

(Partial Translation)

Cover Page

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Filed to	Director-General of the Kanto Local Finance Bureau
Filing Date	June 9, 2022
Fiscal Year	The 21st Term (from April 1, 2021 to March 31, 2022)
Company Name	Kabushiki Kaisha Nippon Torihikijo Gurupu
Company Name in English	Japan Exchange Group, Inc.
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Part One: Company Information

I Overview of Company

1 Key Financial Data

(1) Key Consolidated Financial Data of Group

(JPY mil., unless otherwise stated)

Fiscal year ended:	March 2018	March 2019	March 2020	March 2021	March 2022
Operating revenue	120,711	121,134	123,688	133,343	135,432
Income before income taxes	72,990	70,786	69,095	74,732	73,429
Net income attributable to owners of the parent company	50,484	49,057	47,609	51,389	49,955
Comprehensive income attributable to owners of the parent company	50,208	49,042	49,490	53,474	50,583
Equity attributable to owners of the parent company	273,771	285,009	298,228	321,391	315,653
Total assets	41,316,341	54,069,405	67,286,302	60,075,678	71,463,434
Equity attributable to owners of the parent company per share (JPY)	510.99	532.10	556.97	600.38	598.35
Basic earnings per share (JPY)	94.17	91.58	88.91	96.00	94.35
Diluted earnings per share (JPY)	–	–	–	–	–
Equity attributable to owners of the parent company ratio (%)	0.7	0.5	0.4	0.5	0.4
Net income attributable to owners of the parent company ratio (%)	19.0	17.6	16.3	16.6	15.7
Price earnings ratio (Times)	20.9	21.5	21.4	27.0	24.2
Cash flows from operating activities	66,018	52,778	56,881	71,750	58,191
Cash flows from investing activities	(26,164)	(30,066)	(9,434)	(1,513)	(13,299)
Cash flows from financing activities	(34,393)	(37,809)	(39,411)	(33,932)	(59,747)
Cash and cash equivalents at the end of the year	78,999	63,891	71,883	108,209	93,354
Number of employees (Persons)	1,093	1,110	1,208	1,197	1,193

(Notes) 1. The consolidated financial statements of Japan Exchange Group, Inc. (hereinafter the "Company") and its subsidiaries (hereinafter collectively the "Group") are prepared in accordance with International Financial Reporting Standards (IFRS).

2. Diluted earnings per share are not shown because there are no potential shares.

<Reference>

Within the Group's assets and liabilities, (1) clearing business financial assets and liabilities undertaken by Japan Securities Clearing Corporation (JSCC) as a clearing house and (2) deposits from clearing participants entrusted to JSCC as collateral are recorded as both assets and liabilities. Both (1) clearing business financial assets and liabilities and (2) deposits from clearing participants are large in amount and fluctuate daily depending on, among other things, positions held by clearing participants. As a result, the amounts of the Group's assets and liabilities are significantly impacted by such fluctuations. Legal guarantee funds, trading participant security money, and default compensation reserve funds, which are based on various rules and regulations for ensuring the security of financial instruments and commodities trading, are also recorded as both assets and liabilities (or equity).

The key financial data of the Group after deducting the above-mentioned amounts of assets and liabilities (or equity) are as follows:

Fiscal year ended:	March 2018	March 2019	March 2020	March 2021	March 2022
Equity attributable to owners of the parent company (JPY mil.)	245,823	257,060	270,280	293,443	287,704
Total assets (JPY mil.)	354,618	359,502	378,820	401,132	387,168
Equity attributable to owners of the parent company per share (JPY)	458.83	479.92	504.78	548.17	545.37
Equity attributable to owners of the parent company ratio (%)	69.3	71.5	71.3	73.2	74.3
Net income attributable to owners of the parent company ratio (%)	21.2	19.5	18.1	18.2	17.2

(Note) "Total assets" has been calculated after deducting clearing business financial assets, deposits from clearing participants, legal guarantee funds, and default compensation reserve funds. "Equity attributable to owners of the parent company" has been calculated after deducting default compensation reserve funds.

(2) Key Financial Data of Reporting Company

(JPY mil., unless otherwise stated)

Term	17th Term	18th Term	19th Term	20th Term	21st Term
Fiscal year ended:	March 2018	March 2019	March 2020	March 2021	March 2022
Operating revenue	41,119	48,932	47,057	47,642	52,727
Ordinary income	36,441	44,486	41,906	41,419	46,451
Net income	35,503	46,805	45,396	45,643	43,365
Share capital	11,500	11,500	11,500	11,500	11,500
Total number of shares issued (Shares)	536,351,448	536,351,448	536,351,448	536,351,448	528,578,441
Net assets	111,970	118,035	124,091	135,331	121,796
Total assets	251,848	246,883	242,849	265,247	233,153
Net assets per share (JPY)	208.99	220.37	231.75	252.81	230.88
Dividends per share (JPY)	67	70	54	68	72
(Interim dividends per share included in the above)	[24]	[27]	[24]	[26]	[26]
Net income per share (JPY)	66.22	87.38	84.78	85.27	81.90
Diluted net income per share (JPY)	–	–	–	–	–
Equity ratio (%)	44.5	47.8	51.1	51.0	52.2
Return on equity (%)	31.8	40.7	37.5	35.2	33.7
Price earnings ratio (Times)	29.7	22.6	22.5	30.4	27.9
Dividend payout ratio (%)	101.2	80.1	63.7	79.8	87.9
Number of employees (Persons)	193	189	223	206	208
Total shareholder return (TSR) (%)	128.5	133.1	132.3	180.1	165.1
(Comparison benchmark: JPX-Nikkei Index 400 (total return)) (%)	[114.7]	[109.7]	[99.9]	[142.9]	[145.8]
Highest share price (JPY)	2,154	2,197	2,065	3,020	3,059.0
Lowest share price (JPY)	1,538	1,702	1,527	1,857	2,061.5

(Notes) 1. Diluted net income per share is not shown because there are no potential shares.

2. The dividend per share for the fiscal year ended March 31, 2018 includes JPY 10 of commemorative dividend. The dividends per share for the fiscal years ended March 31 of 2019, 2021, and 2022 include JPY 15, JPY 10, and JPY 15, respectively, of special dividend.

3. The highest and lowest share prices refer to those recorded on the Tokyo Stock Exchange (division: First Section).

2 History

The Company was established via the business combination between Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. on January 1, 2013.

May 1878	License was granted to establish Tokyo Stock Exchange Co., Ltd. (the predecessor of Tokyo Stock Exchange).
June 1878	License was granted to establish Osaka Stock Exchange Co., Ltd. (the predecessor of Osaka Securities Exchange).
April 1949	Tokyo Stock Exchange and Osaka Securities Exchange were established as membership organizations.
May 1949	Stock trading started on both exchanges.
April 1956	Bond markets were established at Tokyo Stock Exchange and Osaka Securities Exchange.
June 1961	Tokyo Stock Exchange established Tokyo Stock Calculation Center Co., Ltd. (currently Tosho Computer Systems Co., Ltd.)
October 1961	Tokyo Stock Exchange and Osaka Securities Exchange each introduced a Second Section for listed stocks.
October 1966	Tokyo Stock Exchange established its Japanese Government Bond market.
July 1969	Tokyo Stock Exchange started the calculation and publication of Tokyo Stock Price Index (TOPIX).
May 1970	Tokyo Stock Exchange established its convertible bond market.
July 1971	Tokyo Stock Exchange introduced its book-entry settlement system for stocks.
December 1973	Tokyo Stock Exchange established its market for foreign stocks.
September 1974	Tokyo Stock Exchange launched its Market Information System (MIS). Osaka Securities Exchange launched its Computerized Market Information System.
October 1985	Tokyo Stock Exchange established its Japanese Government Bond futures market.
June 1986	Tokyo Stock Exchange established Tosho System Service Co., Ltd. as a subsidiary of Tokyo Stock Calculation Center Co., Ltd.
September 1988	Tokyo Stock Exchange and Osaka Securities Exchange established stock index futures markets.
June 1989	Osaka Securities Exchange established its stock index options market.
October 1989	Tokyo Stock Exchange established its stock index options market.
May 1990	Tokyo Stock Exchange established its Japanese Government Bond futures options market.
October 1996	Osaka Securities Exchange established its market for foreign stocks (trading started in August 1997).
November 1997	Tokyo Stock Exchange introduced its system for the after-hours trading of stocks and convertible bonds.
July 1998	Tokyo Stock Exchange launched its Timely Disclosure Network (TDnet).
April 1999	Tokyo Stock Exchange closed its stock trading floor.
July 1999	Osaka Securities Exchange closed its trading floor.
November 1999	Tokyo Stock Exchange established its Mothers market for high-growth and emerging companies.
March 2000	The Hiroshima and Niigata stock exchanges merged into Tokyo Stock Exchange.
May 2000	Osaka Securities Exchange established its Nasdaq Japan Market (trading started in June 2000).
March 2001	Osaka Securities Exchange merged with Kyoto Stock Exchange.
April 2001	Osaka Securities Exchange demutualized and became a stock company.
July 2001	Tokyo Stock Exchange and Osaka Securities Exchange Co., Ltd. opened Exchange-Traded Fund (ETF) markets.
August 2001	Tokyo Stock Exchange changed its name to Securities Membership Corporation Tokyo Stock Exchange.
September 2001	Tokyo Stock Exchange established its Real Estate Investment Trust (REIT) market.
November 2001	Tokyo Stock Exchange demutualized and became a stock company.

January 2002	Japan Securities Depository Center, Inc. was established with investment by Tokyo Stock Exchange, Inc.
February 2002	Tokyo Stock Exchange, Inc. made Tosho System Service Co., Ltd. one of its subsidiaries. Tosho Computer Systems Co., Ltd. became an associate company (not a subsidiary) of Tokyo Stock Exchange, Inc.
July 2002	Tokyo Stock Exchange, Inc. established Japan Securities Clearing Corporation.
December 2002	Osaka Securities Exchange Co., Ltd. changed the name of the Nasdaq Japan Market to Nippon New Market - "Hercules."
January 2003	Japan Securities Clearing Corporation began operations, taking over cash equity clearing operations from Tokyo Stock Exchange, Inc.
February 2003	Japan Securities Clearing Corporation took over derivatives clearing operations from Tokyo Stock Exchange, Inc.
April 2004	Osaka Securities Exchange Co., Ltd. had its shares listed on Hercules.
July 2004	Tokyo Stock Exchange, Inc., Japan Securities Dealers Association, and Automatic Data Processing, Inc. (currently Broadridge Nederland II B.V.) jointly established ICJ, Inc.
October 2006	Osaka Securities Exchange Co., Ltd. carried out a 3-for-1 share split.
August 2007	Tokyo Stock Exchange Group, Inc. was established through a sole-share transfer.
October 2007	Tokyo Stock Exchange Group, Inc. established Tokyo Stock Exchange Regulation, which started operations in November 2007. Osaka Securities Exchange Co., Ltd. set up its Self-Regulation Committee based on the Financial Instruments and Exchange Act.
January 2008	Tokyo Stock Exchange, Inc. established the Tokyo Stock Exchange Trading NeTwork (ToSTNeT) market, which was separated from the regular trading session.
December 2008	Osaka Securities Exchange Co., Ltd. acquired 76.1% of all shares of JASDAQ Securities Exchange, Inc., making it one of its subsidiaries.
June 2009	Tokyo AIM, Inc., which was created as a joint venture between Tokyo Stock Exchange Group, Inc. and London Stock Exchange, started exchange operations.
September 2009	Osaka Securities Exchange Co., Ltd. acquired all shares of JASDAQ Securities Exchange, Inc., making it one of its wholly-owned subsidiaries.
January 2010	Tokyo Stock Exchange, Inc. launched its cash equity trading system "arrowhead."
April 2010	Osaka Securities Exchange Co., Ltd. and JASDAQ Securities Exchange, Inc. merged.
September 2010	Japan Securities Clearing Corporation acquired 35.6% of all shares of Japan Government Bond Clearing Corporation.
October 2010	Osaka Securities Exchange Co., Ltd. established the new JASDAQ market.
February 2011	Osaka Securities Exchange Co., Ltd. launched its derivatives trading system "J-GATE."
July 2011	Osaka Securities Exchange Co., Ltd. started night session trading in the derivatives market.
March 2012	Tokyo Stock Exchange Group, Inc. acquired all shares of Tokyo AIM, Inc. previously held by London Stock Exchange. In July 2012, Tokyo AIM, Inc. was acquired by Tokyo Stock Exchange, Inc. in an absorption-type merger.
August 2012	Tokyo Stock Exchange Group, Inc. acquired 66.7% of all shares of Osaka Securities Exchange Co., Ltd. by tender offer.
September 2012	Osaka Securities Exchange Co., Ltd. established New Osaka Securities Exchange Preparatory Corporation (currently Osaka Exchange, Inc.).
October 2012	Japan Securities Clearing Corporation started interest rate swap clearing.

January 2013	<p>Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. merged, changing its name to Japan Exchange Group, Inc. (JPX) (surviving company: Osaka Securities Exchange Co., Ltd.)</p> <p>New Osaka Securities Exchange Preparatory Corporation changed its name to Osaka Securities Exchange Co., Ltd. and took over the financial instruments exchange business operated by the former Osaka Securities Exchange Co., Ltd.</p> <p>Shares of JPX were listed on the First Section of the Tokyo Stock Exchange.</p>
July 2013	<p>The cash equity markets, clearing operations, and self-regulatory operations of Osaka Securities Exchange were integrated into Tokyo Stock Exchange, Japan Securities Clearing Corporation, and Tokyo Stock Exchange Regulation, respectively.</p>
October 2013	<p>JPX carried out a 5-for-1 share split.</p> <p>Japan Securities Clearing Corporation and Japan Government Bond Clearing Corporation merged.</p>
January 2014	<p>JPX started calculation and publication of JPX-Nikkei Index 400.</p>
March 2014	<p>The derivatives market of Tokyo Stock Exchange, Inc. was integrated into that of Osaka Securities Exchange Co., Ltd., which changed its name to Osaka Exchange, Inc.</p>
April 2014	<p>Tokyo Stock Exchange Regulation changed its name to Japan Exchange Regulation.</p>
December 2014	<p>JPX entered into a joint venture agreement with Myanmar Economic Bank and Daiwa Institute of Research Ltd. to establish Yangon Stock Exchange (shareholding ratio: 18.75%).</p>
April 2015	<p>Tokyo Stock Exchange, Inc. established its infrastructure fund market.</p>
May 2015	<p>JPX established the Singapore Branch by reorganizing the Singapore Representative Office.</p>
October 2015	<p>JPX carried out a 2-for-1 share split.</p>
March 2016	<p>Stock trading started at Yangon Stock Exchange.</p>
December 2017	<p>JPX joined the Sustainable Stock Exchanges Initiative.</p>
May 2018	<p>The Japanese Government Bond settlement cycle was shortened to T+1.</p>
July 2019	<p>The stock settlement cycle was shortened to T+2.</p>
October 2019	<p>JPX acquired shares of Tokyo Commodity Exchange, Inc. by tender offer (shareholding ratio: 97.15%), making it (and Japan Commodity Clearing House Co., Ltd.) a new subsidiary.</p>
November 2019	<p>JPX acquired all shares of Tokyo Commodity Exchange, Inc., making it (and Japan Commodity Clearing House Co., Ltd.) a wholly-owned subsidiary.</p>
July 2020	<p>Precious metal, rubber, and agricultural products were transferred from Tokyo Commodity Exchange, Inc. to Osaka Exchange, Inc.</p> <p>Japan Securities Clearing Corporation and Japan Commodity Clearing House Co., Ltd. merged.</p>
December 2021	<p>JPX Market Innovation & Research, Inc. was established.</p>
April 2022	<p>JPX Market Innovation & Research, Inc. started operations, taking over the Group's data and index services and system-related services.</p>
April 2022	<p>Tokyo Stock Exchange started operations with new market segments: Prime Market, Standard Market, and Growth Market.</p>

3 Description of Business

The Company is a financial instruments exchange holding company under the Financial Instruments and Exchange Act. It has seven consolidated subsidiaries and three associates accounted for under the equity method. As a financial instruments exchange holding company group under the Financial Instruments and Exchange Act, the Group as a whole is committed to providing a series of services related to Japan's markets, ranging from the listing of securities and derivatives to the provision of trading venues, clearing and settlement services, and index and information services. For more information on our associated companies, please refer to "I. Overview of Company, 4 Subsidiaries and Other Associated Entities as of March 31, 2022." The Company falls under the category of a specified listed company as stipulated in Article 49, Paragraph 2 of the Cabinet Office Order on Restrictions on Securities Transactions. As a result, decisions regarding the de minimis criteria for material facts under insider trading regulations are based on figures on a consolidated basis.

The characteristics and sources of income of the Group are as follows:

(1) Characteristics of the Group

(i) Cash Equity Markets

The Group's cash equity markets are centered on the stock market, which is one of the largest stock markets in the world and has established a firm position as the core infrastructure of the Japanese financial and capital markets.

(ii) Derivatives Markets

The Group's derivatives markets offer the trading of, among other things, index futures, index options, Japanese Government Bond futures, options on Japanese Government Bond futures, securities options, and commodity futures. In addition to daytime trading hours, trading is also available in the evening and overnight.

Index futures and index options are offered for the Nikkei 225 and TOPIX, Japan's leading stock price indices, and these are the leading derivatives products in Japan. In Japanese Government Bond futures trading, the prices of long-term Japanese Government Bond futures serve as an indicator for the long-term interest rate market due to their high liquidity.

(iii) Trading Systems

The stable operation of systems is an essential requirement for smooth trading and maintaining market stability and reliability. In addition, it is necessary to continually improve our IT infrastructure in order to appropriately and flexibly respond to (1) the listing of new products and (2) the diversification and sophistication of trading methods due to technological advances, and thus satisfy the needs of market users.

The Group operates "arrowhead," a fast, reliable, and scalable trading system for the cash equity market, and "J-GATE," a trading system that offers world-class trading functionality and order processing for the derivatives market.

(iv) Information Services

The Group distributes information such as execution prices of securities and derivatives trades immediately as it is created or changed. It also provides trading participants, information vendors, and other market participants with index information and various statistical information that is calculated based on data such as stock prices.

The Group provides a variety of market information services to meet the needs of market participants, including a service that enables users to search for timely disclosure information on listed companies and a service that provides corporate action information.

(v) Self-Regulation

In order for investors to participate in the market with confidence, the market must be fair and reliable, and in order to ensure this fairness and reliability, it is essential that the self-regulatory function be properly exercised.

In the case of the financial instruments markets, the Group has established Japan Exchange Regulation under the holding company, and it acts as a kind of "quality control center" for the exchanges to maintain fairness and trust in the market. Since it performs self-regulatory operations as a separate entity from the exchanges, which are the market operators, it can position itself close to the market and demonstrate a high level of expertise, while at the same time maintaining an organizational structure that ensures neutrality and effectiveness. In addition, to ensure the independence of self-regulatory operations in the commodities market, a Self-Regulatory Committee has been set up as an advisory

body to the board of directors of Tokyo Commodity Exchange, Inc. to deliberate on matters of self-regulation. A department responsible for self-regulatory affairs has also been set up to support the work of this Committee.

(vi) Clearing and Settlement

In order for investors to participate in the market with confidence, it is extremely important to ensure that clearing and settlement are conducted in a reliable manner.

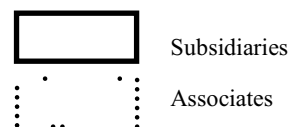
As a clearing house, Japan Securities Clearing Corporation (JSCC) provides clearing services for cash equity transactions and derivatives transactions executed on the exchanges, as well as for trading through proprietary trading systems (PTSs), over-the-counter derivatives transactions, and over-the-counter Japanese Government Bond transactions. As well as guaranteeing the fulfilment of settlement by assuming rights and obligations itself, JSCC gives settlement instructions to settlement organizations after carrying out netting to enable the efficient exchange of securities and cash.

Japan Securities Depository Center, Inc. acts as the book-entry transfer institution and handles book-entry transfer of securities among securities companies and banks, among other things.

(2) Sources of Income of the Group

Source	Description
Trading services revenue	Mainly revenue earned from trading participants based on trading value/volume or number of orders
Clearing services revenue	Mainly revenue related to the assumption of obligations
Listing services revenue	Mainly revenue earned from listed companies based on, for example, market capitalization and capital increases
Information services revenue	Mainly fees for providing market information to trading participants and information vendors, among others
Other	Mainly arrownet usage fees and co-location usage fees

The Group's business structure is shown in the diagram on the next page.



Holding Company:
Japan Exchange Group, Inc.

Listing

Trading

Clearing

Settle-ment

<i>Cash Equity Market</i>	<i>Derivatives Markets</i>	
Tokyo Stock Exchange, Inc.	Osaka Exchange, Inc.	Tokyo Commodity Exchange, Inc.
<ul style="list-style-type: none"> • Execution of securities trades • Support for timely disclosure • Distribution of market information and indices (note) 	<ul style="list-style-type: none"> • Execution of futures and options trades • Distribution of market information (note) 	<ul style="list-style-type: none"> • Execution of energy-related commodity futures trades • Distribution of market information
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Japan Exchange Regulation </div> <ul style="list-style-type: none"> • Listing examination and listed company compliance • Market surveillance and trading participant inspection/examination 		

Japan Securities Clearing Corporation

- Clearing of cash equity and derivatives trades

Japan Securities Depository Center, Inc.

- Book-entry transfer of securities

Tosho System Service Co., Ltd. (note)	
<ul style="list-style-type: none"> • Tosho Computer Systems Co., Ltd. • System development and operations 	<ul style="list-style-type: none"> • ICJ, Inc. • Operation of the Electronic Voting Platform for Institutional Investors

(Note) On April 1, 2022, the Company carried out a restructuring in the form of (1) an absorption-type company split in which Tokyo Stock Exchange, Inc. (TSE) and Osaka Exchange, Inc. (OSE) were the splitting companies and JPX Market Innovation & Research, Inc. (JPXI) was the succeeding company and (2) an absorption-type merger in which JPXI was the surviving company and Tosho System Service Co., Ltd. (TSS) was the absorbed company. The restructuring integrated the data- and digital-related businesses of the Group into JPXI by (1) transferring the data- and digital-related businesses of TSE and OSE (excluding the information service business related to the provision of market information) to JPXI and (2) merging TSS into JPXI.

4 Subsidiaries and Other Associated Entities as of March 31, 2022

Name	Address	Share Capital (JPY mil.)	Principal Business	Ratio of Voting Rights Held (%) (Note 3)	Related Details
(Consolidated Subsidiaries)					
Tokyo Stock Exchange, Inc. (Notes 1, 4)	Chuo-ku, Tokyo	11,500	Establishment/operation of financial instrument exchange markets for securities trading	100.0	- Business management - Lease of facilities - Number of concurrent directors/executive officers: five
Osaka Exchange, Inc. (Notes 1, 4)	Chuo-ku, Osaka-shi, Osaka	4,723	Establishment/operation of financial instruments exchange markets for market derivatives transactions	100.0	- Business management - Number of concurrent directors/executive officers: four
Tokyo Commodity Exchange, Inc. (Note 1)	Chuo-ku, Tokyo	1,989	Establishment/operation of commodities markets	100.0	- Business management - Number of concurrent directors/executive officers: two
JPX Market Innovation & Research, Inc.	Chuo-ku, Tokyo	100	Preparation for start of operations	100.0	
Japan Exchange Regulation (Notes 1, 2)	Chuo-ku, Tokyo	3,000	Self-regulatory operations entrusted by Tokyo Stock Exchange and Osaka Exchange	100.0	- Business management
Japan Securities Clearing Corporation (Notes 1, 4)	Chuo-ku, Tokyo	9,584	Assumption of financial instruments obligations, etc.	(Note 5)	- Number of concurrent directors/executive officers: two
Tosho System Service Co., Ltd.	Chuo-ku, Tokyo	100	Entrusted development of computer systems, etc.	100.0 (100.0)	- Number of concurrent directors/executive officers: one
(Associates Accounted for Under the Equity Method)					
ICJ, Inc.	Chuo-ku, Tokyo	200	Operation of the Electronic Voting Platform for Institutional Investors	50.0 (50.0)	- Number of concurrent directors/executive officers: one
Tosho Computer Systems Co., Ltd.	Koto-ku, Tokyo	400	Entrusted data processing, etc.	35.0 (35.0)	

Name	Address	Share Capital (JPY mil.)	Principal Business	Ratio of Voting Rights Held (%) (Note 3)	Related Details
Japan Securities Depository Center, Inc.	Chuo-ku, Tokyo	4,250	Business related to book-entry transfer of securities, etc.	24.8	- Number of concurrent directors/executive officers: one

On April 1, 2022, the Company carried out a restructuring in the form of (1) an absorption-type company split in which Tokyo Stock Exchange, Inc. (TSE) and Osaka Exchange, Inc. (OSE) were the splitting companies and JPX Market Innovation & Research, Inc. (JPXI) was the succeeding company and (2) an absorption-type merger in which JPXI was the surviving company and Tosho System Service Co., Ltd. (TSS) was the absorbed company. The restructuring integrated the data- and digital-related businesses of the Group into JPXI by (1) transferring the data- and digital-related businesses of TSE and OSE (excluding the information service business related to the provision of market information) to JPXI and (2) merging TSS into JPXI.

