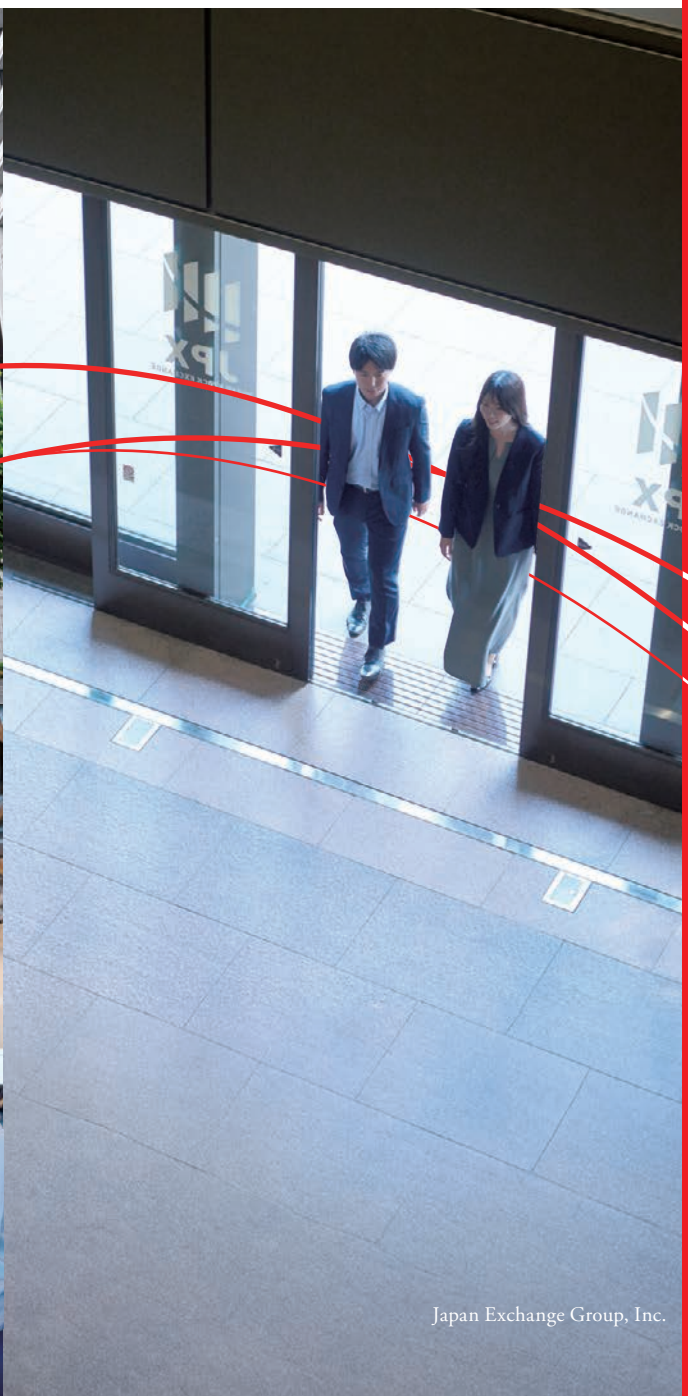


Chapter /

# Creating Value at JPX Group

In this chapter, we will explain the overall picture of value creation through which JPX will achieve sustainable growth by leveraging its unique business model and strengths based on its Corporate Philosophy.



# Value Creation Process for Achieving Our Long-Term Vision

Based on its Corporate Philosophy, JPX Group aims "to realize an affluent society" by utilizing capital including our unique human capital and intellectual capital, the source of our value creation, to contribute to the resolution of societal issues.

