

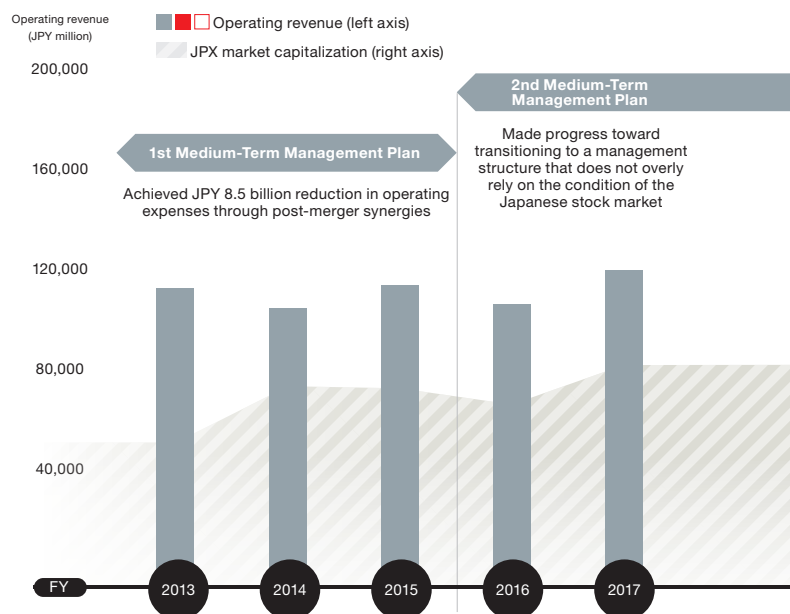
Strategies and Initiatives for Creating Value



History of Value Creation

JPX is a financial instruments exchange holding company group that was established through the merger between Tokyo Stock Exchange Group and Osaka Securities Exchange on January 1, 2013.

Since its establishment, while working to realize post-merger synergies and transform its management structure, JPX has engaged in initiatives to expand its business fields such as welcoming TOCOM as a partner



1 2013

- **JPX formed through the merger between TSE Group and OSE**



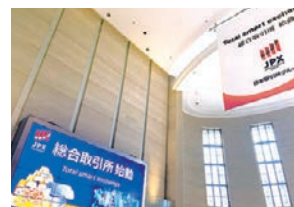
- **Expansion of OTC clearing business through clearing house merger**

Japan Securities Clearing Corporation (JSCC) and Japan Government Bond Clearing Corporation (JGBCC) merged. The clearing operations related to OTC Japanese government bonds that had been carried out by JGBCC were taken over by JSCC, making JSCC a clearing house that handles a wide range of yen interest rate instruments in addition to clearing operations for Japanese government bond futures trading and interest rate swap trading.

2 2019

- **TOCOM acquired as a subsidiary**

JPX merged with TOCOM to create a comprehensive exchange that enables one-stop trading for a wide range of instruments from financial instruments to commodities. Futures and options on precious metals, rubber, and agricultural commodities that were listed on TOCOM were transferred to OSE in 2020. In conjunction with this, JSCC and Japan Commodity Clearing House Co., Ltd. (JCCH) completed their merger, and the comprehensive exchange commenced full operations.



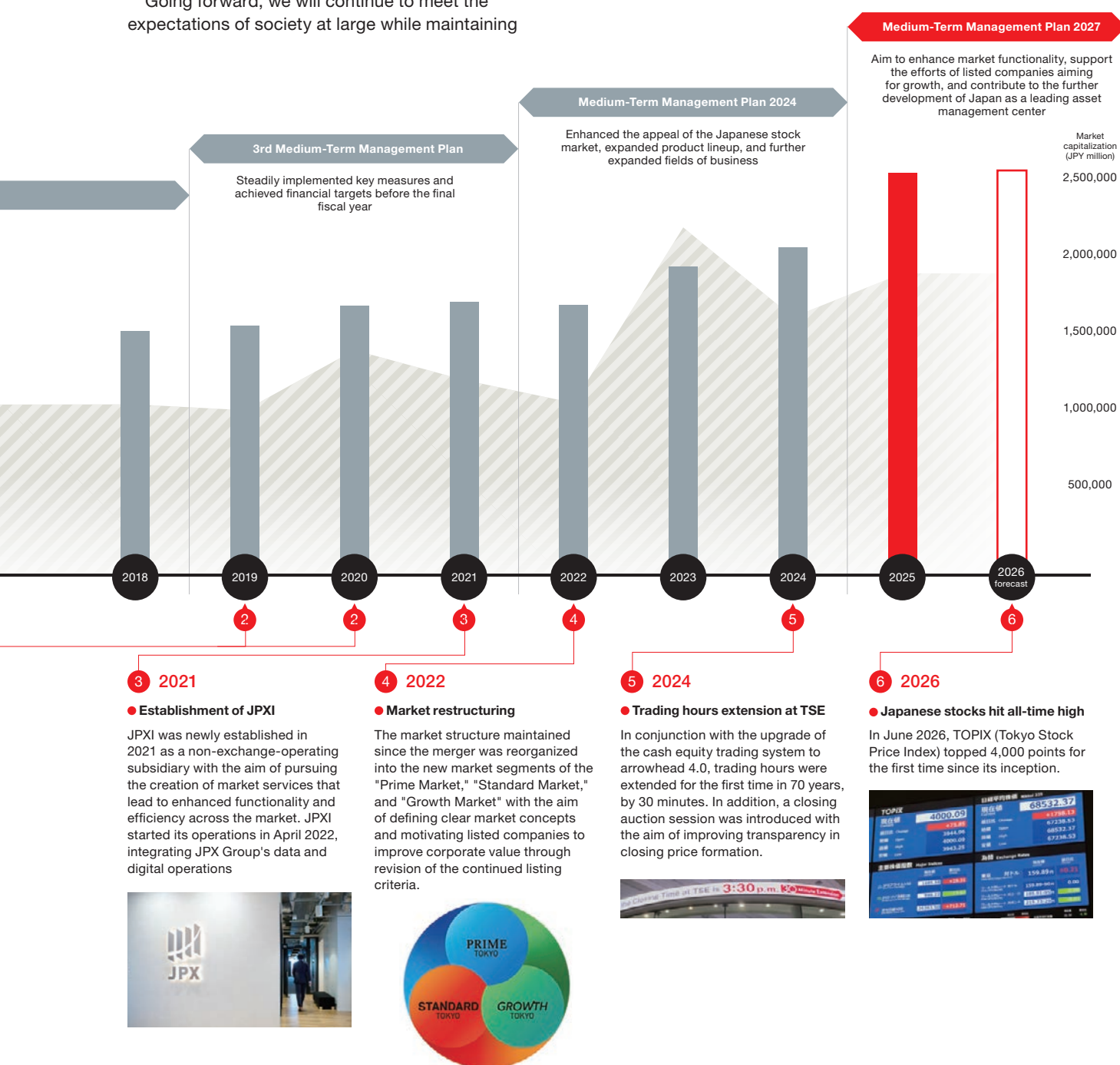
to create a comprehensive exchange and establishing JPX Market Innovation & Research to handle market data and digital operations.

JPX is further reinforcing the stable operation of the markets that serve as the foundation of its exchange, while also actively venturing into new fields.

Going forward, we will continue to meet the expectations of society at large while maintaining

both our public visibility as market infrastructure and our growth potential as a business entity, thereby contributing to sustainable improvements in corporate value and the development of Japan's capital markets.

■ For the history of JPX, please view the following webpage
<https://www.jpx.co.jp/english/corporate/about-jpx/history/index.html>



Financial Strategy

Senior Executive
Officer & CFO

Kawai Hiroki



Message from the CFO

Supporting sustainable market development by promoting future-focused investments while keeping a balance between shareholder returns and financial resilience

Review of FY2025

In FY2025, the Japanese stock market maintained a strong upward trajectory, with TOPIX reaching 3,938 points and the Nikkei 225 setting a new record high of JPY 58,850. The markets remained active throughout the year against this backdrop of strong stock prices, with average daily trading value of cash equities amounting to JPY 7.5 trillion, a record high for the sixth consecutive year.

Underpinned by this market environment, we steadily advanced various initiatives in the first year of the Medium-Term Management Plan 2027. In addition to continued progress in corporate governance reforms at listed companies, JPX Group has also been expanding its businesses beyond Japanese equities, with a particular focus on interest rate- and data-related businesses.

As a result, JPX marked record highs across the board in FY2025, with operating revenue of JPY 198.7 billion, operating income of JPY 116.2 billion, and net income (attributable to owners of the parent company) of JPY 79.1 billion, resulting in ROE of 23.1%.

Financial targets and capital policy for the Medium-Term Management Plan 2027

Financial targets

In the Medium-Term Management Plan 2027, we set "ROE of 18.0% or more" in the final fiscal year as a financial target from the perspective of promoting greater capital efficiency in management. In the update announced in April 2026, we revised the target to "ROE of 20.0% or more for three consecutive years," taking into account the ROE level achieved in FY2025 and our belief that a consistently high ROE should be achieved even amid the heightened uncertainty surrounding the future outlook. This target level significantly exceeds the figures for cost of shareholders' equity that we estimated using standard calculation methods. Meanwhile, we will aim not only to achieve this target but to exceed it. To that end, we will promote initiatives for future growth while diversifying our business portfolio and stabilizing our earnings base.