- (Notes)
1. The company is classified as a specified subsidiary.
 2. For Japan Exchange Regulation, the amount shown in the "share capital" column is of non-stock capital.
 3. Figures in parentheses in the "ratio of voting rights held" column indicate the percentage of indirectly owned voting rights out of the totals.
 4. The respective operating revenues of TSE, OSE, and Japan Securities Clearing Corporation (JSCC) (excluding inter-company operating revenues among consolidated companies) each account for more than 10% of consolidated operating revenue.

Major profit/loss information (Japanese GAAP):

	(JPY mil.)		
	Tokyo Stock Exchange, Inc.	Osaka Exchange, Inc.	Japan Securities Clearing Corporation
(1) Operating revenue	102,679	17,211	29,272
(2) Ordinary income	58,780	4,371	8,970
(3) Net income	41,023	2,980	6,186
(4) Net assets	125,529	20,111	84,359
(5) Total assets	155,534	28,516	6,447,726

5. Class A shares: 100.0% / Class B shares: 100.0% / Class C shares: 60.4% / Class D shares: 52.9%

5 Employees

(1) Information about the Group

As of March 31, 2022

Segment Name	Number of Employees (Persons)
Total in Consolidated Companies	1,193

- (Notes)
1. As the Company has only a single segment, the financial instruments exchange business, the total number of employees of the consolidated companies is shown.
 2. The number of employees excludes those assigned temporarily to entities outside the Group and includes those assigned temporarily from entities outside the Group.
 3. The number of temporary employees (including part-time workers and persons dispatched from employment agencies) is omitted because the total number of said employees is less than 10 percent of the total number of employees.

(2) Information about the Reporting Company

As of March 31, 2022

Number of Employees (Persons)	Average Age (Years)	Average Years of Employment (Years)	Average Annual Salary (JPY)
208	46.0	19.9	10,347,816

- (Notes)
1. The number of employees excludes those assigned temporarily to entities outside the Company and includes those assigned temporarily from entities outside the Company.
 2. The number of temporary employees (including part-time workers and persons dispatched from employment agencies) is omitted because the total number of said employees is less than 10 percent of the total number of employees.
 3. Average annual salary is calculated including bonuses and extra wages, excluding for employees assigned temporarily from entities outside the Company.

(3) Labor Union

The Group used to have three labor unions (the Tokyo Stock Exchange Labor Union, the Osaka Securities Exchange Labor Union, and the Osaka Securities Labor Union), but they merged to form the Japan Exchange Group Employees Union in September 2019. Tokyo Commodity Exchange, Inc., which became a subsidiary of the Company in October 2019, used to have the Tokyo Commodity Exchange Labor Union, but it was dissolved in July 2020 when all employees were transferred to Osaka Exchange, Inc.

There are no particular points to be noted regarding the labor-management relationship.

II Overview of Business

1 Management Policy, the Business Environment, and Issues to Address

Forward-looking statements are based on judgments made in accordance with information available as of the date of submission.

(1) Management Policy

The Group contributes to the realization of an affluent society by promoting the sustainable development of the market through (1) ensuring our public nature and credibility, (2) constructing a highly convenient, efficient, and transparent market foundation, and (3) providing creative and attractive services. These efforts bring rewards in the form of profits resulting from the increased support and confidence of investors and other market users.

Based on this corporate philosophy, the Group has established its basic management policies, business strategies, and management targets with an eye to the medium- to long-term future in its Medium-Term Management Plan. The Group also drafted a long-term vision called Target 2030 to be achieved by 2030: to "contribute to sustainable societal and economic development by evolving into a global, comprehensive finance and information platform which provides solutions for a wide range of societal issues, centered on the ability to raise and circulate capital."

In the "Medium-Term Management Plan 2024" (formulated in March 2022), which covers the three-year period from FY2022 to FY2024 and is positioned as the first stage in achieving this long-term vision, the Group expressed its purpose as "Exchange & beyond." This is to strengthen its functionality as a traditional exchange, namely to provide stable market operations, while also advancing into new fields without being overly bound by this framework. The basic policy for these three years is to take proactive action on building the foundations of the global, comprehensive finance and information platform.

By steadily implementing the Medium-Term Management Plan and taking appropriate actions in response to the needs of investors and users, changes in the business environment, technological advances, and revisions to the regulatory framework, the Group aims to continue as one of the key markets in the world by serving as a central market not only in Japan but also in the time zones of the Asia-Pacific region.

(2) The Medium-Term Management Plan, the Business Environment, and Issues to Address

(i) Review of the 3rd Medium-Term Management Plan

The Group has steadily implemented the following measures with respect to the four core strategies set forth in its 3rd Medium-Term Management Plan: I. Pursue "the shape of the market" toward the next generation, II. Launch, invigorate, and develop a comprehensive exchange, III. Diversify and propel data services into the next generation, and IV. Develop a foundation to support the future of our business and society.

Core Strategies	Important Measures and Achievements
Pursue "the shape of the market" toward the next generation	<ul style="list-style-type: none"> - In response to the system failure, developed a framework to enable quick and smooth trading resumptions. Published the Action Program for Strengthening the Functions of the Cash Equity Market - Revised the cash equity market structure and Japan's Corporate Governance Code - Achieved an IPO count of over 100 per year on average in the past three years - Started a clearing service for ETF creation/redemption
Launch, invigorate and develop a comprehensive exchange	<ul style="list-style-type: none"> - Launched the comprehensive exchange through business combination with Tokyo Commodity Exchange and subsequent product transfer and clearing house integration - Launched the new derivatives trading platform "J-GATE 3.0" - Developed rules and frameworks for starting derivatives holiday trading - Also focused on invigorating the energy market through obtaining approval for the permanent listing of Electricity Futures and trial listing of LNG Futures, among other things
Diversify and propel data services into the next generation	<ul style="list-style-type: none"> - Launched 12 new services and gained 335 new clients partially through cooperation with external partners. Started API-format distribution of stock prices and other information - Agreed to develop climate indices with FTSE Russell (launch scheduled for H1 2022)
Develop a foundation to support the future of our business and society	<ul style="list-style-type: none"> - Strengthened BCP structures such as by developing the Kansai backup center - Supported listed companies' ESG disclosure and provided ESG-related products to investors - Set a target of achieving carbon neutrality across the Group by FY2024

The Group steadily implemented measures based on its core strategies and achieved the management and financial targets set out in the 3rd Medium-Term Management Plan in FY2020. It also mostly achieved the targets in FY2021.

(JPY bil., unless otherwise stated)

	3rd Medium-Term Management Plan Period			3rd Medium-Term Management Plan Final Year Targets
	FY2019	FY2020	FY2021	
Operating revenue	123.6	133.3	135.4	130.0
Net income (Attributable to owners of the parent company)	47.6	51.3	49.9	50.0
ROE	16.3%	16.6%	15.7%	At least 15%

(ii) Management/Business Environment and Challenges/Issues

The Group as a whole is committed to providing a series of services related to Japan's markets, ranging from the listing of securities and derivatives to the provision of trading venues, clearing and settlement services, and index and information services. (For more information on our corporate structure, please refer to our business structure diagram under "I. Overview of Company, 3 Description of Business.") In the markets that the Group operates, we provide fundraising opportunities for companies, asset management opportunities for investors, and price discovery functions for the wider society. While other domestic exchanges and proprietary trading systems (PTS) provide markets in Japan, the Group has established a firm position here by aggregating large volumes of supply and demand from domestic and foreign investors through securities companies and other trading participants.

Since the markets that the Group operates are greatly affected by changes in the external environment including (1) local and global economic conditions, (2) financial policies, and (3) geopolitical risks, it is necessary to manage them by closely monitoring domestic and overseas economic trends and market conditions. The Group recognizes that its greatest management challenge is to provide a market infrastructure that continually and consistently satisfies users while accurately addressing various risks arising from the opacity and uncertainty of the environment. As the operator of the central market in Japan, we recognize the importance of further cooperation with trading participants, listed companies, system vendors, and other market players in order to continue stable market operations. In addition, as a market operator, we are required to work toward tackling the financial and capital market-related issues listed in the government's growth strategy. Furthermore, we will need to respond to changes in the global environment, which is undergoing a transition to a sustainable society and economy. In particular, action on ESG issues has become the most pressing priority. We consider that while taking action on the Group's own ESG issues, we should also work from a financial and capital markets perspective to encourage and support listed companies, investors, and other market players in their responses to ESG and various other societal issues.

(iii) Overview of Medium-Term Management Plan 2024

Based on its recognition of the above challenges and issues, the Group has drafted its Target 2030 and Medium-Term Management Plan 2024. In order to contribute to improving the attractiveness of the Japanese financial and capital markets as a whole and enhance their global competitiveness, we will steadily implement initiatives in the following three focus areas.

Focus 1: Facilitating Cycle of Corporate Innovation/Growth and Asset Formation

- Develop an environment that supports companies' sustainable growth
- Develop products and rules to contribute to asset formation
- Further improve convenience and resilience as a market infrastructure

Focus 2: Achieving Market Transformation (MX)

- Strengthen the functionality of interest rate-related markets
- Invigorate the derivatives market
- Advance digitization and enhance information usage

Focus 3: Promoting Sustainability that Connects Society and Economy

- Strengthen the dissemination of sustainability-related information
- Calculate ESG indices and list related ETFs/futures
- Vitalize the energy market and advance the creation of an emissions trading market

“Target 2030”: our long-term vision to be achieved by 2030

Contribute to sustainable societal and economic development by evolving into a global, comprehensive finance and information platform* which provides solutions for a wide range of societal issues, centered on the ability to raise and circulate capital

*Named “G-HUB” (Heighten market integrity, Unlock opportunity, Benefit society)

Basic Policy of the Medium-Term Management Plan 2024

- A three-year plan from FY2022 has been developed as the first stage of progress towards Target 2030.
- We will utilize new frameworks including JPX Market Innovation & Research to take proactive action on building the foundations of the global, comprehensive finance and information platform “G-HUB”.

Exchange & beyond

To contribute to improving the attractiveness of the Japanese financial and capital markets as a whole and enhance their global competitiveness, we will prioritize initiatives in three specific “Focus” areas.



The Group has established the following key targets as objective indicators to assess the status of achievement of the initiatives listed in the three focus areas.

Areas	Key Targets
Focus 1 Facilitating Cycle of Corporate Innovation/Growth and Asset Formation	30% increase* in average daily trading value and net assets held in ETFs and ETNs in FY2024 compared to FY2021 20 listings of cross-border companies over the three years of the plan (FY2022 - FY2024) Replacement of cash equity trading system in H2 FY2024 Extension of trading hours at the replacement

Areas	Key Targets
Focus 2 Achieving Market Transformation (MX)	Creation of a digital securities market and start of trading of new products in that market by the end of FY2024 Development of three new digital technology-driven services for internal and external use over the three years of the plan (FY2022 - FY2024) 200 new clients for information services and 12 cases of creating new information services or updating existing information services and rules over the three years of the plan (FY2022 - FY2024)
Focus 3 Promoting Sustainability That Connects Society and Economy	Launch of an information platform for publicly offered ESG bonds in FY2022 Launch of a new ESG index and listing of related futures in FY2022 Increase in trading volume of electricity futures in FY2024 to five times that of FY2021 Permanent listing of LNG futures by FY2024

*Average daily trading value excludes leveraged/inverse products. Net assets excludes BOJ purchases.

(iv) Financial Targets and Capital Policy of Medium-Term Management Plan 2024 (FY2022 - FY2024)

The Group's financial policy is to stabilize revenues through the creation of new services along with the medium- and long-term expansion of trading volume and other indicators which make up the Group's revenue base. It aims to do this by steadily implementing the initiatives in the three focus areas and making investments to (1) enhance market convenience and resilience and (2) build the foundations of a global, comprehensive finance and information platform. In addition, our fundamental capital policy is to support the sustainable development and evolution of the market by making continual investments while striking a balance between shareholder returns and the financial resilience needed for stable market operations. We also aim to maintain over the medium to long term an ROE of 10% higher than the cost of capital irrespective of market conditions. Based on both the financial and capital policies, we have established the following financial targets for the final year of the plan and a target for total capital expenditures during the plan period.

Financial targets for the final fiscal year

Operating Revenue	JPY 147.0 bil.
Net Income (attributable to owners of the parent company)	JPY 53.0 bil.
ROE	At least 15%

CAPEX

- While working on enhancing market convenience and resilience, we will invest in building the foundations of a global, comprehensive finance and information platform.

Total CAPEX over 3 years **Approx. JPY 50 bil.**

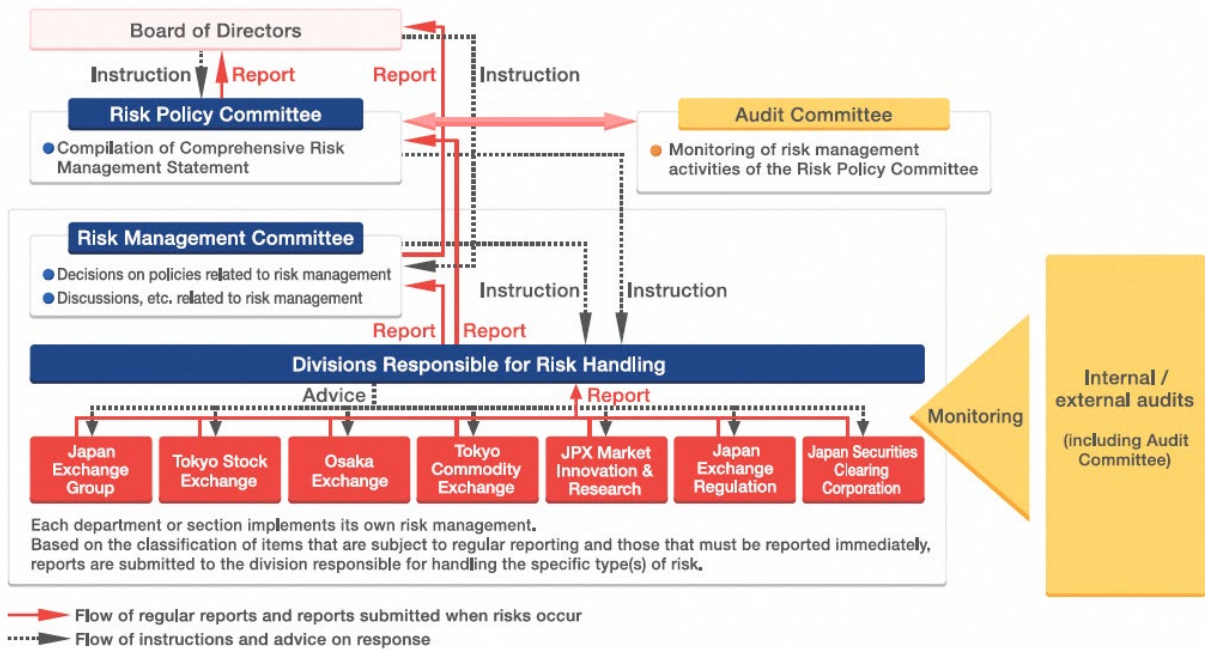
2 Business Risks

Basic Policy for Risk Management

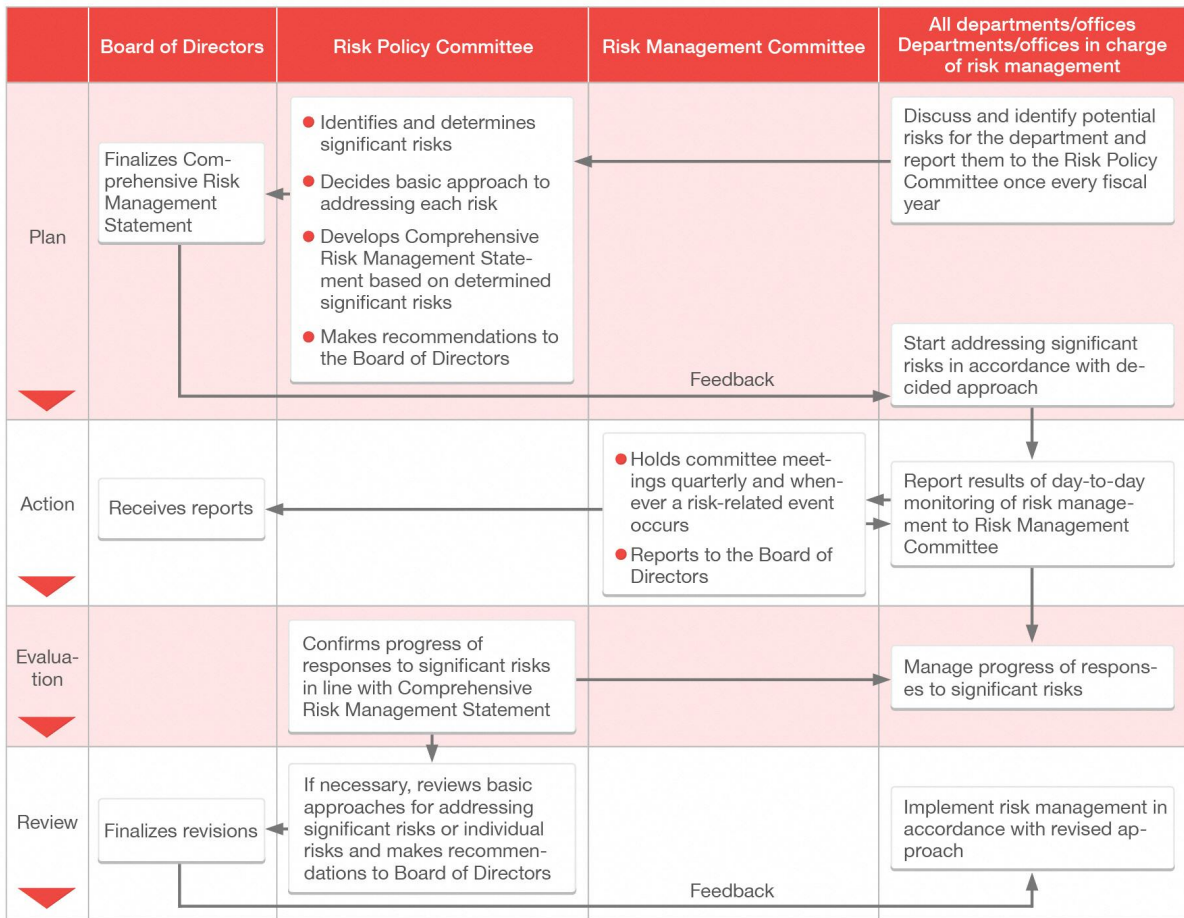
The Group faces various risks in the course of its operations, including those associated with system failures, compensation in the event that a clearing participant defaults, and clerical errors. To address these risks, the Group has established a Risk Policy Committee chaired by an outside director and a Risk Management Committee chaired by the CEO. These committees are responsible for identifying risks as well as developing and implementing measures to prevent such risks in accordance with the Group's Risk Management Policy. The Group also has a system in place to ensure a swift and appropriate response when risks do or are likely to materialize. (For more details on each committee, please refer to "IV. Information about the Reporting Company 4 Corporate Governance (1) Overview of Corporate Governance (iv) Establishment of Risk Management Systems.")

In addition, each fiscal year, the Group identifies the significant risks that it should prioritize. Along with this, to improve the effectiveness of risk management in each department within the Group, it takes steps to prevent significant risks and other risks in advance by formulating basic policies for addressing each significant risk, thereby reducing the likelihood of their materialization and enabling flexible responses when they do materialize. When a serious incident occurs, the Risk Management Committee gains an overall grasp of the situation and gives directions so that the matter can be resolved as quickly as possible. The system is set up so that all necessary information is reported to management promptly and without fail.

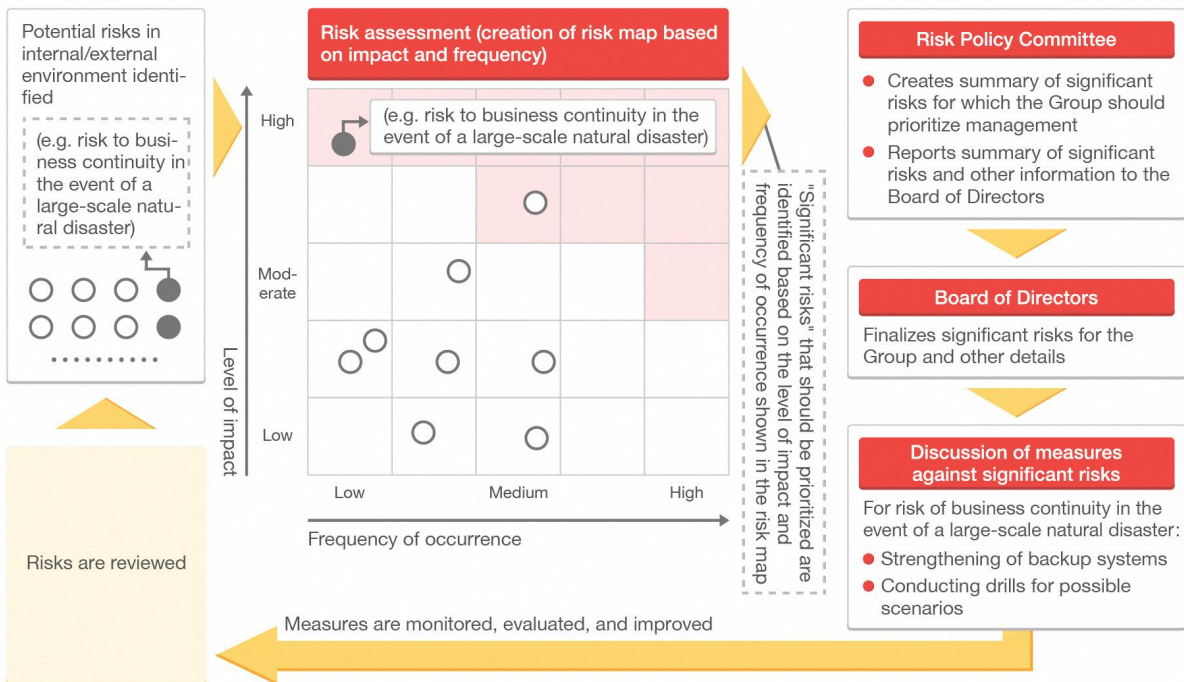
Risk Management System



JPX Group's Risk Management Process



System for Identifying Significant Risks



Individual Risks

The following is a list of potential risk factors related to the Group's business and other aspects. Note, however, that this list is not necessarily exhaustive, and risks not anticipated or considered minor at the date of submission may adversely affect the financial position and operating results of the Group in the future.

In addition, matters that are not necessarily considered to be risk factors but are considered important for investors' investment decisions are included from the viewpoint of proactive information disclosure.

Forward-looking statements are based on judgments made in accordance with information available as of the date of submission.

1. Risks Related to Management Structure and Business Strategy

(1) Characteristics of the Management Structure, etc.

(i) Position as a Holding Company

As a holding company, the Company's income is heavily dependent on management fee income and dividends from its subsidiaries and associated companies. Legal or business restrictions, however, may limit the payment of dividends from such companies to the Company.

Japan Exchange Regulation, a subsidiary of the Company, is not allowed to pay dividends as the Financial Instruments and Exchange Act stipulates that it must not conduct services for profit. In addition, Japan Securities Clearing Corporation, another subsidiary of the Company, is required to secure a certain amount of surplus from the perspective of ensuring the continuity of the company as a clearing house and the functionality of settlement guarantee schemes (see "7. Framework for Ensuring Implementation of Settlement"). ("Principles for Financial Market Infrastructures," published in April 2012 by the Committee on Payment and Settlement Systems/Bank for International Settlements and the Technical Committee of the International Organization of Securities Commissions, also states that "a CCP that is involved in activities with a more complex risk profile... should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.")

Regarding dividends, the Group adopts a dividend policy with a target payout ratio of about 60% tied to business performance while giving due consideration to the importance of internal reserves, taking into account financial health as a financial instruments exchange group, preparedness for risks as a clearing house, and investment opportunities to raise the competitiveness of its markets. However, if the Company's subsidiaries or associates fail to generate sufficient earnings or cash flow to pay dividends to the Company, it may be difficult or impossible for it to pay dividends to its shareholders.

(ii) Self-Regulatory Function

In order for investors to participate in the market with confidence, the market must be fair and reliable, and in order to ensure this fairness and reliability, it is essential that the self-regulatory function be properly exercised.

In order to take every step possible to avoid conflicts of interest between the interests of the Group as a corporate entity and the fairness of the market, and to ensure their effectiveness, in the case of the financial instruments markets, the market operators (Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc.) and the self-regulatory organization (Japan Exchange Regulation) are placed under the umbrella of the holding company, and Japan Exchange Regulation conducts self-regulatory operations entrusted by Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc.

The fees for these self-regulatory operations are fundamentally long-term and fixed amounts, as the Financial Instruments and Exchange Act requires the entrustment agreement to appropriately and clearly specify the cost calculation method under entrustment in a way that allows a self-regulatory organization to conduct the self-regulatory services with which it is entrusted. In addition, to ensure the independence of self-regulatory operations in the commodities market, a Self-Regulatory Committee has been set up as an advisory body to the board of directors of Tokyo Commodity Exchange, Inc. to deliberate on matters of self-regulation. A department responsible for self-regulatory affairs has also been set up to support the work of this Committee.