## INPUT

### Sources of value creation

- Social capital** Active Japanese financial markets
- Instrumental capital** Stable IT infrastructure
- Human capital** Hiring policy and human resource development policy
- Intellectual capital** Market-generated data and indices
- Financial capital** Stable financial base
- Natural capital** Environmental policy/ support for TCFD

### External environment

→ P. 25

- Progress of CG reform
- Launch of new NISA
- Increasing geopolitical risks
- Arrival of a positive-interest economy
- Declining working age population
- Transition to a sustainable society

## BUSINESS ACTIVITY

Corporate Philosophy

Contributing to realizing an affluent

Medium-Term Management Plan 2027

*Exchange & beyond*

→ P. 25

### Core Themes

→ P. 26

#### Core Theme 1

Forge a new era for the Japanese stock market

#### Core Theme 2

Strive to become a comprehensive platform

#### Core Theme 3

Collaborate for digital innovation

Strengthening the organizational foundation that supports promotion of the core themes

### Key Areas From the Perspective of Sustainability

→ P. 33

Stable asset formation for households

Stable market operations

Human capital management

Promoting sustainable finance

Actions on cybersecurity

Addressing climate change

Foundations for Value Creation

Corporate Governance

→ P. 73

society through sustainable market development

**Medium- to Long-Term Strategy**

**Value Creation by JPX Group Companies**

Human Resources Strategy

→ P. 37

IT Strategy

→ P. 39

Financial Strategy

→ P. 41

**Aiming for an Attractive Stock Market**

Tokyo Stock Exchange **Cash Equity Market**

→ P. 44

**Providing a Wide Range of Derivative Products in a One-Stop Solution**

Osaka Exchange, Tokyo Commodity Exchange **Derivatives and Commodities Market**

→ P. 47

**Agile Development of Data and Digital Businesses**

JPX Market Innovation & Research **Market-Related Services**

→ P. 49

**Further Enhancement of Clearing Functions**

Japan Securities Clearing Corporation **Clearing**

→ P. 51

**Aiming for a Fair and Equitable Market**

Japan Exchange Regulation **Self-Regulation**

→ P. 53

Risk Management → P. 81

Internal Control Systems and Compliance → P. 86

**OUTCOME**

**LONG-TERM VISION**

Promoting corporate value enhancement

Listed Companies → P. 55

Financial Highlights → P. 87

Providing effective asset management opportunities

Retail Investors → P. 57

Improving convenience and resilience as a market infrastructure

IT Strategy → P. 39

Promoting diversity and work style reforms

Employees → P. 65

Providing indices to support the creation of a wide range of investment opportunities

JPX Group's Unique Points → P. 21

Management that is conscious of cost of capital and stock price

Financial Strategy → P. 41

Initiatives for achieving carbon neutrality

Approach to Sustainability → P. 33

Environment and Society → P. 63

Utilizing market mechanisms to promote sustainability

Approach to Sustainability → P. 33

Environment and Society → P. 63



Co-creation With Stakeholders

**Target 2030**

**Global, comprehensive finance and information platform**

# JPX Group's Business Model

In addition to TSE, which operates the cash equity market, and OSE and TOCOM, which operate derivatives markets, JPX Group also includes a self-regulatory subsidiary which carries out the examination and supervision processes needed to maintain market

quality. Our comprehensive services also include clearing and settlement functions. JPX Market Innovation & Research, Inc. (JPXI), which integrates JPX Group's index, data, and digital businesses and unifies provision of various market-related services, is working to advance



Japan Exchange Group

### Tokyo Stock Exchange

**Cash Equity Market** Listed issues as of March 31, 2025

Prime	1,634	TOKYO PRO Market	136	ETFs/ETNs	381
Standard	1,577	TOKYO PRO-BOND Market	69	REITs	57
Growth	615			Infrastructure Funds	5

Average daily trading value for cash equities FY2024 average **JPY 5.70 trillion** Record high

### Osaka Exchange Tokyo Commodity Exchange

**Derivatives Markets**

Index Futures	JGB Futures	
Index Options	Options on JGB Futures	Commodity Futures/Options
	Securities Options	

FY2024 trading volume for financial derivatives **437** million contracts Record high      FY2024 trading volume for commodity derivatives **18.41** million contracts

