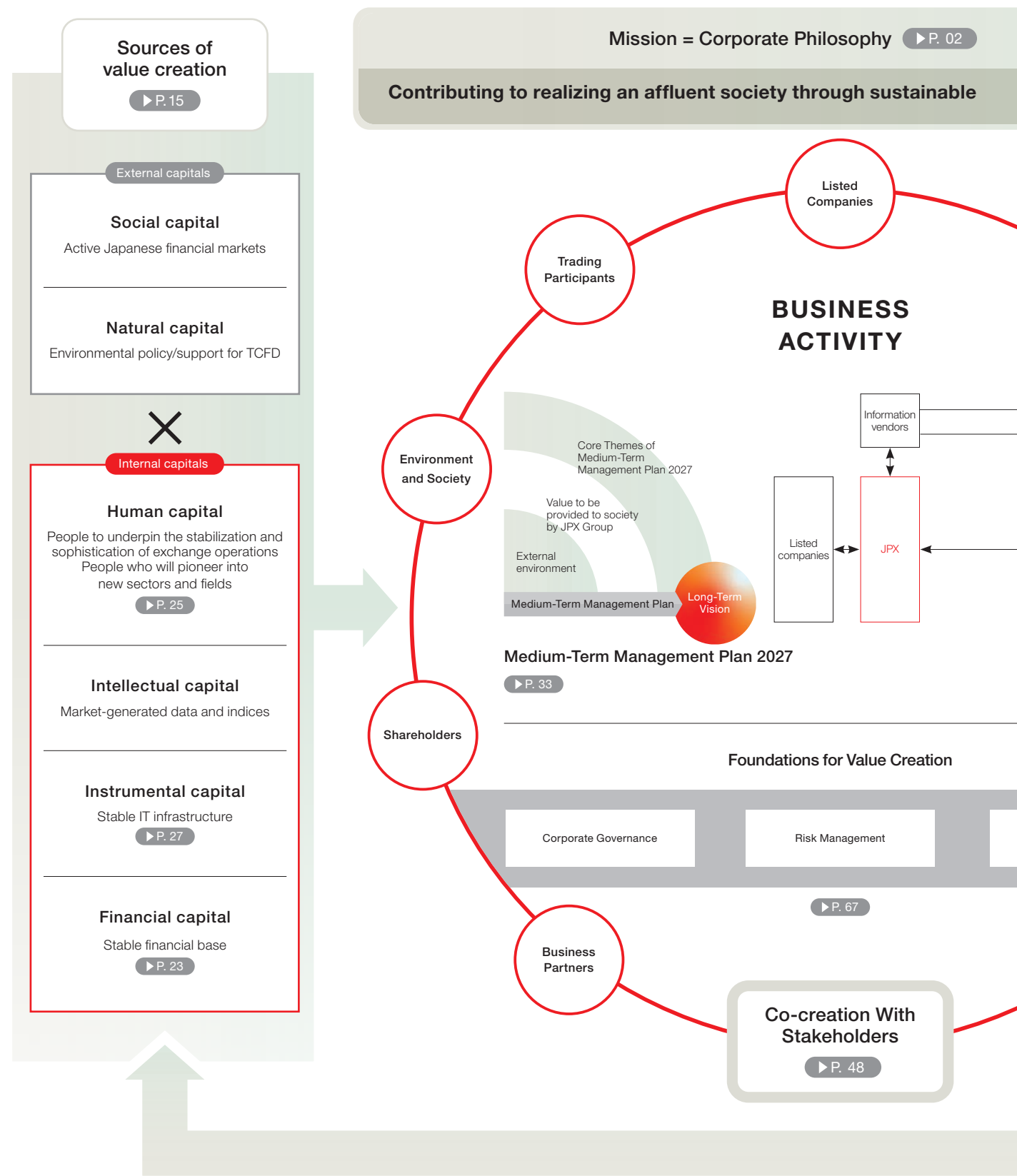


Creating Value at JPX Group

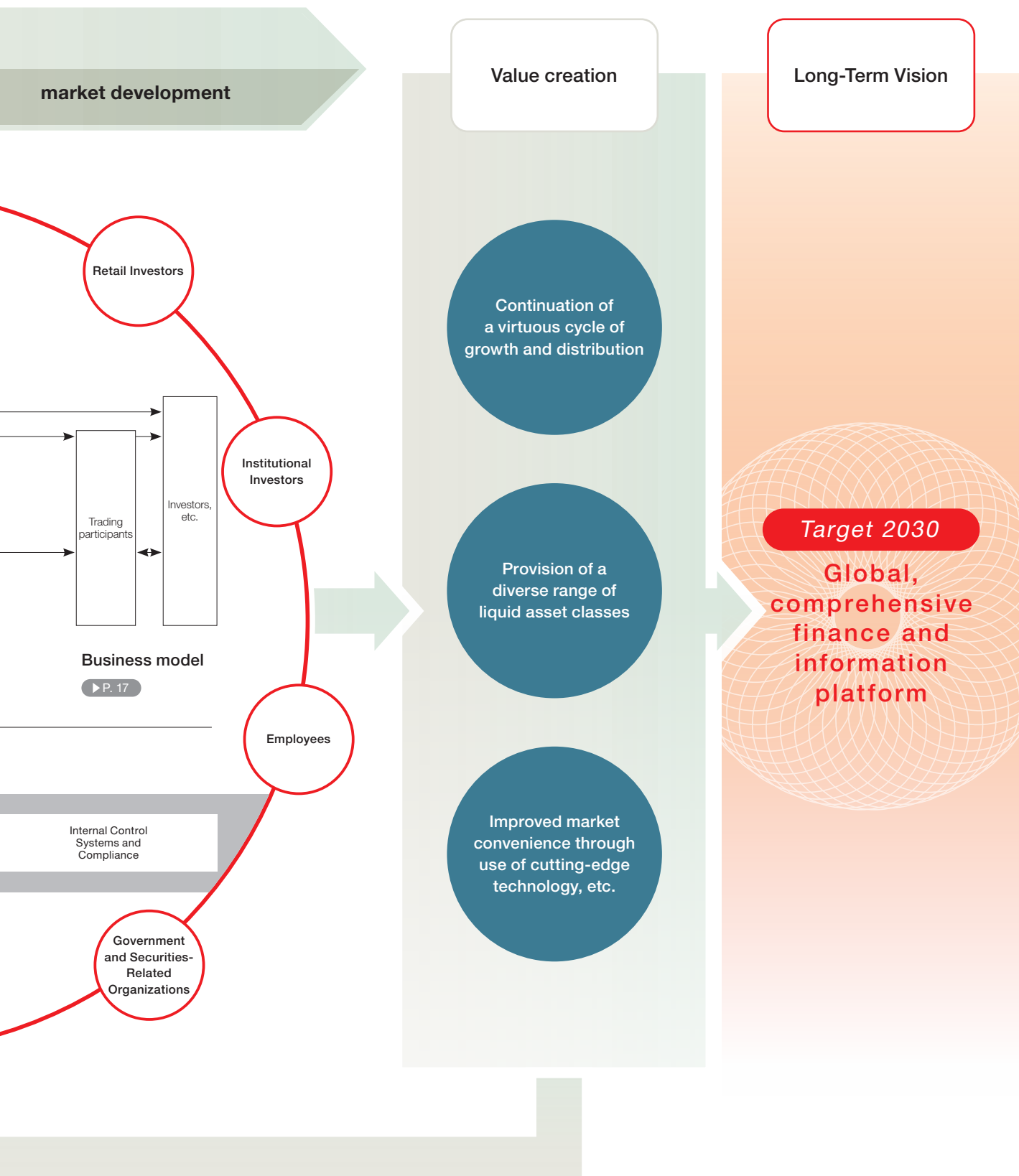
In this chapter, we will present the overall picture of value creation through which JPX will achieve sustainable growth by leveraging its capitals and unique business model based on its Corporate Philosophy.