The Group recognizes that the self-regulatory function, as well as being the basis of the Group's functionality as a market operator, inseparable from and closely linked to market operations, and acting as one kind of quality assurance for the market, also maintains and improves the market's brand image. The Group considers that this contributes to the acquisition and improvement of revenues over the medium to long term. However, in the short term, the exercise of the self-regulatory function may conflict with the pursuit of profitability, and in addition, if the Group's business performance

does not progress favorably due to deterioration in the market environment or other factors, the Group's financial indicators that affect its operating results may be squeezed as a result of investing the necessary management resources in operations related to the self-regulatory function. In addition, if the self-regulatory function is not properly exercised, the trust of market participants, investors, and others may be severely damaged, which in turn may damage the brand value of the market, thereby seriously affecting the business operations of the Group as a whole.

The cost structure may also be disadvantageous in competition with proprietary trading systems (PTSs) and similar trading venues, which have a significantly lower burden of self-regulatory operations compared to that of financial instruments exchanges.

(2) Risks Related to Business Strategy

(i) Risk of Business Strategy Failure

In March 2022, the Group announced its Medium-Term Management Plan covering the three-year period from FY2022 to FY2024 and has been implementing the various actions it set out.

The Group may not be able to execute its business strategy for sustainable development of the market as initially planned due to, among other things, shifting investor and user needs, negotiations with stakeholders, or changes in the business environment resulting from the materialization of the various risks described in this section.

To address these risks, the Group pays close attention to the likelihood that risks will materialize and changes in the economic and market environments, regularly monitors the progress of business strategies and changes in the business environment, and has systems in place to swiftly conduct appropriate financial management and revise core strategies in response to these environmental changes.

(ii) System Investment

With the development of information technology in recent years, exchanges have also been enhancing their systems, and the stability and processing performance of these systems have a significant impact on securing a competitive advantage among markets.

The Group operates "arrowhead," a fast, reliable, and scalable trading system for the cash equity market, and "J-GATE," a trading system that offers world-class trading functionality and order processing for the derivatives market.

In order to appropriately respond to the ever-changing needs of users, such as use of the increasingly sophisticated and diverse investment methods that come with technological development, and therefore maintain competitiveness as an exchange, the Group needs to continue capital expenditures in IT and improve trading and other systems in order to utilize ever-faster evolving technology to the maximum extent. To achieve this, the Group upgraded the J-GATE system in September 2021 and has just started development for an upgrade of arrowhead planned for the latter half of FY2024.

However, these capital expenditures do not necessarily lead to an immediate increase in revenue, and if the Group is unable to generate revenue commensurate with costs due to a deterioration in market conditions or other factors, its financial indicators may be squeezed and additional subsequent capital expenditures may be adversely affected.

(iii) Promoting Sustainability

There is a growing awareness of the importance of addressing sustainability issues, such as social and environmental problems, in order to enhance corporate value through the medium to long term. There is also a trend among investors for considering ESG (environmental, social, and governance) factors in their investment decisions. In light of these changes in the business environment, the Group believes that it is important not only to respond to its own sustainability issues as a business corporation, but also to continuously advance and expand the activities expected of the Group as a market operator. The Sustainability Committee, headed by the Group CEO, formulates various policies and strategies and implements initiatives across the entire Group. (See "(1) Management Policy" and "(2) The Medium-Term Management Plan, the Business Environment, and Issues to Address" for the long-term vision and the Medium-Term Management Plan.)

For environmental issues, the Group is pushing forward with its "green strategy" to support the shift to carbon neutrality in Japan. As a market operator, the Group is working to promote sustainability by utilizing market mechanisms, while at the same time aiming to achieve carbon neutrality in securities market operations by 2030. As a business corporation, the Group has built a governance and risk management system for climate change issues and is working to understand and analyze risks and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), as well as aiming to achieve carbon neutrality across the Group itself by FY2024.

Despite these efforts to promote sustainability, an inadequate response could lead to a decline in confidence in and support for the exchange infrastructure provided by the Group, a loss of revenue opportunities, or a decline in the attractiveness of the markets.

2. Risks Related to the Business Environment

(1) Regulations or Rules related to Laws, etc.

(i) Position as a Licensed Business

The Group conducts its business under the regulations of the Financial Instruments and Exchange Act (referred to as "FIEA" in this section), the Commodity Derivatives Transaction Act (referred to as "CDTA"), and related laws and regulations.

The Company is a "financial instruments exchange holding company" authorized by the Prime Minister as stipulated by the FIEA, and its subsidiaries Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc. are "financial instruments exchanges" licensed by the Prime Minister to establish and operate financial instruments exchange markets as stipulated by the FIEA. Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc. have entrusted their self-regulatory operations to Japan Exchange Regulation with authorization from the Prime Minister as stipulated by the FIEA, and Japan Exchange Regulation conducts self-regulatory operations with authorization from the Prime Minister as stipulated by the FIEA. In addition, the Company has made Tokyo Commodity Exchange, Inc. its subsidiary with authorization from the Prime Minister as stipulated by the FIEA, and Tokyo Commodity Exchange, Inc. is an "incorporated commodity exchange" licensed by the competent minister to establish and operate markets necessary to conduct futures trading as stipulated by the CDTA.

Japan Securities Clearing Corporation provides "financial instruments obligation assumption services, etc." as a financial instruments clearing house with a license from the Prime Minister as stipulated by the FIEA as well as approval from the competent minister as stipulated by the CDTA, and also provides "commodity transaction debt assumption services" as a commodity clearing house with a license from the competent minister as stipulated by the CDTA as well as approval from the Prime Minister as stipulated by the FIEA.

Furthermore, in order to acquire or hold voting rights constituting 20 percent or more (or 15 percent or more, if a fact has occurred that is specified by a Cabinet Office Order as something that is presumed to have a material influence on decisions about financial and operational policies) of all shareholders' voting rights of a financial instruments clearing house, it is necessary to obtain prior authorization from the Prime Minister, which the Company has received.

At present, no event has occurred that would result in the withdrawal of the above licenses or approvals. However, if for some reason an event were to occur or fact were to be found in the future that led to the withdrawal of the licenses or approvals, or a suspension or other type of penalty regarding business operations in whole or in part, the Group's business operations and operating results may be severely affected.

Summary of Major Licenses, Authorizations, and Approvals

Type of License, Authorization, or Approval	Relevant Clause	Company Name	Expiration Date	Possible Reasons for Withdrawal
Authorization as an exchange holding company	FIEA Article 106-10, Paragraph 1	Japan Exchange Group, Inc.	Not applicable	FIEA Article 106-26; Article 106-28, Paragraph 1
License for exchange business	FIEA Article 80, Paragraph 1	Tokyo Stock Exchange, Inc. Osaka Exchange, Inc.	Not applicable	FIEA Article 134, Paragraph 1; Article 148; Article 152, Paragraph 1
Authorization for entrusting self-regulatory operations	FIEA Article 85, Paragraph 1	Tokyo Stock Exchange, Inc. Osaka Exchange, Inc.	Not applicable	FIEA Article 153-2
Authorization for self-regulatory operations	FIEA Article 102-14	Japan Exchange Regulation	Not applicable	FIEA Article 153-4
License for financial instruments obligation assumption services	FIEA Article 156-2	Japan Securities Clearing Corporation	Not applicable	FIEA Article 156-17, Paragraphs 1 and 2
Authorization as a major shareholder of a financial instruments clearing house	FIEA Article 156-5-5, Paragraph 1	Japan Exchange Group, Inc.	Not applicable	FIEA Article 156-5-9, Paragraph 1

Type of License, Authorization, or Approval	Relevant Clause	Company Name	Expiration Date	Possible Reasons for Withdrawal
Authorization for acquisition of a commodity exchange	FIEA Article 106-24, Paragraph 1	Japan Exchange Group, Inc.	Not applicable	FIEA Article 106-26; Article 106-28, Paragraph 1
Approval for commodity transaction debt assumption services as a concurrent business	FIEA Article 156-6, Paragraph 2	Japan Securities Clearing Corporation	Not applicable	FIEA Article 156-17, Paragraph 2
License as an incorporated commodity exchange	CDTA Article 78	Tokyo Commodity Exchange, Inc.	Not applicable	CDTA Article 94, Paragraph 1; Article 159, Paragraphs 1 and 2
License for commodity transaction debt assumption services	CDTA Article 167	Japan Securities Clearing Corporation	Not applicable	CDTA Article 186, Paragraphs 1 and 2
Approval for financial instruments obligation assumption services, etc. as a concurrent business	CDTA Article 170, Paragraph 2	Japan Securities Clearing Corporation	Not applicable	CDTA Article 186, Paragraphs 1 and 2

(ii) Restrictions on Business Activities, etc.

The Group is subject to the following business restrictions under the FIEA and the CDTA. The Company, as a financial instruments exchange holding company, is prohibited from conducting any business other than the management and administration of its subsidiaries such as incorporated financial instruments exchanges and other businesses incidental thereto. Additionally, in principle, Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc., as financial instruments exchanges, are prohibited from conducting any business other than the establishment of financial instruments exchange markets and other businesses incidental thereto; Japan Exchange Regulation, as a self-regulatory organization, is prohibited from conducting any business other than self-regulatory operations and other businesses incidental thereto; Tokyo Commodity Exchange, Inc., as a commodity exchange, is prohibited from conducting any business other than the establishment of commodity markets, appraisal of the quality of listed commodities, the issuance of publications, and other businesses incidental thereto; and Japan Securities Clearing Corporation, as a financial instruments clearing house and a commodity clearing house, is prohibited from conducting any business other than financial instruments obligation assumption services, etc., commodity transaction debt assumption services, and other services incidental thereto. Thus, the scope of operations of these companies is limited.

Similarly, financial instruments exchange holding companies, financial instruments exchanges, and commodity exchanges are also subject to restrictions on the scope of business of subsidiaries under the FIEA and CDTA. JPX Market Innovation & Research, Inc., as a subsidiary of a financial instruments exchange holding company, may engage in businesses incidental to the establishment of financial instruments exchange markets, as well as, when authorized by the Prime Minister, businesses related to the establishment of financial instruments exchange markets.

In addition, Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., Japan Exchange Regulation, and Japan Securities Clearing Corporation are required to gain authorization from the Prime Minister when amending their Articles of Incorporation, Business Regulations, Brokerage Agreement Standards, and Business Rules. Similarly, Tokyo Commodity Exchange, Inc. and Japan Securities Clearing Corporation are required to gain authorization from the competent minister when amending these documents. As hereby stated, the Group conducts its business under extensive regulations.

Since these regulations are not necessarily intended to protect the Group's shareholders, if for some reason the Group is unable to obtain the necessary authorizations for its operations in the future, this could have a significant impact on its business operations and operating results, such as a loss of business opportunities from being unable to implement initiatives it deems necessary.

(iii) Restrictions on the Acquisition and Ownership of the Company's Issued Shares

Under the FIEA, with respect to shares issued by the Company (a financial instruments exchange holding company), it is prohibited for any person, with the exception of an authorized financial instruments firms association, financial instruments exchange, financial instruments exchange holding company, commodity exchange, or commodity exchange holding company, or local governments and other persons specified by a Cabinet Order, to acquire or hold voting rights

(excluding the voting rights that are specified by a Cabinet Office Order in consideration of the manner in which they are acquired or held and any other circumstances; hereinafter referred to as "Subject Voting Rights") constituting 20 percent or more (or 15 percent or more, if a fact has occurred that is specified by a Cabinet Office Order as something that is presumed to have a material influence on decisions about financial and operational policies) of all shareholders' voting rights.

In addition, a person who has become a holder of Subject Voting Rights exceeding five percent of all shareholders' voting rights must submit to the Prime Minister, as pursuant to the provisions of the Cabinet Office Order and without delay, a statement of holdings in Subject Voting Rights, stating the percentage of Subject Voting Rights held, the purpose of the holding, and the matters otherwise specified by the Cabinet Office Order.

(iv) Impact of Changes to Laws and Regulations

The introduction, amendment, or repeal of laws and regulations related to the Group's business or changes in policies regarding the enforcement of these may adversely affect the Group, either directly or through changes in market conditions resulting from such changes.

For example, shifts in the competitive environment due to regulatory changes or revisions to the tax system may lead to a decline in the Group's market share or trading volumes.

It is difficult to predict future changes in laws and regulations and their impact on the Group's business, and these are not within the Group's control, but even so, the implementation of new regulations and other changes may have a significant impact on its business execution and performance.

(2) Impact of Financial Market Trends

(i) Characteristics of the Group's Earnings Structure

Of the Group's operating revenues, "trading services revenue" and "clearing services revenue" (39.3% and 20.6% of consolidated operating revenues for FY2021, respectively) are largely dependent on the trading value and volume of securities and derivative products, and "listing services revenue" (11.6%) is largely dependent on the market capitalization of already listed companies, the amount of funds raised, and the number of newly listing companies.

In line with this, the Group's revenues are significantly affected by trends in the secondary market for securities and derivative products and the primary market for securities, and by extension trends in the global financial markets and domestic and international economic conditions.

In particular, since the majority of listed companies are Japanese companies, the Japanese economy has a significant impact on the Group's financial results. If the environment surrounding the primary and secondary markets deteriorates due to an economic slowdown or other reasons, and this causes declines in trading volume, market capitalization of listed companies, fund-raising amounts, or other indicators in the cash equity and derivatives markets, the Group's financial results may be severely and adversely affected.

In addition, trends in the primary and secondary markets can fluctuate significantly due to the economic environment and various other factors, making it extremely difficult to predict such trends with any degree of precision.

To address these risks, the Group, as the core infrastructure of Japan's financial and capital markets, will work as one unit to stably provide the fundamental functions of market operations, from listing, trading, and clearing and settlement to data services, and at the same time increase the added value that the Group provides to society by creating new services to stabilize revenues while maintaining a strong financial base.

(ii) Impact of Trends among Foreign Investors

During the period from January to December 2021, foreign investors accounted for an important share in the market, including approximately 60% of the trading value of stocks and approximately 70% of the trading volume of flagship derivative products Nikkei 225 Futures and TOPIX Futures.

Therefore, if the Japanese market becomes less attractive to foreign investors due to, for example, the Japanese economy, stock price performance of Japanese companies in general, foreign exchange conditions, or tighter regulations, and if trading volume declines as a result, the Group's business operations, financial position, and operating results may be severely affected.

To address these risks, the Group is expanding sales and marketing activities toward and strengthening relationships with domestic and international investors, including foreign investors, and is actively working to acquire investment and capital flows into the Japanese market.

(3) Impact of Competition

(i) Competition with Other Securities Exchanges and Off-Exchange Trading in Cash Equities

The Group recognizes that competition for trading of cash equities and similar products has been intensifying and will continue to intensify in a variety of areas, including market liquidity, speed and cost of trade execution, trading system performance, diversity of products and services offered to trading participants and listed companies, and the regulatory environment.

Stock trading value of the Group accounted for about 84% of the total trading value of listed stocks in Japan from January to December 2021, and off-exchange trading venues (PTSs, OTC, etc.) accounted for about 16%. However, the volume of off-exchange trading has been increasing in recent years, and there is a possibility that it will threaten the Group's market share in the future.

If the Group is unable to respond appropriately to this competitive environment, and market liquidity and other factors deteriorate, the Group's business, financial position, and operating results may be severely and adversely affected.

In recent years, the exchange industry has been also exposed to intense global price competition. If competitors start offering services with lower fees than the Group, and it is required to lower its own fees for trading or listing, the Group's financial position and operating results may be adversely affected.

(ii) Competition with Nikkei 225 Futures and Options at Singapore Exchange Limited

Nikkei 225 Futures on Osaka Exchange mainly compete with Nikkei 225 Futures on Singapore Exchange. Nikkei 225 Futures on Singapore Exchange, like Nikkei 225 Futures on Osaka Exchange, are stock index futures based on the Nikkei 225, which is a representative index of the Japanese stock market.

Trading volumes of Nikkei 225 Futures on Osaka Exchange and Singapore Exchange for the past three years are as follows.

Fiscal year	Osaka Exchange	Singapore Exchange
FY2019	56,109,751 contracts	13,060,783 contracts
FY2020	48,848,761 contracts	9,313,283 contracts
FY2021	42,683,737 contracts	7,190,255 contracts

(Note 1) Trading volume of Nikkei 225 Futures on Osaka Exchange and Singapore Exchange includes mini contracts (Nikkei 225 mini on Osaka Exchange and Mini Nikkei 225 Index Futures on Singapore Exchange). However, since these mini contracts carry one-tenth of the trading value of Nikkei 225 Futures contracts on Osaka Exchange, the trading volume of these contracts is shown as one-tenth of the actual volume.

(Note 2) Of Nikkei 225 Futures contracts on Singapore Exchange, Nikkei 225 Index Futures and USD Nikkei 225 Index Futures carry half of the trading value of Nikkei 225 Futures contracts on Osaka Exchange, and therefore the trading volume of these contracts is shown as half of the actual volume.

With regard to index options, the main competing product for Nikkei 225 Options on Osaka Exchange is Nikkei 225 Options on Singapore Exchange.

Trading volumes of Nikkei 225 Options on Osaka Exchange and Singapore Exchange for the past three years are as follows.

Fiscal year	Osaka Exchange	Singapore Exchange
FY2019	33,164,826 contracts	5,528,273 contracts
FY2020	26,004,282 contracts	3,460,446 contracts
FY2021	24,504,420 contracts	2,598,087 contracts

(Note 1) Since Nikkei 225 Options on Singapore Exchange carry half of the trading value of Nikkei 225 Options on Osaka Exchange, the trading volume of these contracts is shown as half of the actual volume.

(Note 2) The trading volume of Nikkei 225 Options on Osaka Exchange is the combined trading volume of Regular Options and Weekly Options.

Although the trading volume of Nikkei 225 Futures and Nikkei 225 Options on Osaka Exchange in FY2021 exceeded that of Singapore Exchange, depending on future trends among market participants, Osaka Exchange may see a decline in trading fee revenue if its users move to Singapore Exchange, which may adversely affect the financial position and operating results of the Group.

(iii) Management Integration Between Exchanges

In the exchange industry, there has been a marked trend toward mergers and acquisitions among the major exchanges mainly in the United States and Europe, especially since the late 2000s, against the backdrop of the expansion of cross-border trading and intensifying inter-market competition due to the advancement of communications technology, intensifying efforts to increase scale and improve management efficiency through demutualization or listing, and progress in international regulatory harmonization. Most recently, there has been movement toward the integration of exchanges in Europe, such as Euronext's acquisition of Oslo Bors and Borsa Italiana (2019 and 2021) and SIX Swiss Exchange's acquisition of BME (the Spanish stock exchange; 2020), and similar trends can be seen in the Asia-Pacific region, such as Cboe Global Markets, which operates Chicago Board Options Exchange, acquiring Chi-X Asia Pacific Holdings, which operates PTSs in Japan and Australia (2021). Meanwhile, there have been more than a few cases where management integration has been announced but then put off due to failure to obtain regulatory approval. Over the past few years, there has also been an increase in the number of acquisitions by exchanges for the purpose of expanding their areas of business, such as into clearing, IT-related and information businesses.

It is difficult to predict the impact on the Group's business from mergers or acquisitions among other exchanges, but if these exchanges were to provide better services or reduce costs as a result, it could lead to a relative decline in the Group's competitive advantage and a decrease in its international presence.

To address these risks, the Group is working to strengthen market functionality and provide fair and convenient trading services by closely monitoring changes in the market environment and other factors, and reviewing market rules based on discussions with market stakeholders.

3. Risks Related to Accidents, Disasters, and other External Events

In order to fulfill its responsibilities for providing social infrastructure as a market operator and clearing house, the Group has formulated a business continuity plan (BCP) for emergencies and is working to maintain a solid and stable business continuity system to ensure that it can continue business operations to the furthest possible extent when any of the various risks emerge, and in the event of unavoidable interruptions, resume business as soon as possible.

However, if the Group suffers more damage than expected and is forced to suspend operations for an extended period of time due to a natural disaster such as an earthquake, windstorm, flood, or fire, an outage of social infrastructure such as electricity or telecommunications, an act of terrorism such as a physical or cyber attack, or the spread of an epidemic such as a new strain of influenza, it may suffer serious consequences, not just enormous economic losses but also a decline in credibility among society.

Even if business is not interrupted, depending on the extent of damage, the Group may be required to incur substantial recovery costs, which could have a significant adverse impact on its financial position and operating results.

In order to address these risks, the Group conducts regular drills to quickly and accurately implement the necessary responses stipulated in the BCP, with the aim of minimizing the impact on trading participants, listed companies, investors, and other stakeholders in the event of an accident or disaster after consulting with various related organizations such as Japan Securities Depository Center, Inc., which provides the settlement infrastructure for stocks and funds, and the Bank of Japan. Further, in order to maintain market functionality even in the event of a wide-area disaster such as an earthquake directly under the Tokyo metropolitan area, the Group is strengthening the East-West mutual backup system for both operations and systems, for example in the construction of a new data center in the Kansai area (backup systems for each system are being brought online gradually between FY2021 and the latter half of FY2024).

With regard to COVID-19, to avoid any impact on stable market operations, the Group has implemented the following initiatives to ensure business continuity in addition to various measures to prevent the further spread of the disease based on the Japanese government's "Basic Policies for Novel Coronavirus Disease Control."

- Established a BCP Emergency Headquarters headed by the CEO, in line with the Group's BCP;
- Carefully examined each department's duties and current situation, and is implementing and enforcing remote working for employees whose duties are judged to not require physical attendance at the office;
- For employees whose duties require physical attendance at the office, actively implemented staggered working hours using the flex-time system;
- Developed and implemented a multi-channel operational structure for employees whose duties require physical attendance at the office, by dividing them into several teams which work at physically different locations, in principle rotating between the office and home but also using nearby back-up facilities; and so on.

The Group will continue to implement measures to prevent the spread of COVID-19, including those mentioned above, while aiming for stable market operations by taking flexible actions as necessary to ensure business continuity in accordance with the future pandemic situation. To prevent other risks such as "risks related to information leaks" and "administrative risks" from materializing as a result of this, the Group will take appropriate measures such as providing employee training through e-learning and ensuring sufficient opportunities for communication about business operations among employees.

4. Risks Related to Systems

Since cash equity and derivatives trading, clearing, and related operations are processed through systems, stable operation of the trading systems is essential for maintaining the stability and reliability of the market.

In addition, trading systems have become more advanced in recent years with the development of technology, and their performance has become a source of competitiveness in the exchange business.

Therefore, if confidence in the market is damaged due to system failures or similar events, or if the exchange is unable to properly respond to user demands and performance of trading systems falls behind those of other exchanges or trading venues, trading volume may decrease, which could have a significant adverse impact on the financial position and operating results of the Group.

To address these risks, the Group, reflecting on past trading halts due to system failures and insufficient capacity, has, among other things, built a risk management system which includes standardization of development methods, sufficient operation verification tests, preparation and compliance with detailed operation manuals, and thorough quality control of development and operation work. Furthermore, in light of the failure of arrowhead that occurred on October 1, 2020, the Group is not only striving to further improve system stability and reliability but is also working to expand and enhance procedures for prompt and appropriate recovery in the rare event of a system failure or similar.

5. Risks Related to Information Leaks

The Group holds corporate and personal information on trading participants, listed companies, and others, as well as internal information including various types of management information. Although most officers and employees of the Group are obligated to maintain confidentiality under the Financial Instruments and Exchange Act and the Commodity Derivatives Transaction Act, information leaks due to intentional or negligent actions of officers or employees cannot be completely ruled out.

Furthermore, strict management is required to prevent unauthorized access from outside the Group, as set out in related rules and guidance including the Act on the Protection of Personal Information and the Guidelines for Protection of Personal Information in the Finance Sector. However, in the unlikely event that important information is leaked to outside parties, the Group's business operations, financial position, and operating results may be adversely affected, such as by claims for damages from market users and other parties, disciplinary actions by regulatory authorities, or reputational damage.

To address these risks, the Group has, among other things, established policies and administrative procedures related to information management, thoroughly educates and trains officers and employees on the importance of information management, and implements security measures for systems. In addition, the Group has obtained the "ISO/IEC 27001/JIS Q 27001" certification, an international standard for Information Security Management Systems (ISMS), and continues to be certified under this standard.

6. Administrative Risks

In the event of a serious clerical error by an officer or employee, whether intentional or negligent, in connection with important operations as a market operator or clearing house, the Group's business operations, financial position, and operating results may be adversely affected, such as through incurred losses, disciplinary action by regulatory authorities, and reputational damage.

To address these risks, the Group continuously reviews its business processes to prevent the occurrence of clerical errors. In addition, when reviewing business processes, the Group works to actively utilize Robotic Process Automation (RPA) from the perspective of automating and streamlining operations.

7. Framework for Ensuring Implementation of Settlement

There are four financial instruments exchanges¹ for trading securities in Japan including Tokyo Stock Exchange, Inc. (TSE). For transactions in securities at these exchanges, all the clearing operations are conducted by Japan Securities Clearing Corporation (JSCC). JSCC also covers transactions in securities in PTS² in its clearing operations. JSCC also performs the clearing of futures and options trading on the market of Osaka Exchange, Inc. (OSE), Tokyo Commodity Exchange, Inc. (TOCOM) and Osaka Dojima Commodity Exchange, Inc. (ODEX), and covers credit default swap transactions and interest rate swap transactions in over-the-counter (OTC) markets (hereinafter "OTC derivative transactions") and OTC traded Japanese government bonds in the clearing operations.