### Japan Exchange Regulation

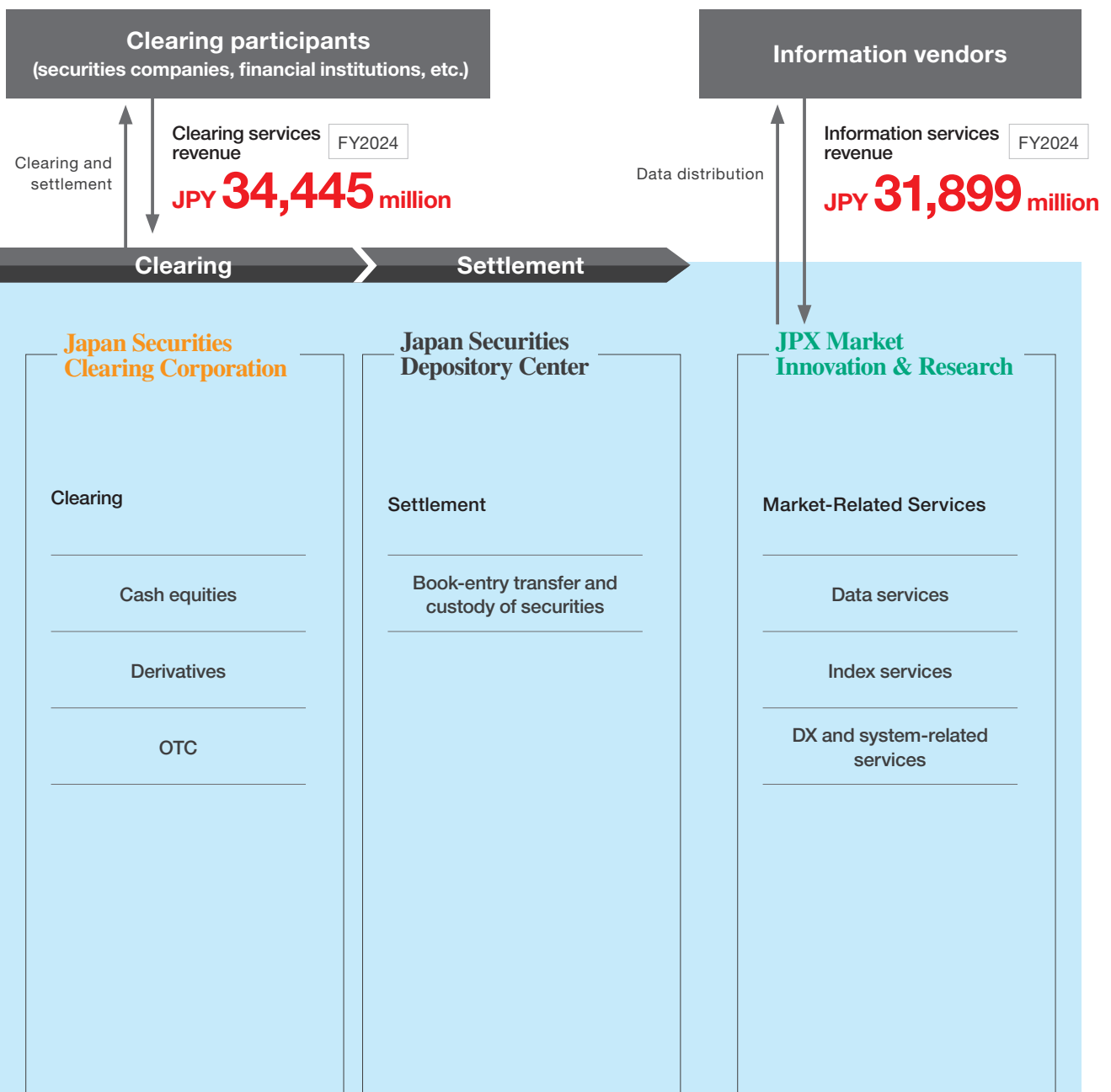
Listing examination	Listed company compliance	Market surveillance and compliance	Trading participants examination and inspection
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the diversification of businesses and sophistication of services by strengthening digital and network-related businesses that utilize data and technology.

As consideration for the services it provides, JPX Group receives various types of fees from market users, namely

securities companies and other trading participants, information vendors, and listed companies. Specifically, our sources of income are mainly composed of revenue from trading services, revenue from clearing services, revenue from information services, and revenue from listing services.