Value Creation Process for Achieving Our Long-Term Vision



Building on the trust in the securities market developed over many years as a public institution, we will leverage our amassed capitals and strengths to maximize value through our unique business model and co-creation with diverse stakeholders.



Sources and Strengths of Value Creation

The corporate value of JPX is created from a combination of internal capitals amassed through our distinctive business activities as social infrastructure with high public visibility—namely, financial and capital markets—and diverse external capitals originating from the environment and society.

JPX draws on the interrelationships among six types of capital to elevate market credibility, resilience, and competitiveness, thereby achieving fair and equitable market operations and long-term enhancement of corporate value. These six types of capital consist of: (1) diverse and specialized human capital that supports stable market functions while taking on challenges in new sectors and fields, (2) intellectual capital that includes data and indices generated through market operations, (3) instrumental capital that includes sophisticated trading systems underpinning stable public social infrastructure, (4) financial capital amassed through stable market operations, (5) social capital that includes listed companies and investors that support a vibrant Japanese economy, and (6) natural capital that now covers the system operations accounting for the majority of energy used in our business activities.



External capitals

Social capital

Active Japanese financial markets

IPOs in FY2025

99

Household financial assets

JPY **2,386** trillion

Natural capital

Environmental policy/support for TCFD

Group-wide electricity consumption in FY2025

30.53 million kWh

Ratio of renewable energy usage

100%

Internal capitals

Human capital

People to underpin the stabilization and sophistication of exchange operations
People who will pioneer into new sectors and fields

Ratio of female employees

30.9% (1,252)

Work Engagement score

64.5 points

Instrumental capital

Stable and reliable IT infrastructure

Trading system uptime ratio in FY2025

100%

Average number of orders processed on arrowhead

152 million per day

Intellectual capital

Market-generated data and indices

Information services revenue

JPY **33,669** million

Assets under management linked to TOPIX

Approx. JPY **140** trillion
(JPX's estimate)