As a clearing house, JSCC provides a settlement guarantee by assuming obligations for transactions conducted by market participants and acting as the counterparty to each side of the transactions. This enables market participants to conduct transactions without regard to credit risk of their counterparties, while if a clearing participant fails to fulfill the settlement, JSCC is obliged to implement the clearing with other clearing participants. Therefore, in cases where JSCC incurs a loss due to settlement default by a clearing participant, it basically follows the principle of self-responsibility under which the loss is compensated for with collateral pledged by the clearing participant who failed to fulfill the settlement. In the event of any shortage, JSCC uses its own funds and has a compensation system where it also requires other clearing participants to share the burden.

JSCC's efforts for ensuring implementation of clearing and the overview of the loss compensation system are as follows:

Measures for Ensuring Settlement

(i) Clearing participant system and monitoring

In order to reduce credit risks of clearing participants, JSCC has provided for eligibility requirements for clearing by type of eligibility and established criteria for acquisition and maintenance of eligibility in the requirements. A clearing participant must have a certain financial base, management structure and business execution structure. The status of such criteria for clearing participants is monitored periodically. If it is found that there is any problem for a clearing participant, JSCC may stop the assumption of obligations of the clearing participant and revoke the status of the participant for clearing.

JSCC also monitors the status of clearing participants' positions periodically and controls whether or not credit risks are overly concentrated in some clearing participants. If an undue position is taken, JSCC considers measures as needed.

(ii) Collateral requirement system

In order to prepare for possible losses incurred due to settlement default by clearing participants, JSCC requires clearing participants to deposit collateral. Collateral includes clearing deposit for clearing fund³, etc., clearing margin⁴, initial margin⁵ and variation margin⁶. JSCC confirms the adequacy of collateral periodically, and verifies and reviews the calculation model

for the required amount of collateral as appropriate.

In addition, JSCC has set certain qualification requirements for money or substitute securities deposited as collateral, and assesses collateral value daily.

(iii) Delivery Versus Payment (DVP) settlement

The settlement of securities between JSCC and its clearing participants is conducted via the DVP settlement system, in which the delivery of securities and the payment of funds are linked, that is, securities can be delivered on the condition that the corresponding payment is completed, while payment can be received on the condition that the corresponding securities are delivered. Consequently, should settlement defaults occur, the counterparty will not be left with non-receipt of securities or funds.

(iv) Ensuring liquidity

In order to secure liquidity required in cases of settlement defaults by clearing participants, JSCC has entered into agreements on liquidity supply with fund settlement banks.

In addition, JSCC confirms the adequacy of liquidity lines for funds periodically.

Overview of the Loss Compensation System

In cases where a clearing participant fails to make a settlement, JSCC stops the assumption or sharing of obligations for the clearing participant as a party as well as the delivery of securities and money that JSCC should deliver to the clearing participant, and at the same time, appropriates the securities and money for which the delivery is stopped as compensation for the clearing participant's settlement default.

In cases where losses of JSCC are not eliminated even after the above process, JSCC makes up for the losses by the following methods. As a general rule, this compensation for losses is made individually by JSCC for losses⁷ incurred on each clearing of securities trading, futures and option transactions, OTC derivative transactions and OTC traded Japanese government bonds, according to the clearing qualifications of the defaulting clearing participant. (The amounts indicated below are final figures as of the end of March 2022.)

If losses on settlement default are incurred in clearing of securities trading, the losses will be compensated under the following multi-tiered scheme:

- 1) Compensation from collateral deposited by the defaulting clearing participant (initial margin, clearing funds, etc.)
- 2) Compensation from loss compensation by financial instruments exchanges, etc.⁸
- 3) Compensation by JSCC
- 4) Compensation from clearing funds contributed by non-defaulting clearing participants
- 5) Mutual guarantee by non-defaulting clearing participants

Hence, in cases where JSCC incurs losses due to settlement default by a clearing participant for a securities transaction and its losses cannot be fully made up for even through the measure in 1), the Group may incur losses due to compensation made by TSE or OSE up to the amount stipulated in the loss compensation contract for the measure in 2), or compensation made by JSCC up to the amount funded as a settlement guarantee reserve for securities trading, etc.⁹ (JPY 20.0 billion) for the measure in 3).

If losses on settlement default are incurred in clearing of futures and options transactions, the losses will be compensated under the following multi-tiered scheme:

- 1) Compensation from collateral deposited by the defaulting clearing participant (clearing margin, clearing funds, etc.)
- 2) Compensation from loss compensation by financial instruments exchanges or commodity exchanges¹⁰
- 3) Compensation by JSCC
- 4) Compensation from clearing funds contributed by non-defaulting clearing participants¹⁰
- 5) Compensation from special clearing charges collected from non-defaulting clearing participants
- 6) Compensation by non-defaulting clearing participants who are the recipients of accumulated gains of variation margin equivalent after the default

Hence, in cases where JSCC incurs losses due to settlement default by a clearing participant for a futures and options

transaction and JSCC's losses cannot be fully made up for even through the measure in 1), the Group may incur losses due to compensation made by TSE, OSE or TOCOM up to the amount stipulated in the loss compensation contract (financial derivatives transactions: JPY 17.4 billion, commodity derivatives transactions: JPY 2.1 billion) for the measure in 2), or compensation made by JSCC up to the amount funded as a settlement guarantee reserve for securities trading, etc. (JPY 20.0 billion) for financial derivatives transactions and up to the amount funded as a settlement guarantee reserve for commodity futures, etc. (JPY 2.37 billion) for commodity derivatives transactions for the measure in 3).

If losses on settlement default are incurred in clearing of OTC derivative transactions, the losses will be compensated under the following multi-tiered scheme:

- 1) Compensation by collateral deposited by the defaulting clearing participant (initial margin and clearing funds)
- 2) Compensation by JSCC (first-tier settlement guarantee reserve)
- 3) Compensation by clearing funds contributed by non-defaulting clearing participants and by JSCC (second-tier settlement guarantee reserve)
- 4) Compensation by special clearing charges collected from non-defaulting clearing participants
- 5) Compensation by non-defaulting clearing participants who are the recipients of variation margin after the default

Hence, in cases where JSCC incurs losses due to settlement default by a clearing participant for an OTC derivative transaction and JSCC's losses cannot be fully made up for even through the measure in 1), the Group may incur losses for each clearing operation due to compensation made by JSCC up to the amount funded as the first-tier settlement guarantee reserve (credit default swap transaction: JPY 1.5 billion, interest rate swap transaction: JPY 2.0 billion) for the measure in 2), or compensation made by JSCC up to the amount funded as the second-tier settlement guarantee reserve (credit default swap transaction: JPY 1.5 billion, interest rate swap transaction: JPY 2.0 billion) for the measure in 3).

If losses on settlement default are incurred in clearing of OTC traded Japanese government bonds, the losses will be compensated under the following multi-tiered scheme:

- 1) Compensation by collateral deposited by the defaulting clearing participant (initial margin and clearing funds)
- 2) Compensation by JSCC (first-tier settlement guarantee reserve)
- 3) Compensation by clearing funds contributed by non-defaulting clearing participants and by JSCC (second-tier settlement guarantee reserve)
- 4) Compensation by special clearing charges collected from non-defaulting clearing participant
- 5) Compensation by clearing funds contributed by clearing participants subject to original transaction proration¹¹ and by JSCC (second-tier settlement guarantee reserve that is not used in 3))
- 6) Compensation by special clearing charges collected from clearing participants subject to original transaction proration
- 7) Compensation by non-defaulting clearing participants who are the recipients of variation margin after the default

Hence, in cases where JSCC incurs losses due to settlement default by a clearing participant for an OTC traded Japanese government bond and its losses cannot be fully made up for even through the measure in 1), the Group may incur losses due to compensation made by JSCC up to JPY 1.75 billion, which has been funded as the first-tier settlement guarantee reserve, for the measure in 2), or compensation made by JSCC up to JPY 1.75 billion, which has been funded as the second-tier settlement guarantee reserve, for the measures 3) and 5).

1 Financial instruments exchanges for buying and selling securities: TSE, Nagoya Stock Exchange, Inc., Sapporo Securities Exchange and Fukuoka Stock Exchange

2 PTS: PTS (Proprietary Trading System) operated by Japannext Co., Ltd. and Cboe Japan Limited

3 Clearing funds: Clearing participants are required to deposit these funds in order to ensure their performance of obligations to JSCC. The required amount in securities trading is calculated to cover reconstruction expense to cover losses that may be incurred due to shortage of margin, etc. deposited by the defaulting clearing participants in cases including the one where multiple clearing participants defaulted on clearing obligations in an extreme, but possible market situation.

4 Clearing margin: Clearing participants are required to deposit these funds in order to secure their performance of obligations for futures and option transactions to JSCC. The required amount is at least the amount derived by deducting the total amount of net option value from the amount calculated by SPAN®* for open positions of futures and options trading.

*SPAN®: SPAN, which is an abbreviation of Standard Portfolio Analysis of Risk, is a methodology that calculates margin

developed by Chicago Mercantile Exchange. The amount of margin is calculated according to risks arising from open positions of the entire futures and options trading.

- 5 Initial margin: Clearing participants are required to deposit this margin in order to ensure their performance of obligations for futures and option transactions to JSCC. The required amount is calculated by adding the amount to cover certain risks to the amount of losses expected from fluctuations in the price (yield curb for interest rate swap transactions) in the period up to completion of the position processing in cases where a clearing participant defaults on each transaction.
- 6 Variation margin: For the position of each clearing participant, the fluctuation portion of position value from the previous day is received in the form of cash as variation margin in order to cover a daily fluctuation in the price. Clearing participants for whom the fluctuation portion is negative pay that portion to JSCC, while those for whom the fluctuation portion is positive receive that portion from JSCC.
- 7 JSCC has introduced Cross Margining system, and profits/losses pertaining to government bond futures transactions subject to Cross Margining are treated as those pertaining to clearing of OTC derivatives transactions (interest rate swap transactions).
- 8 Compensation from loss compensation of financial instruments exchanges, etc.: Under loss compensation contracts concluded between JSCC and financial instruments exchanges, etc., losses are compensated for up to the amount stipulated in those contracts. For agreements on cash equities, there are contracts between JSCC and five financial instrument exchanges as well as contracts between JSCC and each PTS. The maximum compensation amount totals JPY 11.3 billion, of which JPY 10.4 billion is the total maximum compensation amount in the contracts with TSE and OSE, two of the Group companies.
- 9 Settlement guarantee reserve for securities trading, etc. is used to compensate not only losses incurred in clearing of securities trading but also losses incurred in clearing of financial derivatives transactions.
- 10 Compensation from loss compensation of financial instruments exchanges or commodity exchanges: Under loss compensation contracts concluded between JSCC and financial instruments exchanges, and JSCC and commodity exchanges, losses are compensated for up to the amount stipulated in those contracts. For financial derivatives transactions, contracts have been concluded between JSCC and TSE, and JSCC and OSE, and the maximum compensation amount under these contracts is JPY 17.4 billion in total. For commodity derivatives transactions, contracts have been concluded between JSCC and TOCOM, and JSCC and ODEX, and the maximum compensation amount of TOCOM, one of the Group companies, is JPY 2.1 billion.
- 11 Clearing participants subject to original transaction proration: These participants are clearing participants who have trust accounts.

8. Risks Related to Contracts and Agreements

(i) License Agreement with Chicago Mercantile Exchange for Use of SPAN

Japan Securities Clearing Corporation accepts margin for futures and options transactions. The SPAN method developed by Chicago Mercantile Exchange is used as the margin calculation method.

In adopting this method, Japan Securities Clearing Corporation concluded a license agreement with Chicago Mercantile Exchange for the use of SPAN. If the agreement is terminated due to unforeseen circumstances, the Group's financial results may be affected due to the extra resources needed for system modifications and other preparations required to adopt a replacement for SPAN.

(ii) License Agreement with Nikkei, Inc. for Use of the Nikkei 225

With regard to Nikkei 225 Futures, Nikkei 225 mini, and Nikkei 225 Options, which are the Group's flagship derivative products, the Group has entered into a license agreement with Nikkei Inc. for use of the Nikkei 225, which is the underlying asset.

Under this license agreement for Nikkei 225 Futures, Nikkei 225 mini, and Nikkei 225 Options, in addition to the basic contract fee, Osaka Exchange, Inc. pays Nikkei Inc. a monthly fee based on trading volume. Under the terms of the agreement, either party may terminate the agreement by notifying the other party in cases such as non-fulfillment of contractual obligations by the other party or a material change in control of the business related to the agreement due to transfer or acquisition of majority voting rights, or merger. However, if no party gives notice to terminate, the agreement is automatically renewed every five years. In addition, Nikkei Inc. may discontinue compilation and publication of the Nikkei 225 for unavoidable reasons, subject to approval by Osaka Exchange, Inc. If the agreement were to be terminated for any of the above reasons, Osaka Exchange, Inc. would be forced to suspend or discontinue trading of Nikkei 225 Futures, Nikkei 225 mini, and Nikkei 225 Options, which could have a significant impact on the operating results of the Group.

Other situations that may arise with respect to the agreement that could have a significant impact on the Group's operating results include the following:

- With regard to the licensing fee, in addition to the basic contract fee, Osaka Exchange, Inc. pays a certain amount per futures contract and options contract traded to Nikkei Inc. as monthly compensation under a memorandum of understanding concluded between the parties separately from the agreement. The details of the memorandum of understanding are subject to change upon consultation between Osaka Exchange, Inc. and Nikkei Inc. In the event of a significant change in the said licensing fee, there may be a significant impact on the operating results of the Group.
- Since the agreement is not an exclusive agreement, a party other than Osaka Exchange, Inc., either domestic or international, may in future enter into a license agreement with Nikkei Inc. concerning the use of the Nikkei 225 and acquire the right for its use. If a party other than Osaka Exchange, Inc. acquires the right to use the Nikkei 225 and provides Nikkei 225 Futures and Options contracts in Japan or overseas, and if the trading volume on Osaka Exchange declines due to the convenience or other aspects of these contracts, it may have a significant impact on the operating results of the Group.

9. Lawsuits and Other Legal Risks

(i) Risks Related to Legal Compliance

In order to prevent information leaks and other violations of laws and regulations caused by the intentional or negligent actions of its officers and employees, the Group has focused on legal compliance by establishing a Charter of Corporate Behavior that outlines fundamental policies for corporate behavior, a compliance hotline as an internal reporting system, and ongoing internal training programs. However, these efforts are not necessarily effective in detecting and preventing all violations of laws and regulations, and are not always able to eliminate such violations by officers and employees.

In the event that a violation of a law or regulation by an officer or employee of the Group occurs, there could be administrative or judicial sanctions such as administrative penalties from regulatory authorities or claims for damages from market users or other related parties, as well as a serious adverse impact on the Group's business operations due to a loss of credibility in society or other effects.

(ii) Risks Related to Lawsuits

The Group's business is exposed to various legal liabilities, including those that would arise if the risk of errors made by officers and employees or by computer systems in the course of business operations (so-called "operational risk") were to materialize.

Operational risk may include, for example, the following:

- Risk that officers and employees may fail to perform their duties or take incorrect actions in contradiction with the proper execution of duties (e.g., taking necessary market control measures) required by laws, regulations, the Group's Articles of Incorporation, Business Regulations, and other rules and regulations.
- Risk of system outages or malfunctions due to technological failures or major natural disasters
- Risk that trading may be interrupted due to errors by officers, employees, or outsourced system operators
- Risk of errors in the various types of information distributed by the Group, such as TOPIX and other stock price indices calculated by the Group or statistical information.

If any of the above risks materialize, the Group may be subject to penalties imposed by regulatory authorities and may receive compensation demands from market users who have suffered damage.

Although the Group's rules and contracts stipulate that the Group shall not be held liable for damage incurred by users, except in cases of intentional action or gross negligence on the part of the Group, if a lawsuit is filed for some reason, including the materialization of operational risk, the cost of defending the lawsuit may be substantial. In addition, if a judgment is rendered against the Group in a lawsuit, the Group's business, financial position, and operating results may be adversely affected, not only by payment of the damages resulting from the lawsuit, but also by a loss of credibility in society.

10. Reputational Risk

The Group recognizes credibility in society and the strength of its brand as one of the sources of its competitiveness.

The credibility of the Group may be damaged not only by various factors attributable to the Group, such as errors in systems and self-regulatory operations, but also by other factors such as illegal acts by trading participants, listed companies, and other market participants, or other third parties.

Damage to the Group's credibility could lead to a decrease in trading volume or prevent issuers from listing on markets operated by the Group, which in turn could have a significant adverse effect on the Group's business, financial position, and operating results.

3 Management Analysis of Financial Position, Operating Results, and Cash Flows

1. Overview of Financial Results and Cash Flows

(1) Financial Results

The consolidated results of the Group during the fiscal year ended March 31, 2022 included operating revenue of JPY 135,432 million (up 1.6% year on year) and operating expenses of JPY 63,220 million (up 3.0% year on year), which resulted in operating income of JPY 73,473 million (down 1.5% year on year), and income before income taxes of JPY 73,429 million (down 1.7% year on year).

With respect to ROE, the Group aims to maintain an ROE of 10% higher than the cost of capital over the medium to long term, irrespective of market conditions, by conducting business with an awareness of capital efficiency. The ROE for the fiscal year ended March 31, 2022 was 15.7%.

(2) Cash Flows

Cash and cash equivalents as of March 31, 2022 decreased by JPY 14,854 million year on year to JPY 93,354 million.

(i) Cash Flows from Operating Activities

There was a cash inflow of JPY 58,191 million from operating activities mainly as a result of adding JPY 17,525 million in depreciation and amortization to JPY 73,429 million in income before income taxes and then deducting the JPY 29,912 million in income taxes paid.

(ii) Cash Flows from Investing Activities

There was a cash outflow of JPY 13,299 million from investing activities mainly as a result of a cash outflow of JPY 12,586 million from the purchase of intangible assets.

(iii) Cash Flows from Financing Activities

There was a cash outflow of JPY 59,747 million from financing activities mainly as a result of a cash outflow of JPY 36,269 million from dividends paid and JPY 20,339 million from the acquisition of treasury shares.

2. Results of Production, Orders Received, and Sales

Not stated as there is no applicable information due to the nature of the business.

3. Analysis of Financial Position, Operating Results, and Cash Flows

The forward-looking statements, including forecasts, predictions, prospects, outlooks, and policies, contained in this section have been made based on the Group's judgment as of the filing date of this document and may differ significantly from actual future events.

(1) Significant Accounting Policies and Estimates

The consolidated financial statements of the Group are prepared in accordance with IFRS, and the significant accounting policies and estimates adopted are described in "V Financial Information - 1 Consolidated Financial Statements - Notes to Consolidated Financial Statements - 3. Significant Accounting Policies" and "4. Significant Accounting Estimates and Judgments Involving Estimations."

In preparing these consolidated financial statements, the Group has made estimates and judgments based on various factors that it believes are reasonable in light of past results and circumstances, but such assessments may differ from actual results due to the uncertainties inherent in estimates.

Among the estimates made by the Group, goodwill is tested for impairment at the end of each fiscal year or whenever there is any indication of impairment. The recoverable amount for impairment testing is calculated based on value in use. The value in use is calculated by discounting the estimated cash flows based on the management plan using a discount rate based on the weighted average cost of capital of the cash-generating unit. The cash flows for the period beyond the final year of the management plan are assumed to be the same level as in the final year, taking future uncertainties into consideration. Goodwill arising from business combinations is tested for impairment by treating the entire Group as a single cash-generating unit.

As described in "II Overview of Business - 2 Business Risks - 2. Risks Related to the Business Environment - (2) Impact of Financial Market Trends - (i) Characteristics of the Group's Earnings Structure" the Group's revenue is greatly affected by the state of the Japanese economy, and because trends in the primary and secondary markets may fluctuate significantly due to the economic environment and various other factors, it is very difficult to predict such trends in a precise manner. Therefore, if the Japanese economy were to deteriorate rapidly and remain stagnant for a long period of time, the estimated cash flows based on the Group's management plan and other related items may decrease significantly and result in an impairment of goodwill.

(2) Analysis of Operating Results for the Fiscal Year Ended March 31, 2022 (Operating Revenue)

(i) Trading Services Revenue

Trading services revenue is mainly comprised of trading fees based on the trading value of cash equities and the trading volume of financial and commodity derivatives, basic fees based on the trading qualifications of the trading participants, access fees based on the number of orders, and trading system facilities usage fees based on the types of trading system facilities used.

Trading services revenue for the fiscal year ended March 31, 2022 was JPY 53,196 million, which was at about the same level year on year.

Breakdown of Trading Services Revenue

(JPY mil.)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	
			Change (%)
Trading services revenue	53,171	53,196	0.0
Trading fees	43,463	43,298	(0.4)
Cash equities	31,056	31,563	1.6
Financial derivatives	10,393	10,168	(2.2)
TOPIX Futures	1,933	1,885	(2.4)
Nikkei 225 Futures (Note 1)	4,380	4,071	(7.0)
Nikkei 225 Options (Note 2)	2,555	2,460	(3.7)
10-year JGB Futures	1,353	1,544	14.1
Other	170	205	20.3
Commodity derivatives	2,014	1,567	(22.2)
Basic fees	1,018	1,000	(1.8)
Access fees	5,047	5,141	1.9
Trading system facilities usage fees	3,544	3,647	2.9
Other	96	108	12.6

(Note 1) Figures include Nikkei 225 mini futures.

(Note 2) Figures exclude weekly options.

(ii) Clearing Services Revenue

Clearing services revenue is mainly comprised of clearing fees related to the financial instruments obligation assumption services carried out by Japan Securities Clearing Corporation.

Clearing services revenue for the fiscal year ended March 31, 2022 was JPY 27,945 million, which was at about the same level year on year.

(iii) Listing Services Revenue

Listing services revenue is comprised of initial/additional listing fees, which are received based on the amount of shares issued when a company initially lists or when a listed company issues additional shares, and annual listing fees, which are received from listed companies based on their market capitalization.

Listing services revenue for the fiscal year ended March 31, 2022 fell to JPY 15,736 million (down 5.5% year on year), due mainly to a decrease in initial/additional listing fee revenue.

Breakdown of Listing Services Revenue

(JPY mil.)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	
			Change (%)
Listing services revenue	16,660	15,736	(5.5)
Initial/additional listing fees	5,630	4,171	(25.9)
Annual listing fees	11,029	11,565	4.9

(iv) Information Services Revenue

Information services revenue is comprised of market information fees related to the provision of market information to information vendors and other market participants, revenue related to the index business, and revenue related to the provision of corporate action and other information.

Information services revenue for the fiscal year ended March 31, 2022 rose to JPY 27,175 million (up 12.6% year on year), due mainly to an increase in market information fee revenue.

(v) Other Operating Revenue

Other operating revenue includes the following: usage fees for arrownet, which connects trading, market news, and other systems to trading participants and other users; usage fees related to co-location services, which allow trading participants, information vendors, and other users to install devices in the system center for the purpose of improving trade execution efficiency mainly by shortening order transmission time; and revenue from system development and operations.

Other operating revenue for the fiscal year ended March 31, 2022 fell to JPY 11,378 million (down 0.6% year on year).

Breakdown of Other Operating Revenue

(JPY mil.)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	
			Change (%)
Other operating revenue	11,443	11,378	(0.6)
arrownet usage fees	3,363	3,516	4.5
Co-location usage fees	4,504	4,650	3.2
Other	3,575	3,211	(10.2)

(Operating Expenses)

For the fiscal year ended March 31, 2022, personnel expenses fell to JPY 19,048 million (down 1.1% year on year).

System maintenance and operation expenses for such systems as the cash equities and derivatives trading systems rose to JPY 14,984 million (up 10.8% year on year).

Depreciation and amortization rose to JPY 17,493 million (up 4.4% year on year).

Other operating expenses fell to JPY 11,693 million (down 1.3% year on year).

(3) Analysis of Financial Position

(Assets, Liabilities, and Equity)

Within the Group's assets and liabilities, (1) clearing business financial assets and liabilities undertaken by Japan Securities Clearing Corporation (JSCC) as a clearing house and (2) deposits from clearing participants entrusted to JSCC as collateral are recorded as both assets and liabilities. Both (1) clearing business financial assets and liabilities and (2) deposits from clearing participants are large in amount and fluctuate daily depending on, among other things, positions held by clearing participants. As a result, the amounts of the Group's assets and liabilities are significantly impacted by such fluctuations. Legal guarantee funds, trading participant security money, and default compensation reserve funds, which are based on various rules and regulations for ensuring the security of financial instruments and commodities trading, are also recorded as both assets and liabilities (or equity).

Assets as of March 31, 2022 rose to JPY 71,463,434 million (up JPY 11,387,756 million year on year), due mainly to an increase in clearing business financial assets. After deducting clearing business financial assets, deposits from clearing participants, legal guarantee funds, and default compensation reserve funds, assets fell to JPY 387,168 million (down JPY 13,964 million year on year).

Liabilities as of March 31, 2022 rose to JPY 71,139,582 million (up JPY 11,392,674 million year on year), due mainly to a similar increase in clearing business financial liabilities. After deducting clearing business financial liabilities, deposits from clearing participants, legal guarantee funds, and trading participant security money, liabilities fell to JPY 82,532 million (down JPY 9,617 million year on year).

Equity as of March 31, 2022 fell to JPY 323,852 million (down JPY 4,917 million year on year), due mainly to a capital reduction as a result of dividend payments and the acquisition of treasury shares despite a capital increase from net income attributable to owners of the parent company. After deducting default compensation reserve funds, equity fell to JPY 295,903 million.