Corporate Data  
P.87

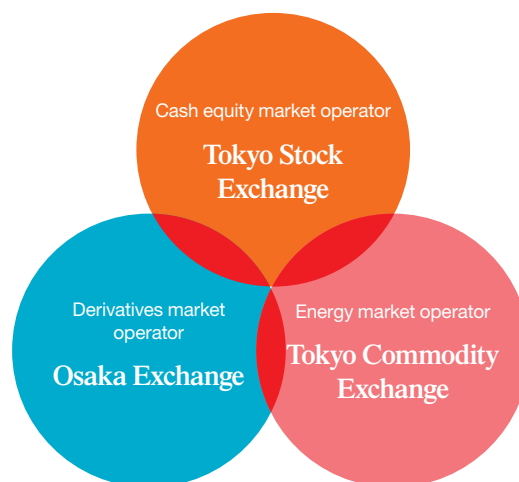


# Positioning JPX

## An exchange group that plays a central role in cash equities and derivatives in Japan

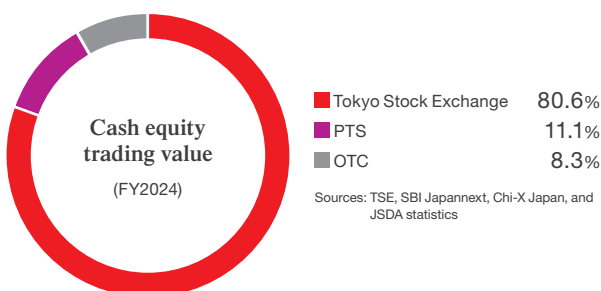
Currently, JPX operates three markets. Tokyo Stock Exchange (TSE) handles approximately 80% of the trading value for cash equities traded in Japan, and Osaka Exchange (OSE) handles approximately 81% of the Nikkei 225 Futures trading volume worldwide.

As the core market for cash equities and derivatives in Japan, JPX Group provides vibrant financial markets to users around the globe, based on stable business foundations that have steadily grown together with the Japanese economy.



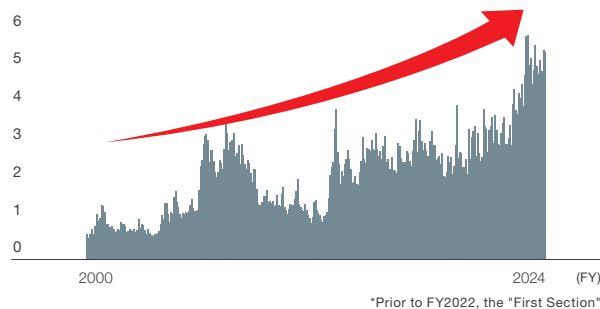
### Core market for cash equities and derivatives in Japan

Domestic share of cash equity trading

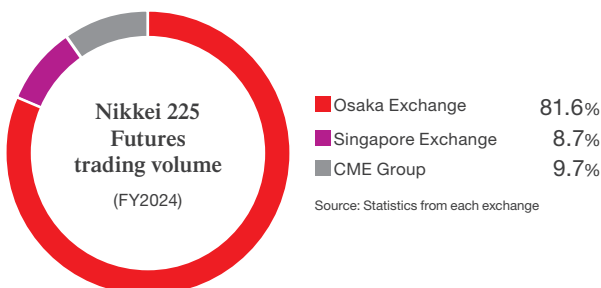


### Steady growth with the development of the Japanese economy

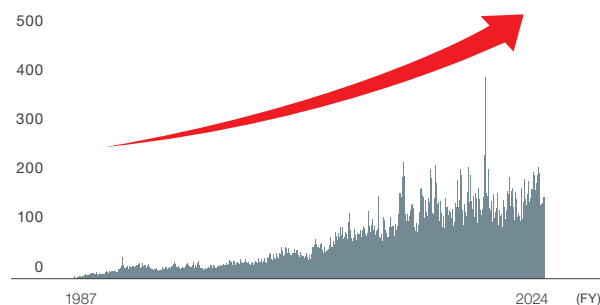
Prime Market\* average daily trading value (JPY tril.)



