



Message From the CEO

Apply a "market-in" approach to support the promotion of Japan as a leading asset management center and increase the value we provide to society as a core infrastructure of Japan's financial and capital markets

Director & Representative Executive Officer, Group CEO

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Strengthening the international competitiveness of our exchanges and evolving into a comprehensive finance and information platform

At the end of March 2022, JPX announced its long-term vision "Target 2030." The goal is to evolve into a global, comprehensive finance and information platform by 2030. This means contributing to sustainable societal and economic development by providing solutions for a wide range of societal issues, centered on the ability to raise and circulate capital.

The central pillar of our mission is to help create an affluent society through the provision of fair trading opportunities and stable market operations. This will never change. With that in mind, in today's world, where information and capital move easily between countries, JPX is also engaged in a struggle with other markets and exchanges around the world for investment funds. In order to prevail against such competition, JPX must be an attractive market that is preferred by investors.

I think there are three elements to the competitiveness of an exchange. The first element is the quality and quantity of listed products. In the cash market, for example, you have listed companies. Our focus is not on

increasing the number of listed companies. Rather, what makes a market attractive for investors around the world is whether listed companies are increasing corporate value enough to meet their expectations. I believe that this is what constitutes quality. Progress in corporate governance reforms and other efforts has advanced sustainable growth initiatives by Japanese companies. At JPX, we are working to put in place an environment that is supportive of listed company initiatives and conducive to constructive dialogue between them and investors. By contrast, in the listed derivatives market, we are increasing the quantity of such products as commodities (commodity futures) and financial derivatives. The second element is the number and breadth of investors participating in the market. To support abundant liquidity, it is necessary to have participation by various types of investors. The market gains depth of liquidity through the presence of diverse participants with different investment strategies, including institutional investors, retail investors, hedge funds, HFTs, and engagement funds. The blending of these respective strategies draws in buy and sell orders whatever the market situation, which is a strength of the Japanese market. The third element is the user-friendliness of systems and rule frameworks. In addition to the robustness and resilience of trading systems, it is important that trading rules and related frameworks are easy to understand and use from the participant's perspective. We are strengthening these elements to enhance our international competitiveness. In addition, I intend for us to drive the sustainable growth of the Japanese market by expanding our information services business and other areas, thereby evolving into a global, comprehensive finance and information platform.

Tackling issues for the future, having essentially achieved the targets in the Medium-Term Management Plan 2024

The Medium-Term Management Plan 2024 was the first stage in our preparations for achieving the long-term vision, Target 2030. Working under the slogan "Exchange & beyond," we achieved the financial targets ahead of schedule in FY2023 and came close to fully achieving all our goals.

In terms of cash market operations, we have continued to support listed company initiatives, including through the market restructuring in April 2022 and the request for action to implement management that is conscious of cost of capital and stock price in 2023. In November 2024, we began operation of the arrowhead 4.0 cash equity trading system, which enhanced the convenience and resilience of the market. Furthermore,

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in conjunction with the system upgrade, we extended trading time by 30 minutes. In the derivatives market, we broadened the product lineup by listing electricity futures, Nikkei 225 micro Futures and mini Options, 3-month TONA Futures, and other products. In September 2022, we began holiday trading. Originally, we had forecast that trading volume would be around 20% of that on a normal weekday, but so far, average trading volume has exceeded 40% of the weekday average. We also took a proactive approach to meetings with both domestic and overseas investors by holding online and offline seminars in Japan and other countries. The number of investors starting to trade has increased, and I feel that the investor base has become significantly broader and deeper.

One of the issues we are tackling is promoting the digitalization of the securities market. In June 2022, JPX issued a digital bond using blockchain technology. The primary market for the issuance of securities using new technologies like this is still in its infancy. Furthermore, the market will not be able to properly take shape until trading gathers momentum not only in the primary market but in the secondary market as well. The background to this is that Japan has a deeply rooted culture of continuing to hold bonds after purchasing them, so it has been difficult for a secondary market for bonds to develop. It is in this context that we should consider the issue of how to nurture a digital securities market, and we intend to continue taking up the challenge going forward.

Environmental strategy is another major issue. There has been a reconsideration of environmental policy in the U.S., while in the EU, environmental policy appears to be balancing between efforts to address climate change and the need to maintain economic competitiveness. Having said that, you can say that the U.S. and Europe have achieved a certain level of progress. On reflection, environmental policies in Japan are still a work in progress. I believe it is important for JPX to steadily pursue our key initiatives in this area such as the electricity futures market and the carbon credit market.