Capital policy

JPX formulates and advances its capital policy based on its basic policy to "support the sustainable development and evolution of the market by making constant investment while keeping a balance between shareholder returns and financial resilience for stable market operations."

From the standpoint that maintaining a robust financial base is essential for stable market operations, we estimate that the minimum required equity capital level is approximately JPY 270.0 billion as of April 2026. Although this level is trending upward due to factors including the expansion of our clearing business, we will work toward optimizing the equity capital level by first prioritizing investment for growth, while taking into account the business environment and maintaining the minimum required equity capital level, and implementing shareholder returns.

In the Medium-Term Management Plan 2027, we have disclosed our three-year cash allocation plan to share with our shareholders and investors our approach to securing a robust financial base, making future-focused investments for market development, and enhancing shareholder returns, with the aim of facilitating future dialogue. In the updated plan that was published in April 2026, we raised our three-year operating cash flow outlook and increased our target for shareholder returns for the three years of the Plan. We based this on FY2025 results and FY2026 earnings forecasts, and it is in line with our ongoing commitment to promote future-focused investments while enhancing shareholder returns.

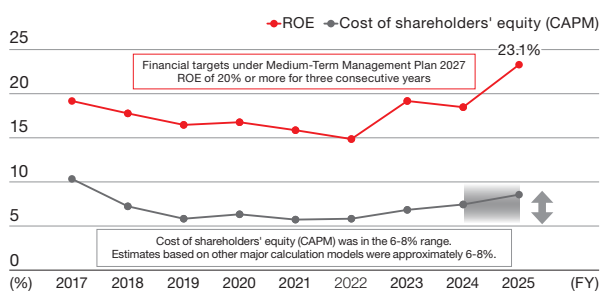
For future-focused investments, we will focus on three pillars: "investment for growth" in the fields of interest rates, data, and digital technology; "strengthening market foundations" to strengthen our self-regulatory

function and enhance system reliability and resilience; and "human capital investment," which includes developing an environment where all employees can demonstrate their abilities. With respect to future investment for growth, we will also consider the use of loans and other forms of debt financing while maintaining financial soundness.

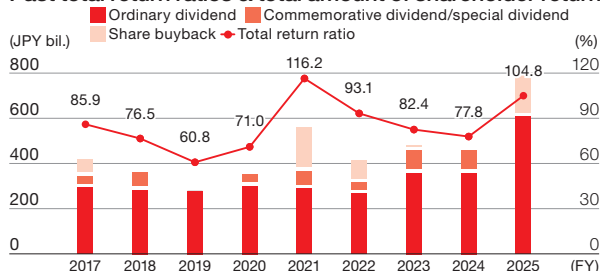
Regarding shareholder returns, we have set our dividend payout ratio policy for ordinary dividends to "at least 60%" and plan to return a total of approximately JPY 230.0 billion over three years (including approximately JPY 60.0 billion for acquisition of own shares). In FY2025, we acquired approximately JPY 20.0 billion of our own shares and paid dividends of JPY 61 per share (JPY 25 per share at the end of the second quarter; JPY 36 per share at the end of the fiscal year), resulting in a total return ratio of 104.8%. We will continue to flexibly consider further shareholder returns while taking into account the financial situation and other factors.

Through these initiatives, we seek to maintain capital profitability that exceeds capital cost over the medium to long term, irrespective of market conditions. Going forward, I will continue to take the lead as CFO with respect to engaging in dialogue with a broad range of stakeholders to further their understanding of JPX's growth strategy and its financial and capital strategy. At the same time, I will ensure that feedback received through such dialogue is properly reflected in our management, thereby giving rise to the sustainable enhancement of our corporate value and the development of Japan's capital markets.

ROE and cost of shareholders' equity



Past total return ratios & total amount of shareholder returns



Cash allocation for three years of Medium-Term Management Plan 2027

Cash In	Cash Out
Operating cash flows, etc. Approx. JPY 340.0 bil. (Note 1) Including cash on hand; excluding working capital. (Note 2) Calculated based on the assumption that average daily trading value of stocks, etc. over the three years is JPY 7.5 trillion. May increase or decrease depending on market conditions and other reasons.	Redemption of corporate bonds JPY 20.0 bil.
	System investment Approx. JPY 45.0 bil. (Note) May increase/decrease depending on schedule of system upgrades, etc.
	Returns to shareholders Approx. JPY 230.0 bil. (including acquisition of approx. JPY 60.0 bil. of own shares) (Note) May increase/decrease depending on market conditions, future investment for growth, and other reasons.
Financing cash flows	Investment for growth

Human Resources Strategy



Executive Vice President
Human Resources

Ao Katsumi

Message from an Executive Officer

Achieving sustainable growth and enhanced corporate value by investing in human resources and fostering our corporate culture

Our long-term vision will be achieved through human resources

The driving force behind JPX Group is our employees. 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.

We focus at all times on the principles of contributing to the realization of an affluent society, which is stated in our corporate philosophy, and of contributing to sustainable societal and economic development, as stated in the Target 2030 long-term vision. In parallel with these, our basic policy for the Medium-Term Management Plan 2027 is "Exchange & beyond," which expresses our determination to strengthen stable market operations while also advancing in new sectors and fields, a goal toward which we work every day.

In order to realize this corporate philosophy while focusing on the future of the economy and society, it is extremely important to achieve the balanced development of the three objectives of ensuring reliability and public visibility, laying the foundation of a market

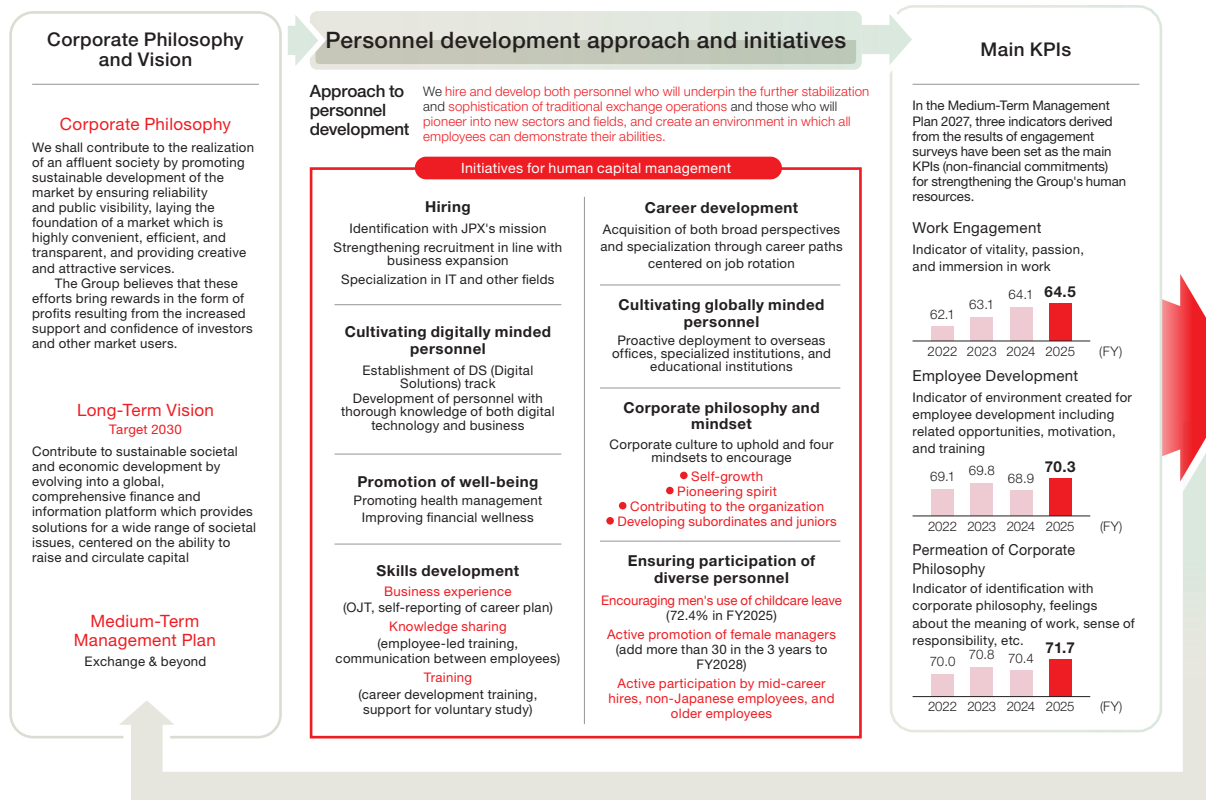
which is highly convenient, efficient, and transparent, and providing creative and attractive services. We value each of the employees who are the driving force behind realizing this vision.

Basic approach to personnel development and developing the right environment

In accordance with this thinking, the Group's basic approach to personnel development is to (1) 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, and (2) create an environment in which all employees can demonstrate their abilities. In this way, the Group seeks to promote a unified approach to recruitment, development, and the creation of an appropriate environment for employees in order to facilitate the realization of the JPX vision.

In (1), particularly from the perspective of personnel development, the Group promotes a systematic program of skills development based on the three pillars of business experience, knowledge sharing, and

Initiatives and KPIs for personnel development and human capital management



training. In addition to programs such as job rotation, internal recruitment, secondments overseas, and in-house side jobs, we strive to create an environment that helps employees absorb specialist knowledge and the latest information to acquire a broader perspective and the ability to think more openly, for example through supporting voluntary study. In FY2025, a total of 713 employees took advantage of programs supporting voluntary studies, significantly exceeding the target of 500. For (2), with the aim of creating an environment in which employees find it easy to work, to enable all employees to continue playing an active role, we have established support systems for childcare, nursing care, and illness, as well as creating an environment that allows for career advancement even when facing various life events.

