earnest. Looking at our progress over the past year, our survey indicates that AI has reduced monthly working time by an estimated 12 hours per employee.

In labor-cost terms, those 12 hours are equivalent to nearly 5% of our personnel expenses. So we see AI as helping to reduce costs and improve productivity.

The second area is new services. We're still very much in the trial stage, but one initiative is the next generation of TDnet, our Timely Disclosure system, which is scheduled to go live next year.

We plan to introduce an AI assistant to help listed companies communicate with the TSE and prepare disclosures, using other companies' disclosures as examples. We also hope these initiatives will contribute to revenue.

Watanabe [Q]: I'd like to ask about the potential downsides. A number of companies have recently fallen victim to cyberattacks. Are there any security concerns on your side?

Also, looking ahead to a world with more autonomous AI agents and automated trading, I understand you're planning to raise your transaction-processing limit next month. Would you be able to raise it further as needed?

Kawai [A]: Let me address those two points.

First, I'll discuss the impact of recent developments, including frontier AI, on the market and how we're responding. Then I'll cover our planned capacity increase and how we'll manage capacity as transaction volumes grow.

On the first point, we're taking a range of measures. For example, there have recently been reports of information leaks and other incidents involving the exploitation of PHP vulnerabilities.

We keep an inventory of all our systems, including EUC tools developed within individual departments, so we know exactly what's in use. As soon as government authorities issued warnings in this case, we identified and addressed all the systems we found to be potentially vulnerable. We were able to deal with the situation without any problems.

Another area is how we're using frontier AI to strengthen our defenses. We're also putting AI to work as a defensive tool, using it to check for vulnerabilities and make improvements in both our existing systems and those under development. I'm not sure I'd characterize this as a downside, but we are making a substantial investment in these efforts.

Turning to capacity, upgrades to market participants' systems have contributed to rising numbers of both orders and executions. This November, we plan to increase our processing capacity from roughly 800 million transactions to 1.5 billion.

We aim to maintain capacity to handle at least twice the peak volume at all times. The expansion to 1.5 billion takes future demand into account. If peak volumes continue to rise, we intend to expand capacity further as needed.

I believe I was asked at our previous briefing how much capacity expansion costs. As a rough estimate, the investment would be a few billion yen.

Yamaji [A]: Let me add one thing. We're getting a better sense of which parts of our work are well suited to AI-driven efficiency gains and which are less so.

Kawai mentioned that AI is saving 12 hours per employee per month across the Company as a whole. At Japan Exchange Regulation, we saw even greater time savings. We're finding that self-regulatory work is particularly well suited to AI.

Given the time savings, the next question is how that time is being redirected to more productive work to improve overall productivity. That's something we plan to analyze going forward.

And when it comes to using AI for defensive purposes, market surveillance was actually the first area where JPX introduced it.

We now receive around 250 million orders a day. Orders are placed using AI-driven strategies, including HFT. At that scale, there's no way people could review all those orders manually. That's why we began using AI for market surveillance in 2018.

We've continued refining its capabilities ever since. Today, AI screens orders that may be associated with spoofing, filtering out at least half of those cases before they reach a human reviewer. That's made the process considerably more efficient.

Ultimately, a person still has to determine whether an order is genuinely suspicious. But AI has made the screening process leading up to that decision far more efficient.

Watanabe [Q]: My second question is about how you plan to use surplus capital. As I understand it, you have more than JPY30 billion in surplus capital even after deducting the interim dividend.

Did you consider any additional shareholder returns this time? And with earnings rising, is there any scope to increase the JPY60 billion in share buybacks over three years outlined in your medium-term management plan?

Kawai [A]: As you know, we estimate surplus capital at approximately JPY33 billion after deducting the interim dividend. We've also been discussing internally, even at this interim stage, how to approach future capital allocation and shareholder returns.

For this fiscal year, we've already completed JPY20 billion in share buybacks and are planning a dividend payout ratio of approximately 80%.

For next fiscal year, we'll reconsider our approach in light of our capital structure position and other factors, and then set out our plans.

Tsujino [Q]: This is Tsujino from BofA Securities. I have two questions.

Sorry to get into such a detailed point, but I'd like to ask about the dividend. You're targeting a payout ratio of around 80% this year. Your assumption for average daily trading value in H2 is JPY10.1 trillion, and judging from October's trading value, H2 could come in right around that assumption, or possibly below it.

Would you lower the per-share dividend just to keep the payout ratio at 80%? Or does approximately 80% leave room to go a little over 80% so you can try to maintain the JPY41-per-share dividend for H2 that you've already promised—or rather, indicated in your guidance? I'd appreciate your thoughts.

Kawai [A]: We're targeting a payout ratio of approximately 80% for this year. Since our business depends so heavily on market conditions, it's difficult to give a definitive answer. But based on the assumptions in our earnings forecast, we want to return roughly 80% to shareholders.