Starting the Medium-Term Management Plan 2027 with commitment to our customer-oriented, "market-in" approach

The Medium-Term Management Plan 2027 is the second stage in our preparations for achieving the Target 2030 long-term vision. Carrying over the slogan of "Exchange & beyond," we will continue to actively take on challenges in new areas while listening to feedback from related parties and market users. Specifically, we have established the following three



core themes: forge a new era for the Japanese stock market, strive to become a comprehensive platform, and collaborate for digital innovation.

During the second stage, we plan to strictly maintain our customer-oriented, "market-in" approach. This approach has long been a focus for us. For example, to broaden the investor base for the ETF market, we launched the CONNEQTOR trading platform in February 2021, reflecting feedback from users and other market participants. This is currently used by over 290 companies, including institutional investors in both Japan and overseas, and that has been achieved through the sober, steady work of those in charge of marketing at the exchange, who have continued to listen to the needs of financial institutions across the country. During the Medium-Term Management Plan 2027, I want us to build on the various foundations that we put in place during the first stage. To provide more usable markets and services, I think it is important to be unstinting in our



efforts to acquire feedback from users.

Balancing investments for growth and return to shareholders to pursue ROE of 18.0% or more

The Medium-Term Management Plan 2027 focuses on maintaining capital profitability that exceeds the cost of capital over the medium to long term, and narrows the financial target for the final year of the plan to ROE. In terms of non-financial commitments, we are putting the highest priority on "strengthening human resources through ongoing investment in human capital" and "stable provision of core systems and demonstration of resilience" in order to ensure trust in the market while working for sustainable market development. As for capital policy, in order to share our approach with shareholders and investors, the Plan unveiled for the first time a cash allocation policy that also takes into account investments for growth. In terms of dividend policy, we have shifted from a dividend payout ratio of "approximately 60%" to one of "at least 60%," and are planning cumulative shareholder returns of around JPY 170.0 billion over the three years. Our policy is to allocate about

JPY 60.0 billion of this to the acquisition of own shares. While maintaining public visibility, we will aim for a balance between investments for growth and returns to shareholders, and although our 18.0% ROE target will be a challenge, we will make every effort to achieve it.

Working to strengthen corporate governance with pride in our role as a market operator

With regard to the case involving a violation of insider trading regulations by a former JPX Group employee, which came to light in 2024, we recognize the significant inconvenience caused to investors and are making every effort to restore the trust of investors, listed companies, and all other related parties. Immediately after the matter was discovered, an Independent Directors' Investigation Committee was established to investigate the causes of the incident and to assess and evaluate measures to

prevent recurrence. The investigation report published in January 2025 summarizes the assessment of recurrence prevention measures, along with reviews of education and training structures, operational processes, and information management systems. In considering recurrence prevention, some saw it as a choice between placing trust in human nature or taking a more skeptical stance, but I do not think it is as black-and-white as that. If we judge only by that measure, we are thoroughly implementing recurrence prevention measures that are grounded in the latter view. However, it is not enough to merely strengthen education and implement stricter information management. My view is that initiatives need to be implemented from the deeper perspective of ensuring that all employees empathize with and internalize the Corporate Philosophy.

Taking a passive or reactive stance focused solely on preventing violations of laws and regulations, or internal rules, is not sufficient. It is important that employees themselves adopt an active and dynamic role, taking pride and motivation in being part of the team that protects the market. In order to share these ideas with new graduates and mid-career hires who are just entering the Group, April is now designated as JPX Philosophy Confirmation Month, during which, every year, we will provide value-based training infused with our core beliefs. This year, in my role as CEO, I held 14 "roundtable meetings" with employees, 11 in Tokyo and three in Osaka, which took the form of open Q&A sessions. To ensure that awareness of this case never fades, I will take the lead and set an example by spearheading the implementation of various measures.

We are also working to strengthen the corporate governance system. From June 2025, the JPX board of directors has three internal directors and ten outside directors, for a total of thirteen members. There are four female directors, bringing the ratio of women to around 31%. Both of these satisfy the criteria in the Corporate Governance Code for companies listed on the Prime Market. However, substance is more important than form. The objective of strengthening the independence and diversity of the JPX board of directors is to enable candid discussions from diverse perspectives that contribute to enhancing corporate value over the medium to long term. At the JPX board of directors, discussions held at each meeting get lively enough that we sometimes overrun the scheduled time. Directors with diverse experience express their opinions from specialist viewpoints, ensuring that the supervisory function is fulfilled. Because the points raised can sometimes be critical, it is a space that makes me, as CEO, consider the direction of management more deeply. To enhance the quality of discussions at

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meetings of the JPX board of directors, we hold study sessions for board members that are also attended by outside directors. Presentations and Q&A sessions led by personnel in charge of actual operations help deepen understanding of how the company operates.

