

# Co-creation with Stakeholders

JPX Group's corporate philosophy is to contribute to realizing an affluent society by promoting sustainable development of the market. At the UN Sustainable Development Summit in 2015, 17 Sustainable Development Goals (SDGs), a set of international goals related to the economy, society, and environment, were adopted as a step towards realizing a society that is sustainable, diverse, and inclusive. JPX Group's corporate philosophy is linked to bringing about the society that the SDGs aim to create.

To achieve its corporate philosophy, JPX Group recognizes corporate governance, corporate ethics and compliance, information security and cyber security, recruiting and developing human resources, and addressing climate change risks to be particularly important issues. Through dialogue with market users such as listed companies and investors as well as other diverse stakeholders, the Group aims to address corporate management with an understanding of social changes from diverse perspectives, thereby contributing to bringing about a sustainable society and economic development by providing solutions to a wide range of societal issues.



Listed Companies



Investors



Society and Environment



Trading Participants and Clearing Participants



Business Partners



Employees



Shareholders



Government and Securities-related Organizations

## Approach

In order to achieve JPX Group's long-term vision of realizing a sustainable society and economic development, it is essential that we create a virtuous cycle in which we promote the innovation and growth of the listed companies that support society and the economy, the fruits of which lead to asset formation for the people of Japan and generate further innovation and growth. JPX Group supports listed companies' efforts to enhance their corporate value by providing a smooth supply of funds and by developing a foundation for dialogue with investors.



## Initiatives

### Raising Awareness of and Literacy about the Cost of Capital and Stock Price

In March 2023, we made a request entitled "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" to all listed companies in the Prime and Standard Markets in order to promote their efforts to enhance their corporate value. The request calls on listed companies to take a series of actions on an ongoing basis: namely, to accurately understand their cost of capital and return on capital, to analyze and evaluate the current situation regarding their cost of capital, return on capital, and market valuation at their board meetings, to formulate and disclose plans for improving those figures, and to update their efforts thereafter through dialogue with investors.

Listed companies are currently making progress in formulating and disclosing their plans for improving those figures, as well as enhancing their dialogue with investors. JPX Group will continue to follow up to ensure that these trends continue and that efforts by listed companies to enhance their corporate value become more effective.

### Improving the Effectiveness of Dialogue with Investors

JPX Group is promoting efforts to enhance the effectiveness of listed companies' dialogue with their investors, as such dialogue can provide opportunities for the companies to gain insights into how to improve their management capabilities. This is especially important for companies that are listed on the Prime Market, since they are expected to focus on constructive dialogue with investors to improve their corporate value.

In March 2023, JPX published "Better Dialogue with Shareholders and Related Disclosure" and called on companies that are listed on the Prime Market (1) to develop systems and initiatives to promote constructive dialogue with shareholders and (2) to disclose information about any dialogues they have. We will follow up with each company about the degree to which it has implemented dialogues and continue to promote efforts to improve their effectiveness.

### Improving the Quality of Corporate Governance

Since the establishment of Japan's Corporate Governance

Code in 2015, significant progress has been made with respect to corporate governance at listed companies, including the appointment of independent outside directors and the establishment of nomination and compensation committees. At the same time, in order to promote listed companies' efforts to enhance their corporate value, it is essential to link these formal changes to substantive progress.

Against this backdrop, there have been cases where we consider the response of some listed companies to be purely surface-level, for instance, leaving their explanations as to why they are not complying with certain principles of the Code as "under consideration" for several years in a row. For this reason, in March 2023, JPX Group put together a document entitled "Using 'Explain' to Contribute to Constructive Dialogue" to reiterate the purpose of the comply-or-explain approach and to clarify adequate and inadequate examples of comply-or-explain explanations. We hope that listed companies will use this as a reference for conducting voluntary reviews of their comply-or-explain explanations and improve the quality of their corporate governance.

In addition, while an increasing number of listed companies have established nomination and compensation committees, the roles and functions of these committees are not always clear. Going forward, we will continue to encourage listed companies to disclose the activities of their nomination and compensation committees, as well as compile a review of the committees' activities and examples of their roles and functions after we have gotten a grasp of their state of affairs.

## Further Expansion of English-Language Disclosure

Lately, the presence of overseas investors in the TSE market has been growing year after year, and they now hold 30% of listed companies' shares (by value). Against this backdrop, the proportion of companies that disclose information in English has also been increasing each year. However, the proportion that disclose corporate governance reports or timely disclosure materials besides financial statements in English tends to be relatively low. Many have called for the speedy timing of English-language disclosure and expect further improvements. In particular, accelerating efforts to enhance English-language disclosure is essential in the Prime Market, where the concept is one of dialogue with global investors.

JPX Group will continue to encourage the further expansion of

English-language disclosure by companies listed on the Prime Market and the elimination of the time lag between Japanese-language and English-language disclosure, while taking into consideration the burden on companies and the level of use by investors. JPX Group will also be considering the specifics with a view to making such disclosure mandatory in the future. In addition, we plan to compile examples of English-language disclosure for each market segment to promote voluntary disclosure in the Standard and Growth Markets.

## Enhancing the Functions of the Growth Market

Nurturing startups is the key to promoting the dynamism and growth of the Japanese economy and to solving societal issues, and as such the Japanese government is promoting various measures, including those set forth in the "Startup Development Five-Year Plan." For JPX Group, the nurturing of startups that will be the driving force of new industries is an important issue, and there is a need to ensure that the Growth Market for companies with a high growth potential functions more as part of an ecosystem that supports startups' growth.

Against this backdrop, since May 2023, JPX Group has been surveying the management of companies that are listed on the Growth Market and is currently considering measures to further enhance the Growth Market's functions based on the survey's results. The environment surrounding startups changes rapidly, and JPX Group will continue to respond in such a way that it can move ahead with its initiatives in a speedy manner.



## Initiatives

### Approach

In order to achieve "Facilitating cycle of corporate innovation/growth and asset formation," a core strategy of the Medium-Term Management Plan 2024, it is important that the fruits of corporate growth lead to asset formation by citizens, and that this links to the next cycle of innovation and growth. By providing comprehensive financial and economic education, including life planning, JPX Group seeks to generate social value by resolving the challenge of improving financial literacy among citizens, and to enhance economic value over the medium to long term by expanding the investor base.

### Role of Financial and Economic Education

In Japan, the amount of household financial assets continues to increase year by year, totaling more than JPY 2.0 quadrillion, the highest ever level. However, these assets are still not being fully utilized. Statistics on the composition of Japanese household financial assets indicate that cash and deposits account for a high proportion, approximately 54% of the total, while stocks and other investments account for only approximately 15%.

Japan faces the problems of a shrinking workforce and the limits of its social security system. How to use its assets as efficiently as possible to generate economic growth for the next generation is a major issue. One way to address this issue is to improve the financial literacy of all individuals and encourage a shift to asset formation. In its "Doubling Asset-Based Income Plan" that it announced in November 2022, the Japanese government has

also stated a "shift from savings to investment" as one of its goals and has specified "enhancing financial and economic education" to be one of the pillars by which to achieve it. Going forward, it is planned for this to be promoted by the public and private sectors in tandem.