We don't have a hard-and-fast rule for exactly how we'll handle small rounding differences. For now, though, we intend to do our best to deliver the figures we've announced.

I realize that may not really answer your question, but that's how we're thinking about it at this point.

Tsujino [Q]: My second question is about overseas exchanges that have announced plans for almost 24-hour trading. That could make our jobs a lot harder.

What impact do you think that would have? I understand you haven't decided to extend your own trading hours at this point, but what developments might make you change that position? And if you did extend trading hours, would there be any downsides for JPX?

Yamaji [A]: We haven't made any decision to extend trading hours. That said, longer trading hours are clearly becoming a global trend. And with NYSE and Nasdaq moving to 23-hour trading on December 6, I don't think we can simply sit back and watch.

At the same time, if market participants aren't prepared to take part, we could extend trading hours but see little trading due to insufficient liquidity. So if we do move in that direction, we'll need to work closely with participants to build consensus. But to be clear, we haven't decided on any specific policy or course of action.

Matsuura [Q]: This is Matsuura from LIM Advisors. How do you see the TSE Growth Market's five-year, JPY10 billion market-capitalization criterion affecting IPOs? I suspect it could have a fairly significant impact over the next few years, and I'd appreciate your thoughts.

My second question is about the Make IPOs Great Again movement in the US. What's your take on that?

And on the Prime and Standard Markets, trading value in the Standard Market still hasn't picked up, especially given how many companies are listed there. Do you see that as a problem, and is there a way to improve it? I'd be interested in what you think should be done, as well as what makes sense from a business standpoint.

Yamaji [A]: The Growth Market is a very important market segment. We're looking at a range of measures beyond simply updating the continued listing criteria. We've already held two sessions on the Study Group on Developing the Growth Market and published the minutes, and we intend to keep exploring and implementing further measures.

I see two challenges. One is that so many companies go public while they're still very small. The other is that their growth after listing has been rather disappointing. Those two issues may be connected: companies that list at a small size may simply lack the scale they need to grow after going public.

So, how do we address that? People have pointed to broader issues, such as the lack of a secondary market for shares in unlisted companies. I think we'll need to engage with the wider ecosystem to address them.

There's no silver bullet that will guarantee multitrillion-yen IPOs like those in the US. But we intend to keep putting in the work, patiently and steadily exploring different ways forward.

The US is somewhat unusual in the depth of late-stage risk capital available. It has layers upon layers of investors willing to take on that risk. It's hard to deny that Japan, Europe, and other Asian markets lack that kind of depth.

So we can't simply assume that what works in the US can be transplanted directly to Japan. The investor base and amount of available risk capital are different, and I think Japan needs to find its own path.

Turning to the Prime and Standard Markets, you're certainly right that we've seen considerable progress in the Prime Market.

I visited New York and Toronto last week, and I felt there was considerable interest in Japanese equities. In Japan, AI- and semiconductor-related stocks account for 12.4% of TOPIX.

As you know, AI-related stocks have been highly volatile globally and in Japan since June. But their weighting in TOPIX is quite low compared with other global markets.

Even so, TOPIX continues to perform well. That tells me stocks outside the AI theme have also been performing well. I see that as a sign that investors, including those overseas, are showing strong interest in other industries too.

Some overseas investors who follow Japan closely are starting to think that non-AI and non-semiconductor stocks could be even more interesting, with hidden gems among them. I'm interested to see how that develops.

When we reorganized our market segments in April 2022, we deliberately gave the Prime and Growth Markets distinct identities. The Standard market, by contrast, was essentially for the remaining listed companies, so its identity was never as clearly defined.

Because it covers a broad range of listed companies, it's hard to pursue a single approach built around one defining idea. That said, the ongoing TOPIX review will make it possible for stocks from any of the listed markets to be included. We're still partway through that process, but we expect around 20 Standard Market stocks to enter the index as a result.

In that sense, Standard Market companies are gradually finding themselves on the same footing as Prime Market companies. And because index constituents will be reviewed and updated every year, being included once doesn't guarantee a company a place in the index indefinitely.

So I hope Standard Market companies will take a more ambitious approach to engaging with investors around the world and improving their transparency and accountability. That said, I do think it would be difficult to devise measures specifically for the Standard Market.

Hara [Q]: This is Hara from SMBC Nikko Securities. I have two questions.

My first question is about on-chain technology. In the US, momentum seems to be building behind applications such as tokenized equities and on-chain clearing. Are you seeing similar demand grow in Japan? And what benefits or drawbacks might this have for JPX?

Kawai [A]: Turning to developments in Japan and JPX's work, as you know, DTC is moving ahead with tokenized settlement, albeit in a hybrid format. Tokenization is advancing in other areas as well.

To give you a sense of how we're approaching this right now, the first area I'd highlight is the tokenization of government bonds, where we see considerable potential.

As we've previously announced, we're working on a project with Nomura Holdings and Mizuho Financial Group, with support from the Financial Services Agency. The work covers the circulation of tokenized government bonds, with JPX focusing in particular on their use as collateral.