Listening to external feedback to foster talent that enhances corporate value

Our stakeholders constitute a diverse group. Our direct counterparties are listed companies as well as trading and clearing participants such as securities companies, but there are also other stakeholders such as shareholders and all other kinds of investors, regulatory authorities, and researchers. Officers and employees of JPX Group are also included. Whatever the topic, there will be differences in agreement among related parties, so all we can do is continue to engage in dialogue. Our ultimate criterion for decision-making is this: "What is best for the market?" I believe that one of our strengths is the fact that our employees sincerely face up to feedback from market stakeholders and carry out their duties with this firmly in mind. Although global trends were a factor in our success in achieving the targets of the Medium-Term Management Plan 2024, I think that it was also the result of having consistently played to our strengths in this regard.

The driving force behind our business is people. Based on the idea that the growth of individual employees leads to the growth of the company, we are moving forward with various initiatives in accordance with our approach to human capital management. For many years we have worked to nurture people who contribute to stable market operations. Going forward, in line with this policy, we must hire and develop not only people who will underpin the further stabilization and sophistication of traditional exchange operations but also those who will pioneer into new sectors and fields. In addition to recruiting and developing such people, we are putting in place an environment within the Group that enables all employees to demonstrate their abilities, including internal training schemes and a career formation system with abundant options. The most valuable training, though, comes from actual frontline operations. By increasing opportunities for employees to achieve personal growth through the various businesses of the exchange, we aim to develop human resources whose actions will lead to sustainable improvements in corporate value.

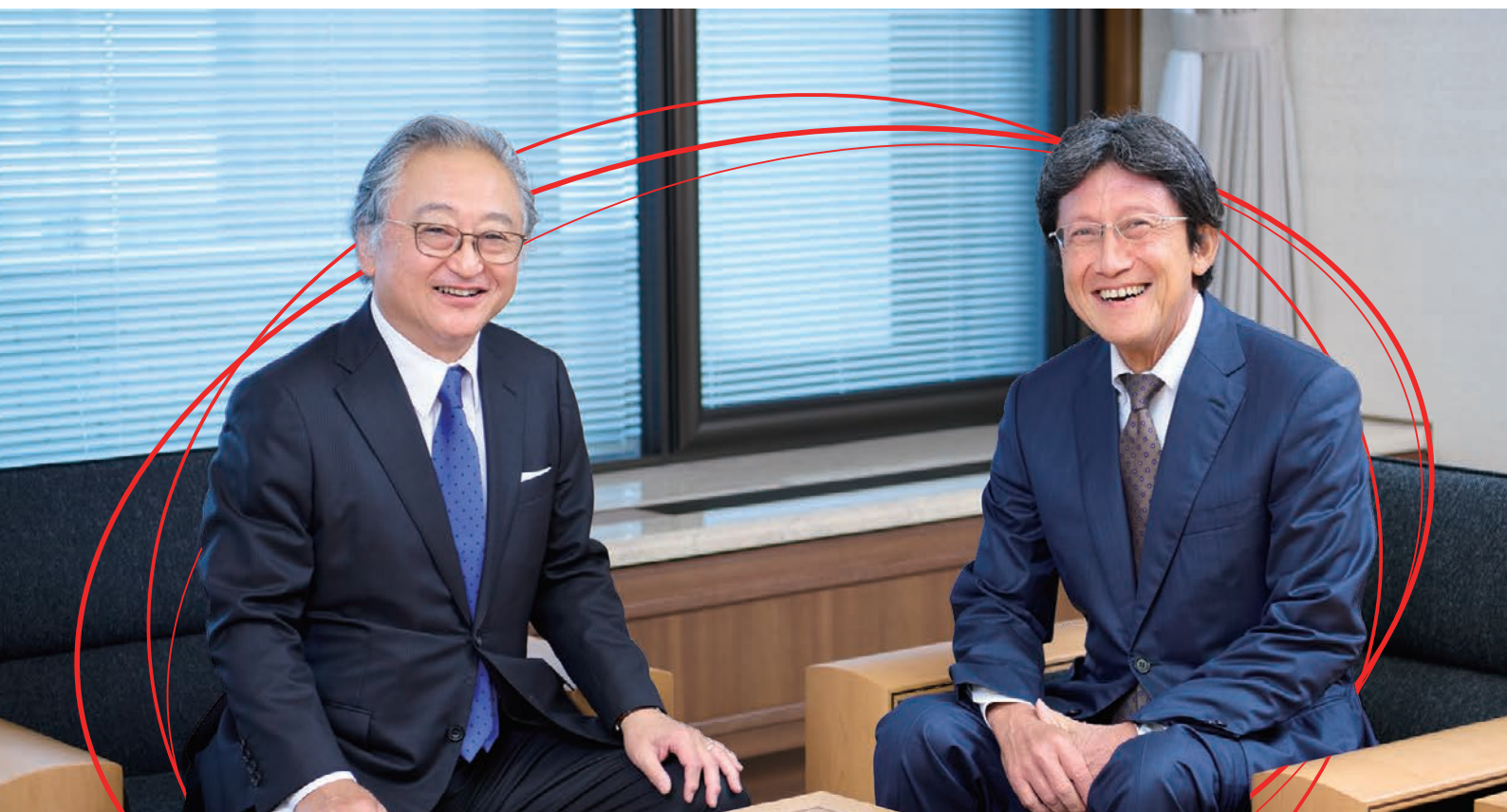
Since being appointed CEO, I have consistently made the case for listening to external feedback. That means looking beyond your own department, beyond the Group, and beyond Japan to seek out information and listen to external voices. We have accumulated