JPX Manebu Lab



JPX Manebu Lab is a brand that represents JPX Group's financial and economic education as a whole. The name was derived by combining the English word "money" and the Japanese word "manabu" meaning "to learn," such as in a laboratory or a research institute. In short, it is where a wealth of knowledge about money is accumulated.



## Developing Programs for All Ages under the JPX Manebu Lab Brand

In view of the importance of financial and economic education, JPX Group has been providing a variety of educational programs to provide support for the promotion of asset formation by individuals that is tailored to a range of different needs.

The environment surrounding individual investors has changed dramatically in recent years. While asset formation has become more accessible with the growing awareness of SDGs and ESG investments, the spread of fintech, and the popularization of information sharing through social networking sites, it is

becoming increasingly important for the stable asset formation of all citizens that they obtain accurate information about finance and life planning and that they themselves make independent judgments about such issues.

Out of recognition of these issues, and from its impartial, neutral position as a capital market operator, JPX Group has chosen to strengthen and improve its financial and economic education activities, efforts symbolized by the April 2022 launch of the new JPX Manebu Lab brand. Various programs are being developed under this brand in a unified and systematic manner to provide accurate financial knowledge that aids in an individual's money and life planning.

### JPX Manebu Lab (JPX Group's Financial and Economic Education)

For working adults	<b>Workplace Seminars/Training Workplace Manebu</b> Number of Participants Approx. 6,100 people (approx. 100 sessions)	To provide employees of listed companies and other organizations with opportunities to learn more about asset formation and securities markets as part of in-house training and study sessions, we provide a "Workplace Manebu" service whereby JPX Group staff well-versed in financial and capital markets can be deployed to give fair and impartial lectures.
	<b>Website on Asset Formation TSE Manebu</b> Average Monthly Views Approx. 1.4 million page views	The purpose of this website is to help people build assets in a way best suited to their needs by providing information for understanding the importance of asset formation through long-term, diversified investment, including everyday money-related topics that will be easy to grasp even for those who have no investment experience. We provide daily articles on a wide range of themes, such as infographics that explain things in an easy-to-understand visual form, content about post-retirement finance in preparation for a 100-year life, and instructions on how to use ETFs.
	<b>Seminars Seminar Manebu</b> Number of Viewers Approx. 350,000 people (approx. 120 sessions)	By holding seminars and other events, we provide interested adults of all ages with fair and unbiased knowledge and information regarding finance and the economy that is considered necessary for asset formation and asset management. This includes explanations on the role of stocks, ETFs, REITs, derivatives, and other financial products and how they work.
For students	Target: Elementary, Junior High, and High School Students <b>School Manebu</b> Number of Participants Approx. 3,700 students (approx. 50 sessions)	JPX Group sends its staff to schools to speak during home economics, politics & economics, or civics classes. They give lectures on how stock companies work and mix in some role-play and skits to help students familiarize themselves with financial and economic concepts. In addition, we hold two types of economics lectures, one for elementary and junior high school students and their parent/guardians and another for teachers, mostly during summer vacation. We have also developed the JPX Entrepreneur Experience Program for junior high and high school students, where they can experience starting a business from scratch as an entrepreneur.
	Target: Undergraduate and Graduate Students <b>Campus Manebu</b> Number of Participants Approx. 7,500 students (approx. 100 sessions)	Based on the requests of universities nationwide, JPX Group holds courses intended to substantially deepen the understanding of finance, economics, securities markets, and derivatives markets among those university students who will soon be shouldering the responsibility for the Japanese economy. The Group holds sponsored courses and joint courses at a number of universities. The courses cover the latest developments in law, economics, management, and accounting related to the securities market, along with the roles expected of listed companies.
Guided Facility Tours	<b>TSE Arrows and OSE Gallery Tours</b>	To give everyone a better first-hand understanding of exchanges, JPX Group opens its facilities at the Tokyo Stock Exchange and the Osaka Exchange to a wide variety of visitors, from students to working adults. Along with tours of the facilities, we also provide lectures on finance and economics tailored to the needs of our visitors.

#### Enhancements/Improvements during FY2022

- Held the JPX Manebu Lab Kickoff Symposium (June 2022)
- Partnered with the Japan Securities Dealers Association to dispatch instructors to hold workplace seminars on financial education (July 2022)
- Established a new portal site for one-stop access to each of the JPX Group's educational programs (October 2022)
- Held a round-table discussion with experts for effective PDCA for the project as a whole (March 2023)



JPX Manebu Lab Kickoff Symposium



Facility Tour

Notes: 1. Actual figures for FY2022

2. In addition to the above activities, we participate in the Project for Disseminating Knowledge about Securities, which was set up as a joint effort by organizations involved in the securities industry to create and provide financial and economic education materials for schools. Moreover, together with the Ministry of Economy, Trade and Industry (METI), each year we select and announce listed companies that are engaged in superior efforts with regard to specific themes in order to provide individuals with an opportunity to consider stock investing.



## Approach

For JPX Group, Japanese and overseas institutional investors are important players in the Japanese market, accounting for approximately 80% of its trading value. In order for the Japanese market to continue to develop into an even more convenient market and for JPX Group to realize its long-term vision of becoming a "global, comprehensive finance and information platform," we believe it is important to promptly reflect the real voices of institutional investors—the main users of the market—in the development of JPX Group market rules and operational improvements, and we are committed to proactive communication.



## Initiatives

### Japanese Institutional Investors

In order to improve market convenience for investors, we exchange ideas with Japanese institutional investors on a regular basis and use those ideas to revise the market rules and improve system functions. For example, in order to promote the ETF market, we exchange ideas with over 1,000 domestic financial institutions, hold institutional investor seminars every other month, and conduct an annual ETF institutional investor survey. Through these activities, we not only introduce the ETF market, but also conduct interviews about product needs and requests to improve the rules to suit the market environment. In addition, we released CONNEQTOR, an ETF trading platform based on the concept of quicker and cheaper ETFs, in February 2021 in order to meet the needs of institutional investors and established a new ETF Promotion Department in April 2022 in order to further intensify our activities promoting the ETF market.

In the derivatives field, JPX Group listed its first short-term interest rate futures product, 3-Month TONA Futures, in May 2023. We exchanged ideas with a wide range of institutional investors concerning the design of this product. In addition, in response to investor feedback, JSCC, which also clears OTC interest rate swaps, is preparing to support margin offset (cross margining) between the two products in order to improve market convenience. As a result of these efforts, various types of Japanese and overseas investors have begun investing in TONA Futures since their initial listing.



In addition, from the viewpoint of continuously providing market participants with information on our initiatives, we established the new "Kitahama Investment Academy Professional" in October 2022 to provide an environment for market participants to systematically learn about various things ranging from an overview of derivatives and commodities trading to the characteristics of market trends. We intend to further revitalize the derivatives market through these activities.