In addition, in order to ensure that employees are physically and mentally healthy and can work with passion and vitality, we are using initiatives related to health management, the dissemination of information internally, and other means to provide an environment in which employees can fully demonstrate their abilities.

Ongoing initiatives to foster our corporate culture

As the foundation for employee activity, corporate culture is also important. JPX Group believes that the strengths of its corporate culture include strong resonance with the above-mentioned corporate philosophy, a sense of duty for the operation of securities markets, and a climate of openness. In order to provide an even more reliable market foundation going forward while continuing to

value this corporate culture, we will emphasize the importance of each employee strongly identifying with the Group's corporate philosophy, finding meaning in their own work, and continuing to carry out their duties with a sense of responsibility. We are working continuously to foster a corporate culture in which the philosophy is not only understood but can also be embodied in day-to-day communication and operations.

Steady progress toward achieving our commitment

In terms of the outcomes of these initiatives, the Company achieved a "work engagement" score of 64.5 in FY2025 (64.1 in the previous fiscal year), an "employee development" score of 70.3 (previously 68.9), and a "permeation of corporate philosophy" score of 71.7 (previously 70.4). This constitutes steady progress toward attaining high scores in each of these indicators, in line with the non-financial commitment made in the Medium-Term Management Plan 2027.

Going forward, in the midst of significant changes in the business environment, we will work to ensure that each employee remains aware of self-growth and the need to take on challenges, enabling us to generate new value as an organization. While valuing each and every employee, as well as the corporate culture we have nurtured to date, JPX Group will raise the quality of human capital by creating an environment in which employees can study voluntarily under their own motivation, then demonstrate the obtained capabilities to the fullest, thereby enabling the whole organization to work as one to further improve JPX's corporate value.

IT Strategy

Message from the CIO

Pioneering JPX Group's transformation and value creation with an IT strategy based on high reliability



Senior Executive Officer & CIO

Takura Satoshi

Update of the IT Master Plan

JPX has formulated the IT Master Plan to help achieve its Medium-Term Management Plan by aligning efforts on IT with business strategy. In FY2026, the second year of the Medium-Term Management Plan 2027, we updated the IT Master Plan to reflect changes in the external environment and advances in technology. In this update, from the perspective of accelerating value creation through IT, we set out "enhancement of market operations" and "development of the next generation of data services" as priority areas to achieve through utilizing AI and data. For enhancement of market operations, we will further increase the fairness and reliability of the markets by bringing further sophistication to the detection of unfair trading and to investigations and monitoring. For development of the next generation of data services, we will leverage external data in addition to JPX's own diverse data assets to create new value propositions and expand customer contact points.

Further utilization of AI and data

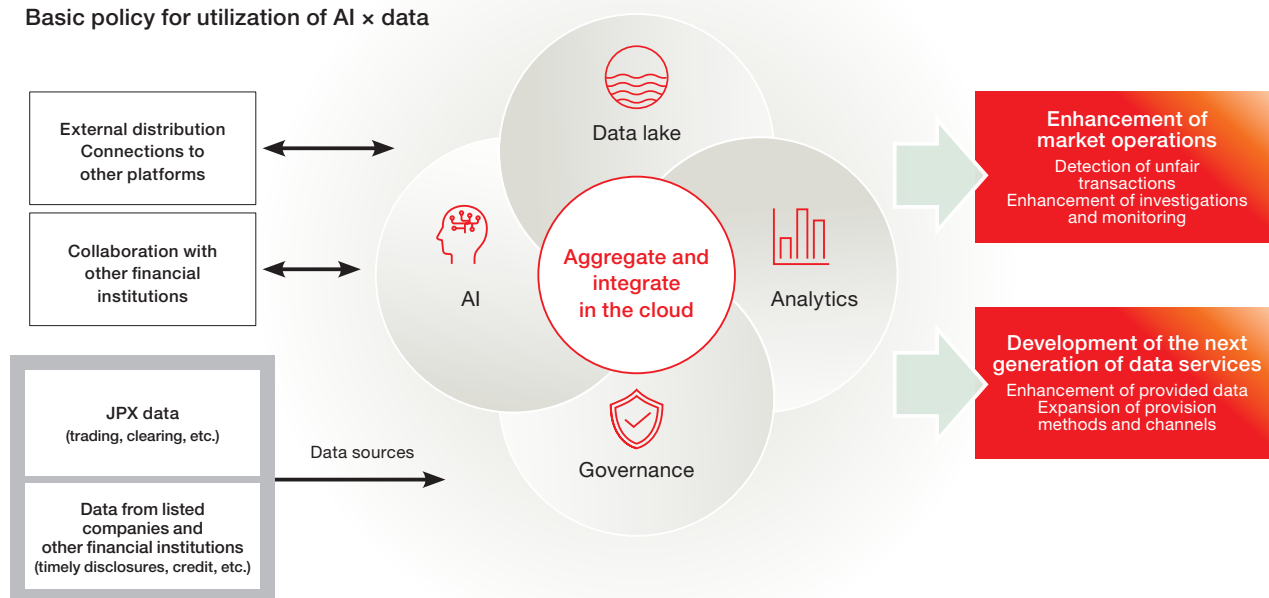
As a core technology to support these initiatives, we are promoting the utilization of AI across the Group. In FY2025, our employees saved an average of approximately 12 working hours per month as a result of efforts to enhance operational efficiency. Now, we will widen the scope of these measures beyond efficiency to include JPX's core operations, looking to enhance market monitoring and increase value added to data services, thereby creating new value.

To contribute to the increased efficiency and sophistication of the overall securities industry, we are conducting research into a common data platform to consolidate and distribute securities-related information. In this way, we will contribute to resolving issues in the industry and enhancing the convenience of the market.

Steady progress on core system upgrades

JPX's core operations are supported by the derivatives trading system, which we plan to upgrade around the second half of 2028. Our aims are to secure the high level

Basic policy for utilization of AI × data



of reliability and availability required of financial market infrastructure, and to build a system infrastructure that can adapt flexibly to future expansion in trading and changes in the environment.

Moreover, in our upgrade of the Timely Disclosure Network (TDnet), we will utilize cloud computing to secure high reliability and availability, while enhancing cyber security measures. In addition, we plan to introduce disclosure support tools that use generative AI, and we are working to provide new services that help to improve the disclosure operations of listed companies.

Actions on cybersecurity

As cyberattacks grow increasingly sophisticated and complex, ensuring cybersecurity has become a priority issue for JPX Group as part of the infrastructure of the financial markets. With the arrival of the AI era in particular, systems for both attacks and defense have been advancing and accelerating, creating the need for even more effective countermeasures.

Led by management, JPX Group is making use of cutting-edge technologies such as cloud computing and AI to advance multilevel security countermeasures on an ongoing basis. We are also working to strengthen our responsiveness and resilience to incidents through cooperation with relevant institutions and practical drills.

Looking ahead, we will make continuous revisions and improvements in light of environmental changes as we strive to ensure the high level of reliability required of financial market infrastructure.

IT driving reliability and growth

For JPX Group, IT serves as the foundation supporting market fairness and reliability, as well as an important source of competitive advantage for achieving new value creation. Going forward, while strictly maintaining stable market operations, we will go on breaking new ground using data and digital technologies to contribute to the achievement of the Medium-Term Management Plan 2027 and the long-term vision, Target 2030.



Supporting stable market operations through system monitoring

Approach to Sustainability

Message from an Executive Officer

Achieving a sustainable society through the development of trusted markets

Given that an exchange is not merely a business entity but supports society by serving as infrastructure that underpins the very foundation of capital markets, we are keenly aware of the gravity of this responsibility. Accordingly, sustainability is not the purview of a single department, but is an important issue that must be incorporated into management itself. We consider it our mission to contribute to addressing social issues through market mechanisms.

Corporate value enhancement initiatives based on the Medium-Term Management Plan

We are working to enhance corporate value across six key areas set forth in the Medium-Term Management Plan 2027. These consist of "stable asset formation for households," "stable market operations," "promoting sustainable finance," "addressing climate change," "human capital management," and "actions on cybersecurity."

Funds provided by investors to companies support corporate sustainable growth and value creation. This value then allows households to build up their assets, in turn leading to further investment. To achieve such outcomes, we help drive the sustainable growth of listed companies by reforming listing rules, promoting corporate governance, and facilitating engagement with investors. At the same time, we encourage a diverse range of investors to participate in the market by continually improving trading rules, enhancing financial and economic education, and other such initiatives. Market operations, too, constitute a cornerstone of our credibility. By achieving stable operation of market infrastructure and enhancing our BCP system, we strive to improve resilience in order to maintain market functions in both normal times and during emergencies. In addition, we recognize that the foundations of capital markets are underpinned by the market transparency and fairness that come from ongoing reinforcement of self-regulatory functions and their appropriate execution. We also recognize that ensuring market credibility in itself plays an important role in stabilizing society and driving economic growth. Furthermore, promoting sustainable finance is essential if we are to simultaneously address social issues and achieve market development. We are working to encourage the



Senior Executive Officer
Sustainability

Yoshida Masanori

Management philosophy centered on sustainability

At JPX Group, we place sustainability at the core of our management, guided by our corporate philosophy, which is to "contribute to the realization of an affluent society by promoting sustainable development of the market."

spread of sustainable finance by enhancing sustainability disclosure by listed companies and establishing an environment that enables investors to appropriately evaluate companies. In addition, by establishing an information platform for ESG bonds and taking part in international discussions, we will shape mechanisms that channel capital to areas of high social value, thereby helping to build a sustainable society.