(Reference)

	Total assets		Total equity		Equity attributable to owners of the parent company		Equity attributable to owners of the parent company ratio	
		(JPY mil.)		(JPY mil.)		(JPY mil.)		%
Fiscal year ended March 31, 2022	71,463,434	[387,168]	323,852	[295,903]	315,653	[287,704]	0.4	[74.3]
Fiscal year ended March 31, 2021	60,075,678	[401,132]	328,769	[300,821]	321,391	[293,443]	0.5	[73.2]

	Net income attributable to owners of the parent company ratio		Income before income taxes to total assets ratio		Equity attributable to owners of the parent company per share	
		%		%		(JPY)
Fiscal year ended March 31, 2022	15.7	[17.2]	0.1	[18.6]	598.35	[545.37]
Fiscal year ended March 31, 2021	16.6	[18.2]	0.1	[19.2]	600.38	[548.17]

(Note) The figures in square brackets for total assets have been calculated by deducting clearing business financial assets, deposits from clearing participants, legal guarantee funds, and default compensation reserve funds; those for total equity and equity attributable to owners of the parent company have been calculated after deducting default compensation reserve funds.

(4) Equity Resources and Liquidity of Funds

Funds necessary for the Group's business activities and to return profits to shareholders are raised mainly through the use of cash on hand and operating cash flows. In addition, to ensure liquidity on hand and reduce the cost of capital, the Group raises funds by borrowing from financial institutions or issuing bonds as needed.

The Group's major capital demands include (1) working capital for market operations, such as system maintenance/operation expenses and personnel expenses, and (2) capital expenditures in system development. In addition, the Group's basic policy on shareholder returns is to pay dividends in line with its business performance while also paying attention to its financial soundness as a financial instruments exchange group. Specifically, the Group aims to maintain a dividend payout ratio of approximately 60%.

The status of cash flows is described in "1. Overview of Financial Results and Cash Flows - (2) Cash Flows."

(Contractual Obligations)

A summary of contractual obligations as of March 31, 2022 is as follows:

Contractual obligations	Required payments by year (JPY mil.)			
	Total	Due within 1 year	Due after 1 year and within 5 years	Due after 5 years
Loans payable	32,500	32,500	–	–
Bonds payable	20,000	–	20,000	–

(5) Factors That Have a Significant Impact on Operating Results

Factors that have a significant impact on operating results are described in "II Overview of Business - 2 Business Risks."

4 Material Contracts

Details of Contract	Name of Counterparty	Name of Contracting Company	Term of Contract	Remarks
Contract for the license to use the Nikkei 225 for Nikkei 225 Futures, Nikkei 225 mini Futures and Nikkei 225 Options trading	Nikkei Inc.	Osaka Exchange, Inc.	Five years from January 1, 2011 Automatically renewed every five years thereafter	
License agreement for the use of SPAN	Chicago Mercantile Exchange	Japan Securities Clearing Corporation	February 2, 2004	*

*As the contract has no fixed term, the effective date of the contract is stated.

5 Research and Development Activities

There are no matters to report.

III Information about Facilities

1 Overview of Capital Expenditures

During the fiscal year ended March 31, 2022, the Group made overall capital expenditures of approximately JPY 15.3 billion in the development of trading, clearing, and other systems to strengthen its international market competitiveness.

There was no retirement or sale of significant facilities during said fiscal year.

2 Major Facilities

The Group's major facilities are as follows:

(1) Reporting Company

There are no matters to report.

(2) Subsidiaries in Japan

As of March 31, 2022

Name of Company	Name of Office (Location)	Type of Facility	Right-of-Use Assets (JPY mil.)	Number of Employees (Persons)
Tokyo Stock Exchange, Inc.	Head Office (Chuo-ku, Tokyo)	Head Office Building	–	431

(3) Subsidiaries Outside Japan

There are no matters to report.

3 Planned Addition, Retirement, and Other Changes of Significant Facilities

(1) Planned Addition of Significant Facilities

There are no matters to report.

(2) Planned Retirement and Other Changes of Significant Facilities

There are no matters to report.

IV Information about the Reporting Company

1 Company's Shares and Other Information

(1) Total Number of Shares and Issued Shares

(i) Total Number of Shares

Class	Total Number of Shares Authorized to Be Issued (Shares)
Common share	2,180,000,000
Total	2,180,000,000

(ii) Issued Shares

Class	Number of Issued Shares as of the End of the Fiscal Year (Shares) (March 31, 2022)	Number of Issued Shares as of the Filing Date (Shares) (June 9, 2022)	Name(s) of the Financial Instruments Exchange(s) on Which the Company Is Listed or of the Authorized Financial Instruments Firms' Association(s) Where the Company Is Registered	Description
Common share	528,578,441	528,578,441	Tokyo Stock Exchange First Section (as of the end of the fiscal year) Prime Market (as of the filing date)	Number of shares per unit: 100 shares
Total	528,578,441	528,578,441	–	–

(2) Subscription Warrants

(i) Employee Stock Option Plans

There are no matters to report.

(ii) Shareholder Rights Plans

There are no matters to report.

(iii) Other Subscription Warrants

There are no matters to report.

(3) Exercise of Moving Strike Convertible Bonds

There are no matters to report.

(4) Changes in Total Number of Issued Shares, Share Capital, and Legal Capital Surplus

Date	Increase (Decrease) in the Total Number of Issued Shares (Shares)	Balance of the Total Number of Issued Shares (Shares)	Increase (Decrease) in Share Capital (JPY mil.)	Balance of Share Capital (JPY mil.)	Increase (Decrease) in Legal Capital Surplus (JPY mil.)	Balance of Legal Capital Surplus (JPY mil.)
February 9, 2018 (Note)	(12,717,652)	536,351,448	–	11,500	–	3,000
February 10, 2022 (Note)	(7,773,007)	528,578,441	–	11,500	–	3,000

(Note) This is due to the retirement of treasury shares.

(5) Shareholding by Shareholder Category

As of March 31, 2022

Category	Status of Shares (Number of Shares per Unit: 100 shares)								Status of Shares Less Than One Unit (Shares)
	National and Local Governments	Financial Institutions	Financial Instruments Business Operators	Other Corporations	Foreign Entities		Individuals and Others	Total	
					Non- Individuals	Individuals			
Number of Shareholders (Persons)	–	45	61	325	645	55	56,445	57,576	–
Number of Shares Held (Units)	–	1,697,685	1,101,449	181,588	2,129,017	369	175,225	5,285,333	45,141
Percentage of Shares Held (%)	–	32.12	20.84	3.44	40.28	0.01	3.32	100	–

(6) Major Shareholders

As of March 31, 2022

Name	Address	Number of Shares Held (Thousands of Shares)	Percentage of Shares Held to the Total Number of Issued Shares (Excluding Treasury Shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo, Japan	96,235	18.21
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	27,519	5.21
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY (Standing Proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	50 Bank Street, Canary Wharf, London E14 5NT, United Kingdom (3-11-1 Nihonbashi, Chuo-ku, Tokyo, Japan)	16,271	3.08
SMBC Nikko Securities Inc.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	13,469	2.55
THE BANK OF NEW YORK 134104 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	Rue Montoyerstraat 46, 1000 Brussels, Belgium (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	11,269	2.13
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	9,149	1.73
MUFG Bank, Ltd.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	7,557	1.43
JP MORGAN CHASE BANK 385781 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	6,896	1.30
Tachibana Securities Co., Ltd.	1-13-14 Nihonbashi-Kayabacho, Chuo-ku, Tokyo, Japan	6,887	1.30
Okachi Securities Co., Ltd.	3-7-26 Sakae, Naka-ku, Nagoya-shi, Aichi, Japan	6,500	1.23
Total	—	201,756	38.17

(Note) The following corporations filed a Statement of Large-Volume Holdings, and the Company was notified that they held the Company's shares as of their respective dates of reporting obligation. However, the Company cannot confirm the number of shares that said corporations actually held as of March 31, 2022. Therefore, they are not included in the above list of major shareholders.

In the case where a corporation has filed multiple Statements of Large-Volume Holdings, only the information pertaining to the latest statement is listed. In the case where the statement pertains to shares held by a joint holder, the number and percentage of shares held include such shares.

Name	Address	Date of Filing	Date of Reporting Obligation	Number of Shares Held (Shares)	Percentage of Shares Held (%)
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo, Japan	February 7, 2022	January 31, 2022	32,834,006	6.12
Mitsubishi UFJ Financial Group, Inc.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	December 20, 2021	December 13, 2021	36,339,643	6.78

(7) Voting Rights

(i) Issued Shares

As of March 31, 2022

Category	Number of Shares (Shares)	Number of Voting Rights (Units)	Description
Shares Without Voting Rights	–	–	–
Shares with Limited Voting Rights (Treasury Shares)	–	–	–
Shares with Limited Voting Rights (Other)	–	–	–
Shares with Full Voting Rights (Treasury Shares)	–	–	–
Shares with Full Voting Rights (Other)	Common shares 528,533,300	5,285,333	–
Shares Less Than One Unit	Common shares 45,141	–	1 unit=100 shares
Total Number of Shares	528,578,441	–	–
Total Number of Voting Rights	–	5,285,333	–

(ii) Treasury Shares

There are no matters to report.

(8) Stock Ownership Plans for the Group's Employees and Executives

(i) Employee Stock Ownership Plan

At its meeting held on January 30, 2017, the Company's board of directors passed a resolution to introduce an employee incentive plan called the Stock-Granting ESOP Trust (hereinafter "the Plan") to improve medium- and long-term corporate value by giving the Group's employees (hereinafter "the Employees") a sense of participation in company management and further motivation toward improving corporate performance and increasing the price of the Company's stock.

a. Outline of the Plan

The Plan is an employee incentive plan based on ESOP plans in the U.S. The Plan acquires the Company's stock and grants it to the Employees upon their retirement in accordance with their level of achievement of management and financial benchmarks and productivity goals. The Company contributes all of the funding for the stock acquired by the Plan, and the Employees do not bear any such costs.

The Plan allows the Employees to receive economic benefits when the Company's stock price increases. Therefore, it encourages them to adopt a stock price-conscious mindset in the performance of their duties, and it is also expected to boost employee morale.

b. Total Number of Shares Planned for Acquisition by Employees

1,198,300 (planned)

(Note) The number of shares shown above is the number of shares already acquired plus the number of shares expected to be acquired by the Plan following an additional contribution that the Company decided to make on May 13, 2022.

c. Eligible Persons

The Employees who meet the beneficiary requirements

(ii) Stock Compensation Plan for the Group's Executives

On April 27, 2018, the Company's Compensation Committee passed a resolution to introduce a stock compensation trust (hereinafter "the Plan") for executive and equivalent officers (excluding such persons as outside directors, directors on the Audit Committee, and auditors; hereinafter "the Executives") of the Company and the Group's core subsidiaries (hereinafter "the Core Subsidiaries"; the Company and the Core Subsidiaries are hereinafter collectively referred to as "the Implementing Companies"). The purpose of the Plan is to further facilitate the alignment of interests with shareholders and enhance the Executives' desire to contribute to the sustainable improvement of corporate value.

a. Outline of the Plan

In designing the Plan, the Company referred to performance share plans and restricted stock plans in the U.S. and Europe. Under the Plan, a trust shall acquire shares of the Company's stock and grant said shares and their cash equivalents (hereinafter "the Company's Shares and Cash Equivalents") as well as dividends arising from said shares to the Executives in accordance with such factors as their position and performance.

Specifically, based primarily on the resolution passed at the Compensation Committee meeting held every March, points equivalent to the stock compensation base amount for each fiscal year shall be issued to the Executives. After three years, in principle, from the issuance of such points, the Company's Shares and Cash Equivalents corresponding to the points issued as executive compensation shall be granted to the Executives.

The points shall be issued to the Executives each fiscal year. They consist of a portion that is fixed according to each Executive's position and other factors and a portion that varies according to each Executive's performance.

The fixed portion is aimed mainly at strengthening the alignment of interests with shareholders, while the performance-linked portion is aimed mainly at increasing the motivation for medium- to-long term corporate value improvement as well as strengthening the link between performance and compensation.

b. Amount of Trust Money

JPY 2.57 billion (for the four years from FY2021 to FY2024)

(Note) The above amount consists of the amount already contributed to the trust plus the amount of an additional contribution that the Company decided to make on May 13, 2022.

c. Eligible Persons

The Executives of the Implementing Companies who meet the beneficiary requirements

2 Acquisition and Disposal of Treasury Shares

Classes of Shares: Acquisition of common shares as stipulated in Article 155, Item 3 of the Companies Act

(1) Acquisition by Resolution of Shareholders

There are no matters to report.

(2) Acquisition by Resolution of the Board of Directors

Category	Number of Shares (Shares)	Total Amount (JPY)
Resolution of the board of directors (April 28, 2021) (Acquisition Period: April 30, 2021 to October 26, 2021)	20,000,000	20,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2022	–	–
Treasury shares acquired during the fiscal year ended March 31, 2022	7,773,000	19,999,929,200
Total number and amount of treasury shares yet to be acquired	12,227,000	70,800
Percentage of unexercised voting rights as of March 31, 2022 (%)	61.1	0.0
Treasury shares acquired during the period from April 1, 2022 until June 9, 2022	–	–
Percentage of unexercised voting rights as of June 9, 2022 (%)	61.1	0.0

(3) Acquisition Not Based on Resolution of Shareholders or the Board of Directors

There are no matters to report.

(4) Disposal of Treasury Shares and Number of Treasury Shares Held

Category	Fiscal Year Ended March 31, 2022		From April 1, 2022 until June 9, 2022	
	Number of Shares Disposed (Shares)	Total Amount Disposed (JPY)	Number of Shares Disposed (Shares)	Total Amount Disposed (JPY)
Treasury shares for which subscribers were solicited	–	–	–	–
Treasury shares that were retired	7,773,007	19,999,943,865	–	–
Treasury shares that were transferred due to merger, stock swap, share delivery, or company split	–	–	–	–
Other (–)	–	–	–	–
Number of treasury shares held	–	–	–	–

3 Dividend Policy

The Company adopts a dividend policy with a target payout ratio of about 60% tied to business performance while giving due consideration to the importance of internal reserves for the following purposes:

- Maintaining sound financial health as a financial instruments exchange group,
- Preparing for risks as a clearing house, and
- Enabling the Group to pursue investment opportunities to improve the competitiveness of its markets

Furthermore, in its Articles of Incorporation, the Company stipulates: "Except as otherwise provided by laws and regulations, the Company shall decide on dividends of surplus and other matters provided in Article 459, Paragraph 1 of the Companies Act by means of resolutions of the board of directors and not those of shareholders."

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends as provided in the Companies Act. The Company's policy is to pay dividends twice a year: an interim dividend and a year-end dividend.

Dividends of surplus with record dates falling in the fiscal year ended March 31, 2022 are as follows:

Date of Resolution	Total Dividends (JPY mil.)	Dividends per Share (JPY)
Board of directors' meeting October 27, 2021	13,743	26
Board of directors' meeting May 13, 2022	24,314	46

(Note) The year-end dividend includes JPY 15 as a special dividend.

4 Corporate Governance

(1) Overview of Corporate Governance

(i) Fundamental Principles on Corporate Governance

In order to conduct management in line with its corporate philosophy, the Company is aware of the importance of having its stakeholders understand its corporate philosophy and corporate activities. Therefore, the Company has established fundamental principles on corporate governance from the following four perspectives of a) corporate philosophy and social mission, b) market operations, c) enhancing corporate value, and d) effective corporate governance, to help stakeholders understand the Company's business and raise confidence in the Company.

(a) Corporate Philosophy and Social Mission

The Group fulfills its social mission by pursuing the sustainable development of its markets, which are a public asset.

(b) Market Operations

The Group operates its markets with the view that garnering support and fostering confidence is beneficial for all investors and market users, and maintaining and enhancing such support and confidence builds the foundations for sustainable development of these markets.

(c) Enhancing Corporate Value

In pursuing the sustainable development of its markets, the Company must continue to accommodate the diverse needs of shareholders and other stakeholders. Through this, the Company will enhance its corporate value over the medium to long term.

(d) Effective Corporate Governance

The Company strives to constantly improve its corporate governance system to further facilitate effective and useful systems, so as to support the sustainable development of its markets.

(ii) Corporate Organization

The Company clearly segregates its management monitoring/supervisory functions and business execution functions in its management systems and has adopted the structure of a Company with Three Committees to strengthen its oversight and supervisory functions and improve the transparency of management. The Company has established its statutory Nomination, Compensation, and Audit Committees for which the majority of members are outside directors as well as executive officers in charge of business execution, thereby segregating the functions of management monitoring/supervision and business execution.

The outline of the Company's organizations are as follows:

(a) Board of Directors

The Company acknowledges the need to further increase accountability to shareholders and other stakeholders. We also seek to further enhance corporate governance by clearly segregating the management monitoring/supervisory functions and the business execution functions, which would contribute toward strengthening oversight and improve the transparency of management. As such, the Company has adopted the structure of a Company with Three Committees (Nomination, Audit and Compensation). The board of directors makes decisions about basic policies regarding management and important matters, and its majority is comprised of outside directors in order to enhance the transparency and accountability of management and strengthen the function of supervising the appropriateness of business execution.

As of the filing date, the Company's board of directors is comprised of 14 members, of which two are women and nine are independent directors. The breakdown of the nine independent directors of the Company is as follows: three corporate managers, one legal expert, one certified public accountant, and four researchers or former officials of administrative bodies. Each director has considerable experience and insight in his/her respective field and contributes to a structure that allows for multifaceted external perspectives to be readily incorporated into the management of the Company. (The "Election of Fourteen (14) directors" will be presented as a proposal (matters to be resolved) for the Annual General Shareholders Meeting scheduled to be held on June 16, 2022. If the proposal is approved and adopted, the Company will have 14 directors, of which nine will be independent directors.)

The directors as of the filing date are as follows:

Tsuda Hiroki (Chairperson of the Board of Directors), Kiyota Akira (Director & Representative Executive Officer, Group CEO), Yamaji Hiromi (Director & Representative Executive Officer, Group COO), Iwanaga Moriyuki, Shizuka Masaki, Christina Ahmadjian, Endo Nobuhiro, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Minoguchi Makoto, Mori Kimitaka, and Yoneda Tsuyoshi

- (Notes) 1. Tsuda Hiroki, Christina Ahmadjian, Endo Nobuhiro, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi are outside directors.
2. Tsuda Hiroki, Christina Ahmadjian, Endo Nobuhiro, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi are independent officers required by Tokyo Stock Exchange, Inc. to be maintained for the protection of the interests of general shareholders.

The Company has established an Independent Directors Committee as a corporate organ composed exclusively of part-time independent directors to allow them to exchange information and gain mutual understanding. The Committee helps part-time independent directors to better perform management oversight and facilitate active discussion at board of directors meetings. When the Committee deems it necessary, the contents of the discussions of the Committee can be reported to the chairperson of the board of directors, CEO, and other members of management to ensure smooth communication.

Current members as of the filing date are as follows:

Ogita Hitoshi (chairperson), Christina Ahmadjian, Endo Nobuhiro, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi

(b) The Nomination, Audit, and Compensation Committees

The Company has a statutory Nomination Committee for the purpose of ensuring transparency, timeliness, and objectivity in the appointment/removal of its directors and executive officers. The Committee is made up of five directors, of which four are outside directors. The Nomination Committee mainly decides the contents of proposals for appointment/removal of directors which are put forth for approval at general shareholders meetings.

The Company also has a statutory Audit Committee, which performs audit functions. The Committee is made up of five directors, of which four are outside directors. The Audit Committee audits the directors' and executive officers' execution of duties, creates audit reports, and decides the contents of proposals for the appointment or dismissal of external accounting auditors or proposals for non-reappointment of external accounting auditors, which are presented at general shareholders meetings.

The Company also has a statutory Compensation Committee for the purpose of ensuring transparency and objectivity in the remuneration of its directors and executive officers. The Committee is made up of five directors, of which three are outside directors. The Compensation Committee decides the contents of each director and executive officer's remuneration package, and the like.

Current members of each committee as of the filing date are as follows:

Nomination Committee: Ogita Hitoshi (chairperson), Kiyota Akira, Endo Nobuhiro, Kobayashi Eizo, and Yoneda Tsuyoshi

Audit Committee: Mori Kimitaka (chairperson), Christina Ahmadjian, Kohda Main, Takeno Yasuzo, and Minoguchi Makoto

Compensation Committee: Kobayashi Eizo (chairperson), Kiyota Akira, Yamaji Hiromi, Christina Ahmadjian, and Mori Kimitaka

(c) Risk Policy Committee

The Company has a Risk Policy Committee, which is made up of five members in total: four directors, three of which are outside directors, and one executive officer. The Risk Policy Committee holds discussions on what appropriate risk management systems for the Group should look like and how they should be managed and provides recommendations to the board of directors for the purpose of providing assistance in the oversight of such systems, and therefore contributing to their establishment.

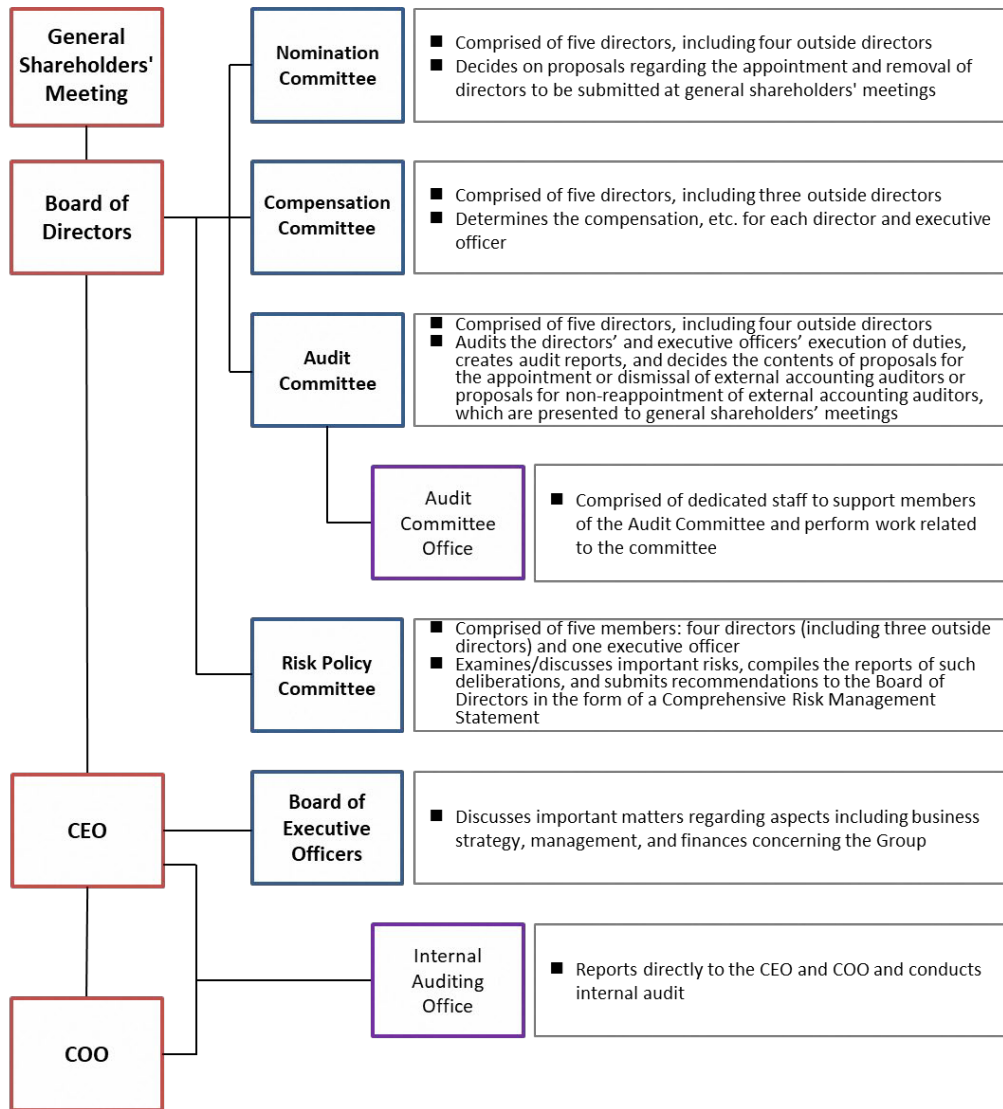
Current members as of the filing date are as follows:

Yoneda Tsuyoshi (chairperson), Kiyota Akira, Kohda Main, Takeno Yasuzo, and Hasegawa Isao (executive officer)

(d) Board of Executive Officers

The board of executive officers consists of all executive officers and discusses important matters concerning the execution of business operations out of the matters delegated to the CEO based on the items on the agenda for, and the resolutions at, the board of directors meetings.

Corporate Governance System Diagram at Japan Exchange Group



(iii) Establishment of Internal Control Systems

Our basic policies regarding building internal control systems are as described below.

(a) Matters regarding Board Members and Employees that Support the Audit Committee of the Company in Execution of Duties

In order to set forth matters regarding employees that support the Audit Committee in the execution of its duties, the Company shall establish "Rules Regarding Employees that Support the Audit Committee in Execution of Duties," containing the following details, as company rules, and apply such rules as appropriate.

- i) Employees assigned to the Audit Committee Office shall support the Audit Committee in executing its duties, and follow the instructions of the Audit Committee.
- ii) Four or more employees, including one head of department, shall be assigned to the Audit Committee Office.