### CONNEQTOR P.57



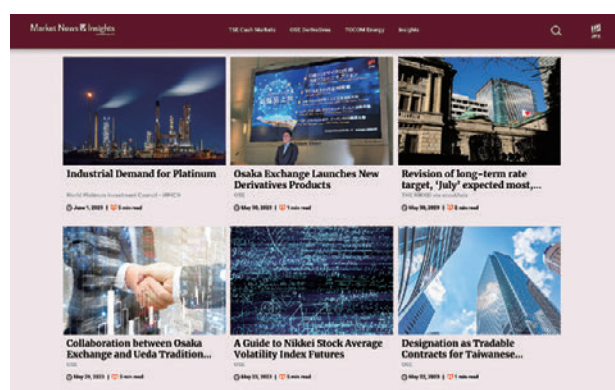
## Overseas Institutional Investors

Overseas investors account for more than 60% of the trading value of JPX Group's markets. JPX Group gives explanations to and exchanges ideas with them about its market rules at both its Japanese and overseas offices. There are many types of overseas institutional investors who use a variety of trading strategies, including long-term investing, quantitative, and market making strategies. We communicate with these investors on a regular basis to learn of any market-related requests that they have or issues that they face. This data is managed centrally through our client management system and reported to management so that improvements can be made. We are also working in partnership with the relevant internal departments to improve the overall appeal of Japan's financial and capital markets vis-à-vis the world's markets by developing new products that are highly sought-after by investors as well as by considering and launching new data services.

In addition, we are strengthening our English-language information provision for overseas institutional investors. For example, JPX Group made SCRIPTS Asia, which distributes the minutes of listed companies' earnings briefings in both Japanese and English, a wholly owned subsidiary in February 2023. In order to enhance information provision related to listed companies, we are introducing institutional investors to the

services that SCRIPTS Asia provides. Furthermore, an internal project team was established in order to enhance our own English-language information, and "Market News & Insights," a new dedicated website for overseas investors, was launched in June 2022. By posting articles on this website about market rules, product overviews, market trends, and other news and sharing them via LinkedIn, a mainstream social networking service among overseas market participants, we are intensifying our efforts to communicate the appeal of the Japanese market to overseas investors. Through these efforts, we aim to expand awareness of the Japanese market and arouse investment interest and in so doing attract new investors and stimulate trading.

### SCRIPTS Asia's services P.58



### Market News & Insights <https://market-news-insights-jpx.com/>

We believe that our efforts to communicate directly with institutional investors on a regular basis and to incorporate the real voices of investors into market operations are essential to creating a market that is preferred both in Japan and abroad. We also believe that the results of these steady efforts can contribute to revitalizing the Japanese market and, in addition, improve Japan's international standing.



### Approach

In addition to its own ESG issues as a corporate entity, JPX Group is also working on various measures from the perspective of financial and capital markets to support our stakeholders, particularly listed companies and investors, in their efforts to address various societal issues. We aim to provide solutions to a wide range of societal issues by striving to create an environment in which everyone can easily access sustainability-related information, products, and services.

### Promotion of Sustainable Finance

With the growing importance of sustainable finance in achieving a sustainable society, in addition to promoting the disclosure of information by listed companies through clarifying our expectations in Japan's Corporate Governance Code, we are also supporting the dissemination of sustainability-related information from issuers through operation of the "ESG Bond Information Platform," which consolidates information on publicly offered ESG bonds. We hope that these efforts will promote dialogue with investors and other stakeholders and lead to further progress and strengthening of issuers' efforts to address sustainability issues.

In addition to these efforts to support those disseminating their own information, JPX Market Innovation & Research (JPXI), which is responsible for the Group's digital-related business, is strengthening the sharing of sustainability-related information through new partnerships and technologies, including the release of the "JPX Listed Company ESG Information WEB (beta version)" in collaboration with DATAZORA, Inc. and the "Green Tracking Hub," which enables visualization of greenness indicators using security tokens. Going forward, we will continue to contribute to promoting dialogue between issuers and investors through efficient market participation, and will examine a variety of market services to meet a wide range of needs, while appropriately identifying changes in the environment surrounding sustainable finance.

■ Green Strategy P.26

■ JPX Market Innovation & Research P.37

### Indices underlying ESG index futures

Index	Calculated by	Outline
S&P/JPX 500 ESG Score Tilted Index (0.5)	S&P Dow Jones Indices, JPX Market Innovation & Research	A TOPIX 500-based general ESG index
FTSE JPX Net Zero Japan 500 Index	FTSE Russell, JPX Market Innovation & Research	A TOPIX 500-based environmental index
Nikkei 225 Climate Change 1.5°C Target Index	Nikkei Inc., Wilshire	A Nikkei 225-based environmental index

### Listing ESG Index Futures

In light of the growing importance of ESG factors in equity management, to support ESG-based management in Japanese equities through derivatives, we have listed futures on three indices, which JPXI and Nikkei Inc. began calculating with the expectation that they will come to be used in financial products this year.

We will continue to monitor the use of these indices in the market going forward, and work to promote their use so that they can be used as hedging instruments once ESG investment related to the indices grows more widespread.



## Launch of a Carbon Credit Market

TSE was commissioned by the Ministry of Economy, Trade and Industry (METI) to conduct a carbon credit market demonstration in FY2022. The demonstration project saw J-Credits traded by 183 participants across all industries and of various forms (listed and unlisted companies, local governments, etc.), with a cumulative total of approximately 150,000 tons traded over the period. The "Basic Policy for the Realization of GX" approved by the Cabinet in February 2023 includes the introduction of an emissions trading system as part of the design of a carbon pricing scheme, with trial trading scheduled to begin in FY2023 and full-scale operation in FY2026. Given this, there are expectations for the creation of a carbon credit market within FY2023. TSE will establish a carbon credit market, drawing on the knowledge gained from the 2022 demonstration and experience in market operations. TSE started accepting applications for participation in July 2023, when it published the regulations. Products eligible for trading will initially be J-Credits, with trading scheduled to begin around October 2023. Going forward, we will continue to contribute to the development of a carbon credit market with a medium- to long-term perspective, in step with the development of an emissions trading system by the government.



## JPX Group's Own Carbon Neutrality

To address environmental issues, JPX Group is aiming for a sustainable economy where economic development and environmental conservation go hand in hand, underpinned by its Environmental Vision and Environmental Policy. To contribute to a decarbonized society, the Group has also set a goal of becoming carbon neutral by FY2024. In addition to switching electricity contracts to a different mix, from FY2022 the Group has been investing in renewable energy generation facilities in order to create its own environmental value.

■ Green Strategy P.26

### Our targets to achieve carbon neutrality

Autumn 2021:	TSE Building electricity switched to an RE100-compliant contract (completed)
End of FY2024:	Energy consumed by JPX Group to be 100% renewable using self-generated energy; carbon neutrality achieved (rate of achievement: 76.5% (as of end of June 2023); solar and biomass power generation begun)

## Society and Environment

# Addressing Climate Change-related Risks and Opportunities Utilizing the TCFD Recommendations

**JPX Group declared its support for the TCFD in October 2018, recognizing that climate change may have an impact on the sustainable growth of the Group in terms of both risks and opportunities.**

**The Group seeks to achieve greater resiliency and sustainable growth by disclosing information in line with the TCFD Recommendations and using those recommendations as guidelines when addressing climate change-related risks and opportunities.**

## Governance

Recognizing that addressing climate change is an important management issue, JPX Group has established a Sustainability Committee, with the Group CEO serving as Chair and the Group COO as Vice-Chair. The committee has analyzed how related issues affect business operations and is proceeding to address these. The Group has also established a system to ensure appropriate oversight by the Board of Directors, whereby basic policies and important matters associated with climate change are reported to the Board as required. In addition, the Group has designated sustainability-related risks including those involving climate change as a "significant risk" with respect to company-wide risk management, meaning that climate-related information is also reported to the Board of Directors from a risk management perspective, on a quarterly basis.