We are making steady progress toward addressing climate change, which we consider a key management issue. Since FY2024, we have been carbon neutral for Scope 1 and Scope 2 GHG emissions through efforts that include switching to renewable energy sources for the electricity that powers our exchange operations. We are also using market functions to contribute to the transition to a decarbonized society, for example through the provision of a market for emissions trading. This reflects our role in not only reducing our own environmental impact but also helping to address social issues across the entire market.

Sustainability governance and risk management

What underpins these initiatives is our governance and risk management systems. Under the supervision of the board of directors, we have built a company-wide framework for driving sustainability that is centered

on the Sustainability Committee, the Risk Policy Committee, and the Risk Management Committee. With sustainability-related risks and opportunities classified as significant business risks, we take an integrated approach to formulating strategy, managing risk, and disclosing information, which involves regularly monitoring such risks and ensuring that such findings are reflected in management.

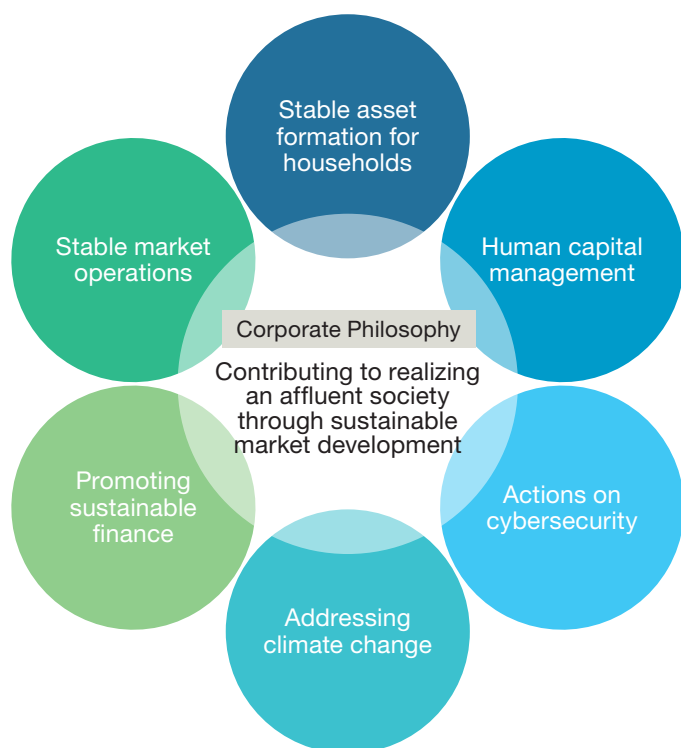
Future vision for sustainable value creation

Finally, we view sustainability as a source of medium- to long-term corporate value. Building on a base of trust in the market, we facilitate solutions to social issues through the circulation of capital, consequently enhancing the appeal and value of the market itself. I believe that achieving this virtuous cycle is exactly the future JPX envisions. Rather than passively responding to the diverse changes that lie ahead, we will develop more substantive initiatives through ongoing dialogue with stakeholders, positioning ourselves as a driving force in the market's evolution. We seek to bridge society and the economy through the capital markets in order to continue contributing to the realization of a sustainable and affluent society.



Senior Executive Officer Yoshida giving the opening address at the ceremony to mark the 20th anniversary of the Principles for Responsible Investment (PRI)

Key Areas From The Perspective Of Sustainability



As set out in its Corporate Philosophy, JPX Group aims to contribute to the realization of an affluent society by providing market functions and services that ensure public visibility and reliability. To achieve this, the Group works on initiatives to improve its corporate value with attention to the surrounding environment and societal issues and its relationship to them.

The core themes in the Medium-Term Management Plan 2027 were set after taking into account the results of the Medium-Term Management Plan 2024 and an increasingly uncertain external environment. While continuing to focus on laying the foundation of a market that is highly convenient, efficient, and transparent and providing creative and attractive services, in order to effectively execute these, we will take a broader approach to sustainability and aim for the creation of a sustainable society.

This section presents specific actions taken in the key areas from the perspective of sustainability that were determined during the process of formulating the Medium-Term Management Plan 2027.

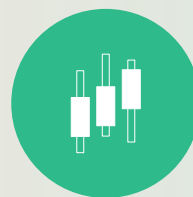
Stable asset formation for households



Key Related Actions

- Encouraging management that is conscious of cost of capital and stock price
- Reduction of investment units
- Expanding the ETF product lineup and broadening the investor base
- Smooth transition to the next-generation TOPIX
- Improving financial literacy through investor education and promoting the appeal of Japanese equities

Stable market operations



Key Related Actions

- Stable operation and ongoing improvement of current core systems
- Strengthening failure tolerance and the BCP across the market through ongoing initiatives such as drills in collaboration with market participants
- Reinforcing self-regulatory functions by enhancing the functionality of the market surveillance system and implementing measures to prevent unfair trading, etc.
- Pursuing operational efficiency and creating new value through the use of AI and other cutting-edge technologies



Promoting sustainable finance



Key Related Actions

- Promotion of action and information disclosure on sustainability issues at listed companies through Japan's Corporate Governance Code
- Provision of websites that aggregate information on publicly offered ESG bonds and ESG-related disclosures by listed companies
- Participation in discussions in Japan and abroad (Financial Services Agency's Expert Panel on Sustainable Finance, Sustainable Stock Exchanges Initiative, etc.)

Human capital management



Key Related Actions

- Permeation of the JPX Corporate Philosophy among employees and recruitment of staff who empathize with the Corporate Philosophy
- An HR system designed to suit diverse workstyle needs and training and education tailored to different career stages
- Systems that enable employees to be healthy in body and mind and continue to work with passion and vitality

Addressing climate change



Key Related Actions

As a Market Operator

- Provision of market for emissions trading
- Calculation of ESG indices and listing of related ETFs/futures
- Support for climate-related disclosure at listed companies

As a Business Corporation

- Calculation and management of GHG emissions
- 100% of electricity consumed switched to renewable energy

Actions on cybersecurity



Key Related Actions

- Securing specialized personnel through internal training and the utilization of external resources
- Education and drills for all employees
- Raising awareness throughout the supply chain and conducting joint drills with relevant organizations

Medium-Term Management Plan 2027

Update for FY2026

Basic policy

Exchange & beyond

Medium-Term Management Plan 2027 ▶ P. 2

Policy updates

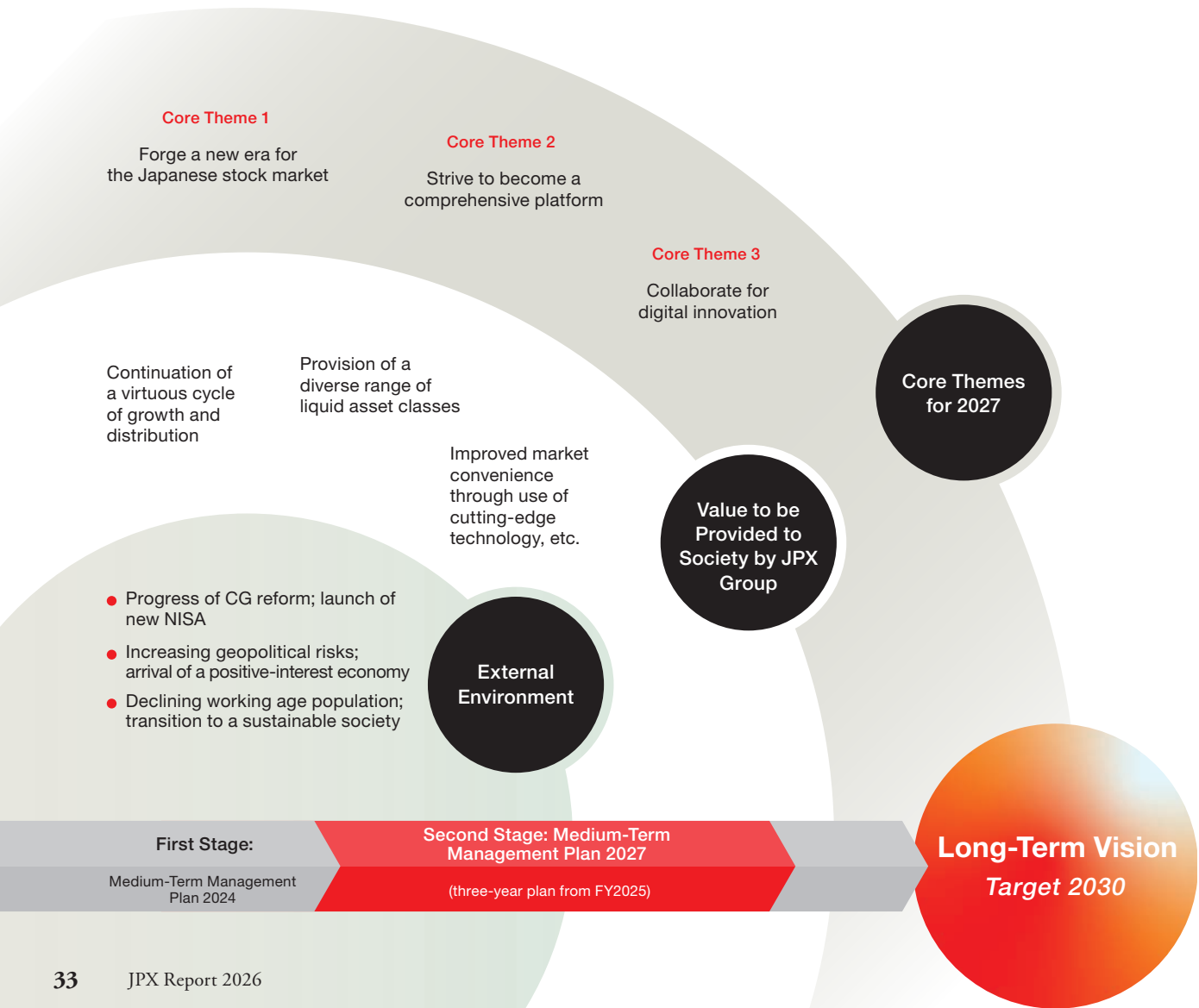
- In the first year of the plan, in addition to continued progress in corporate governance reforms at listed companies—driven by the spread of "management that is conscious of cost of capital and stock price" and advancements in Growth Market reform—businesses other than Japanese stocks expanded, centered on interest rate and data-related businesses.
- As operator of the market infrastructure that forms part of the investment chain, we aim to enhance market functionality, support the efforts of listed companies aiming for growth, and contribute to the further development of Japan as a leading asset management center. To this end, from the second year of the plan, we will work under the following policy:

Taking into account changes in the business environment as well as the progress and results of our initiatives to date, we will maintain the overall direction of the Medium-Term Management Plan 2027 while steadily implementing initiatives under each Core Theme to advance the diversification of our business portfolio and the stabilization of our revenue base.

We will reliably fulfill our role as market infrastructure, continuing in step with the government's initiatives toward promoting Japan as a leading asset management center.

At the same time, we will contribute to the sustainable growth of Japan's capital markets as a whole by supporting listed companies' efforts to have meaningful dialogue with investors through consideration and disclosure of allocation of management resources.

While accelerating discussions on future-focused investments, among other things, and working to ensure stable operation of the market, we will also work to improve the convenience of the market by meeting newly arising needs and proactively utilizing new technologies in response to changes in the business environment such as rising interest rates and advancements in AI.

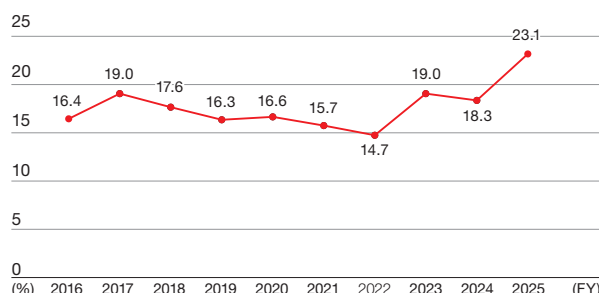


Management Targets

Financial Target



ROE



Non-financial Commitments

Strengthening human resources through ongoing investment in human capital

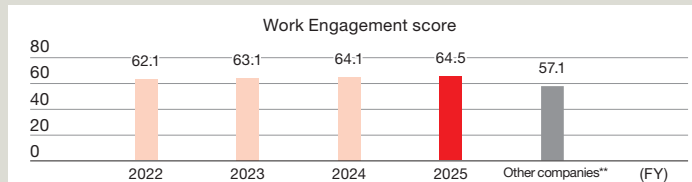
Key KPIs

Monitor the following three indicators from the results of the engagement survey and aim to achieve a consistently high level

1

"Work Engagement"

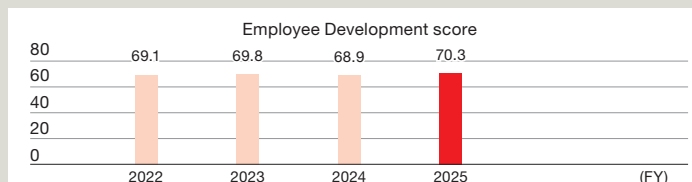
Indicator of vitality, passion, and immersion in work



2

"Employee Development"

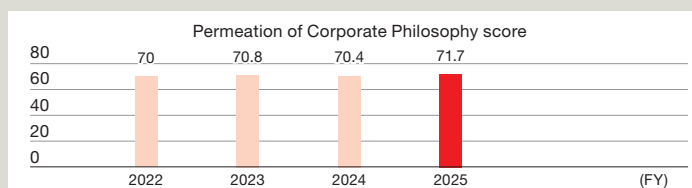
Indicator of environment created for employee development including related opportunities, motivation, and training



3

"Permeation of Corporate Philosophy"

Indicator of identification with corporate philosophy, feelings about the meaning of work, sense of responsibility, etc.



*Unique JPX indicators that score questions selected from the overall survey to measure employee development and permeation of the corporate philosophy

**An average value of other companies calculated by the engagement survey contractor used by JPX.

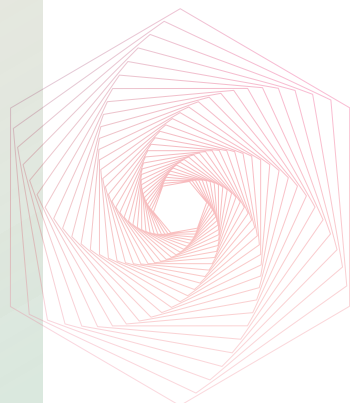
Stable provision of core systems and demonstration of resilience

Core systems

Refers to the cash equity trading system (arrowhead, ToSTNeT), derivatives trading system (J-GATE), clearing system, and integrated network (arrownet).

Resilience

Even when there is no choice but to suspend operations due to system failure or other reasons, minimize the impact on market users by quickly and smoothly resuming operations, including through back-up operations.



Core Theme 1

Forge a new era for the Japanese stock market

As a core infrastructure of Japan's financial and capital markets, we will continue to support the growth of listed companies and advance the development of platforms where anyone can invest with confidence to further boost Japan as a leading asset management center.

Strategic Direction in Medium-Term Management Plan 2027

By continuing to work on measures to enhance the Japanese stock market, we will aim for its sustainable growth and expansion as well as wide usage and development of the Japanese equity options market, while aiming to broaden the investor base both in Japan and overseas.

Initiative 01

Promote self-led corporate value improvement at listed companies

- Encouraging management that is conscious of cost of capital and stock price
- Encouraging consideration and disclosure by listed companies on appropriate allocation of management resources UPDATED
- Promoting meaningful dialogue between listed companies and investors
- Promoting growth of startup companies after IPO

Initiative 02

Make investment environment more convenient and efficient

- Improving convenience such as lowering trading unit
- Working on minority shareholder protection
- Expanding product lineup and investor base in ETF market
- Smooth transition to the next-generation TOPIX
- Improving financial literacy through investor education and promoting the appeal of Japanese equities
- Strengthening information provision and promotion aimed at overseas investors

Initiative 03

Invigorate Japanese equity options market

- Promoting usage of index options market by diversifying expiration cycles, etc.
- Revitalizing securities options market through improving market access and increasing liquidity
- Creating more awareness of options market and promoting investment strategies that utilize options

 Specific details of each initiative  P. 36-38



Initiative 01

Promote self-led corporate value improvement at listed companies

Enhancing the appeal of the Japanese market by supporting corporate value improvements at listed companies

President & CEO
Tokyo Stock Exchange, Inc.

Yokoyama Ryusuke

TSE is advancing various initiatives aimed at enhancing the corporate value of listed companies, and through that, improving the attractiveness of Japan's securities markets for a wide range of domestic and international investors.

A prime example of these efforts is the initiative launched in March 2023, in which all listed companies on the Prime and Standard Markets were requested to promote "management that is conscious of cost of capital and stock price." Regarding the issues around profitability and market valuation of Japanese listed companies, as reflected in low ROE and PBR, this request has served as a catalyst for many listed companies to recognize these as important issues, and steady progress is being made in the consideration and disclosure of plans for improvement.

We have entered a stage where both domestic and overseas investors demand not just disclosure, but also greater effectiveness. In light of these circumstances, TSE is providing and regularly updating case studies showcasing best practices to serve as reference material for companies considering their own initiatives, and published "Case Studies of Companies' Initiatives Toward Issue Resolution" in December 2025. Furthermore, in April 2026, we updated our request, setting out key points on investor expectations and initiatives with a focus on the appropriate allocation of management resources.

We are also concentrating our efforts on initiatives to support listed companies. I have been visiting locations nationwide to explain the background and intentions of these initiatives and to engage in two-way dialogue. Additionally, for listed companies particularly struggling with investor relations (IR), we are focusing on providing programs to enhance the IR skills of staff in charge and creating opportunities for interaction with institutional investors.

In parallel with these, we are also reforming the Growth Market, with the aim of fostering the emergence of startups that will drive the future growth of the Japanese economy. With the aim of encouraging companies listed on the Growth Market to pursue high growth, we have decided to revise the Growth Market's continued listing criteria so that, from 2030, a company's market capitalization must be JPY 10 billion or more when the company has been listed for five or more years. Additionally, in September 2025, we requested all listed companies on the Growth Market to adopt "management that strives for high growth." Looking ahead, we will continue to take the views of both companies and investors into account as we explore measures to support post-listing growth and provide support to companies that are actively pursuing such initiatives.