(b) Matters Regarding Independence of Board Members and Employees that Support the Audit Committee of the Company in Execution of Duties from executive officers of the Company

In order to ensure the independence of employees assigned to the Audit Committee Office, the Company shall establish "Rules Regarding Employees that Support the Audit Committee in Execution of Duties," including the following details, as company rules, and apply such rules appropriately.

- i) The Company shall obtain prior consent of the Audit Committee (in cases where the Committee has designated a specific Audit Committee member, it shall be said member) regarding employment, personnel transfer, employee evaluation, salary, and disciplinary punishment of employees assigned to the Audit Committee Office.
- ii) Executive officers and employees shall be careful not to undermine the independence of employees assigned to the Audit Committee Office by unduly restricting the execution of their duties.

(c) Matters Regarding Ensuring the Effectiveness of Instructions of the Audit Committee of the Company to Board Members and Employees that Support the Audit Committee in Execution of Duties

In order to ensure the effectiveness of the instructions of the Audit Committee given to employees assigned to the Audit Committee Office, the Company shall establish "Rules Regarding Employees that Support the Audit Committee in Execution of Duties," including the following details, as company rules, and apply such rules appropriately.

- i) Employees assigned to the Audit Committee Office shall support the Audit Committee in executing its duties, and follow the instructions of the Audit Committee.
- ii) The head of the Audit Committee Office shall assist the Audit Committee in executing its duties, and shall oversee operations and take overall command of other employees assigned to the Audit Committee Office to ensure smooth audits by the Audit Committee.

(d) Frameworks for Reporting to the Audit Committee of the Company, Including the Following:

- i) Frameworks for reporting to the Audit Committee, including those for the Company's board members (excluding Audit Committee members), executive officers, and employees reporting to the Audit Committee of the Company.

In order to establish frameworks for reporting to the Audit Committee, the Company shall establish "Rules Regarding Reporting to the Audit Committee, etc.," including the following details, as company rules, and apply such rules appropriately.

- a. When a board member (excluding Audit Committee members), executive officer, or employee is requested to report on the execution of duties by the Audit Committee or an Audit Committee member designated by the Audit Committee, said board member, executive officer, or employee shall promptly make an appropriate report.
- b. When an executive officer or employee discovers a matter that is likely to have a material impact on the business or financial condition of the Company, its subsidiaries, or associated companies, said executive officer or employee must immediately report the details of said matter to the Audit Committee or an Audit Committee member designated by the Audit Committee.
- ii) Frameworks for Reporting to the Audit Committee of the Company by the Company's Subsidiary Board Member, Auditor, Executive Officer, Other Person Equivalent Thereto, and Employee as Well as a Person Who Has Received a Report from Said Board Member, etc. (Hereinafter Collectively Referred to as "Subsidiary Board Member, etc." in this Item)

In order to establish frameworks for reporting to the Audit Committee, the Company shall establish "Rules Regarding Reporting to the Audit Committee, etc.," including the following details, as company rules, and apply such rules appropriately.

- a. When a Subsidiary Board Member, etc., or an executive officer or employee of the Company is requested to report on matters regarding the subsidiaries by the Audit Committee or an Audit Committee member designated by the Audit Committee, said Subsidiary Board Member, etc. shall promptly make an appropriate report.
- b. When a Subsidiary Board Member, etc., or an executive officer or employee of the Company discovers a matter that is likely to have a material impact on the business or financial condition of any of the subsidiaries, said Subsidiary Board Member, etc. must immediately report the details of said matter to the

Audit Committee or an Audit Committee member designated by the Audit Committee.

(e) Frameworks for Ensuring that the Person Who Made a Report in the Above (d) Shall Not be Subject to Any Unfavorable Treatment for Reasons of Having Made Such a Report

In order to establish frameworks for ensuring that a person who made a report to the Audit Committee shall not be subject to unfavorable treatment for the reason of having made such a report, the Company shall establish "Rules Regarding Reporting to the Audit Committee, etc.," including the following details, as company rules, and apply such rules appropriately.

- i) A person who made a report to the Audit Committee or an Audit Committee member designated by the Audit Committee shall not be subject to unfavorable treatment by the Company, executive officers, employees, etc. for the reason of having made such a report.
- ii) The Company, executive officers, employees, etc. must not disadvantage a person who made such a report to the Audit Committee or the Audit Committee member designated by the Audit Committee for the reason of having made such a report.

(f) Matters Regarding the Policy for Handling Expenses or Payables in Relation to Execution of Duties of Members of the Audit Committee of the Company (Limited to Those Related to the Execution of Duties of the Audit Committee), Such as Procedures for Advance Payment or Reimbursement in Relation to Execution of Such Duties

With respect to the policy for handling expenses or payables in relation to the execution of duties of Audit Committee members, the Company shall establish "Rules Regarding Reporting to the Audit Committee, etc.," including the following details, as company rules, and apply such rules appropriately.

- i) When an Audit Committee member or the Audit Committee claims expenses necessary for activities such as requesting advice from or entrusting investigation, appraisal, and other work to a lawyer, certified public accountant, and other outside experts for the purpose of audits, executive officers and employees may not refuse such claims unless the claimed expenses are deemed unnecessary for the execution of duties of the Audit Committee member or the Audit Committee.
- ii) The provisions of the preceding item shall be extended to other expenses for the execution of duties of the Audit Committee, such as advance payment of retainer fees, and reimbursement of ex-post facto expenses, etc.

(g) Frameworks to Ensure Effectiveness of Audits by the Audit Committee of the Company

In order to ensure the effectiveness of audits by the Audit Committee, the Company shall establish "Rules Regarding Reporting to the Audit Committee, etc.," including the following details, as company rules, and apply such rules appropriately.

- i) The representative executive officer shall regularly meet with the Audit Committee or an Audit Committee member designated by the Audit Committee and exchange opinions regarding management policies, issues that the Company should deal with, material risks involving the Company, improvement of the audit environment for the Audit Committee, and other important audit issues or other issues.
- ii) When an Audit Committee member designated by the Audit Committee delivers an opinion or requests explanation at board of executive officers meetings or other important meetings, executive officers and employees shall respond to said opinion or request appropriately and in good faith.

(h) Frameworks to Ensure that Execution of Duties of Executive Officers and Employees of the Company is in Compliance with Laws, Regulations, and the Articles of Incorporation

The Company shall conduct operations in accordance with the division of duties and authority prescribed in company rules and ensure that the execution of duties is in compliance with laws, regulations, and the Articles of Incorporation.

A compliance program shall be implemented with the following measures.

- i) The Company shall establish and observe company compliance rules (including those related to information management), such as the "Charter of Corporate Behavior," which lays out universal values that executive officers and employees should adhere to from the perspective of corporate ethics, and the employee code of conduct, which is a guideline for employee conduct.
- ii) The Company shall appoint a chief compliance officer (the CEO) and an officer in charge of compliance (the executive officer in charge of general administration), and establish a secretariat for operations related to

- compliance (within the General Administration department) as an internal compliance system.
- iii) The Company shall establish and operate a compliance hotline as a whistleblowing system.
 - iv) The Company shall conduct ongoing awareness and educational activities, such as holding liaison meetings for staff responsible for compliance, distributing compliance information over the intranet, and implementing in-house training through e-learning.

The Company shall enact the following measures based on the "Charter of Corporate Behavior" toward the exclusion of anti-social forces.

- i) The Company shall take a firm stance against anti-social forces that threaten public order and safety, and work to stop and prevent any relationship with such entities.
- ii) The Company shall work to prevent the intervention of anti-social forces in the markets and work to create sound and fair markets.

An internal auditing office shall be established to conduct internal audits, under the direct control of the CEO and COO.

(i) Framework Regarding Information Storage and Management Related to Execution of Duties of Executive Officers of the Company

The Company shall set forth provisions regarding the handling of the storage of documents pertaining to the execution of duties of executive officers, such as minutes of the board of executive officers meetings, in the information security policy standards clarified in the company rules.

(j) Rules and Other Frameworks Regarding Risk Management of the Company

The Company shall employ a business operation framework in accordance with the division of duties and authority clarified in the company rules, and based on the idea that board members, executive officers, and employees shall conduct business and operations with an awareness of risk management with responsibility in accordance with their own scope of duties and authority.

The Company shall establish a Risk Policy Committee with an outside director as the chair and a Risk Management Committee with the CEO as the chair, as described below, in order to be aware of risks facing the corporate group comprised of the Company and its subsidiaries (hereinafter referred to as the "Group companies"), to develop and manage appropriate measures against such risks from the perspective of prevention, and to develop a structure where such risks and measures taken against them shall be regularly reported. At the same time, the Company shall set forth a "Risk Management Policy" and manage it appropriately.

The Risk Policy Committee shall discuss matters concerning significant risk management in the Group companies. Discussions shall be based on a comprehensive risk management framework specified in the "Risk Management Policy." The committee shall then report and make suggestions to the board of directors.

The Risk Management Committee shall obtain a comprehensive understanding of the status of day-to-day risk management at the Group companies and the circumstances in cases where a risk materializes or is likely to materialize, discuss measures for a prompt solution and so forth, and report to the board of directors.

Particularly, with a strong awareness of the core responsibility of the Group companies as market operators to reliably provide opportunities for market users to trade with confidence, regarding risks related to the stable operation of systems, the Company will enact the required and appropriate measures in their development and operation frameworks, such as implementing standardized development methods and adequate operational tests, preparing and complying with detailed operational manuals, and maintaining thorough quality control pertaining to development and operations via the establishment of dedicated departments or divisions.

Moreover, in preparation for situations where the continued operation of the market becomes difficult due to natural disasters, terrorist acts, or other such circumstances, the Company shall establish a "Business Continuity Plan" to minimize the impact on related parties and provide appropriate measures through predetermined frameworks and procedures necessary for resuming operations as quickly as possible.

Additionally, with regard to the risks pertaining to the proper function of self-regulatory operations (meaning various risks including reputational risk in cases where self-regulatory operations are not carried out appropriately), in consideration of the importance of self-regulatory functions of the Group companies as market operators and the general public's high expectations for such functions, the Company shall take every possible measure to deal with them. Specifically, while establishing measures to secure fairness such as organizational measures to ensure the independence of self-regulatory operations, the Company will proactively invest management resources in pursuing improvements to the quality of self-regulatory operations, through such means as preparing and complying with detailed operational manuals, and improving educational training.

(k) Frameworks to Ensure Efficient Execution of Duties of Executive Officers of the Company

The Company shall establish a framework for the management of operations in accordance with the division of duties and authority clarified in the company rules so as to specialize and enhance operations through a system of divided labor. Within this framework, the Company shall allow responsibilities to be delegated according to their importance and improve the agility of the decision-making process.

The Company shall formulate medium-term management and annual budget plans with an appropriate combination of management-driven top-down and division-driven bottom-up approaches and execute operations efficiently through appropriate work-flow management.

(l) Frameworks to Ensure Proper Operations by the Corporate Group Comprised of the Company, its Parent Company, and its Subsidiaries

- i) Framework for Reporting of Matters Related to the Execution of Duties of Board Members, Executive Officers, and Persons Equivalent Thereto of Subsidiaries of the Company (Hereinafter Collectively Referred to as "Board Members, etc. of Subsidiaries") to the Company

The Company shall conduct business management of its subsidiaries based on business management agreements or request various reports based on "Affiliated Company Management Rules."

- ii) Frameworks Including Rules Regarding Management of Risk of Losses that May be Incurred by Subsidiaries of the Company

The Company shall also request that they report the state of risk management based on "Affiliated Company Management Rules" and provide advice as necessary.

- iii) Framework for Ensuring Efficient Execution of Duties by Board Members, etc. of Subsidiaries

The Company shall conduct efficient execution of duties of the Group companies by appropriately managing and supporting subsidiaries in accordance with each Group company's corporate positioning and scale based on business management agreements or "Affiliated Company Management Rules."

- iv) Framework for Ensuring that the Execution of Duties by Board Members, etc. of Subsidiaries and Their Employees is in Compliance with Laws, Regulations, and the Articles of Incorporation

The Company shall conduct ongoing awareness and educational activities, such as holding liaison meetings with staff responsible for compliance at the Group companies and disseminating information on compliance.

The Company shall conduct business management of its subsidiaries based on business management agreements or request them to establish a compliance hotline as a whistleblowing system based on "Affiliated Company Management Rules" and provide advice as necessary.

The Company shall request its subsidiaries to report the results of internal audits by the internal auditing office of the Company or those of internal audits by the subsidiaries and provide advice on a necessary basis based on business management agreements or "Affiliated Company Management Rules."

- v) Other Frameworks to Ensure Proper Operations by the Corporate Group Comprised of the Company, its Parent Company, and its Subsidiaries

JPX shall establish the "Charter of Corporate Behavior," which lays out universal values from the perspective of corporate ethics for executive officers and employees of the Group companies.

(iv) Establishment of Risk Management Systems

The Company has established a "Risk Management Policy" as its policy for managing risks associated with the Group's business activities. Under the Risk Management Policy, the Risk Policy Committee chaired by an outside director and the

Risk Management Committee chaired by the CEO have been established to strengthen the Group's risk management. Described below are the Risk Management Policy, the structure and functions of the Risk Policy Committee, and the structure and functions of the Risk Management Committee (please also refer to "II Overview of Business, 2 Business Risks, Basic Policy for Risk Management."

(a) Risk Management Policy

The purpose of risk management is to maximize corporate value by appropriately addressing factors that may hinder the achievement of the Group's business objectives, ensuring its public nature and credibility, constructing foundations of markets which are highly convenient, efficient, and transparent, and providing creative and attractive services. The risks faced by the Group are identified and categorized, and a department in charge of risk management for each category is designated.

(b) Structure of the Risk Policy Committee

The Risk Policy Committee consists of at least five members, the majority of which are outside directors. Its chairperson shall, in principle, be an outside director.

(c) Function of the Risk Policy Committee

By utilizing the Risk Policy Committee, which is led by outside directors, the Group incorporates perspectives of outside experts into the Group's risk management and strengthens governance in risk management.

The Risk Policy Committee examines, among other things, the "significant risks" on which the Group should focus its efforts, compiles the results into a Comprehensive Risk Management Statement, and submits this as a recommendation to the board of directors. Based on the Comprehensive Risk Management Statement, the Company reduces the likelihood of the occurrence of risks by proactively addressing "significant risks" and other risks, and will respond swiftly when risks materialize.

(d) Structure of the Risk Management Committee

The Risk Management Committee consists of the chairperson, core members, and project members. The committee chairperson shall be the CEO, and core members shall be the CEO, COO, the executive officer in charge of the General Administration Department, and the director of the Department.

The committee chairperson assigns project members to specific cases as they arise. Such project members will be selected from executive officers and directors other than the core members, executive officers and directors of Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., Tokyo Commodity Exchange, Inc., JPX Market Innovation & Research, Inc., and Japan Securities Clearing Corporation, as well as Governors engaging in regular business and department directors of Japan Exchange Regulation.

(e) Function of the Risk Management Committee

The Risk Management Committee is responsible for formulating basic policies for risk management and various rules and operation manuals necessary for risk management, as well as for providing direction and orders across the Group and handling external affairs when risks emerge.

The status of operation of the various rules and operation manuals established by the Risk Management Committee is periodically checked, and if necessary, instructions are given to improve this and revisions of said rules and operation manuals are conducted. In addition, when a risk materializes, the committee will gain a comprehensive picture of the situation around the incident, give instructions and orders for an early recovery from the situation, and control all communications with external parties (public relations, response to administrative bodies and litigations, etc.).

In order to fulfill its responsibilities for providing social infrastructure as a market operator, the Group has formulated a business continuity plan (BCP) for emergencies and is working to maintain a solid and stable business continuity system, so as to ensure that its business operations can continue for as long as possible when various risks emerge, and in the event of unavoidable interruptions, to resume business as soon as possible.

(v) Summary of Limited Liability Agreements

Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation stipulate that liability for damages borne by directors (including former directors) and executive officers (including former executive officers) for negligence of their duties may be exempted by a resolution of the board of directors to the extent permitted by laws and regulations, so as to ensure that directors and executive officers can devote themselves to their duties and properly perform their expected duties without becoming unnecessarily hesitant to do so.

For the same purpose, the Company and its directors (excluding those who are executive directors, etc. as defined in Article 427, Paragraph 1 of the Companies Act, hereinafter referred to as the "non-executive directors") have entered into agreements pursuant to the provisions of Article 427, Paragraph 1 of said Act to limit their liability for damages as stipulated in Article 423, Paragraph 1 of said Act. The liability limit under such agreements is the prescribed amount specified by laws and regulations. This limit on liability shall be limited to cases where the relevant non-executive director acted in good faith and was not grossly negligent in his/her performance of the duty that was the cause of liability.

(vi) Summary of Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with the insureds being the directors, executive officers (shikkōyaku or shikkōyakuin), auditors (kansayaku or kanji), and governors (riji) of the Group. The insurance policy covers compensation for damages, litigation expenses, and other payments incurred by the insureds resulting from claims for damages arising from acts (including inaction) performed in the course of their duties as an officer of the Group. The full amount of the insurance premiums is borne by the Company.

(vii) Maximum Number of Directors

The Company's Articles of Incorporation stipulate that the maximum number of directors is 15.

(viii) Requirements for Adopting the Resolution for the Election of Directors

The Company's Articles of Incorporation stipulate that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

The Articles of Incorporation also stipulate that the election of directors shall not be by cumulative voting.

(ix) Requirements for a Special Resolution at General Shareholders Meetings

For the purpose of the smooth operation of general shareholders meetings of the Company, the Company's Articles of Incorporation stipulate that a special resolution at a General Shareholders Meeting stipulated in Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

(x) Organizations that Determine Dividends of Surplus

For the purpose of flexible implementation of capital policy, the Company stipulates in the Articles of Incorporation that "except as otherwise provided by laws and regulations, the Company shall decide on matters provided in each item of Article 459, Paragraph 1 of the Companies Act including dividends paid out of retained earnings by resolutions of the board of directors, but not by resolutions of the general shareholders meeting."

(2) Directors (and Other Officers)

(i) Directors (and Other Officers)

(a) Directors (and Other Officers) as of June 9, 2022 (date of filing this Annual Securities Report)

Directors/other officers include 19 men and three women (ratio of women directors/other officers: 13.6%)

i) Directors

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director Chairperson of the Board of Directors	Tsuda Hiroki	August 11, 1948	Apr. 1972 Joined Ministry of Finance Aug. 2002 Director-General, Tokyo Customs Jan. 2003 Deputy Vice Minister for Policy Planning and Co-ordination Jul. 2004 Deputy Vice Minister Jul. 2006 Director-General of the Budget Bureau Jul. 2007 Administrative Vice Minister of Finance Jul. 2008 Retired Sep. 2008 Professor, Graduate School of Public Management, Waseda University Jun. 2015 Outside Director of the Company (current position) Chairperson of the Board of Directors of the Company (current position)	(Note 3)	3,000
Director & Representative Executive Officer Group CEO	Kiyota Akira	May 6, 1945	Apr. 1969 Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.) Jun. 1994 Director, Head of Tobu Area Sales Division May 1996 Director, Head of Bond & Finance Division Jun. 1997 Managing Director, Head of Bond & Finance Division Oct. 1997 Deputy President Apr. 1999 President, Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Co. Ltd.) Jun. 2004 Deputy Chairman of the Board and Corporate Executive Officer, Daiwa Securities Group Inc. Chairman of the Institute, Daiwa Institute of Research Ltd. Jun. 2008 Chairman of the Board and Corporate Executive Officer, Daiwa Securities Group Inc. Apr. 2011 Director and Honorary Chairman Jun. 2011 Honorary Chairman Jun. 2013 Director of the Company (current position) President & CEO, Tokyo Stock Exchange, Inc. Jun. 2015 Representative Executive Officer, Group CEO of the Company (current position) Director, Tokyo Stock Exchange, Inc. Dec. 2020 President & CEO, Tokyo Stock Exchange, Inc. Apr. 2021 Director (current position)	(Note 3)	126,726

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director & Representative Executive Officer Group COO	Yamaji Hiromi	March 8, 1955	<p>Apr. 1977 Joined The Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)</p> <p>Jun. 1997 General Manager, Personnel Department</p> <p>Jun. 1998 Member of the Board in charge of Investment Banking Products Division</p> <p>Jun. 2000 Managing Director, Head of Global Investment Banking Division</p> <p>Apr. 2002 President & CEO, Nomura Europe Holdings plc (London) Chairman, Nomura Holding America Inc. (New York)</p> <p>Apr. 2007 Executive Vice President, Global Investment Banking, in charge of Corporate Finance Division, Nomura Securities Co., Ltd.</p> <p>Jun. 2013 Director of the Company (current position) President & CEO, Osaka Securities Exchange Co., Ltd. (currently Osaka Exchange, Inc.)</p> <p>Nov. 2015 Executive Officer of the Company</p> <p>Oct. 2019 Representative Executive Officer, Tokyo Commodity Exchange, Inc.</p> <p>Dec. 2019 Representative Director & Chair, Chairperson of the Board</p> <p>Jun. 2020 Representative Executive Officer & Group Co- COO of the Company</p> <p>Dec. 2020 Representative Executive Officer, Group COO (current position)</p> <p>Apr. 2021 President & CEO, Tokyo Stock Exchange, Inc. (current position)</p>	(Note 3)	34,649
Director	Iwanaga Moriyuki	November 8, 1961	<p>Apr. 1984 Joined Tokyo Stock Exchange</p> <p>Jun. 2007 Director, Corporate Strategy Department, Tokyo Stock Exchange, Inc.</p> <p>Aug. 2007 Director, Corporate Strategy Department, Tokyo Stock Exchange Group, Inc.</p> <p>Jun. 2008 Executive Officer & Director, Corporate Strategy Department</p> <p>Jun. 2009 Executive Officer & Director, Corporate Marketing Management Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2012 Director, Japan Securities Clearing Corporation Executive Officer, Tokyo Stock Exchange Group, Inc.</p> <p>Jan. 2013 Executive Officer of the Company</p> <p>Jun. 2013 Senior Executive Officer Senior Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2017 Director and Senior Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2018 Director and Executive Vice President</p> <p>Apr. 2019 Executive Vice President, Japan Securities Clearing Corporation</p> <p>Jun. 2019 Director</p> <p>Apr. 2020 Senior Executive Vice President</p> <p>Apr. 2021 Executive Officer of the Company (current position) President & CEO, Osaka Exchange, Inc. (current position) Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc. (current position)</p> <p>Jun. 2021 Director of the Company (current position)</p>	(Note 3)	37,556

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Shizuka Masaki	July 13, 1959	<p>Apr. 1982 Jun. 2004</p> <p>Joined Tokyo Stock Exchange Director, Treasury Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2005 Jun. 2007</p> <p>Director, Corporate Strategy Department Executive Officer</p> <p>Aug. 2007</p> <p>Executive Officer, Tokyo Stock Exchange Group, Inc.</p> <p>Jun. 2008 Jun. 2011</p> <p>Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer</p> <p>Jun. 2013 Jun. 2014</p> <p>Managing Director Director and Senior Executive Officer</p> <p>Apr. 2016 Apr. 2017</p> <p>Director and Executive Vice President Senior Executive Vice President, Japan Securities Clearing Corporation</p> <p>Jun. 2017</p> <p>Director and Senior Executive Vice President</p> <p>Apr. 2020</p> <p>Executive Officer of the Company (current position) President & CEO, Japan Securities Clearing Corporation (current position)</p> <p>Jun. 2020</p> <p>Director of the Company (current position)</p>	(Note 3)	35,724
Director	Christina Ahmadjian	March 5, 1959	<p>Jan. 1995 Oct. 2001</p> <p>Associate Professor, Columbia Business School Associate Professor, Hitotsubashi University Business School, School of International Corporate Strategy</p> <p>Jan. 2004</p> <p>Professor</p> <p>Apr. 2010</p> <p>Dean, Professor</p> <p>Apr. 2012</p> <p>Professor, Hitotsubashi University Business School, Graduate School of Commerce and Management</p> <p>Jun. 2014</p> <p>Outside Director of the Company (current position)</p> <p>Apr. 2018</p> <p>Professor, Hitotsubashi University Business School, Graduate School of Business Administration</p> <p>Jun. 2018</p> <p>Outside Director, Sumitomo Electric Industries, Ltd. (current position)</p> <p>Mar. 2019</p> <p>Outside Director, Asahi Group Holdings, Ltd. (current position)</p> <p>Jun. 2021</p> <p>Outside Director, NEC Corporation (current position)</p>	(Note 3)	3,000
Director	Endo Nobuhiro	November 8, 1953	<p>Apr. 1981 Apr. 2006</p> <p>Joined NEC Corporation Associate Senior Vice President, Executive General Manager of Mobile Network Operations Unit</p> <p>Apr. 2009</p> <p>Executive Vice President</p> <p>Jun. 2009</p> <p>Executive Vice President and Member of the Board</p> <p>Apr. 2010</p> <p>President (Representative Director)</p> <p>Apr. 2016</p> <p>Chairman of the Board (Representative Director)</p> <p>Jun. 2018</p> <p>Outside Director of the Company (current position)</p> <p>Jun. 2019</p> <p>Member, Board of Directors (Outside), Sumitomo Dainippon Pharma Co., Ltd. (currently Sumitomo Pharma Co., Ltd.) (current position) Chairman of the Board, NEC Corporation (current position) Outside Director, Tokio Marine Holdings, Inc. (current position)</p>	(Note 3)	5,500