Moreover, the Group has appointed an executive officer in charge of sustainability, under whom the Sustainability Department spearheads efforts in analyzing and monitoring the effects of climate change so that risks to and opportunities for the Group's businesses relating to climate change can be identified and appropriately addressed.

## Strategy

JPX Group has considered the possible risks and opportunities brought on by climate change and their effects on operations, strategy, and financial planning of the Group. It is accordingly implementing measures to reduce risk and increase corporate value, and has summarized these initiatives as its Green Strategy in the Medium-Term Management Plan 2024.

In addition to this, given that climate change and responses to it are long-term issues with high levels of uncertainty, in order to review the resilience of the Group's strategies, JPX carries out scenario analysis with reference to guidance such as technical supplements provided by the TCFD.

In performing this analysis, JPX identifies physical risks and transition risks/opportunities related to climate change that are foreseeable within its decided timeframes: short term (to 2025), medium term (to 2030), and long term (to 2050). It then uses multiple external scenarios to evaluate their possible impact on strategy and financial planning, as well as the company's responses.

## Analysis of Physical risks

Physical risks are those involving direct damage to assets and business activities caused by natural disasters and other such events attributable to climate change.

### Analytic process

This time, JPX identified which of the main assets held or used by the Group could be most impacted by physical risks from climate change, and used the below process to analyze those

risks. However, given that property and equipment assets are only a small proportion of the Group's non-current assets, and that it has a Business Continuity Plan for risks including natural disasters, the analysis was carried out mainly from the perspective of business continuity and not the value of assets.

## A Risks identified

Classification	Possible risks brought on by climate change	Time frame
Acute	Instances of suspended operations or damage to facilities caused by intensifying natural disasters could prompt short-term downturns in earnings along with alienation of investors over the medium to long term.	Short to long term
Chronic	Business operations of JPX Group's exchanges could become subject to disruption if changes in long-term weather patterns prompt an increase in instances of suspended operations and related response measures.	Long term

Note: Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

## B Scope of analysis decided

Subjects	Office buildings and data centers within Japan
Hazards considered	Floods, storm surges, sea level rises, landslides
Main scenarios referenced	SSP1-2.6 and SSP5-8.5 from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)
Time frame	Long term (to 2050)

## C Analysis performed using scenarios

The first step was to understand the risks connected to each office building and data center in the scope of analysis, based on hazard maps and other national land-related information from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). After this, impacts were analyzed with reference to two scenarios suggested by the IPCC's Sixth Assessment Report: SSP5-8.5, which imagines very high GHG emissions, and SSP1-2.6, which imagines low emissions.

## D Risk response approach and measures confirmed

### ① Response to acute risks

- As part of Group-wide risk management, JPX Group positions business continuity risks, such as the occurrence of a natural disaster that causes tremendous damage, as one type of significant risk that could affect the Group. In response to these kinds of risks, as well as ensuring awareness of the risks and preparing/operating preventative measures, JPX Group has also put in place frameworks that allow it to respond swiftly and appropriately when a risk materializes or is likely to materialize.
- The Group has established a Business Continuity Plan (BCP) and implemented measures to ensure ongoing operations in the event that a natural disaster or other such risks materialize.
- To ensure that natural disasters or other such events do not hinder business continuity, the Group is also working to enhance its mutual backup capabilities in the east and west, such as by establishing sites in the Tokyo Metropolitan area and the Kansai region for both business (operations) and systems (data centers). In addition, to prepare for the risk of employees being unable to commute to the office due to

suspended public transportation services or other reasons, the Group is proceeding with the development of remote working environments to enable stable market operations, while also promoting the use of and further developing the operation of telework during normal times.

- If a situation arises where trading participants are unable to participate in trading of stocks or other securities because of a natural disaster or other such event, the Group considers the necessity of a trading halt based on the Contingency Plan formulated and published by the Group.

### ② Response to chronic risks

- JPX Group considers the impact of natural disasters, along with other risks, when choosing locations for offices or data centers, and monitors the possible impacts on each facility with reference to the latest hazard maps, weather data, and other information. The Group also enacts dialogue with the providers of infrastructure services that it uses and requests improvements where necessary.

## Analysis results

Based on the above, JPX Group considers that the physical climate change risks that are currently foreseeable are covered by its present Group-wide risk management processes, and that as a result, possible impacts on the Group's business continuity, strategy, and finances are limited.

## Analysis of transition risks and opportunities

Transition risks are those that arise from changes in government policies, legal affairs, technological innovation, market preferences and other such developments that occur in conjunction with transition to a low-carbon economy.

## Analytic process

This time, JPX identified the transition risks that could affect the Group, and used the below process to analyze those risks.

### A Transition risks and opportunities identified

Please refer to the table on page 55 for the identified transition risks and opportunities.

### B Scope of analysis decided

Analysis was focused on revenue related to the cash equity market, as this comprises around 60% of JPX Group's revenue and can also be thought to impact on revenue from other areas (derivatives, market-related services) in the medium to long term.

Subject	Revenue related to the cash equity market
External reference scenarios	Network for Greening the Financial System (NGFS) scenarios (Net Zero 2050, Delayed Transition and Current Policies)
Time frame	Long term (to 2050)