Explaining JPX Group's initiatives to company executives nationwide



Initiative 02

Make investment environment more convenient and efficient

**Responding to diverse investment needs:
reforming TOPIX and developing new indices**

Executive Officer
Index Business
JPX Market Innovation & Research, Inc.

Kagiwada Hiroshi

TOPIX is a stock price index widely used as a market benchmark with functionality as an investable index, covering an extensive proportion of the Japanese stock market. Following the market restructuring in 2022, we have been revising the index to enhance representativeness of the market and functionality as an investable index while ensuring the continuity of the index. The first phase of these revisions was completed in January 2025. The second phase of the TOPIX revisions will begin in October 2026, with the aim of further enhancing the functionality of the index.

By expanding the TOPIX-eligible markets to include the Prime, Standard, and Growth segments and emphasizing liquidity in constituent selection, we seek to evolve the index into one that offers broader coverage and easier investment opportunities. TOPIX holds approximately JPY 140 trillion in linked assets. To minimize the impact on the market, we are undertaking a phased transition over approximately two years to ensure a smooth transition to the next-generation TOPIX. We will work steadily to ensure that TOPIX benefits all investors who use it.

In addition, amid diversifying investor needs regarding indices, we are focusing not only on TOPIX but also on developing new indices while adapting to changes in the market environment. Most recently, in March 2026, in conjunction with TSE's efforts to reform the Growth Market, we began calculating the "JPX Start-Up

Acceleration 100 Index," which comprises 100 of Japan's leading high-growth startups. By selecting startups demonstrating high growth, we aim to foster a virtuous cycle: promoting management practices more focused on growth within startups and expanding investment in startups that achieve growth.

Furthermore, we have begun calculating new indices such as the "TOPIX High Dividend Growth Index" and the "Tokyo Stock Exchange REIT High Yield 30 Index." ETFs linked to these indices are now listed. In the future, we will continue to strengthen our revenue base by responding to diverse investment needs.

Alongside the development of new indices, we are also working to expand the use of the indices we already calculate. The use of our indices has steadily expanded since 2025, with 10 ETFs that track our indices being listed both in Japan and overseas. In addition, in April 2026, the "JPX Prime 150 Index" was added to the list of eligible indices for the NISA investment program, expanding the options available for long-term, installment-based investing.

Looking ahead, we will continue to engage in close communication with investors and management companies, pursuing both the development of new indices and the promotion of the use of our indices—including TOPIX—as the two pillars of our approach, while also striving to further enhance the information we provide to investors.

TOPIX

TOPIX (Tokyo Stock Price Index, TPX)

**JPX
Startup
100**

JPX Start-Up Acceleration 100 Index



Initiative 03

Invigorate Japanese equity options market

A new form of stock investment: the expanding market for securities options

Executive Officer
Derivatives Business Development
Osaka Exchange, Inc.

Kakizaki Kazuhisa

Securities options, such as those available from OSE, are financial instruments that, when used in combination with cash equity investments—a common strategy—offer a "third source of returns" in the form of option premiums, in addition to capital gains and investment income. Already widely used in the U.S. market, particularly among retail investors, they have become established as an effective means of asset management.

In recent years, securities options have steadily gained traction among investors in the Japanese market as a "new approach to stock investing," and transaction volumes are on the rise. We believe this is the outcome not only of changes in the market environment, but also of our ongoing efforts to enhance the convenience and awareness of this product through collaboration with market stakeholders and the implementation of improvements to the rules, sales activities, and promotional measures designed to create an environment that facilitates trading.

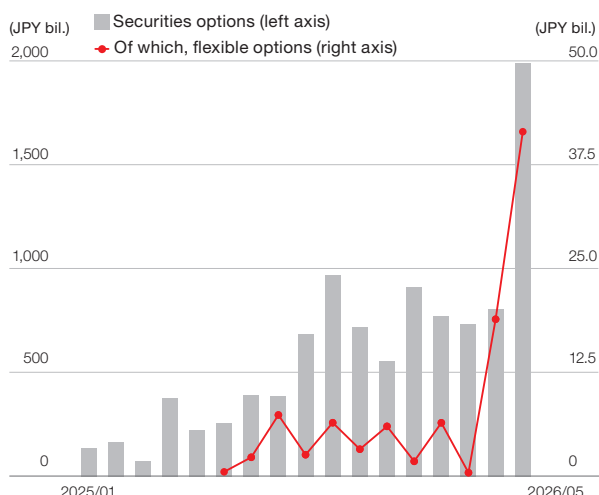
Specifically, in FY2024, we made 12 securities eligible for continuous quotes (under the Market Making

Scheme). The following year, in FY2025, we expanded the scope of the scheme to cover 32 securities. As a result of this and our efforts to provide information to investors, awareness of the utility of this product is gradually growing. In addition, the use of stock options as flexible options, which offer flexibility in setting maturity dates, exercise prices, and other terms, has been on the rise, primarily among institutional investors. As a result of this broadening investor base, the notional amount traded in May 2026 reached approximately JPY 198.8 billion, significantly exceeding the previous record high.

Furthermore, in August 2026, we expanded the list of securities eligible for market making to 50, which we expect to further improve investor convenience.

Through such initiatives, we will continue to support both the depth and breadth of the market, promote the further adoption of securities options among investors, and work to improve the market environment as our way of contributing to improving the appeal of Japan's securities market.

Notional amount of securities option transactions



Kaba-ko, the official mascot of Osaka Exchange, promoting securities options at an investor event

Core Theme 2

Strive to become a comprehensive platform

In this era of rapid change and in order to contribute to the promotion of Japan as a leading asset management center, we will aim for optimization of risk allocation across society by providing internationalized and diversified market functions.

Strategic Direction in Medium-Term Management Plan 2027

We will expand the market* through active investment in the development of various derivatives products, focusing on interest rate-related products, while aiming for further diversification and internationalization as a platform.

* Expecting interest rate-related revenue to grow at an average annual rate of approximately 12% (excluding the portion of JSCC's revenue from deposited collateral assets which is passed on to clearing participants)

Initiative 01

Develop further as the central market in Asia

- Developing environment to facilitate listing of high-growth Asian companies
- Expanding trading flow from overseas by listing currency futures
- Entering into new asset classes in response to needs across society

Initiative 02

Expand interest rate-related products and services

- Invigorating listed interest rate derivatives products to respond to diverse interest rate risk management needs, from short- to ultra-long-term UPDATED
- Promoting expanded usage of OTC clearing services, such as expansion of interest rate swap clearing services for U.S. customers UPDATED
- Expanding investor base in light of positive-interest economy

Initiative 03

Stimulate energy-related products

- Invigorating electricity futures market through initiatives such as adding new products and improving market access for a range of participants
- Increasing convenience by strengthening partnership with electricity spot market
- Research and study aimed at expanding trading of LNG futures and enhancing energy-related derivatives

 Specific details of each initiative  P. 40-42



Initiative 01

Develop further as the central market in Asia

Meeting a variety of investment needs and bringing a diverse lineup of products to the market

President & CEO
Osaka Exchange, Inc.

Tagaya Akira

OSE already offers derivative products covering various asset classes from equities to interest rates and commodities. By introducing more new products and making additional improvements to the rules, we aim to achieve a highly convenient one-stop market catering to a wide range of needs.

In the area of equities, Nikkei 225 micro Futures, which were launched in 2023, have gained recognition and traction as an entry-level product for retail investors. They recorded annual trading volume of 130 million contracts in 2025, growing to rank among the top 10 equity index futures worldwide. We are working to further promote their use in conjunction with Nikkei 225 mini Options, another small-lot product launched on the same day. Although Nikkei 225 mini Options are currently structured to expire twice a week, on Wednesdays and Fridays, we seek to make them more useful in terms of enabling more precise and efficient hedging by revising the rules so that, effective April 2027, there are contracts that expire each business day.

The area of interest rates has been attracting attention from domestic and international investors against the backdrop of the Bank of Japan's ongoing rate hikes. Trading in 20-year JGB Futures has continued to increase after having resumed in July 2025 for the first time in three years. These, in conjunction with 10-year JGB Futures, which serve as a benchmark for JPY interest rates, and 3-Month TONA Futures, have made it possible to offer a market encompassing both long- and short-term instruments, thereby significantly improving convenience for institutional investors seeking one-stop trading of interest rate products across various maturities.

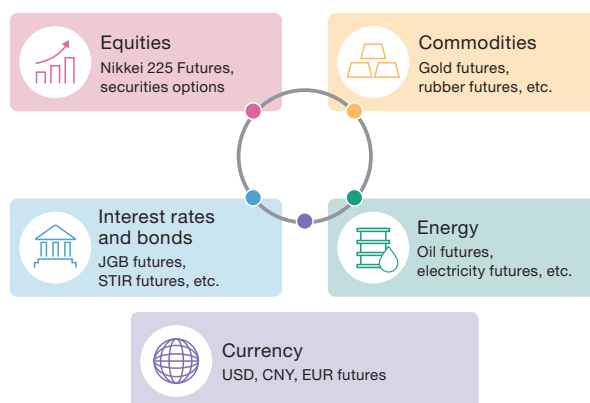
In commodities, we listed two new products in April 2026: Pocket Gold 100 Futures and Pocket Platinum 100 Futures. These are cash-settled futures with small-lot contract units designed to be accessible to retail investors, even amid the recent surge in precious

metals prices, particularly gold. The easy-to-understand "Pocket" product name, selected from a large number of entries received to a public call for suggestions, has been well received by investors.