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Ogita Hitoshi	January 1, 1942	<p>Apr. 1965 Joined Asahi Breweries, Ltd. (currently Asahi Group Holdings, Ltd.)</p> <p>Mar. 1997 Director, General Manager of Fukuoka Branch</p> <p>Mar. 2000 Managing Corporate Officer, Senior General Manager of Kyushu Regional Headquarters</p> <p>Mar. 2002 Senior Managing Corporate Officer, Senior General Manager of Kanshin-etsu Regional Headquarters</p> <p>Sep. 2002 Corporate Officer, Vice President, Asahi Soft Drinks Co., Ltd.</p> <p>Mar. 2003 President and Representative Director</p> <p>Mar. 2006 President and Representative Director, Asahi Breweries, Ltd.</p> <p>Mar. 2010 Chairman of the Board and Representative Director</p> <p>Mar. 2014 Senior Adviser, Asahi Group Holdings, Ltd.</p> <p>Jun. 2016 Outside Director of the Company (current position)</p>	(Note 3)	6,000
Director	Kohda Main	April 25, 1951	<p>Sep. 1995 Started independently as Novelist, to the present</p> <p>Jan. 2003 Member of Fiscal System Council, Ministry of Finance Japan</p> <p>Apr. 2004 Visiting professor, Faculty of Economics, Shiga University</p> <p>Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Nov. 2006 Member of the Tax Commission, Cabinet Office, Government of Japan</p> <p>Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation</p> <p>Jun. 2012 Outside Director, Japan Tobacco Inc. (current position)</p> <p>Jun. 2016 Outside Director of the Company (current position)</p> <p>Jun. 2018 Outside Director, MITSUBISHI MOTORS CORPORATION (current position)</p>	(Note 3)	4,200
Director	Kobayashi Eizo	January 7, 1949	<p>Apr. 1972 Joined C. Itoh & Co. Ltd. (currently ITOCHU Corporation)</p> <p>Jun. 2000 Executive Officer</p> <p>Apr. 2002 Managing Executive Officer</p> <p>Jun. 2003 Representative Director, Managing Director</p> <p>Apr. 2004 Representative Director, Senior Managing Director</p> <p>Jun. 2004 President & Chief Executive Officer</p> <p>Apr. 2010 Representative Director, Chairman</p> <p>Jun. 2011 Director, Chairman</p> <p>Jun. 2013 Outside Director, OMRON Corporation (current position)</p> <p>Jun. 2015 External Director, Japan Airlines Co., Ltd. (current position)</p> <p>Jun. 2016 Outside Director of the Company (current position)</p> <p>Chairman, ITOCHU Corporation</p> <p>Apr. 2018 Senior Representative for Business Community Relations</p> <p>Apr. 2020 Director Emeritus (current position)</p>	(Note 3)	8,000

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Takeno Yasuzo	June 9, 1959	<p>Apr. 1987 Registered as attorney-at-law in Japan Joined Hamada & Matsumoto (currently Mori Hamada & Matsumoto)</p> <p>Mar. 1989 London Office</p> <p>Jan. 1998 Partner</p> <p>Dec. 2002 Partner, Mori Hamada & Matsumoto (current position)</p> <p>Jan. 2007 Member of the Management Committee</p> <p>Jun. 2021 Outside Director of the Company (current position)</p>	(Note 3)	800
Director	Minoguchi Makoto	March 14, 1961	<p>Apr. 1984 Joined Tokyo Stock Exchange</p> <p>Jun. 2007 Director, General Administration Department, Tokyo Stock Exchange, Inc.</p> <p>Aug. 2007 Director, General Administration Department, Tokyo Stock Exchange Group, Inc.</p> <p>Jun. 2009 Director, Corporate Strategy Department</p> <p>Oct. 2010 Director, Listing Examination Department, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation)</p> <p>Jun. 2011 Standing Governor</p> <p>Jun. 2015 Director, Japan Securities Clearing Corporation</p> <p>Apr. 2017 Executive Officer</p> <p>Jun. 2017 Director of the Company (current position) Statutory Auditor, Tokyo Stock Exchange, Inc.</p>	(Note 3)	8,400
Director	Mori Kimitaka	June 30, 1957	<p>Apr. 1980 Joined Shinwa Accountants (currently KPMG AZSA LLC)</p> <p>Jun. 2000 Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Jun. 2004 Director of financial services, KPMG AZSA & Co. (currently KPMG AZSA LLC)</p> <p>Jun. 2006 Board Member</p> <p>Jul. 2011 Chairman, KPMG FS Japan</p> <p>Jun. 2013 Retired from KPMG AZSA LLC</p> <p>Jul. 2013 Established Mori Certified Public Accountant Office</p> <p>Chairman and President, The Japanese Institute of Certified Public Accountants</p> <p>Jul. 2016 Advisor, The Japanese Institute of Certified Public Accountants (current position) Outside Director of the Company (current position)</p> <p>Jun. 2017 Outside Corporate Auditor, MITSUI & CO., LTD. (current position) Outside Corporate Auditor, East Japan Railway Company (current position)</p> <p>Jul. 2017 Outside Director, SUMITOMO LIFE INSURANCE COMPANY (current position)</p>	(Note 3)	6,000

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Yoneda Tsuyoshi	April 7, 1952	Apr. 1976 Joined National Police Agency Sep. 2001 General Manager, Criminal Affairs Department, Metropolitan Police Department Aug. 2003 General Manager, Kyoto Prefectural Police Headquarters Sep. 2007 Commissioner, Criminal Affairs Bureau, National Police Agency Jun. 2009 Commissioner-General's Secretariat Oct. 2011 Deputy Director-General Jan. 2013 Commissioner-General Jan. 2015 Retired Jun. 2015 Outside Director of the Company (current position) Jun. 2017 External Audit & Supervisory Board Member, Marubeni Corporation (current position) Oct. 2020 Chief Director, Council for Public Policy (current position)	(Note 3)	7,000
Total					286,555

- (Notes) 1. Tsuda Hiroki, Christina Ahmadjian, Endo Nobuhiro, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi are outside directors.
2. Tsuda Hiroki, Christina Ahmadjian, Endo Nobuhiro, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi are independent officers required by Tokyo Stock Exchange, Inc. to be maintained for the protection of general shareholders.
3. The term of office expires at the conclusion of the Annual General Shareholders Meeting for the fiscal year ended March 31, 2022.

ii) Executive Officers

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director & Representative Executive Officer Group CEO	Kiyota Akira	May 6, 1945	Refer to i)	(Note)	126,726
Director & Representative Executive Officer Group COO	Yamaji Hiromi	March 8, 1955	Refer to i)	(Note)	34,649
Executive Vice President CIO IT Planning	Yokoyama Ryusuke	May 6, 1963	<p>Apr. 1986 Jun. 2009</p> <p>Joined Tokyo Stock Exchange Director, IT Business Department, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2011 Apr. 2017</p> <p>Executive Officer Senior Executive Officer of the Company Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc.</p> <p>Apr. 2019</p> <p>Director, Tokyo Stock Exchange, Inc. (current position)</p> <p>Apr. 2022</p> <p>Executive Vice President of the Company (current position) Executive Vice President, Tokyo Stock Exchange, Inc. (current position) Executive Vice President, Osaka Exchange, Inc. (current position) Director and Executive Vice President, JPX Market Innovation & Research, Inc. (current position)</p>	(Note)	26,286
Senior Executive Officer General Administration and Human Resources	Hasegawa Isao	September 9, 1964	<p>Apr. 1987 Jun. 2010</p> <p>Joined Tokyo Stock Exchange Director, Equities Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2014</p> <p>Executive Officer of the Company Executive Officer, Tokyo Stock Exchange, Inc. Executive Officer, Osaka Exchange, Inc.</p> <p>Apr. 2019</p> <p>Senior Executive Officer of the Company (current position) Senior Executive Officer, Tokyo Stock Exchange, Inc. (current position) Senior Executive Officer, Osaka Exchange, Inc. (current position)</p> <p>Apr. 2022</p> <p>Director and Senior Executive Officer, JPX Market Innovation & Research, Inc. (current position)</p>	(Note)	22,486
Senior Executive Officer Corporate Strategy and Sustainability	Futagi Satoshi	May 11, 1964	<p>Apr. 1988 Jun. 2011</p> <p>Joined Tokyo Stock Exchange Director, Corporate Strategy Department, Tokyo Stock Exchange Group, Inc.</p> <p>Jan. 2013</p> <p>Director, Corporate Strategy Department of the Company</p> <p>Jun. 2014</p> <p>Director, Equities Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2015 Jun. 2017</p> <p>Executive Officer of the Company Director, Japan Securities Clearing Corporation (current position)</p> <p>Apr. 2020</p> <p>Senior Executive Officer of the Company (current position)</p> <p>Apr. 2022</p> <p>Senior Executive Officer, JPX Market Innovation & Research, Inc. (current position)</p>	(Note)	25,251

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Senior Executive Officer CFO Treasury, Corporate Communications, and Investor Relations	Tabata Atsushi	January 7, 1965	Apr. 1988 Jun. 2009 Jan. 2013 Jun. 2014 Apr. 2016 Apr. 2022 Joined Tokyo Stock Exchange Chief Secretary to Group CEO, Tokyo Stock Exchange Group, Inc. Chief Secretary to Group CEO of the Company Director, Corporate Strategy Department, Japan Securities Depository Center, Inc. Executive Officer of the Company Executive Officer, Tokyo Stock Exchange, Inc. Executive Officer, Osaka Exchange, Inc. Senior Executive Officer of the Company (current position)	(Note)	23,722
Director & Executive Officer Management of Osaka Exchange, Inc.	Iwanaga Moriyuki	November 8, 1961	Refer to i)	(Note)	37,556
Executive Officer Management of Tokyo Commodity Exchange, Inc.	Ishizaki Takashi	May 14, 1967	Apr. 1990 Apr. 1998 Apr. 2000 Jun. 2001 Jun. 2003 Apr. 2005 Apr. 2006 Apr. 2008 Jul. 2010 Jul. 2011 Jul. 2014 Jul. 2015 Jul. 2016 Jul. 2019 Apr. 2020 Jun. 2020 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) Second Secretary, Embassy of Japan in Myanmar First Secretary, Embassy of Japan in Myanmar Deputy Director of Distribution Industry Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry (METI) Deputy Director of Technical Cooperation Division, Trade and Economic Cooperation Bureau Executive Director of Commerce, Industry and Labor Department, Nagasaki Prefectural Government Director-General, Department of Industrial and Labor Affairs, Nagasaki Prefectural Government Director of Energy and Environmental Policy Office, Director-General's Secretariat, Agency for Natural Resources and Energy Director of Energy Supply and Demand Policy Office, Director-General's Secretariat, Agency for Natural Resources and Energy Director of Commerce and Consumer Affairs Policy Division, Commerce and Consumption Economic Policy Department, Commerce and Information Policy Bureau, METI Director of Electricity Infrastructure Division, Electricity and Gas Industry Department, Agency for Natural Resources and Energy Director of Policy Planning Division, Business Environment Department, Small and Medium Enterprise Agency Director, Office for the Promotion of Regulatory Reform, Cabinet Office Senior Researcher, The Research Institute of Economy, Trade and Industry. Advisor (komon), Tokyo Commodity Exchange, Inc. Executive Officer of the Company (current position) Representative Director, President, Tokyo Commodity Exchange, Inc. (current position)	(Note)	5,614

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Executive Officer Management of JPX Market Innovation & Research, Inc.	Miyahara Koichiro	March 10, 1957	<p>Apr. 1979 Joined Electric Power Development Co., Ltd.</p> <p>Apr. 1988 Joined Tokyo Stock Exchange</p> <p>Jun. 2002 Director, General Administration Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2004 Director, Information Services Department</p> <p>Jun. 2005 President, Representative Director, ICJ, Inc.</p> <p>Dec. 2005 Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Oct. 2007 Standing Governor, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation)</p> <p>Jun. 2009 Senior Executive Officer, Tokyo Stock Exchange Group, Inc.</p> <p>Jan. 2013 Senior Executive Officer of the Company Senior Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2014 Executive Vice President of the Company</p> <p>Jun. 2015 Director President & CEO, Tokyo Stock Exchange, Inc.</p> <p>Nov. 2015 Executive Officer of the Company</p> <p>Jun. 2020 Representative Executive Officer, Group Co- COO</p> <p>Nov. 2020 Retired as Director & Representative Executive Officer, Group Co-COO Retired as President & CEO, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2021 President, Tosho System Service Co., Ltd.</p> <p>Apr. 2022 Executive Officer of the Company (current position) President & CEO, JPX Market Innovation & Research, Inc. (current position)</p>	(Note)	41,300
Director & Executive Officer Management of Japan Securities Clearing Corporation	Shizuka Masaki	July 13, 1959	Refer to i)	(Note)	35,724
Executive Officer Global Strategy	Yoshida Masanori	December 19, 1960	<p>Apr. 1984 Joined Ministry of Finance</p> <p>Jul. 2006 Director, Corporation Tax Policy Division, Tax Bureau</p> <p>Jul. 2008 Director, Regional Financial Cooperation Division, International Bureau</p> <p>Jul. 2010 Director, International Organizations Division, International Bureau</p> <p>Jul. 2011 Mission Chief, European Department, International Monetary Fund</p> <p>Jul. 2014 Deputy Director-General, International Bureau, Ministry of Finance</p> <p>Jul. 2015 Senior Deputy Director-General, International Bureau</p> <p>Jul. 2016 Deputy Vice-Minister for International Tax Policy</p> <p>Jul. 2018 Executive Director for Japan, The World Bank Group</p> <p>Feb. 2021 Retired</p> <p>Sep. 2021 Advisor, Meiji Yasuda Life Insurance Company</p> <p>Apr. 2022 Executive Officer of the Company (current position)</p>	(Note)	0

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)	
Executive Officer Corporate Communications and Investor Relations	Lin Kay	April 8, 1966	Apr. 1990	Joined Nomura Securities Co., Ltd.	(Note)	2,100
			Nov. 1996	Joined Taiwan Securities Central Depository Co., Ltd. (currently Taiwan Depository & Clearing Corporation)		
			Nov. 2007	Deputy Director, Planning Department, Taiwan Depository & Clearing Corporation		
			Mar. 2009	Joined Tokyo Stock Exchange, Inc.		
			Apr. 2020	Director of Client Relations, Equites Department		
			Apr. 2021	Director, Corporate Communications Department of the Company (current position)		
			Apr. 2022	Executive Officer (current position)		
Total						381,414

(Note) The term of office is from April 1, 2022, i.e., the date of election, to the last day of the fiscal year that ends within one year of April 1, 2022.

(b) The "Election of Fourteen (14) Directors" will be presented as a proposal (matters to be resolved) for the Annual General Shareholders Meeting scheduled to be held on June 16, 2022. If this proposal is approved and adopted, the status of directors (and other officers) of the Company is scheduled to be as follows:

Directors/other officers include 19 men and three women (ratio of women directors/other officers: 13.6%)

i) Directors

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director Chairperson of the Board of Directors	Tsuda Hiroki	August 11, 1948	<p>Apr. 1972 Joined Ministry of Finance</p> <p>Aug. 2002 Director-General, Tokyo Customs</p> <p>Jan. 2003 Deputy Vice Minister for Policy Planning and Co-ordination</p> <p>Jul. 2004 Deputy Vice Minister</p> <p>Jul. 2006 Director-General of the Budget Bureau</p> <p>Jul. 2007 Administrative Vice Minister of Finance</p> <p>Jul. 2008 Retired</p> <p>Sep. 2008 Professor, Graduate School of Public Management, Waseda University</p> <p>Jun. 2015 Outside Director of the Company (current position)</p> <p>Chairperson of the Board of Directors of the Company (current position)</p>	(Note 3)	3,000
Director & Representative Executive Officer Group CEO	Kiyota Akira	May 6, 1945	<p>Apr. 1969 Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)</p> <p>Jun. 1994 Director, Head of Tobu Area Sales Division</p> <p>May 1996 Director, Head of Bond & Finance Division</p> <p>Jun. 1997 Managing Director, Head of Bond & Finance Division</p> <p>Oct. 1997 Deputy President</p> <p>Apr. 1999 President, Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Co. Ltd.)</p> <p>Jun. 2004 Deputy Chairman of the Board and Corporate Executive Officer, Daiwa Securities Group Inc. Chairman of the Institute, Daiwa Institute of Research Ltd.</p> <p>Jun. 2008 Chairman of the Board and Corporate Executive Officer, Daiwa Securities Group Inc.</p> <p>Apr. 2011 Director and Honorary Chairman</p> <p>Jun. 2011 Honorary Chairman</p> <p>Jun. 2013 Director of the Company (current position)</p> <p>President & CEO, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2015 Representative Executive Officer, Group CEO of the Company (current position)</p> <p>Director, Tokyo Stock Exchange, Inc.</p> <p>Dec. 2020 President & CEO, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2021 Director (current position)</p>	(Note 3)	126,726

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director & Representative Executive Officer Group COO	Yamaji Hiromi	March 8, 1955	<p>Apr. 1977 Joined The Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)</p> <p>Jun. 1997 General Manager, Personnel Department</p> <p>Jun. 1998 Member of the Board in charge of Investment Banking Products Division</p> <p>Jun. 2000 Managing Director, Head of Global Investment Banking Division</p> <p>Apr. 2002 President & CEO, Nomura Europe Holdings plc (London) Chairman, Nomura Holding America Inc. (New York)</p> <p>Apr. 2007 Executive Vice President, Global Investment Banking, in charge of Corporate Finance Division, Nomura Securities Co., Ltd.</p> <p>Jun. 2013 Director of the Company (current position) President & CEO, Osaka Securities Exchange Co., Ltd. (currently Osaka Exchange, Inc.)</p> <p>Nov. 2015 Executive Officer of the Company</p> <p>Oct. 2019 Representative Executive Officer, Tokyo Commodity Exchange, Inc.</p> <p>Dec. 2019 Representative Director & Chair, Chairperson of the Board</p> <p>Jun. 2020 Representative Executive Officer & Group COO of the Company</p> <p>Dec. 2020 Representative Executive Officer, Group COO (current position)</p> <p>Apr. 2021 President & CEO, Tokyo Stock Exchange, Inc. (current position)</p>	(Note 3)	34,649
Director	Iwanaga Moriyuki	November 8, 1961	<p>Apr. 1984 Joined Tokyo Stock Exchange</p> <p>Jun. 2007 Director, Corporate Strategy Department, Tokyo Stock Exchange, Inc.</p> <p>Aug. 2007 Director, Corporate Strategy Department, Tokyo Stock Exchange Group, Inc.</p> <p>Jun. 2008 Executive Officer & Director, Corporate Strategy Department</p> <p>Jun. 2009 Executive Officer & Director, Corporate Marketing Management Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2012 Director, Japan Securities Clearing Corporation Executive Officer, Tokyo Stock Exchange Group, Inc.</p> <p>Jan. 2013 Executive Officer of the Company</p> <p>Jun. 2013 Senior Executive Officer Senior Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2017 Director and Senior Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2018 Director and Executive Vice President</p> <p>Apr. 2019 Executive Vice President, Japan Securities Clearing Corporation</p> <p>Jun. 2019 Director</p> <p>Apr. 2020 Senior Executive Vice President</p> <p>Apr. 2021 Executive Officer of the Company (current position) President & CEO, Osaka Exchange, Inc. (current position) Representative Director & Chair, Chairperson of the Board, Tokyo Commodity Exchange, Inc. (current position)</p> <p>Jun. 2021 Director of the Company (current position)</p>	(Note 3)	37,556

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Shizuka Masaki	July 13, 1959	<p>Apr. 1982 Joined Tokyo Stock Exchange</p> <p>Jun. 2004 Director, Treasury Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2005 Director, Corporate Strategy Department</p> <p>Jun. 2007 Executive Officer</p> <p>Aug. 2007 Executive Officer, Tokyo Stock Exchange Group, Inc.</p> <p>Jun. 2008 Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2011 Senior Executive Officer</p> <p>Jun. 2013 Managing Director</p> <p>Jun. 2014 Director and Senior Executive Officer</p> <p>Apr. 2016 Director and Executive Vice President</p> <p>Apr. 2017 Senior Executive Vice President, Japan Securities Clearing Corporation</p> <p>Jun. 2017 Director and Senior Executive Vice President</p> <p>Apr. 2020 Executive Officer of the Company (current position)</p> <p>President & CEO, Japan Securities Clearing Corporation (current position)</p> <p>Jun. 2020 Director of the Company (current position)</p>	(Note 3)	35,724
Director	Endo Nobuhiro	November 8, 1953	<p>Apr. 1981 Joined NEC Corporation</p> <p>Apr. 2006 Associate Senior Vice President, Executive General Manager of Mobile Network Operations Unit</p> <p>Apr. 2009 Executive Vice President</p> <p>Jun. 2009 Executive Vice President and Member of the Board</p> <p>Apr. 2010 President (Representative Director)</p> <p>Apr. 2016 Chairman of the Board (Representative Director)</p> <p>Jun. 2018 Outside Director of the Company (current position)</p> <p>Jun. 2019 Member, Board of Directors (Outside), Sumitomo Dainippon Pharma Co., Ltd. (currently Sumitomo Pharma Co., Ltd.) (current position)</p> <p>Chairman of the Board, NEC Corporation (current position)</p> <p>Outside Director, Tokio Marine Holdings, Inc. (current position)</p> <p>Jun. 2022 Executive Advisor, NEC Corporation (scheduled to retire as Chairman of the Board on June 22, 2022)</p> <p>Outside Director, Nisshin Seifun Group Inc. (scheduled to assume office on June 28, 2022)</p>	(Note 3)	5,500

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Ota Hiroko	February 2, 1954	<p>May 1981 Research Fellow, Japan Institute of Life Insurance</p> <p>Apr. 1993 Visiting Associate Professor, Faculty of Economics, Osaka University</p> <p>Apr. 1996 Associate Professor, Saitama University</p> <p>Oct. 1997 Associate Professor, National Graduate Institute for Policy Studies</p> <p>Apr. 2001 Professor, National Graduate Institute for Policy Studies</p> <p>Apr. 2002 Director for Policy Analysis, Cabinet Office</p> <p>Mar. 2003 Deputy Director General for Economic Research, Cabinet Office</p> <p>Apr. 2004 Director General for Economic Research, Cabinet Office</p> <p>Aug. 2005 Professor, National Graduate Institute for Policy Studies</p> <p>Sep. 2006 Minister of State for Economic and Fiscal Policy</p> <p>Aug. 2008 Professor, National Graduate Institute for Policy Studies</p> <p>Jun. 2012 Outside Director, JX Holdings, Inc. (currently ENEOS Holdings, Inc.) (current position)</p> <p>Jun. 2013 Outside Director, Panasonic Corporation (currently Panasonic Holdings Corporation) (scheduled to retire on June 23, 2022)</p> <p>Apr. 2019 Senior Professor, National Graduate Institute for Policy Studies (current position)</p> <p>Jun. 2022 Outside Director of the Company (current position)</p>	(Note 3)	0
Director	Ogita Hitoshi	January 1, 1942	<p>Apr. 1965 Joined Asahi Breweries, Ltd. (currently Asahi Group Holdings, Ltd.)</p> <p>Mar. 1997 Director, General Manager of Fukuoka Branch</p> <p>Mar. 2000 Managing Corporate Officer, Senior General Manager of Kyushu Regional Headquarters</p> <p>Mar. 2002 Senior Managing Corporate Officer, Senior General Manager of Kanshin-etsu Regional Headquarters</p> <p>Sep. 2002 Corporate Officer, Vice President, Asahi Soft Drinks Co., Ltd.</p> <p>Mar. 2003 President and Representative Director</p> <p>Mar. 2006 President and Representative Director, Asahi Breweries, Ltd.</p> <p>Mar. 2010 Chairman of the Board and Representative Director</p> <p>Mar. 2014 Senior Adviser, Asahi Group Holdings, Ltd.</p> <p>Jun. 2016 Outside Director of the Company (current position)</p>	(Note 3)	6,000

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Kohda Main	April 25, 1951	<p>Sep. 1995 Started independently as Novelist, to the present</p> <p>Jan. 2003 Member of Fiscal System Council, Ministry of Finance Japan</p> <p>Apr. 2004 Visiting professor, Faculty of Economics, Shiga University</p> <p>Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Nov. 2006 Member of the Tax Commission, Cabinet Office, Government of Japan</p> <p>Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation</p> <p>Jun. 2012 Outside Director, Japan Tobacco Inc. (current position)</p> <p>Jun. 2016 Outside Director of the Company (current position)</p> <p>Jun. 2018 Outside Director, MITSUBISHI MOTORS CORPORATION (current position)</p>	(Note 3)	4,200
Director	Kobayashi Eizo	January 7, 1949	<p>Apr. 1972 Joined C. Itoh & Co. Ltd. (currently ITOCHU Corporation)</p> <p>Jun. 2000 Executive Officer</p> <p>Apr. 2002 Managing Executive Officer</p> <p>Jun. 2003 Representative Director, Managing Director</p> <p>Apr. 2004 Representative Director, Senior Managing Director</p> <p>Jun. 2004 President & Chief Executive Officer</p> <p>Apr. 2010 Representative Director, Chairman</p> <p>Jun. 2011 Director, Chairman</p> <p>Jun. 2013 Outside Director, OMRON Corporation (scheduled to retire on June 23, 2022)</p> <p>Jun. 2015 External Director, Japan Airlines Co., Ltd. (current position)</p> <p>Jun. 2016 Outside Director of the Company (current position)</p> <p>Chairman, ITOCHU Corporation</p> <p>Apr. 2018 Senior Representative for Business Community Relations</p> <p>Apr. 2020 Director Emeritus (current position)</p>	(Note 3)	8,000
Director	Suzuki Yasushi	September 20, 1962	<p>Apr. 1985 Joined Tokyo Stock Exchange</p> <p>Jun. 2008 Director, Listing Examination Department, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation)</p> <p>Oct. 2010 Director, Corporate Strategy Department, Tokyo Stock Exchange Group, Inc.</p> <p>Jun. 2011 Director, Japan Securities Clearing Corporation</p> <p>Jun. 2015 Standing Governor, Japan Exchange Regulation</p> <p>Apr. 2017 Managing Governor</p> <p>Apr. 2020 Director and Senior Executive Officer, Japan Securities Clearing Corporation</p> <p>Jun. 2022 Director of the Company (current position)</p>	(Note 3)	21,486

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director	Takeno Yasuzo	June 9, 1959	Apr. 1987 Registered as attorney-at-law in Japan Joined Hamada & Matsumoto (currently Mori Hamada & Matsumoto) Mar. 1989 London Office Jan. 1998 Partner Dec. 2002 Partner, Mori Hamada & Matsumoto (current position) Jan. 2007 Member of the Management Committee Jun. 2021 Outside Director of the Company (current position)	(Note 3)	800
Director	Mori Kimitaka	June 30, 1957	Apr. 1980 Joined Shinwa Accountants (currently KPMG AZSA LLC) Jun. 2000 Representative Partner, Asahi & Co. (currently KPMG AZSA LLC) Jun. 2004 Director of financial services, KPMG AZSA & Co. (currently KPMG AZSA LLC) Jun. 2006 Board Member Jul. 2011 Chairman, KPMG FS Japan Jun. 2013 Retired from KPMG AZSA LLC Jul. 2013 Established Mori Certified Public Accountant Office Chairman and President, The Japanese Institute of Certified Public Accountants Jul. 2016 Advisor, The Japanese Institute of Certified Public Accountants (current position) Outside Director of the Company (current position) Jun. 2017 Outside Corporate Auditor, MITSUI & CO., LTD. (current position) Outside Corporate Auditor, East Japan Railway Company (current position) Jul. 2017 Outside Director, SUMITOMO LIFE INSURANCE COMPANY (current position)	(Note 3)	6,000
Director	Yoneda Tsuyoshi	April 7, 1952	Apr. 1976 Joined National Police Agency Sep. 2001 General Manager, Criminal Affairs Department, Metropolitan Police Department Aug. 2003 General Manager, Kyoto Prefectural Police Headquarters Sep. 2007 Commissioner, Criminal Affairs Bureau, National Police Agency Jun. 2009 Commissioner-General's Secretariat Oct. 2011 Deputy Director-General Jan. 2013 Commissioner-General Jan. 2015 Retired Jun. 2015 Outside Director of the Company (current position) Jun. 2017 External Audit & Supervisory Board Member, Marubeni Corporation (current position) Oct. 2020 Chief Director, Council for Public Policy (current position)	(Note 3)	7,000
Total					296,641

(Notes) 1. Tsuda Hiroki, Endo Nobuhiro, Ota Hiroko, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi are outside directors.