## Transition risks/opportunities identified

Classification	Possible risks and opportunities brought on by climate change	Time frame	Impacted financial indicator(s)	Related actions
Policy and legal	Greenhouse gas emissions costs associated with business activities and costs associated with investments to reduce emissions may increase if government policies and regulations pertaining to reductions in greenhouse gas emissions become more stringent (introduction of carbon tax, fines, etc.).	Medium to long term	Expenses	<ul style="list-style-type: none"> <li>JPX Group has been upgrading air conditioning and water heating systems, switching to LED lights, and pushing forward other such measures to comply with relevant laws and regulations currently in effect.</li> <li>The Group will switch 100% of electricity consumed to renewable energy by FY2024 and is aiming for carbon neutrality across the Group on the same timeline.</li> </ul>
	Products handled by the Group, markets operated by the Group, and its own business operations would likely be affected if laws and regulations became more stringent regarding ESG information disclosure practices and relevant products and services. For instance, the Group's earnings could be affected if there were products that could not comply with more stringent laws and regulations or if market users moved away from the market having become weary of more stringent regulations.	Short to long term	Revenue (equities)	<ul style="list-style-type: none"> <li>In order to enable prompt and appropriate responses to changes in laws and regulation, as well as strengthening ties with regulatory authorities and other relevant parties, the Group is focusing on sharing opinions and keeping track of global trends by utilizing international standard-setting forums and industry associations (IIRC, WFE, SSE, etc.).</li> <li>For listed companies, tools such as JPX ESG Knowledge Hub are used to promote understanding of ESG information disclosure and to reduce the burden on listed companies.</li> </ul>
Transition risks	If innovation intensifies around technology creation relating to the drive for decarbonization, costs associated with capital investment could increase as it becomes necessary to incorporate new technologies into IT systems or other areas of business.	Medium to long term	Expenses	<ul style="list-style-type: none"> <li>For facilities related to our IT systems, which serve as the infrastructure for JPX Group's business, we utilize the latest technologies to achieve high performance and high quality, and to contribute to high efficiency and low emissions. Even if additional costs are incurred, the Group believes that these efforts will lead to lower running costs over the short term and facilitate the transition to a decarbonized economy over the medium to long term, thereby contributing to improved corporate value.</li> </ul>
	Earnings could be affected by a decrease in demand for products and services provided by JPX Group if investors increase their standards and climate change-related initiatives or information disclosure practices by companies and products listed on markets operated by the Group are deemed inadequate.	Short to long term	Revenue (equities)	<ul style="list-style-type: none"> <li>In order to provide products and services aligned with the needs of market users, the Group works closely with related parties to identify these needs and develop products and services. Having established JPX Market Innovation &amp; Research, Inc. (JPXI) in 2021, the Group intends to further expand its range of ESG-related services.</li> <li>Under Japan's Corporate Governance Code, listed companies are asked to actively engage in initiatives that involve addressing sustainability issues and disclose information in a manner that increases corporate value.</li> </ul>
	JPX Group could become subject to diminishing business opportunities and rising financing costs if confidence in and evaluation of the Group and the Japanese market overall decline due to the perception that initiatives to address climate change are insufficient in terms of the Group's market operations and commitment, or in terms of management policies of Japanese companies.	Short to long term	Revenue (equities, derivatives, and market-related services)	<ul style="list-style-type: none"> <li>Under its long-term vision and Medium-Term Management Plan 2024, the Group has been taking an active stance to address climate change and other sustainability issues, and has been pushing forward with related projects while focusing on information disclosure and dialogue with stakeholders.</li> <li>The Group has also been focusing its efforts on taking part in and contributing information to discussions in Japan and abroad, participating in forums such as the Financial Services Agency's Expert Panel on Sustainable Finance, and communicating opinions particularly through the SSE and WFE. In addition, JPX established the "Sustainable Finance Platform Development Working Group" and is incorporating this group's practical discussions into its actual activities.</li> </ul>
Opportunities	Income related to ESG could increase if JPX Group were to expand its provision of products and services related to climate change and other ESG issues in response to growing ESG investment.	Short to medium term	Revenue (equities, derivatives and market-related services)	<ul style="list-style-type: none"> <li>Having listed the objective of "promoting sustainability that connects society and economy" as an area of focus under the Medium-Term Management Plan 2024, the Group has been placing emphasis on "strengthening dissemination of sustainability-related information," "calculating ESG indices and listing related ETFs/futures," and "vitalizing the energy market; advancing the creation of an emissions trading market."</li> </ul>
	The Group may be able to reduce financing costs by utilizing green bonds and other forms of sustainable finance.	Short to medium term	Expenses	<ul style="list-style-type: none"> <li>In June 2022, JPX issued a Digitally Tracked Green Bond as part of its plan to support the shift to carbon neutrality by generating renewable energy through ownership of its own renewable energy power generation facilities.</li> </ul>
	The Group may be able to reduce its exposure to price volatility related to energy procurement and to potential increases in carbon taxes and other carbon emissions costs by seeking greater diversity in its means of procuring energy, including ownership of renewable energy generation facilities.	Short to medium term	Expenses	<ul style="list-style-type: none"> <li>The Group aims to achieve carbon neutrality by FY2024 through self-generation of renewable energy using multiple approaches, namely ownership of solar power generation facilities and biomass power generation facilities that use discarded cooking oil for fuel.</li> </ul>

### C Analysis performed using scenarios

Since the vast majority of companies listed on the equity market that JPX Group operates are domestic companies, a certain level of correlation can be expected to exist between Japanese GDP and the variables (trading value, market capitalization) that impact revenue related to the cash equity market. Based on this, JPX estimated the impact of Japanese GDP figures suggested by three NGFS scenarios (Net Zero 2050, Delayed Transition, and Current Policies) on said revenue.

### D Risk response approach and measures confirmed

As transition risks and opportunities hold a high level of uncertainty, JPX works to keep track of changes in the regulatory environment and trends in the market. While doing this, in order to both manage the risks and realize the opportunities, JPX positions them as management issues and has integrated climate change responses into Group-wide risk management and business planning processes to inform its actions.

### Analysis results

The results of the above analysis showed that there could be negative impact on revenue related to the cash equity market in the short term if emissions reduction policies were to be rapidly implemented. Over the long term, though, more success in avoiding temperature rises in the relevant scenario correlated with less negative impact on JPX Group.

Also, since the differences between the figures calculated from each scenario were at most still less than 5% of the Group's overall revenue related to the cash equity market, the estimated impact is limited. This being said, as JPX sees supporting an orderly transition to net zero as important for both reducing negative impacts on the Group from climate change and creating business opportunities, it will make sure to complete the projects it is currently working on under its Green Strategy, while also continuing to search for new fields and projects that can contribute even further.

## Risk Management

JPX Group has established a Risk Policy Committee chaired by an outside director, and a Risk Management Committee chaired by the Group CEO, in order to address the various risks faced by the Group. In line with the Group's Risk Management Policy, these committees are responsible for identifying risks as well as developing and implementing preventative measures, and also form a system which ensures a swift and appropriate response in the case that risks do or are likely to materialize. Under the Risk Management Policy, the Group identifies and classifies the risks faced by the company, each of which is managed by the department with jurisdiction. Information on assessments of these operations and issues to be addressed are periodically brought before the Risk Policy Committee (semiannually) and Risk Management Committee (quarterly) and reported in each case to the Board of Directors.

The Risk Policy Committee has identified sustainability related risks, including climate change, as a significant risk under "business environment and business strategy risk." These risks are managed by the Sustainability Department.

## Metrics and Targets

In preparation for more stringent policies and regulations regarding greenhouse gas emission reductions, JPX Group has

reviewed its approach to procuring electricity, which is the primary factor in its emissions. This move aims to eliminate Scope 2 emissions by switching 100% of electricity consumed throughout the Group to renewable energy by FY2024, and to achieve carbon neutrality (Scopes 1 and 2) across Group companies in the same time frame. The Group began calculating other CO<sub>2</sub> emissions (Scope 3) in FY2020. In this respect, the Group will appropriately manage emissions throughout the value chain while taking the steps required to reduce greenhouse gas emissions. Also, in its Medium-Term Management Plan 2024, the Group set "aim for carbon neutrality in securities market operations by 2030" as a long-term ESG target.

With these targets in mind, for Scope 2, the Group has been switching electricity contracts for several facilities to RE100-compliant or other renewable energy contracts in stages since autumn 2021, and has started generating its own renewable energy through holding its own energy generation facilities in FY2022. Meanwhile, a majority of the Group's Scope 1 emissions are attributable to its consumption of city gas and gasoline, and the Group intends to offset these emissions using J-Credits and similar methods.

The capital goods that account for the majority of Scope 3 emissions are connected to the development of the software that supports the Group's IT infrastructure. The Group aims to gradually reduce these emissions through emissions management while maintaining the investment required for stable market operations.