Global share of Nikkei 225 Futures trading



Derivatives markets average daily trading volume (million contracts)

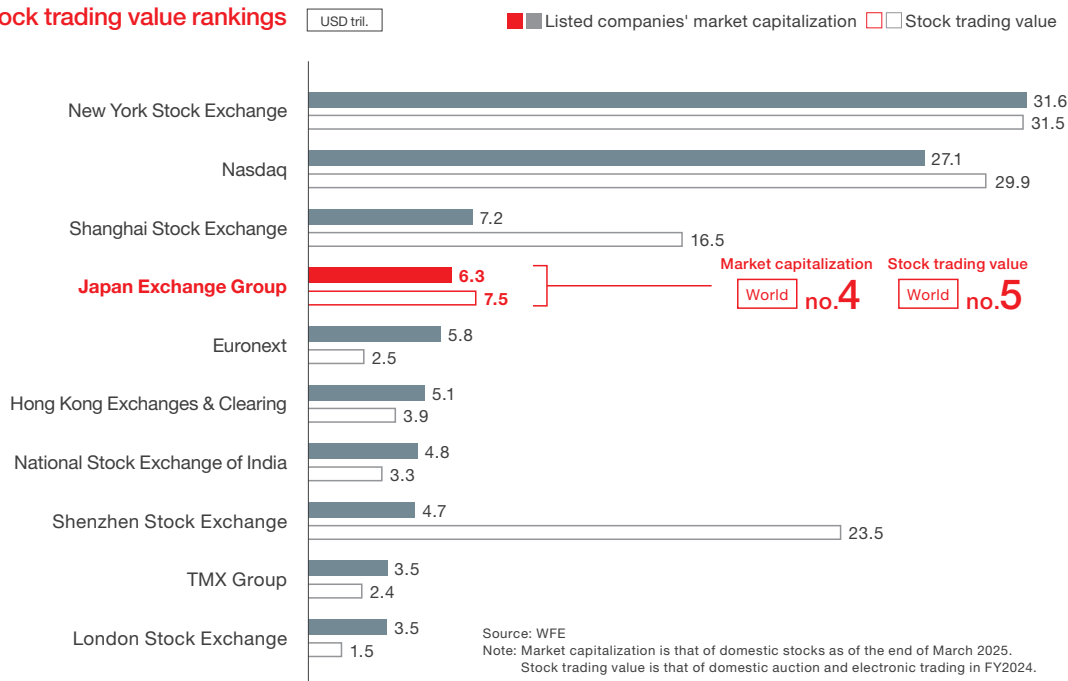


## Expanding our global presence

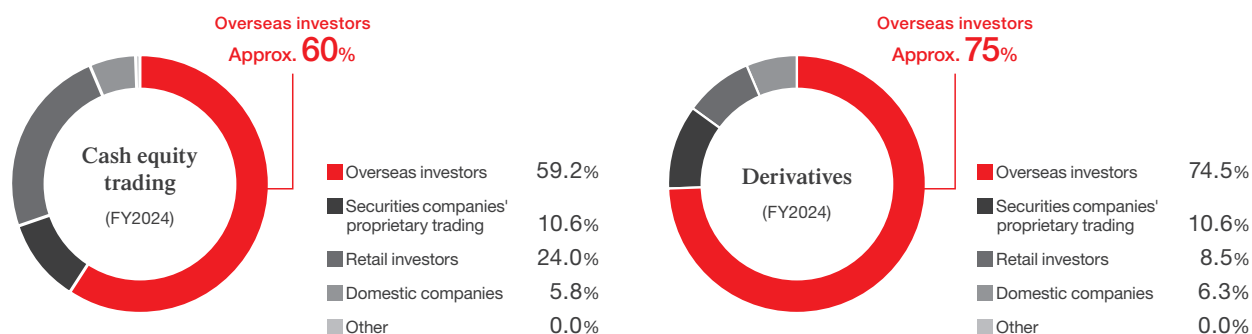
The market capitalization of companies listed on TSE was approximately USD 6.3 trillion as of March 31, 2025, ranking it number four among the exchanges around the world. In terms of trading value for FY2024, it was the market with the most participation by overseas investors, which made up approximately 60% of cash equity trading and 75% of derivatives trading. In all aspects of its current

business areas, JPX Group has been working with a view to strengthening its global competitiveness and improving the appeal of Japanese markets. In line with this, under the Medium-Term Management Plan 2027 that began in FY2025, the Group aims to further diversify and internationalize in its role as the central market in Asia, and will strive to further increase its global presence.