Financial capital

Stable financial base

Operating revenue

JPY **198,735** million

Net income

JPY **79,139** million

Fusing our superior market infrastructure with our unique intellectual capital

Exchange & beyond

Unique expertise in exchange operations
fostered over our long history

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

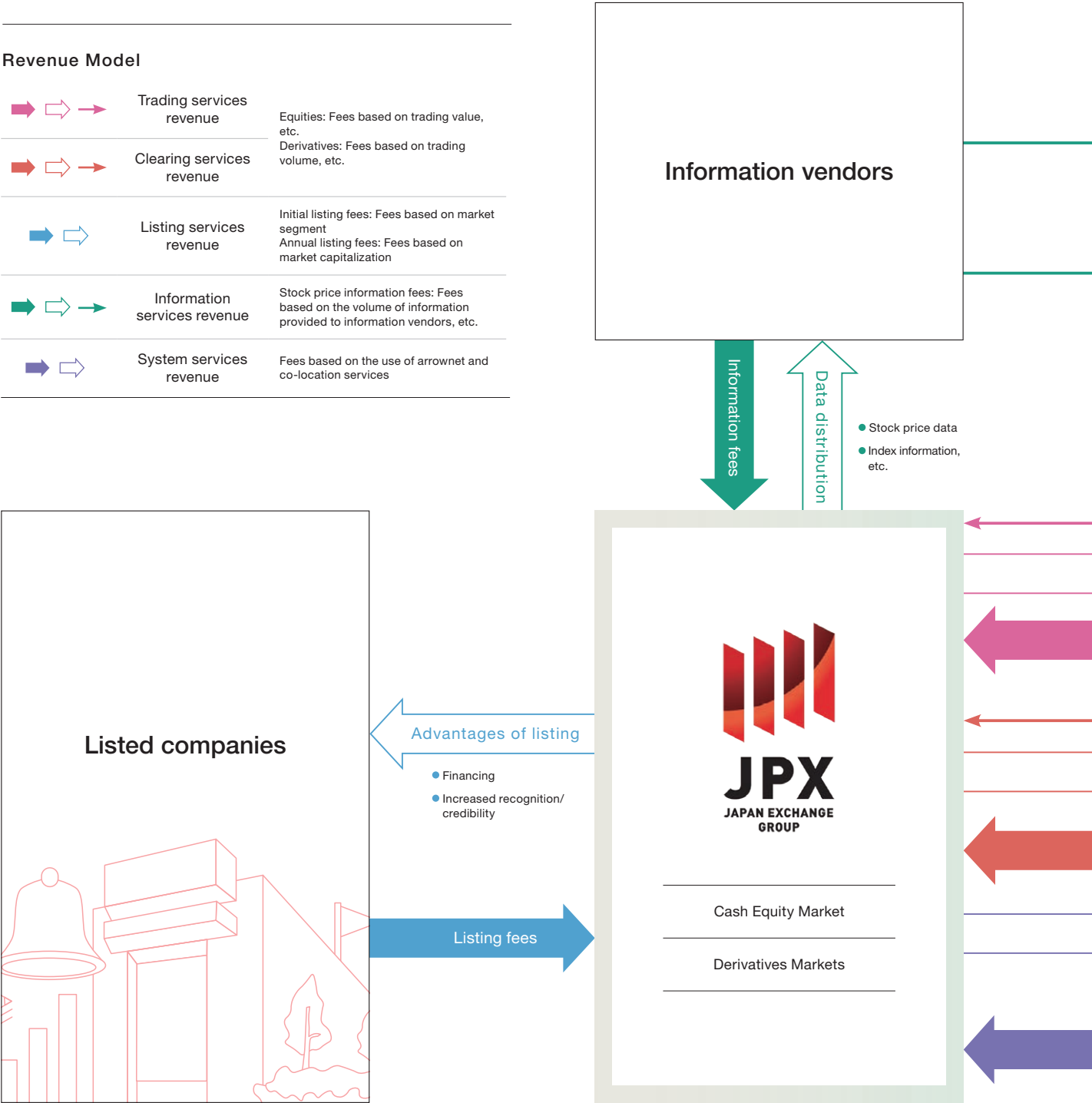
JPX Group's Business Model

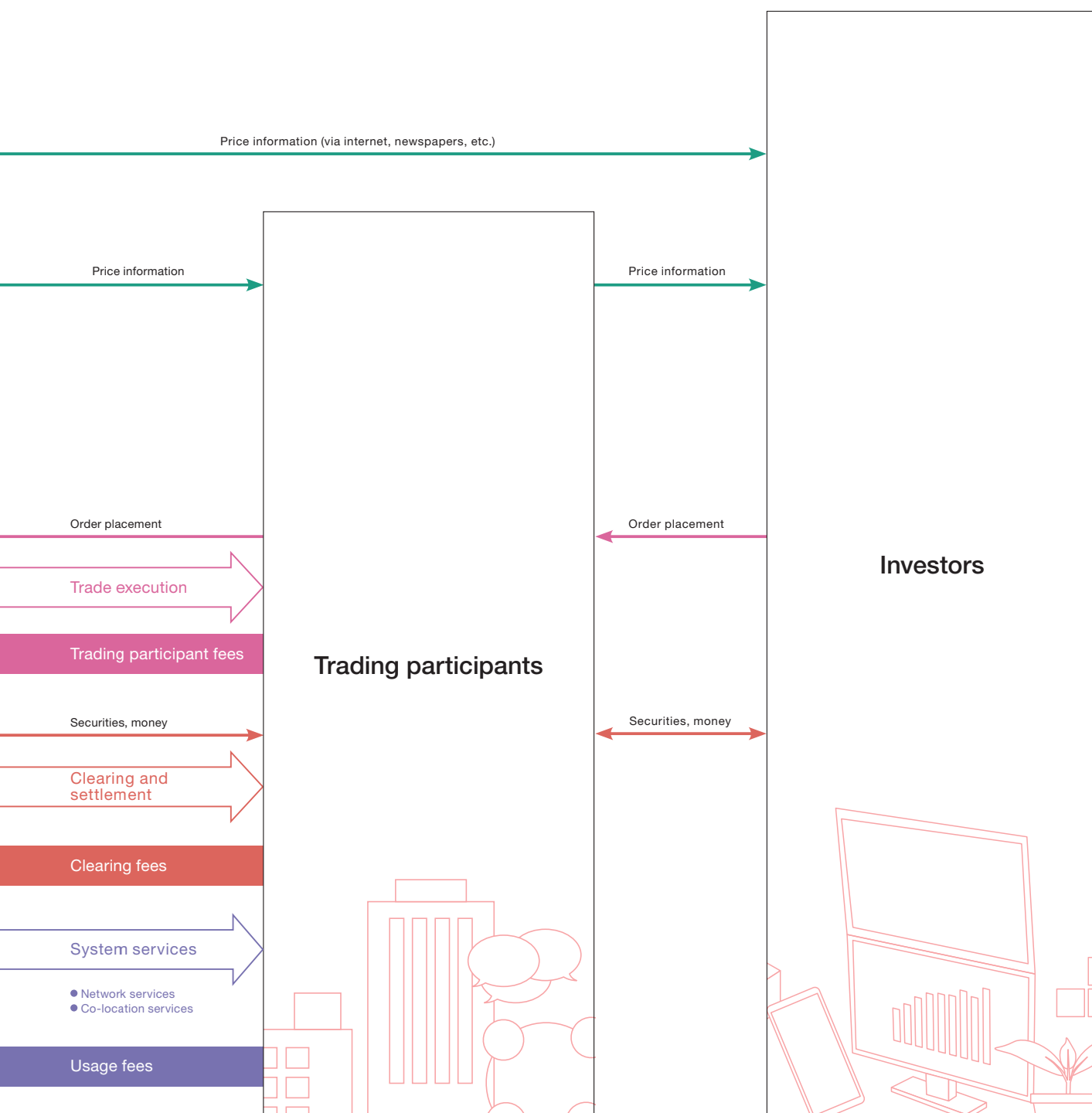
JPX Group provides fair, secure, and reliable market infrastructure, and in return receives fees from securities firms and other trading participants, listed companies, information vendors, and other market users. Specifically, our sources of income are mainly composed of (1) trading services revenue, (2) clearing services revenue, (3) listing services revenue, (4) information services revenue, and (5) system services revenue.

Operating Revenue in FY2025 ▶ P. 90

Revenue Model

	Trading services revenue	Equities: Fees based on trading value, etc. Derivatives: Fees based on trading volume, etc.
	Clearing services revenue	
	Listing services revenue	Initial listing fees: Fees based on market segment Annual listing fees: Fees based on market capitalization
	Information services revenue	Stock price information fees: Fees based on the volume of information provided to information vendors, etc.
	System services revenue	Fees based on the use of arrownet and co-location services





JPX Group Companies' Missions and Roles

Cash Equity Market

Tokyo Stock Exchange

Mission

- We will realize an affluent society by promoting improvements in corporate value at listed companies, thereby contributing to the building of a sustainable and strong economic and social infrastructure, and asset formation by the public
- We will contribute to the protection of investors and the sound development of the national economy by using trading to enable fair and smooth price formation in the markets
- In addition to stable market operations, we will improve market convenience and reliability through various measures that contribute to improving market functions

Perceived Strengths

- Listing of many companies representing the Japanese economy and providing funding opportunities to leading start-ups
- One of the world's largest markets, with a diverse investor base that includes retail investors as well as Japanese and overseas institutional investors
- Trust from and cooperation with market participants built over time
- Safe and reliable cash equity trading system