## JPX Group CO<sub>2</sub> Emissions (t-CO<sub>2</sub>)

	FY2020	FY2021	FY2022
Scope 1 (direct CO <sub>2</sub> emissions)	688	774	824
Scope 2 (indirect CO <sub>2</sub> emissions)	13,500	11,751	9,041
From offices	3,822	2,110	138
From data centers, etc.	9,678	9,641	8,903
Total (Scopes 1 and 2)*	14,188	12,525	9,865
Total CO <sub>2</sub> emissions per FTE (Scopes 1 and 2)**	10.7	9.5	7.2
Electricity usage (kWh)	30,504,690	31,088,511	28,992,676
From offices (kWh)	6,128,439	6,362,674	6,372,003
From data centers, etc. (kWh)	24,376,251	24,725,837	22,620,674

\*Calculated based on the latest Japan Ministry of the Environment's Emissions Intensity Database for Calculating GHG Emissions in Supply Chains and some other coefficients as of the time of calculation for each fiscal year.

\*\*FTE refers to "Full-Time Equivalent." It does not include staff such as full-time operations support staff and employees on secondment.

## Other Related CO<sub>2</sub> Emissions (Scope 3) (t-CO<sub>2</sub>)

	FY2020	FY2021	FY2022
Scope 3* (Other related CO <sub>2</sub> emissions)	24,733	44,110	27,916
Acquired goods and services	2,053	2,269	3,126
Capital goods	18,531	37,530	19,545
Fuel and energy-related activity	2,237	2,294	2,160
Waste generated in operations	95	118	42
Business travel	1,136	1,251	2,313
Employee commuting	471	484	614
Downstream leased assets	211	164	116

\*JPX Group calculates all 15 categories for Scope 3. Categories other than those listed above are omitted because their relevance to the Group's business is extremely low and related emissions are therefore considered to be 0.

# Trading Participants

## Approach

Through "Facilitating Cycle of Corporate Innovation/Growth and Asset Formation," a key focus area in the Medium-Term Management Plan 2024, we will strive to enhance the attractiveness and global competitiveness of the Japanese market and conduct sustainable market operations. Toward this end, it is essential to build trust-based cooperative relationships with trading participants. JPX Group creates various opportunities to engage in dialogue with trading participants for the purpose of ensuring market transparency and further improving convenience.

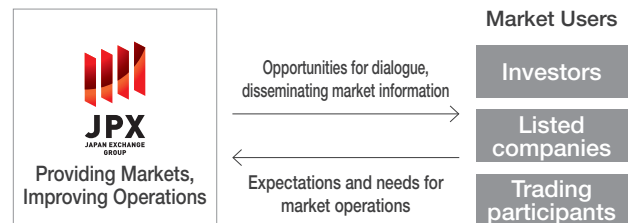


## Initiatives

### Market Operating Committee

Market operator Tokyo Stock Exchange (TSE) has established a Market Operating Committee as an advisory unit to the Board of Directors composed of outsiders from academia, securities companies, institutional investors, and other areas of expertise. With the aim of creating even more convenient markets, outside expert opinions are considered in decisions on important matters, such as listing new products, establishing new markets, and revising rules or frameworks.

### Mutual Understanding through Dialogue



### Development of the "CONNEQTOR" RFQ Platform

ETFs are useful products for both retail investors and institutional investors from the standpoint of portfolio diversification at a low cost, high transparency, and the flexibility to buy and sell them. In relation to ETFs, TSE is working to improve liquidity in auction sessions through measures such as the market making scheme, and is providing "CONNEQTOR," an RFQ platform (a system in which institutional investors, primarily, send out a request for quotes for a particular ETF at a particular quantity, etc. that they wish to trade to multiple market makers at once in order to facilitate trading) to facilitate the smooth execution of large-scale transactions that are difficult to execute in auction sessions.

CONNEQTOR adopts a development approach of improving functions in an agile manner so that it can respond flexibly to users' needs and changes in the market environment. CONNEQTOR has released new functions almost every month since the service was launched in February 2021 to improve usability. This has enabled faster and better-priced trading on a wide range of ETF issues.

In order to provide a highly convenient trading environment for ETFs going forward, we will continue to improve our rules and systems while placing importance on communication with market stakeholders.

**Approach**

We will proactively expand into new fields in order to evolve G-HUB into a global, comprehensive finance and information platform which provides solutions for a wide range of societal issues. Cooperation with the parties involved that possess the necessary skills and expertise is essential for entering new fields, and through collaboration with a wide range of business partners, we will create markets and services that contribute to achieving a sustainable society and economic development.



Initiatives

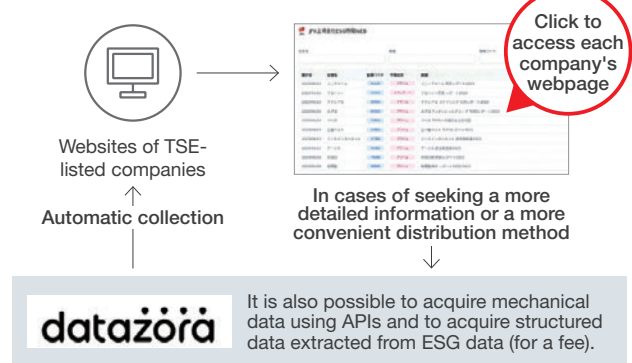
**Collaboration With SCRIPTS Asia, K.K. and Minsetsu, Inc., to Promote Dialogue Between Investors and Listed Companies**

In July 2022, we invested in and concluded a capital and business alliance with Minsetsu, Inc., which operates an IR communication platform called "Minna no Setsumeikai" (everyone's briefing) that provides information on earnings briefings and opportunities for individual meetings between investors and listed companies. In February 2023, we made SCRIPTS Asia, K.K., which provides a service that prepares minutes of investor events conducted by listed companies and rapidly translates them into English for mass distribution, a wholly-owned subsidiary. By creating an environment that provides efficient opportunities for dialogue, improving the efficiency of IR operations, and expanding the volume of information, we aim to promote constructive dialogue between investors and listed companies, and to expand the scope and activity of the Japanese equity market.

**Collaboration With DATAZORA, Inc. to Consolidate and Centralize ESG-Related Information**

In October 2022, in collaboration with DATAZORA, Inc. which collects and provides a wide range of IR and other information on listed companies, we launched a beta version of "JPX Listed Company ESG Information WEB," which consolidates and centralizes integrated reports, sustainability reports, and other ESG-related information published by TSE-listed companies on their websites. By improving the accessibility of companies' ESG-related information and reducing the burden on investors of gathering information, we aim to further drive ESG investment.

**JPX Listed Company ESG Information WEB**





## Approach

Creating public benefits and contributing to society are major characteristics of JPX Group's business. Under our Medium-Term Management Plan 2024, in order to strengthen stable market operations while also advancing into new fields, our fundamental approach to human resources is to 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, as well as creating an environment in which all employees can demonstrate their abilities.



## Initiatives

### Recruitment and Development of Human Resources

Recognizing the importance of hiring diverse human resources to sustainably improve corporate value, our basic approach is to actively hire human resources with diverse perspectives, sensibilities, abilities, and experience, regardless of characteristics such as gender or nationality.

In order to bring the best out of each and every employee, JPX Group has created a working environment where employees can actively gain expertise, access the latest information, and pursue free and creative thinking from a broad perspective. We strive to develop employees' abilities and discover their individual aptitudes through various training and business experience opportunities, in addition to introductory training and on-the-job training in the Group's highly unique operations which is provided by each department. In this way, along with people who will underpin the further stabilization and sophistication of exchange operations, we are also developing human resources who will pioneer into new sectors and fields.