We're aiming for practical use, not just research. The project has three stages: first, basic transactions between the parties involved; next, transactions involving customers; and finally, collateral transfers, including those required to meet margin calls. We're progressing through these three stages with proof-of-concept trials and, ultimately, practical implementation in mind.

Market participants want to be able to transfer government bonds, which are useful as collateral, 24 hours a day, 365 days a year. Similar work is underway overseas, and our clearing house is at the center of our efforts in this area.

The other area is equities. As I mentioned, DTC has begun working on settlement of tokenized shares. But opinions differ on whether this will become standard practice anytime soon, either in the US or in Japan.

We want to be prepared to respond, whatever direction things take in the future. To that end, we're currently working with stakeholders, including JASDEC, to explore the potential for tokenizing equities and examine the legal and regulatory hurdles we're likely to encounter along the way.

The Financial Services Agency established a working group on on-chain finance including tokenization in October, and we're participating as an observer.

The government has included this topic in its financial strategy and is taking a leading role. Discussions through the end of this year will focus on funds settlement, before shifting to securities settlement at the start of next year. JPX and JASDEC will both be major stakeholders in those discussions, so we intend to participate actively and prepare for what's ahead.

Hara [Q]: As a follow-up, could more efficient collateral management in clearing have an impact on your investment income?

Kawai [A]: That's possible, but at this stage I can't say how significant the impact might be.

In fact, even apart from tokenization, the collateral mix has been changing as interest rates have risen. We invest cash collateral posted for OTC and exchange-traded transactions, but as interest rates have risen, the proportion of collateral posted in cash has gradually declined.

Around two years ago, cash accounted for roughly 70% of collateral for OTC derivatives and about 60% for exchange-traded transactions. Today, those shares are just over 50% and just over 40%, respectively. I expect these kinds of changes to continue.

Hara [Q]: My second question concerns your initiative encouraging companies to manage with greater awareness of their cost of capital and stock price. I think there's been progress, but many companies still struggle to put it into practice. And, for better or worse, a P/B ratio of one has almost become the norm simply because the overall market has risen.

What changes in the market should we be looking for next as a result of this initiative? I'd appreciate your perspective.

Yamaji [A]: We have never once said that every company should aim for a P/B ratio of one. It's true that we cited P/B as one example of an indicator. But the media and others found it such an easy slogan to use that people now talk as though we've been saying it all along.

94% of Prime Market companies have disclosed measures to improve capital efficiency. That still leaves 6% that haven't.

In the Standard Market, roughly half have disclosed and half have not. We're finding that the companies that haven't disclosed fall into two groups: those that have deliberately chosen not to, and those that lack the internal resources to prepare a disclosure.

For companies that have deliberately chosen not to disclose, there's nothing inherently wrong with that. Our request isn't mandatory. But we'd like them to explain why they've chosen not to disclose and the thinking behind that decision.

That would be useful information for investors trying to understand those companies. We'll encourage companies that have consciously decided not to disclose such information to explain their policy and the reasons behind it.

There are also quite a few companies, particularly in the Standard Market, that don't have enough staff or simply don't know where to start.

Through our many conversations with overseas investors, we've learned that they don't necessarily want highly polished disclosure materials. They want management, particularly the CEO and other senior executives, to explain clearly where the company stands, where it wants to go, and how it plans to get there. In short, they want a clear sense of the company's strategic goals and how it plans to achieve them.

What investors are really asking for, I think, is transparency and accountability.

So for companies that haven't disclosed, especially those in the Standard Market, we want to provide guidance emphasizing that being willing to engage in dialogue and explain their thinking can be a sufficient first step toward accountability.

As for our next step, we don't have a specific initiative in mind yet.

That's because we want to respond flexibly and responsibly to market feedback, especially from investors. Every year, we exchange views with more than 400 investors in Japan and overseas, and we use that feedback to help determine what to do next.

One thing I can say clearly is that we're committed to continuing corporate governance reform. The specific measures we take will depend on how the market responds going forward.

Kuroda [Q]: This is Kuroda from Goldman Sachs. Earlier, there was a question about how actual average daily trading value compares with the assumption in your guidance. I'd like to follow up on the cost side, rather than just the top line. Are there any cost-related risks to your guidance we should be aware of?

Specifically, I'm thinking about rising personnel expenses and system costs. I assume you're broadly on track with guidance, but is there anything we should watch for heading into H2?

Kawai [A]: In short, I don't think there are any particular risks you need to factor in. We've already factored in the spending we anticipate, including the cybersecurity measures I mentioned earlier and preliminary research into the next generation of arrowhead. Some of that research also involves a modest amount of investment. We've factored in personnel expenses as well.

Takahashi: Thank you. That concludes the Q&A session and brings today's earnings conference to a close. Thank you all very much for joining us.

Yamaji: Thank you.

Kawai: Thank you.

[END]