Perceived Risks

- Diminishing trading volume, decreasing supply of investment funds, and stagnating economic activity among listed companies (and start-ups) associated with a deteriorating market environment due to factors such as economic downturns in Japan and abroad
- Risk of no progress in enhancing quality of capital markets
- Reduced liquidity due to a higher share of off-exchange trading

Derivatives Markets

Osaka Exchange / Tokyo Commodity Exchange

Mission

- Through the proper operation of a convenient and transparent listed derivatives market, we will provide domestic and overseas market participants with efficient and effective hedging and asset management opportunities, provide solutions in response to societal issues and economic conditions in Japan and abroad, and sustainably develop the market.

Perceived Strengths

- Our reliability as a market operator that we have built over time as both a traditional securities exchange and a pioneering derivatives exchange
- A comprehensive exchange handling a wide range of derivatives products whose underlying assets are equities, interest rates, commodities, and energy products
- A diverse base of market participants and resulting high market liquidity

Perceived Risks

- Risk of reduced liquidity due to a decrease in trading volume caused by diminished demand for the use of hedging against price fluctuation risks prompted by changes in society, monetary policies, industrial structures, or other aspects in Japan or abroad, or a decrease in the number of trading participants who handle customer orders and deliveries
- Risk of reduced liquidity due to competition with Japanese and overseas exchanges/alternative markets that handle similar products



Market-Related Services

JPX Market Innovation & Research

Mission

- Through collaboration with partner companies and the proactive introduction of cutting-edge technologies such as AI, we will strive to further improve the investment environment by expanding the coverage and improving the flow of data related to listed companies and markets as well as providing services that enhance analytical efficiency, thereby contributing to stimulation of the securities market and enhancement of JPX Group's corporate value.

Perceived Strengths

- A strong client base centered on TOPIX and a highly fair, transparent, and neutral index management system
- Ability to develop matching services built on foundations and know-how cultivated as market infrastructure
- Extensive experience in using AI, blockchain, cloud, and other digital technologies and increased experience in collaborating with external partners
- In-house development capabilities to provide services speedily and to respond quickly to customer needs and societal changes

Perceived Risks

- Intensifying international competition in the data business field
- Declining appeal of services due to lagging behind the rapid changes in customer needs and the pace of technological innovation
- Decline in the number of service users due to diminishing appeal of Japan's financial and capital markets

Clearing

Japan Securities Clearing Corporation

Mission

- We will contribute to sustainable development of the market economy by providing the foundations for abundant liquidity and smooth price formation for diverse markets, whether on exchange or over the counter, through improving settlement efficiency and ensuring trade security.

Perceived Strengths

- Over 20 years of experience in providing clearing functions to various markets in Japan
- High-level risk management with an awareness of global standards
- Providing centralized clearing services for various markets and trades
- Highly trustworthy and convenient clearing services based on close communications with clearing participants and investors in Japan and abroad

Perceived Risks

- Risk of inability to complete an appropriate default settlement of a clearing participant, which has a significant impact on other clearing participants and in turn the entire market, due to inadequate or inappropriate operation of risk management systems
- Risk of difficulty continuing operations as the social infrastructure that supports the market economy due to events such as system failures and natural disasters

Self-Regulatory Function

Japan Exchange Regulation

Mission

- We will contribute to facilitating the cycle of sustainable corporate growth and asset formation among the public by supporting sustainable development of markets through self-regulatory functions, including maintaining listed company eligibility, preventing unfair trading, and ensuring soundness of securities companies and other trading participants.

Perceived Strengths

- Organizational structure that enables management and operations from a neutral position
- Substantial expertise based on familiarity with market functions and characteristics

Perceived Risks

- Emergence of new types of unfair trading accompanying shift to more sophisticated and rapid trading methods
- Impairment of market credibility due to incidents of fraudulent accounting among listed companies and companies applying for listing