Based on the need for more diverse work styles, namely the desire to build a career on the strength of advanced expertise in specific fields, starting in the current fiscal year, we have also established a "Digital Solutions Track" where employees specialize in IT fields such as digital networks. This course is intended to strengthen the development of employees who can bring about change through being well versed in both business and digital technology. We intend for this to also lead to the hiring and development of personnel with the advanced expertise needed to respond to rapid technological progress.

### Enabling All Employees to Demonstrate their Abilities

#### ● Promoting Women's Participation and Advancement in the Workplace

In April 2022, JPX Group appointed its first internally promoted female executive officer. Furthermore, four female employees are serving at the department/section director level, and the number of women in managerial roles has steadily increased in recent years. There are 45 female managers as of April this year, and the ratio of female managers is 8.6%. We have now set new promotion targets, with the goal of increasing the number of female managers to at least 50 by FY2025 (approximately 1.5 times the number in FY2021) and to at least 70 by FY2030 (approximately double the number in FY2021).



Based on the idea that increasing men's participation in childcare will promote women's participation in society as a whole, we are also actively encouraging male employees to use childcare support schemes such as by holding paternity leave seminars. In FY2022, 20 male employees took childcare leave, and the average number of days taken was 21.3 days.

**● Promoting the Active Participation of Diverse Human Resources**

We are also working to create a workplace environment in which employees from diverse backgrounds can flourish, such as by promoting understanding of people with disabilities and the LGBTQ+ community.

This fiscal year, we extended the mandatory retirement age from 60 to 65 in order to promote the active participation of senior employees. This will create an environment in which employees can work with a sense of security through age 65 while maintaining their strong sense of duty and responsibility. The Group intends to capitalize on the ample operational experience and knowledge of our senior employees to promote further

stability and sophistication of our functionality as a traditional exchange, namely stable market operations.

**Well-Being Initiatives**

In order for all employees to demonstrate their abilities to the fullest, it is important not only to be physically and mentally healthy, but to also experience a state of social well-being by working with passion and vitality. JPX Group conducts employee engagement surveys, and the results for FY2022 showed a high level of employee engagement, with a work engagement score of 75% which reflects vitality, passion, and immersion in work, and an organizational engagement score of 78% which reflects attachment and sense of belonging to the company (percentages reflect positive responses).

In the future, we will strive to maintain our organizational engagement score and improve our work engagement score, which has relatively more room for improvement.

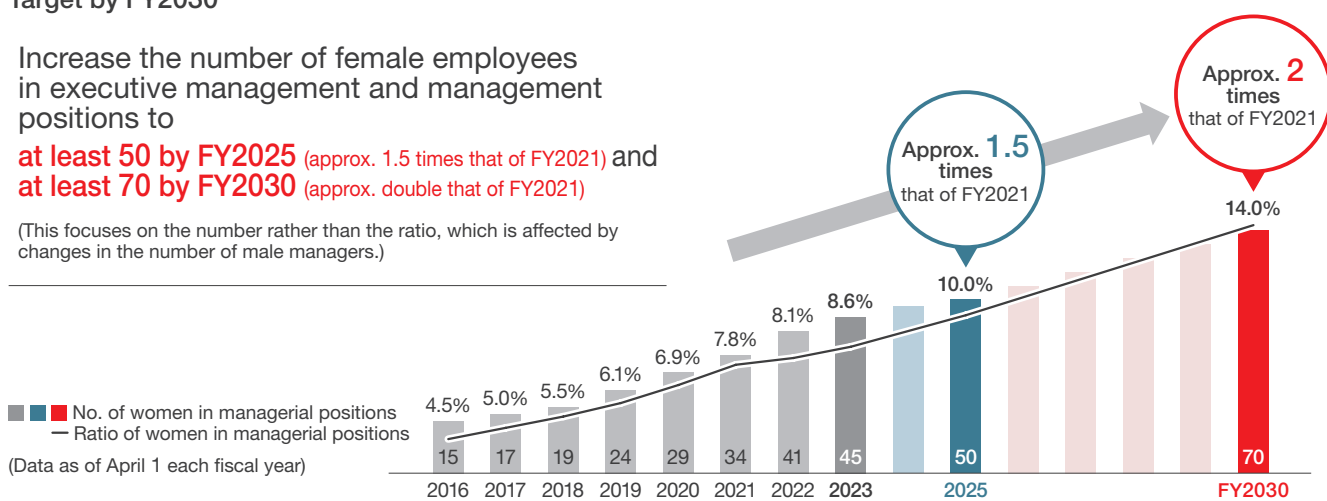
Efforts to promote health management have so far focused on

**Target by FY2030**

Increase the number of female employees in executive management and management positions to

**at least 50 by FY2025** (approx. 1.5 times that of FY2021) and **at least 70 by FY2030** (approx. double that of FY2021)

(This focuses on the number rather than the ratio, which is affected by changes in the number of male managers.)



Employees

Initiatives

collaboration with occupational physicians, such as providing appropriate care and return-to-work support for sick and injured employees. In FY2022, however, we also hired a public health nurse. In the future, we will focus on further strengthening our system for promoting health management and carrying out activities to prevent sickness and injury, in order to create an environment in which each and every employee can demonstrate their abilities to the fullest.

Classification	Item	FY2022
Engagement survey	Work engagement score	75%
	Organizational engagement score	78%
Stress check score	Percentage of workers with high stress levels	6.4%
	Stress check overall health risk*	81

\*The average score is 100 and lower is better; a score of 80 or less is considered good.

➤ **Ensuring the active participation of all employees**  
<https://www.jpx.co.jp/english/corporate/sustainability/jpx-esg/employee/index.html>



Messages from JPX Group's Female Employees



Staff level, 30s



**Did you have any concerns about balancing your career and raising children?**



Across the company, there are many senior employees who have experienced pregnancy and childbirth, so I did not feel too anxious about my physical condition or career. Since I was returning to work in the department and position I originally had, it was easier to grasp the image of how my career would unfold after coming back, so I did not feel overly concerned.



**Did you have any anxiety when returning to work?**



Before a pre-return to work meeting had been set up, I was able to discuss my child-rearing circumstances and see if my vision of my career and work style after childcare leave was aligned with my boss's. This facilitated my smooth return to work. When I met with my boss in the meeting, I felt that he conveyed not only his understanding of my wishes but also the current circumstances of the department and the specific roles that I would be expected to play within this, which increased my motivation on returning.



**About the working environment at JPX Group**



JPX Group has a system in place to support female employees during pregnancy and after returning to work, and I believe that this has created an atmosphere in which we can easily utilize the support system, making it easier for us to strike a balance between work and private life. Also, when we think about support for female employees we tend to focus on women during pregnancy and the first few years after returning to work (and actually I myself am still at that stage), but you could argue that we need to take a long-term view of balancing work with other aspects of life. In that sense, I think I am very fortunate to be in an environment where all employees can use flextime and telework systems that make work easier, not just specific categories of people like those in maternity and post-maternity, or female employees.