We also listed currency futures in April 2026, enabling overseas investors to hedge JPY foreign exchange risk incurred when trading OSE products. They have been well received as a product suited to the positive interest rate era as they are expected to improve capital efficiency due to them being eligible for margin offsetting with Nikkei 225 Futures and other equity products. We view currency futures as a product that will significantly contribute to enhancing convenience as JPX Group pursues its goal of becoming a comprehensive platform spanning diverse asset classes.

As described above, we will promote market development by introducing products and rules aligned with the needs of a wide range of investors, thereby contributing to the development of Japan's capital and commodities markets as a whole.

One-stop trading across diverse asset classes





Initiative 02

Expand interest rate-related products and services

Evolution of clearing operations based on global best practices and utilization of advanced IT technologies

President & CEO
Japan Securities Clearing Corporation

Hasegawa Isao

Japan Securities Clearing Corporation (JSCC) plays a fundamental role in supporting market development by providing clearing services that improve settlement efficiency and ensuring transaction security. As part of JPX Group, we see it as JSCC's key mission to contribute to sustainable value creation by offering highly trustworthy and convenient clearing services to more markets while steadily enhancing risk management grounded in global best practices.

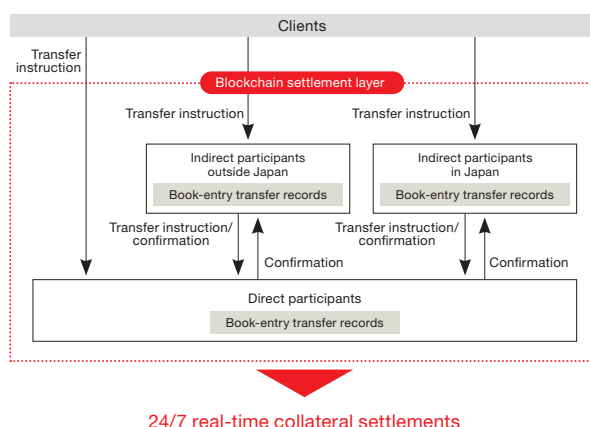
Evolution of clearing operations based on global best practices

Clearing value for interest rate swaps and other over-the-counter (OTC) derivative transactions has grown significantly against the backdrop of changes in the interest rate environment. As this OTC derivatives clearing business operates in a globally competitive environment among clearing houses, we view the acquisition of new users as a priority, as well as the retention of existing users. In September 2025, JSCC obtained approval from the U.S. Commodity Futures Trading Commission (CFTC), making it possible to offer JPY interest rate swap clearing services to U.S. customers under certain conditions. In order to facilitate the further development of JPY interest rate-related markets, we will further enhance our efforts to engage with financial institutions in Japan and abroad, while strengthening cooperation not only with our in-house OTC JGB clearing sections but also with Osaka Exchange, which offers listed interest rate derivatives products.

Utilization of advanced technologies

We also actively utilize advanced technologies in our clearing operations. Specifically, we are looking to amass insights and experience through cooperation and information exchange with external institutions, such as conducting a proof-of-concept trial for distributed ledger technology (DLT) with a view toward accepting tokenized JGBs as collateral. Through these initiatives, we seek to upgrade our services to improve convenience for clearing participants and investors by utilizing new technologies and mechanisms.

PoC Architecture



As Japan's flagship clearing house, JSCC's mission is to meet the expectations of clearing participants as well as a wide range of investors while continuing to uphold its responsibilities as market infrastructure. Therefore, building on the track record and competitiveness we have cultivated thus far, we will further enhance and refine our clearing services, offering both security and convenience, through initiatives such as these.



Initiative 03

Stimulate energy-related products

Enhancing readiness for addressing growing concerns over energy-related risks

Representative Director, President
Tokyo Commodity Exchange, Inc.

Ishizaki Takashi

The escalation of geopolitical risks such as the recent conflict in Iran, the increasing use of weather-dependent renewable energy sources, and other factors have led to rising volatility in electricity and energy prices. As a result, electricity and energy futures markets are becoming increasingly important as a means of hedging these risks.

Tokyo Commodity Exchange (TOCOM) established its electricity futures market in 2019. The number of market participants has grown to 200 following events such as surging prices stemming from the war in Ukraine. Trading volume has also increased significantly, growing fivefold in 2025 compared to the previous year, with creditworthiness markedly enhanced by the entry of major financial institutions.

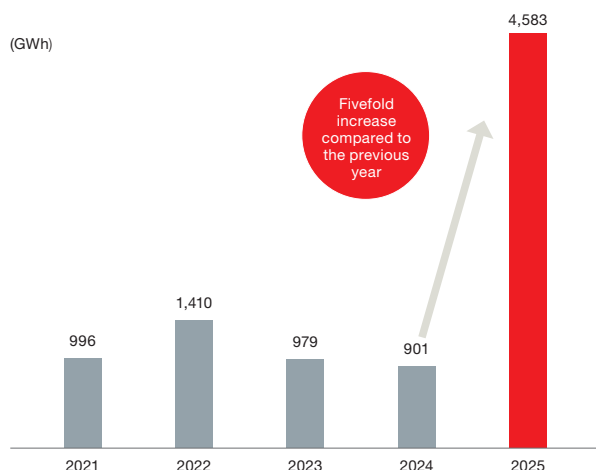
We are also strengthening ties between the futures markets and cash equity market. Starting in August 2026, JJ-Link, which is jointly provided with Japan Electric Power Exchange (JEPX), will enable the execution of spot trading corresponding to futures

positions. This is equivalent to the Future-To-Spot service (forward contract service that utilizes the futures market) found overseas. It will enable the supply and procurement of physical electricity with clearing house-backed credit guarantees.

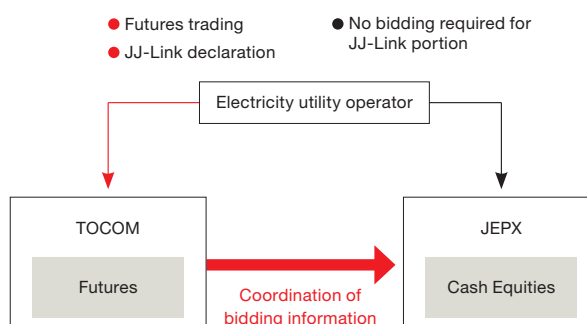
In addition, we are also working to expand trading in LNG futures. This will make it possible to lock in business revenue through spark spreads (combinations of electricity futures and LNG futures). In the future, we will aim to achieve integrated risk hedging for both energy and environmental costs through clean spark spreads (spark spreads with the inclusion of carbon).

With respect to hydrogen, which is regarded as the key to achieving carbon neutrality in Japan by 2050, the Tokyo Metropolitan Government entrusted TOCOM to serve as the market operator in the project for trial trading of green hydrogen starting in 2024. Through this initiative, TOCOM will contribute to the development of an advanced decarbonized society.

Trading volume of TOCOM electricity futures



JJ-Link Phase 2



Core Theme 3

Collaborate for digital innovation

By actively utilizing rapidly evolving digital technologies, we will improve the convenience of our data and other services as well as seeking solutions to cross-industry issues such as labor shortages caused by the declining population in Japan.

Strategic Direction in Medium-Term Management Plan 2027

We will aim to strengthen the resources dedicated to developing data-related businesses* and increase added value utilizing, among other things, investment and collaboration with external parties, as well as increasing efficiency across the market by utilizing digital technologies.

* Expecting data service revenue to grow at an average annual rate of approximately 8%

Initiative 01

Develop the next generation of data services

- Enhancing data, including by utilizing collaboration with partner companies
- Increasing added value such as by increasing the frequency of data dissemination
- Diversifying service provision methods including distribution via external platforms such as that provided by Snowflake

Initiative 02

Proactively adopt cutting-edge technologies such as AI

- Utilizing AI and other technologies in listed company services
- Developing the next-generation TDnet with listed company disclosure operation support functions utilizing AI UPDATED
- Advancing new value creation through utilizing AI and other technologies
- Applying blockchain technology to further improve settlement efficiency, for example

Initiative 03

Contribute to solving industry-wide issues

- Study on building industry-wide common data platform UPDATED
- Discussion of shortening settlement cycles, taking account of international trends

 Specific details of each initiative ▶ P. 44-45



Initiative 01

Develop the next generation of data services

Initiative 02

Proactively adopt cutting-edge technologies such as AI

Delivering new value to financial markets through next-generation data platforms and AI

President & CEO
JPX Market Innovation & Research, Inc.

Futagi Satoshi

Over the past year, JPX Group has been focusing on developing more sophisticated business infrastructure by positioning as key measures the development of the next generation of data services and the introduction of cutting-edge technologies such as AI.

First, the Group's efforts to develop the next generation of data services have involved transitioning to a data cloud environment by leveraging its data lake "J-LAKE" and integrating it with the external Snowflake platform, with the aim of further enhancing the value delivered through JPX Group's financial market data. Specifically, in addition to conventional datasets such as Index Data Service and timely disclosure information, we have established a framework that makes a wide range of datasets available on Snowflake, including stock prices, financial information, and detailed trading breakdowns provided through our J-Quants Pro financial data distribution service for corporate users. This has resulted in a service model that makes it possible for users to analyze data directly on the cloud in addition to conventional API-based data retrieval.