considerable skill in the planning and management of listing and trading rules, and in the operation of trading systems. If, in addition to this, we can actively incorporate information from outside the Group and leverage it in our initiatives, we should be able to make ourselves an even stronger organization.

We also have intellectual capital such as the unique know-how we have accumulated through our market infrastructure operations, as well as market-generated data and indices. To maximize this, we established JPX Market Innovation & Research in April 2022. We will not get the answers about what data should be used and how it should be used by thinking on our own, in isolation from others. We will gather useful information by listening to the needs of users and through our interactions with external partners. I imagine the process to be like beginning to open up a previously closed environment to the outside world, and casting off our shell so that the sunshine can come streaming in. We are creating new services while sincerely listening to the wishes of investors, listed companies, and users, and using these to decide priorities. In terms of data services, we are developing more than 20 new business lines, including "J-Quants," "JPX Market Explorer," and "JPxData Portal," and almost 600 entities have newly started using them.

Providing fair, impartial market operations and attractive services to listed companies and investors in Japan and overseas

There has been no change in our mission. By continuing to provide fair, equitable trading opportunities and ensuring stable market operations, we aim to contribute to the realization of a more affluent society in Japan. The long era of deflation has finally ended, giving way to a new age of inflation. With the shift from savings to investment taking root among the Japanese people, as evidenced by the spread of the new NISA, for example, I see our role becoming increasingly important. Our duty is to support fundraising by listed companies and asset building by domestic investors, while also providing an attractive market for investors around the world. To that end, as the market operator, we will enhance the competitiveness of the Japanese market going forward. We will not only continue to fulfill our mission at a high level but also proactively open up new areas of business, providing highly convenient, attractive services to all participants. It is through such initiatives that we will achieve growth ourselves, and we kindly ask for your continued support.



Conversation Between Independent Directors

Corporate Governance at JPX

Aiming to win further support and trust from market users by fulfilling our social mission under our Corporate Philosophy

Independent Director
Chairperson of the Board of Directors

Kinoshita Yasushi



Independent Director

Takeno Yasuzo

JPX's vision for corporate governance

Kinoshita JPX stands at the center of Japan's capital markets and can be considered their spiritual home. It serves as the foundation that provides market infrastructure and acts as a key driver of corporate governance reforms among Japanese companies. Corporate governance should be pursued with an awareness of a wide range of stakeholders, including shareholders, aiming to achieve a high level of public visibility, a strong sense of public interest, and profitability. This is exactly why the JPX board of directors has welcomed people from diverse fields.

Conversation Between Independent Directors

Takeno This overlaps slightly with what Chairperson Kinoshita just said, but if I were to describe what makes JPX unique, it would be the fact that it pursues growth as a private company while also operating market infrastructure vital to Japan as a whole. To add further, JPX is unique in the industry in terms of its businesses, not only listing and facilitating the trading of securities but also offering a comprehensive range of services from clearing and settlement to information dissemination. We must determine for ourselves what kind of management best serves the interests of our diverse stakeholders. JPX's corporate governance relies on outside directors with expertise in areas such as corporate management, legal affairs, accounting, and risk management, who provide advice and carry out monitoring from diverse perspectives to help identify the best course of action. In this sense, this role is of great importance.