Management level, 40s



**Did you have any anxiety during your pregnancy?**



After I consulted them about my pregnancy, a person in charge from the Human Resources Department immediately set up a one-on-one meeting for me. I was relieved to know that the system would allow me to continue working while giving priority to my physical condition.



**About the working environment at JPX Group**



Over a little more than a decade, JPX Group has established, reviewed, and improved various systems to support childcare. The number of female employees balancing childcare and work has increased. The Group is also aware of the ratio of male employees taking childcare leave, and my own boss has also taken paternity leave. I feel that the company is fostering an environment in which we are able to work sustainably while respecting each other in light of the circumstances of individual employees, not just regarding childcare but also other situations such as nursing care.

➤ **Ensuring the active participation of all employees**  
<https://www.jpx.co.jp/english/corporate/sustainability/jpx-esg/employee/index.html>

## HR-related Data

	FY2019	FY2020	FY2021	FY2022
Ratio of employees undergoing annual health check	80.2%	65.1%	92.3%	96.5%
Ratio of employees who exercise regularly	76.4%	75.7%	78.6%	80.0%
Ratio of employees who smoke	12.1%	11.9%	9.8%	10.6%
Ratio of employees answering annual stress check survey	91.4%	91.1%	90.6%	95.2%
Number of sick or injured employees	6	6	3	1
Average overtime hours*	23 hours and 52 minutes	27 hours and 35 minutes	28 hours and 15 minutes	27 hours and 46 minutes
Average days of paid leave taken (usage rate)**	14.4 days (72%)	12.0 days (60%)	12.2 days (61%)	12.6 days (63%)

\*Hours worked outside of contracted working hours

\*\*Annual paid leave (excluding other types of leave)

## Employee data

	FY2019	FY2020	FY2021	FY2022
<b>No. of employees</b> (some employees may be counted in more than one category)				
Total	1,208	1,197	1,193	1,224
Male	875 (72.4%)	859 (71.8%)	843 (70.7%)	861 (70.3%)
Female	333 (27.6%)	338 (28.2%)	350 (29.3%)	363 (29.7%)
Non-Japanese	16 (1.3%)	19 (1.6%)	18 (1.5%)	17 (1.4%)
Mid-career hires	331 (27.4%)	336 (28.1%)	393 (32.9%)	389 (31.8%)
<b>No. of hires</b>				
New graduates	26	25	25	27
Female	12	11	11	12
Non-Japanese	1	1	0	0
Mid-career hires	15	13	18	25
Female	3	0	4	10
Non-Japanese	2	0	0	0
<b>No. of voluntary resignations</b>				
All (% of all employees)	11 (0.9%)	10 (0.8%)	18 (1.5%)	9 (0.7%)
Male	7	8	14	7
Female	4	2	4	2
<b>Average years of service</b>				
All	17.1	17.4	17.4	17.6
Male	16.4	16.9	16.9	17.3
Female	18.4	18.7	18.6	18.3

Notes: 1. All figures are as of the respective ends of the fiscal year.

2. Individual measures related to human capital management and data related to human capital pertain to JPX and its core subsidiaries (excluding persons such as those temporarily assigned by JPX or any of its core subsidiaries to outside entities and those dispatched from temporary staffing agencies, but including persons temporarily assigned by outside entities to JPX or any of its core subsidiaries, employees on non-regular contracts such as those rehired after mandatory retirement, and persons on maternity/childcare leave).

## Employees

**Approach**

JPX is focusing on promoting two-way communication with its shareholders and investors and building relationships of trust based on mutual understanding. JPX actively provides investors with the corporate information necessary for their investment decisions and shares views obtained from shareholders and investors with senior management, thereby further enhancing corporate value.

**Engagement with Institutional Investors and Analysts/IR Meetings and Conferences**

JPX engages with Japanese and overseas institutional investors and analysts through, for example, individual meetings conducted by the management. In FY2022, we worked to increase opportunities for dialogue while taking the COVID-19 situation into account by conducting meetings, including those at IR conferences in Japan and abroad, either face-to-face or online. Feedback obtained through such meetings and other dialogues is presented periodically to the Board of Directors and management and helps shape the management decisions of JPX Group.

**Engagement with Institutional Investors and Analysts/Earnings and Business Briefings**

In FY2022, JPX held two earnings briefings, a Medium-Term Management Plan briefing, and a business briefing session (JPX IR Day 2022) to provide opportunities for dialogue between investors and the executives of JPX Group companies. Explanatory materials and Q&A sessions from each briefing are made available on the day or thereafter in both Japanese and English in order to enable investors in Japan and abroad to obtain information in a timely manner.



JPX IR Day 2022 Cash Equity Market



## Engagement with Retail Investors

We held a total of three online outreach events for retail investors. JPX also actively provides information to retail investors on its IR website. For example, in addition to providing content that offers an easy-to-understand overview of JPX, we post documents, videos, and other content on IR events in a timely manner.

- **For retail investors (only in Japanese)**  
<https://www.jpx.co.jp/corporate/investor-relations/individual/index.html>
- **IR Email Distribution Service (only in Japanese)**  
<https://www.jpx.co.jp/corporate/investor-relations/ir-mail/index.html>

## General Shareholders Meeting

### ● Policy on holding Annual General Shareholders Meeting

JPX considers the Annual General Shareholders Meeting (AGSM) to be a valuable opportunity to engage in constructive dialogue in order to deepen shareholders' understanding of JPX. For this reason, we normally hold our AGSM early, avoiding the dates that most other companies whose fiscal year ends in March hold their AGSMs, in order to make it easier for shareholders to attend. JPX held its AGSM for FY2022 on June 16, 2023.

The AGSM is attended in person not only by the directors and executive officers of JPX, but also those of its subsidiaries and affiliates. This is so that the broad range of shareholder questions, which cover the activities of the entire corporate group, can be answered appropriately by those in charge, including those from subsidiaries and affiliates.

In addition, the AGSM is streamed live on our website so that shareholders who are unable to attend in person can also view the meeting. Shareholders are able to send messages to JPX while viewing the live stream, and JPX posts its replies on its website within a few days following the meeting. JPX also offers on-demand video recordings of the AGSM on its website so that shareholders can view the meeting later on.

### ● Policy on the creation and publication of the notice of the AGSM

In creating the notice of the AGSM, we strive to enhance its content, such as by actively updating the Medium-Term

Management Plan, corporate governance structure, and various other items, as well as endeavor to provide content that is easy-to-understand through the use of visual aids such as illustrations and charts.

In order to ensure that shareholders can promptly read the notice of the AGSM and have sufficient time to decide how to exercise their voting rights, the Japanese and English versions are published on the JPX website four weeks prior to the meeting and sent out in writing three weeks prior to the meeting.

We further aim to enhance dialogue by simultaneously providing information to our foreign shareholders via the Electronic Voting Platform for Institutional Investors provided by Investor Communications Japan, Inc. (ICJ).



The 22nd Annual General Shareholders Meeting

- **General Shareholders Meeting**  
<https://www.jpx.co.jp/english/corporate/investor-relations/shareholders/meeting/index.html>

### ● Improvements to the environment for exercising voting rights

Shareholders can send in their votes via the Internet or the electronic voting platform, as well as in writing (by mail). At the AGSM for FY2022, approximately 90% of voting rights were exercised.