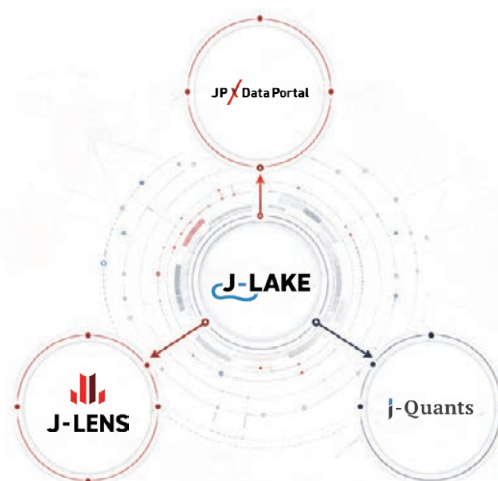
These initiatives have enabled users to process and analyze data in the same environment as their own analytics platforms, enhancing efficiency for sophisticated analysis and application development involving large datasets. The use of an external platform has also allowed greater flexibility in offering trial data access and providing proof-of-concept data, which has led to the creation of new datasets (including historical order book information) through dialogue with users. Through these efforts, JPX Group is transforming its data delivery model and steadily developing infrastructure tailored to data utilization in the cloud era.

Next, the Group's efforts to introduce AI and other cutting-edge technologies have involved highlighting the active use of AI in its Medium-Term Management Plan and rolling out various generative AI-based services. Specifically, these services include JPX Market Explorer, which enables organization and visualization of disclosure

materials and corporate information; JPxData Portal, which allows cross-searching of various types of data and disclosure documents; and J-LENS, which enables natural language searches of disclosure materials. These services are provided with the intention of easing workloads associated with searching through and comprehending large volumes of disclosed information, while providing investors with faster and more accurate access to the information they need.

Our use of AI naturally extends beyond external service offerings. In addition to using AI to detect unfair transactions and upgrade listing examination operations, the active in-house use of generative AI has steadily increased productivity in part by improving operational efficiency and facilitating knowledge sharing.

JPX Group will continue to take on the challenge of generating substantial amounts of new value in the financial markets by drawing out the full potential of financial market data through the combination of its evolving data platform and AI.





Initiative 03

Contribute to solving industry-wide issues

Expansion of the J-Quants series and contribution to the industry through a common data platform

Senior Executive Officer
Frontier Development
JPX Market Innovation & Research, Inc.

Hirano Takeshi

JPX Market Innovation & Research (JPXI) has been working on the development of the next generation of data services amid growing interest in data-driven decision-making across a wide audience, including individual investors, driven by recent advances in generative AI and other technologies. These efforts have involved expanding both the retail and corporate datasets in the J-Quants series, which distributes financial data including historical stock prices and corporate financial information via APIs and other channels.

In FY2025, JPXI began offering CSV-format data delivery through the J-Quants API service for individuals and added new datasets including minute bar and tick data (for equities) and the margin trading outstanding (issues subject to daily publication) dataset. In addition, JPXI has launched its official Model Context Protocol (MCP) server, which complies with the J-Quants API specifications, in response to increasing demand for generative AI-assisted development. The MCP server streamlines users' development work related to data retrieval and analysis by providing generative AI with API specification information, while providing related explanations and sample code. As of March 31, 2026, the service had over 13,000 users, including those under the free plan, helping to expand the use of financial data among individual investors.

JPXI has also enhanced the datasets available with the J-Quants Pro corporate service by adding information such as listed shares flash data, share buyback information, earnings announcement dates & times, and corporate action information.

Moreover, we have revamped the JPX Data Cloud service, which offers a one-time purchase model for individual and corporate users, relaunching it as J-Quants DataCube. Through these services, we provide a flexible data usage environment through both subscription-based and one-time purchase models.

Going forward, we will continue to strengthen our role in providing infrastructure that supports advanced data utilization by market stakeholders through ongoing functional improvements and data expansion.

We have also launched a study on building an industry-wide common data platform as an initiative to address industry-wide challenges.

Firms in the securities industry collect, manually enter, and verify data such as listing information, corporate actions, and trading regulations from multiple sources, resulting in heavy workloads, risks of data entry errors, and challenges in training new staff. To address these issues, we are advancing the development of a common data platform that comprehensively aggregates corporate, transaction-related, and other types of information and provides it in a format suitable for automated processing, with the aim of launching the service in FY2027. In partnership with relevant institutions such as Japan Securities Finance Co., Ltd. (JSF) and Japan Securities Depository Center, Inc. (JASDEC), we aim to contribute to productivity improvements and business process reforms across the industry.

Overview of J-Quants Series



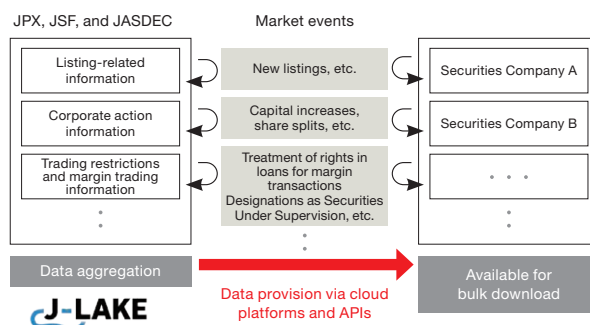
Diverse market data

- Delivery of a wide range of data including margin trading flow/balance data and ToSTNeT execution information, in addition to traditional data such as stock prices and financial information

Machine-friendly delivery methods and formats

- Data delivery via API (JSON) and SFTP (CSV) facilitates data retrieval and utilization by machines

Overview of Common Data Platform



JPX Group's Future-Focused Investments

Main Initiatives

Growth investment

Expansion of market functionality and service areas

- Development of entire interest rate-related ecosystem through linkage with external partners
- Acceleration of investments and external collaborations to drive the development of data services and other businesses
- Discussion of approach to next-generation trading system and start of development

Growth investment

Research & development to pioneer the next generation of market infrastructure

- R&D on a variety of instruments including digital securities
- Streamlining of post-trade operations using DLT
- Enhancing the functionality of the carbon credit market to work toward a decarbonized society

Strengthening market foundations

Strengthening of self-regulatory function to further improve trust in the market

- Strengthening measures to respond to misconduct and scandals at listed companies and to enhance confidence in the IPO market
- Strengthening the functionality of the market surveillance system and provision of information to prevent unfair trading
- Enhancement of all types of self-regulatory operations using AI

Strengthening market foundations

Further pursuit of reliability and resilience of system infrastructure*

- Stable operation and ongoing improvement of current core systems
- Strengthening failure tolerance and BCPs across the market through ongoing initiatives such as drills in collaboration with market participants
- Strengthening cybersecurity measures

Human capital investment

Ongoing buildup of human capital through ambitious investment*

- Initiatives to improve our competitive edge in human resources and development/maintenance of an environment where all staff can demonstrate their abilities
- Expansion of recruitment of specialized talent in fields such as digital technology to adapt to changes in the business environment
- Strengthening staff education for more thorough implementation of professional ethics

*Related matters are set as non-financial commitments



Initiative

Strengthening of self-regulatory function to further improve trust in the market

We will safeguard the quality of the securities market so that investors can participate with confidence

President
Japan Exchange Regulation

Nakajima Junichi

Japan Exchange Regulation (JPX-R) is a corporate body that is established under Japan Exchange Group (JPX) to specialize in self-regulatory operations of financial instruments exchanges under the Financial Instruments and Exchange Act of Japan. It is entrusted by Tokyo Stock Exchange (TSE) and Osaka Exchange (OSE) to take on their self-regulatory operations. These operations are performed by four departments. The Listing Examination Department examines the eligibility of prospective listed companies, the Listed Company Compliance Department monitors the information disclosures and corporate conduct of listed companies, the Trading Participants Examination & Inspection Department ensures the reliability of the business operations of securities companies and other trading participants, and the Market Surveillance & Compliance Department monitors the market for unfair trading.

Our mission is to ensure the fairness and transparency of financial instruments exchanges through self-regulatory operations, thereby increasing society's trust in the market. In order to continue fulfilling this mission, we must respond appropriately to various changes surrounding the market.

FY2025 saw several cases of improper accounting that had the potential to undermine market confidence, such as that involving alt Inc. at the time of its initial listing and Nidec Corporation. Along with its investigations into the alt Inc. case, JPX-R held joint discussions with other players in the IPO space aimed at preventing recurrences and ensuring confidence in the IPO market, resulting in the publication of "The Exchange's Measures in Response to Accounting Fraud Cases at the Time of IPO." We will work in close collaboration with related parties within the industry to implement measures tailored to the level of fraud risk, including efforts to enhance information gathering and analysis capabilities through the use of AI. In addition, to serve as a reference for listed companies seeking to strengthen their internal controls, we have published the "Handbook

for Enhancing Internal Control and Preventing Misconduct" (Japanese only), which presents key points from recurrence prevention measures formulated in past cases, organized according to the causes of the misconduct and objectives of the prevention measures.

In addition, in response to cases of losses resulting from fraudulent access and transactions in online trading services, we worked closely with trading participants and relevant authorities and coordinated with the relevant departments of Japan Exchange Group to implement market surveillance measures. Moreover, as part of the COMLEC Trade Surveillance Course, a compliance training program for trading participants, we held a seminar focusing primarily on cases of fraudulent access and transactions.

Going forward, JPX-R aims to better engage in self-regulatory operations that gain the confidence of market users by working closely with market operators as well as government authorities and related organizations in Japan and abroad.



Handbook for Enhancing Internal Control and Preventing Misconduct, January 2026, Japan Exchange Regulation