Board of directors— A forum for substantive discussion

Kinoshita We strive to make board meetings a forum for candid and substantive discussions, free from precedent or formality, and appropriate for a company responsible for market infrastructure. When setting the agenda, we delegate minor matters to CEO Yamaji's judgment as much as possible, while ensuring that ample time is devoted to important topics such as management strategy, risk management, sustainability, and follow-ups on forward-looking initiatives.

Takeno JPX operates as a financial instruments exchange holding company in a regulated sector under the Financial Instruments and Exchange Act. We must achieve growth over the medium to long term within the constraints of these regulations. For example, when stepping into a new field of business, the JPX board of directors must engage in careful discussion while also ensuring timely decision-making. Maintaining a careful balance between offense and defense is essential, and I believe Chairperson Kinoshita does an excellent job of bringing everything together while listening to, at times, critical opinions from outside directors with long-standing experience in corporate management.

Kinoshita Outside directors act as a kind of external pressure,

expected to challenge internal conventions. Although I make an effort to ensure everyone speaks during meetings, directors actively participate without being prompted, and I strive to maintain that open atmosphere. I place importance on encouraging members to actively express their views on all important matters based on what is required of JPX from a medium- to long-term perspective.

Takeno I always feel that our discussions are ones of substance rather than procedural.

Kinoshita Executives and outside directors must work to ensure sufficient communication on a regular basis. Explanations by executives are kept to a minimum during meetings to maximize time for discussion.

Takeno Another major element is study groups for the JPX board of directors during which younger managers give explanations about recent initiatives and how they will develop these going forward. Rather than merely providing an opportunity to input knowledge, these sessions also offer a valuable opportunity to gain insight into the internal situation of the company, thereby deepening our understanding of JPX.

Priorities for the Medium-Term Management Plan 2027

Kinoshita During the previous Medium-Term Management Plan 2024, we achieved a great deal in



terms of measures related to the stock market, including requests for action to implement management that is conscious of cost of capital and stock price and for companies to consider reducing investment units, as well as the development of the JPX Prime 150 Index, the extension of trading hours, and the introduction of closing auction sessions. I believe we have seen these efforts bear fruit in the form of the record levels of trading on the Prime Market. In addition to that, we began holiday trading in derivatives markets and made progress in expanding our areas of business through means such as M&A following the establishment of JPX Market Innovation & Research. For the Medium-Term Management Plan 2027, the outside directors share a common vision of JPX achieving growth in such markets as stocks, financial derivatives, electricity futures, and carbon credits in order to become a genuinely global, comprehensive finance and information platform. In the stock market, for example, listing-related issues that we consider important include following up on the progress of efforts requested of companies listed on the Prime and Standard Markets, and moving forward with the restructuring of the Growth Market.

Takeno In particular, going forward, I think it will become extremely important to stimulate the Japanese economy through private-sector initiatives. As Chairperson Kinoshita noted, one key issue in invigorating Japanese companies and supporting innovation is ensuring the sound development of the Growth Market.

Maintaining awareness of our social mission

Kinoshita As mentioned earlier, JPX's Corporate Philosophy is based on the idea that pursuing a high level of public visibility and a strong sense of public interest, and ensuring the sustainable development of the market, will lead to the support and trust of market users, and ultimately result in revenue and profit. Because JPX holds a position of significant influence as the core infrastructure of the Japanese market, it bears heavy social responsibilities and must remain humble. As I see it, three things are essential to maintaining constant awareness of our social mission. First is to engage in thorough discussions about the role JPX should fulfill in society and the services it should provide. By having regular discussions with senior employees, peers, and junior staff, we are sure to uncover valuable insights. The second is engaging with external parties. Interacting with external stakeholders helps clarify where the company stands. The third is studying the fundamentals. I believe that we are entering a time in which everyone will need to, for example, use cutting-edge technologies like AI and foreign languages, especially English.

Takeno As we are entering a time of extraordinary

change, JPX is also expected to anticipate future developments and act accordingly, making it all the more important to accurately understand the changes of the times. As Chairperson Kinoshita also said, we need to be sensitive to new developments and absorb a variety of information. While it goes without saying that we should follow mainstream media, I believe it is equally important to engage with a wide range of media sources, such as international ones, and a wide range of opinions.