### Domestic listed market capitalization/ stock trading value rankings



### Trading by investor type



## Exchange

### Unique expertise in exchange operations fostered over our long history

#### People to underpin the stabilization and sophistication of exchange operations

JPX Group's people cultivate expertise and know-how by working at the exchange and underpin the stabilization and sophistication of traditional exchange operations.

#### The diverse intellectual capital produced by the market

JPX Group provides a wide range of intellectual capital to numerous market users, including market data generated daily at exchange markets and indices that are developed and calculated through operations spanning many years.

#### Highly reliable market infrastructure platform

JPX Group possesses a highly reliable market infrastructure platform, including world-class systems with high-level processing capabilities, ample capacity, and diverse connectivity.

#### Sophisticated systems & market infrastructure

JPX Group provides comprehensive services, including listing, trading, clearing, and settlement functions.



## CLOSE UP

### Core infrastructure for the financial and capital markets

Every day in the Japanese financial instruments market, trades of financial instruments are established on a microsecond basis (one millionth of a second), and hundreds of millions of orders can be exchanged on a busy day. JPX Group's systems underpin Japanese society as part of its economic infrastructure. These systems include the cash equity trading system "arrowhead," the derivatives trading system "J-GATE," and the clearing systems responsible for clearing operations for a wide range of transactions, including off-exchange trading.

People tend to take the provision of stable market functions for granted. However, those functions are made up of many components, starting with thorough quality assurance measures in the system development phase, 24/7 system operation monitoring in the system activation and operation phase, and the creation of resilient systems and operations capable of responding swiftly in the event of an emergency. These systems have been established based on knowledge cultivated through a long history of exchange operations. We will continue to incorporate new technologies and emerging events, and rather than being content with the status quo, continue refining our systems to maintain and operate market infrastructure that allows our users to participate daily with peace of mind and trust.

# beyond

## New challenges that we can tackle as Japan's only comprehensive exchange

### People who will pioneer into new sectors and fields

Amid a strong need for innovation in terms of taking on bold challenges beyond the conventional wisdom of the exchange, we are developing people who will "pioneer into new sectors and fields" to meet diversifying market needs.

### Use of AI and other new technologies

We will enhance our operational efficiency and advance new value creation through the use of AI and other cutting-edge technologies. For example, we will streamline and enhance our listing examination and market surveillance and compliance processes with AI.

### Diversification of data and information, and provision methods for these, that can respond to latent needs

Through platforms like J-Quants, JPX Market Explorer, JPxData Portal, JPX ESG Link, and Snowflake, we provide the data demanded by users in diverse formats.

### Market creation

We are also working to create new markets, such as with the Carbon Credit Market and the Green Hydrogen Trial Trading Project in partnership with the Tokyo Metropolitan Government.

## CLOSE UP

### Aggressively and boldly tackling challenges in new fields and business sectors

Information services revenue has grown every year since JPX was launched, having doubled compared to FY2013.

In addition to stock price data for listed issues generated by the exchange market, the stock price indices calculated based on those stock prices represent intellectual capital unique to Japan's largest exchange and are an important element in increasing the value of the exchange. JPX Market Innovation & Research (JPXI) publishes TOPIX (Tokyo Stock Price Index), which is well established as a benchmark of the Japanese economy in Japan and overseas, as well as stock price indices categorized by industry, size, and diverse investment themes. It also capitalizes on its strengths as a comprehensive exchange to calculate and provide

various derivatives indices.

The indices calculated and provided by JPXI are used in listed ETFs and derivative products such as futures and options, contributing to the increased appeal of the exchange market.

In July 2025, in partnership with Nikkei Inc., JPXI began to calculate a new stock index focused on human capital, the JPX-Nikkei Index Human Capital 100. The approach of "human capital management," by which companies view their employees as a type of capital and look to improve medium- to long-term corporate value by maximizing the value they can provide, has gained interest in recent years. We will continue developing new indices necessary for the times.