Ensuring transparency and regaining trust in JPX

Takeno As JPX reaffirms its social mission, ensuring transparency and trust is of paramount importance. With regard to the recent case involving a former JPX Group employee's violation of insider trading regulations, the Independent Directors' Investigation Committee discussed numerous measures to prevent recurrence. The investigation report disclosed which recurrence prevention measures had been implemented and which were in progress, along with the reasons behind those decisions.

Kinoshita I believe that, under the leadership of Director Takeno, all possible recurrence prevention measures have been compiled. Every officer and employee of the company, including executives, takes this incident very seriously. Ultimately, this is a matter of personal integrity, and we must continually instill the lesson in both heart and mind. I also believe it is important to foster healthy peer pressure within the organization.

Takeno JPX is a workplace that makes a significant contribution to the Japanese economy. When I passed the national bar examination, I too felt attracted to the role of public prosecutor due to the significant contribution it makes to society. I believe the key to deterring such behavior is for all officers and employees to think about the ideas of JPX's Corporate Philosophy and social mission, and to go about their daily duties with their supervisors, peers, and junior staff in mind. The only way to instill JPX's Corporate Philosophy and social mission in employees is to continue initiatives such as roundtable discussions, mentoring systems, and other initiatives. What is most effective is to work on improving communication while mutually checking with others whether the message has really been internalized. There is a saying: "Spend time with good people and you'll grow better; with bad people, worse." I believe that encountering someone with remarkable qualities can awaken a similar strength within, which, when nurtured, can become a personal asset. This is then likely to spread throughout the organization. JPX has many supervisors worthy of respect, starting with CEO Yamaji. There are many inspiring senior employees, peers, and junior staff at JPX, and I hope to see more opportunities for people to connect with them.



Kinoshita If we only treat people sternly, they will gradually withdraw. It's also important to foster a more open and relaxed atmosphere, so I hope everyone will carry out their duties while keeping that balance in mind.

Expectations for JPX

Kinoshita I hope the employees who will shape JPX's future will actively discuss the company's direction with senior employees, peers, and junior staff, and turn those conversations into concrete actions. The Japanese government has also made promoting Japan as a leading asset management center a policy priority. With that in mind, it may even be worthwhile to engage in long-term discussions, such as envisioning what JPX should look like a hundred years from today. I believe Japan has the potential to become the model for fully developed Asian nations in the years ahead. Japan is experiencing a declining birthrate and an aging population, along with slower economic growth. However, by combining Asia's strong economic momentum with Japan's accumulated financial assets, advanced technology, refined culture, and highly skilled human capital, it may be possible to realize a virtuous cycle of growth and distribution that extends across the region.

Takeno Japan has a long-standing tradition of manufacturing excellence, built on advanced technology

and exceptional quality. The trust that the market demands lies in information disclosure and proper price discovery. I believe that trust in Japanese markets is strong thanks to the underlying strength of its tradition-backed industries, a transparent and free economic environment, and markets that enable proper price discovery.

Kinoshita A financial hub that incorporates manufacturing excellence is essential, and it aligns well with the value that JPX provides. Looking ahead, I hope to see further enhancement of the product lineup as JPX strives to become a global, comprehensive finance and information platform. Creating new markets is also part of JPX's mission. As Director Takeno also mentioned, infrastructure in the United States and Europe is financed not only by public funds but also extensively by private capital. Therefore, I believe Japan

needs not continue relying solely on the balance sheets of the national and local governments. I hope JPX will fully leverage its know-how and capabilities to further refine existing markets and pioneer new products and markets.

Takeno Participation by a diverse range of domestic and international investors ensures ample liquidity and enables proper price discovery. I believe it is essential for both Japan and the market to provide an optimal trading venue that offers high levels of fairness, safety, and trust across a wide range of products.

Kinoshita JPX is a highly specialized group of professionals dedicated to building markets. I hope to see them actively engage in discussions on how to deliver meaningful products and services to society, and share their ideas widely. There are still many fields with the potential to transform the world, and I look forward to bold challenges and significant leaps forward.

Takeno For JPX employees, who have both a social mission and specialized expertise, we must avoid overcorrection that stifles their potential.

As Chairperson Kinoshita remarked, I hope JPX will continue to take on expected challenges and move forward, thereby further strengthening the trust placed in it. With high public visibility, JPX should pay attention to external information while advancing with confidence.