2. Tsuda Hiroki, Endo Nobuhiro, Ota Hiroko, Ogita Hitoshi, Kohda Main, Kobayashi Eizo, Takeno Yasuzo, Mori Kimitaka, and Yoneda Tsuyoshi are independent officers required by Tokyo Stock Exchange, Inc. to be maintained for the protection of general shareholders.

3. The term of office expires at the conclusion of the Annual General Shareholders Meeting for the fiscal year ending March 31, 2023.

ii) Executive Officers

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Director & Representative Executive Officer Group CEO	Kiyota Akira	May 6, 1945	Refer to i)	(Note)	126,726
Director & Representative Executive Officer Group COO	Yamaji Hiromi	March 8, 1955	Refer to i)	(Note)	34,649
Executive Vice President CIO IT Planning	Yokoyama Ryusuke	May 6, 1963	Apr. 1986 Jun. 2009 Apr. 2011 Apr. 2017 Apr. 2019 Apr. 2022 Joined Tokyo Stock Exchange Director, IT Business Department, Tokyo Stock Exchange, Inc. Executive Officer Senior Executive Officer of the Company Senior Executive Officer, Tokyo Stock Exchange, Inc. Senior Executive Officer, Osaka Exchange, Inc. Director, Tokyo Stock Exchange, Inc. (current position) Executive Vice President of the Company (current position) Executive Vice President, Tokyo Stock Exchange, Inc. (current position) Executive Vice President, Osaka Exchange, Inc. (current position) Director and Executive Vice President, JPX Market Innovation & Research, Inc. (current position)	(Note)	26,286
Senior Executive Officer General Administration and Human Resources	Hasegawa Isao	September 9, 1964	Apr. 1987 Jun. 2010 Jun. 2014 Apr. 2019 Apr. 2022 Joined Tokyo Stock Exchange Director, Equities Department, Tokyo Stock Exchange, Inc. Executive Officer of the Company Executive Officer, Tokyo Stock Exchange, Inc. Executive Officer, Osaka Exchange, Inc. Senior Executive Officer of the Company (current position) Senior Executive Officer, Tokyo Stock Exchange, Inc. (current position) Senior Executive Officer, Osaka Exchange, Inc. (current position) Director and Senior Executive Officer, JPX Market Innovation & Research, Inc. (current position)	(Note)	22,486
Senior Executive Officer Corporate Strategy and Sustainability	Futagi Satoshi	May 11, 1964	Apr. 1988 Jun. 2011 Jan. 2013 Jun. 2014 Jun. 2015 Jun. 2017 Apr. 2020 Apr. 2022 Joined Tokyo Stock Exchange Director, Corporate Strategy Department, Tokyo Stock Exchange Group, Inc. Director, Corporate Strategy Department of the Company Director, Equities Department, Tokyo Stock Exchange, Inc. Executive Officer of the Company Director, Japan Securities Clearing Corporation (current position) Senior Executive Officer of the Company (current position) Senior Executive Officer, JPX Market Innovation & Research, Inc. (current position)	(Note)	25,251

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Senior Executive Officer CFO Treasury, Corporate Communications, and Investor Relations	Tabata Atsushi	January 7, 1965	Apr. 1988 Jun. 2009 Jan. 2013 Jun. 2014 Apr. 2016 Apr. 2022 Joined Tokyo Stock Exchange Chief Secretary to Group CEO, Tokyo Stock Exchange Group, Inc. Chief Secretary to Group CEO of the Company Director, Corporate Strategy Department, Japan Securities Depository Center, Inc. Executive Officer of the Company Executive Officer, Tokyo Stock Exchange, Inc. Executive Officer, Osaka Exchange, Inc. Senior Executive Officer of the Company (current position)	(Note)	23,722
Director & Executive Officer Management of Osaka Exchange, Inc.	Iwanaga Moriyuki	November 8, 1961	Refer to i)	(Note)	37,556
Executive Officer Management of Tokyo Commodity Exchange, Inc.	Ishizaki Takashi	May 14, 1967	Apr. 1990 Apr. 1998 Apr. 2000 Jun. 2001 Jun. 2003 Apr. 2005 Apr. 2006 Apr. 2008 Jul. 2010 Jul. 2011 Jul. 2014 Jul. 2015 Jul. 2016 Jul. 2019 Apr. 2020 Jun. 2020 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) Second Secretary, Embassy of Japan in Myanmar First Secretary, Embassy of Japan in Myanmar Deputy Director of Distribution Industry Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry (METI) Deputy Director of Technical Cooperation Division, Trade and Economic Cooperation Bureau Executive Director of Commerce, Industry and Labor Department, Nagasaki Prefectural Government Director-General, Department. of Industrial and Labor Affairs, Nagasaki Prefectural Government Director of Energy and Environmental Policy Office, Director-General's Secretariat, Agency for Natural Resources and Energy Director of Energy Supply and Demand Policy Office, Director-General's Secretariat, Agency for Natural Resources and Energy Director of Commerce and Consumer Affairs Policy Division, Commerce and Consumption Economic Policy Department, Commerce and Information Policy Bureau, METI Director of Electricity Infrastructure Division, Electricity and Gas Industry Department, Agency for Natural Resources and Energy Director of Policy Planning Division, Business Environment Department, Small and Medium Enterprise Agency Director, Office for the Promotion of Regulatory Reform, Cabinet Office Senior Researcher, The Research Institute of Economy, Trade and Industry. Advisor (<i>komon</i>), Tokyo Commodity Exchange, Inc. Executive Officer of the Company (current position) Representative Director, President, Tokyo Commodity Exchange, Inc. (current position)	(Note)	5,614

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)
Executive Officer Management of JPX Market Innovation & Research, Inc.	Miyahara Koichiro	March 10, 1957	<p>Apr. 1979 Joined Electric Power Development Co., Ltd.</p> <p>Apr. 1988 Joined Tokyo Stock Exchange</p> <p>Jun. 2002 Director, General Administration Department, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2004 Director, Information Services Department</p> <p>Jun. 2005 President, Representative Director, ICJ, Inc.</p> <p>Dec. 2005 Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Oct. 2007 Standing Governor, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation)</p> <p>Jun. 2009 Senior Executive Officer, Tokyo Stock Exchange Group, Inc.</p> <p>Jan. 2013 Senior Executive Officer of the Company Senior Executive Officer, Tokyo Stock Exchange, Inc.</p> <p>Jun. 2014 Executive Vice President of the Company</p> <p>Jun. 2015 Director President & CEO, Tokyo Stock Exchange, Inc.</p> <p>Nov. 2015 Executive Officer of the Company</p> <p>Jun. 2020 Representative Executive Officer, Group Co- COO</p> <p>Nov. 2020 Retired as Director & Representative Executive Officer, Group Co-COO Retired as President & CEO, Tokyo Stock Exchange, Inc.</p> <p>Apr. 2021 President, Tosho System Service Co., Ltd.</p> <p>Apr. 2022 Executive Officer of the Company (current position) President & CEO, JPX Market Innovation & Research, Inc. (current position)</p>	(Note)	41,300
Director & Executive Officer Management of Japan Securities Clearing Corporation	Shizuka Masaki	July 13, 1959	Refer to i)	(Note)	35,724
Executive Officer Global Strategy	Yoshida Masanori	December 19, 1960	<p>Apr. 1984 Joined Ministry of Finance</p> <p>Jul. 2006 Director, Corporation Tax Policy Division, Tax Bureau</p> <p>Jul. 2008 Director, Regional Financial Cooperation Division, International Bureau</p> <p>Jul. 2010 Director, International Organizations Division, International Bureau</p> <p>Jul. 2011 Mission Chief, European Department, International Monetary Fund</p> <p>Jul. 2014 Deputy Director-General, International Bureau, Ministry of Finance</p> <p>Jul. 2015 Senior Deputy Director-General, International Bureau</p> <p>Jul. 2016 Deputy Vice-Minister for International Tax Policy</p> <p>Jul. 2018 Executive Director for Japan, The World Bank Group</p> <p>Feb. 2021 Retired</p> <p>Sep. 2021 Advisor, Meiji Yasuda Life Insurance Company</p> <p>Apr. 2022 Executive Officer of the Company (current position)</p>	(Note)	0

Title	Name	Date of birth	Career summary	Term	Number of shares owned (Shares)	
Executive Officer Corporate Communications and Investor Relations	Lin Kay	April 8, 1966	Apr. 1990	Joined Nomura Securities Co., Ltd.	(Note)	2,100
			Nov. 1996	Joined Taiwan Securities Central Depository Co., Ltd. (currently Taiwan Depository & Clearing Corporation)		
			Nov. 2007	Deputy Director, Planning Department, Taiwan Depository & Clearing Corporation		
			Mar. 2009	Joined Tokyo Stock Exchange, Inc.		
			Apr. 2020	Director of Client Relations, Equites Department		
			Apr. 2021	Director, Corporate Communications Department of the Company (current position)		
			Apr. 2022	Executive Officer (current position)		
Total						381,414

(Note) The term of office is from April 1, 2022, i.e., the date of election, to the last day of the fiscal year that ends within one year of April 1, 2022.

(ii) Outside Directors and Other Officers

(a) Number of Outside Directors

There are nine outside directors in the Company. As the Company has adopted the structure of a Company with Three Committees (Nomination, Audit and Compensation), the Company does not elect outside audit & supervisory board members.

(b) Conflicts of Interest between Outside Directors and the Company

During FY2021, Mr. Endo Nobuhiro served as Chairman of the Board of NEC Corporation (scheduled to assume office as Executive Advisor on June 22, 2022), whose corporate group paid the Group fees of approximately JPY 14 million (mainly listing fees), while the Group paid the corporate group fees of approximately JPY 71 million (mainly for system-related expenses). Mr. Kobayashi Eizo served as Director Emeritus at ITOCHU Corporation, whose corporate group paid the Group fees of approximately JPY 20 million (mainly listing fees), while the Group paid the corporate group fees of approximately JPY 5 million (mainly for systems-related expenses). Mr. Takeno Yasuzo served as Partner at Mori Hamada & Matsumoto Law Office, which paid the Group fees of approximately JPY 1 million (mainly systems usage fees), while the Group paid the office fees of less than JPY 1 million (mainly legal advice fees). There is no consultation contract between the office and the Group. The amounts of such transactions in FY2021 were considerably small, accounting for less than 1% of the consolidated sales or similar measure of the Company and of the said corporate groups and office, or less than JPY 1 million. As stated in i) Directors, each outside director holds shares in the Company. In addition, none of the candidates for director have any particular conflicts of interest with the Company.

(c) Functions and Roles of Outside Directors for the Corporate Governance of the Company, Independence Standards for or Policy on Selection of Outside Directors, and the Company's Views in the Status of Selection of Outside Directors

The Company clearly segregates its management monitoring/supervisory functions and its business execution functions, and has adopted the structure of a Company with Three Committees (Nomination, Audit and Compensation) to strengthen its oversight and supervisory functions and improve the transparency of management.

The Company's board of directors plays a central role in monitoring and supervising management of the Company, and consists of 14 directors, including two women. The functions of the board include increasing the transparency and accountability of management and strengthening supervision of the appropriateness of business execution. To accomplish this, the composition of the board includes a non-executive chairperson who is an outside director separate from business execution, and outside directors constitute a board majority.

The experience and skills of the nine outside directors include corporate management, legal expertise, certified public accountancy, research/governmental organizations, and system networks. Each director has considerable experience and insight in their respective fields and contributes to a structure that allows for multifaceted external perspectives to be readily incorporated into the management of the Company.

The independence standards and qualifications for the Company's candidates for independent directors are as follows:
(Independence Standards and Qualifications for Independent Directors)

The Company verifies the status of outside directors to the furthest extent possible and determines that an outside director is independent if they satisfy all Items 1 through 13 below.

1. Candidate has not been an executive director or similar (Note 2) or an employee of the Group (Note 1) in the last ten years;
2. Candidate has not been an officer executing business or employee of the Company's current major shareholder's (Note 3) company group or a company in which the Company is a current major shareholder in the last five years;
3. Candidate has not been an officer executing business or employee of a major business partner (Note 4) of the Group in the last fiscal year or during any of the three fiscal years prior to the last fiscal year
4. Candidate is not an officer executing business or employee of an organization that receives a donation or subsidy exceeding the specified amount (Note 5) from the Group;
5. Candidate is not an officer executing business of a corporate group that has appointed an executive director of the Group as an outside director;
6. Candidate has not been an officer executing business or employee of a group company of a major creditor or the like (Note 6) of the Group in the last three years;

7. Candidate is not a member, partner, or employee of the accounting auditor of the Group;
8. Candidate has not been a member, partner, or employee of the current accounting auditor of the Group who engaged in actual audit work of the Group (except for secondary involvement) in the last three years;
9. Candidate is not an attorney-at-law, certified public accountant, certified public tax accountant, or other consultant who receives money and other economic benefits in an amount exceeding the specified amount (Note 7) other than compensation for directors, auditors, or executive officers from the Group;
10. Candidate is not a member, partner, associate, or employee of a law firm, audit firm, tax accounting firm, consulting firm, or other professional advisory firm for which the Group is a major client (Note 8);
11. Candidate is not the spouse, a relative within the second degree of kinship, or a relative residing in the same household of a person falling under any of the following items:
 - (1) An officer executing business or significant employee (Note 9) of the Group in the last five years;
 - (2) A director, auditor, or executive officer of a company that is the Company's current major shareholder or of which the Company is a current major shareholder in the last five years;
 - (3) An officer executing business or significant employee of a major business partner of the Group in the last fiscal year or during any of the three fiscal years prior to the last fiscal year;
 - (4) An officer executing business or significant employee of an organization that receives from the Group a donation or subsidy exceeding the specified amount;
 - (5) An officer executing business or significant employee of a group company of a major creditor or the like of the Group in the last three years;
 - (6) A member, partner, or employee of the current accounting auditor of the Group in the last three years who engaged in actual audit work of the Group (except for secondary involvement) during said period;
 - (7) An attorney-at-law, certified public accountant, certified public tax accountant, or other consultant who receives money and other economic benefits in an amount exceeding the specified amount from the Group; or
 - (8) A member, partner, or associate of a law firm, audit firm, tax accounting firm, consulting firm, or other professional advisory firm for which the Group is a major client and who is directly engaged in services for the Group;
12. Candidate has not served as outside director of the Company for a period exceeding eight years in total;
13. Notwithstanding each of the preceding items, candidate is not likely to have constant and substantial conflict of interest with the Company's general shareholders;
14. Even if a candidate does not satisfy any of the above Items 2 to 11, they may be appointed as an independent director of the Company on the conditions that (1) they satisfy the requirements of outside directors under the Companies Act and (2) the Company explains to external parties the reason why they are considered appropriate as its independent director.

(Notes)

1. The "Group" refers to Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., Tokyo Commodity Exchange, Inc., JPX Market Innovation & Research, Inc., Japan Exchange Regulation, and Japan Securities Clearing Corporation.
2. "Executive director or similar" refers to an executive director, executive officer (shikkōyaku or shikkōyakuin), president (rijichō), or standing governor (jōninriji).
3. "Major shareholder" refers to a shareholder that holds 10% or more of the voting rights of the Company.
4. "Major business partner" refers to a party for which the Group was a major client (a party that received payment from the Group accounting for 2% or more of the amount equivalent to its consolidated annual gross sales for the last fiscal year), a party that was a major client of the Group (a party that made a payment to the Company accounting for 2% or more of the amount equivalent to the consolidated annual gross sales of the Company for the last fiscal year among the fiscal years included), or a parent company or significant subsidiary of either of the above.
5. "Specified amount" in Items 4 and 11 (4) refers to JPY 10 million per year on average over the past three fiscal years or 30% of the average annual total expenses of the organization, whichever is greater.
6. "Major creditor or the like" refers to a financial institution or other major creditor that is essential for the Company's financing, which the Company is dependent on to the extent that it cannot be replaced with another party.
7. "Specified amount" in Items 9 and 11 (7) refers to JPY 10 million or more per year on average over the past three fiscal years (excluding compensation for directors, auditors, or executive officers).

8. "Firm for which the Group is a major client" refers to a firm that received payment from the Group accounting for 2% or more on average over the past three fiscal years of its consolidated annual gross sales.
9. "Significant employee" refers to a person who executes business in a position of department/section director or higher in the Group or any person who is objectively and reasonably considered to be of equivalent significance.

(iii) Supervision/Audit and Internal Audit by Outside Directors, Cooperation between Audit Committee's Audit and Accounting Audit, and Relationship with the Internal Control Department

Outside directors receive reports on the results of internal audits and the audits conducted by the Audit Committee, as well as on the status of risk management including on compliance and the development and operation of the internal control system, at board of directors meetings or at other times. Outside directors then use this information to supervise management as part of the board of directors. In addition, while continuously communicating with full-time Audit Committee members, Outside Audit Committee members receive reports on the results of audits and other matters from the internal auditing office and the accounting auditor, then audit the business execution in light of this information.

(3) Audit

(i) Details on the Audit Committee

(a) Procedures, Members and Composition of the Audit Committee

The Audit Committee executes audit duties in accordance with audit policies and audit plans that have been determined based on the Company's Rules of the Audit Committee and Rules of the Audits of the Audit Committee.

The Committee is made up of five directors, four of whom are outside directors (part-time members including a member with extensive knowledge of finance and accounting) and one of whom is a full-time member. The Audit Committee audits the directors' and executive officers' execution of duties, creates audit reports, and decides the contents of proposals for the appointment or dismissal of external accounting auditors or proposals for non-reappointment of external accounting auditors, which are presented at general shareholders meetings.

The Audit Committee monitors and verifies the establishment of the internal control system and its application based on the audit plan and division of roles determined by the Committee, while collaborating closely with the external accounting auditors, internal auditing office, and the audit board members of subsidiaries, so as to efficiently conduct audits.

One member chosen by the Committee (the full-time Committee member) carries out day-to-day audit duties such as (i) attending important meetings including those of the board of directors, the board of executive officers, and the Risk Management Committee, (ii) inspecting key documents approving project proposals and the like, (iii) sharing information with auditors of subsidiaries, the internal auditing office, and accounting auditor, and (iv) interviewing employees, and reports back to the Audit Committee about these duties. The other Committee members attend Audit Committee meetings and offer opinions, recommendations, and advice based on their individual expertise and backgrounds.

The Audit Committee also receives direct reports from the representative executive officer, other executive officers, the head of the internal auditing office, external accounting auditors, and others when needed.

The Audit Committee is aided in its work by the Audit Committee Office, which provides assistance for its audit work and carries out other administrative duties in relation to the Audit Committee.

(b) Work of the Audit Committee and its Members

During the fiscal year, the Audit Committee held 11 meetings, and all Audit Committee members attended every meeting.

Major resolutions and reports by the Audit Committee are as follows. The Committee deliberated and made decisions concerning the formulation of an audit plan for the fiscal year, preparation of an audit report for the previous fiscal year, the reelection of the accounting auditor, approval of the compensation for the accounting auditor, and other matters. In addition, the Committee received reports as appropriate and made decisions regarding the audit plans of the accounting auditor, the implementation status of audits including the quarterly review, the implementation status of the internal audit, the execution status of duties by executive officers, and the execution status of duties by full-time Audit Committee members, among other matters.

In addition, for the purpose of stating Key Audit Matters (KAM) in the auditor's audit reports as required by the Financial Instruments and Exchange Act, the Committee conducted two consultation meetings with the auditor and Audit Committee members. The Audit Committee also held two study sessions regarding the evaluation and selection of the accounting auditor.

These activities of the Audit Committee were reported to the board of directors as appropriate.

The full-time Committee member Minoguchi Makoto continuously carried out auditing duties, including attending important internal meetings such as those of the board of executive officers and the Risk Management Committee, inspecting documents approving project proposals, conducting on-site audits, sharing information with auditors of subsidiaries, the internal auditing office and accounting auditors, and interviewing employees as appropriate.

(ii) Internal Audit

The Company has an internal auditing office that reports directly to the CEO and COO and has ten staff members. The basic policy behind the establishment of this office is to carry out checks and evaluations regarding the status of development and management of the internal control system and audit the status of business execution from the perspective of legality and propriety.

The internal auditing office carries out its duties based on its audit plans formulated biannually.

When the office has finished auditing a department, it reports the results to the CEO and COO in the form of an audit report, as well as presenting the results to the head of the audited department. If there are matters which require improvement as a result of a department audit, the internal auditing office will confirm implementation and operation of the improvement measures by asking for a written response regarding the improvement measures and carrying out follow-up audits as necessary.

The internal auditing office communicates with the full-time Audit Committee members as necessary and submits reports on the audit plan for internal audits and results of internal audits to the Audit Committee in an appropriate and timely manner.

(iii) Accounting Audit

(a) Name of Audit Firm

Deloitte Touche Tohmatsu LLC

(b) Period of Continuous Audit

Ten years from the fiscal year ended March 31, 2013

(c) Certified Public Accountants who Executed the Duties

Designated Limited Liability Partner, Engagement Partner, Kitamura Yoshiaki

Designated Limited Liability Partner, Engagement Partner, Yamamoto Michiyuki

Designated Limited Liability Partner, Engagement Partner, Otokozawa Eriko

(d) Composition of Assistants for Audit Services

Certified public accountants: 10 persons, other members: 12 persons

(e) Policy and Reason for Selection of Audit Firm

With regard to the procedures for reelecting an audit firm, the Company checks whether or not there is any relevant information through meetings and other communication with the departments in charge and the audit firm in light of the Policy Regarding Decisions to Dismiss or to Not Reappoint the Accounting Auditor established by the Audit Committee, and makes a decision after giving comprehensive consideration to those results. This policy concerning such decisions is as follows:

"The Audit Committee shall submit a proposal to the general shareholders meeting on the dismissal or non-reappointment of the accounting auditor in the event that the Committee determines that such action is necessary in light of a comprehensive assessment of the accounting auditor's independence, trustworthiness, and other conditions related to the performance of its duties. In addition, if any of the provisions of the items of Article 340, Paragraph 1 of the Companies Act are deemed to apply to the accounting auditor, the Company shall dismiss the accounting auditor."

(f) Evaluation of Audit Firm by Audit Committee and its Members

In light of the Practical Guidelines for Audit & Supervisory Board Members, etc. Regarding the Evaluation of an Accounting Auditor and the Formulation of its Selection Standards stipulated by the Japan Audit & Supervisory Board Members Association, the Audit Committee shall evaluate its accounting auditor under the following items:

- Quality control system and independence of the accounting auditor
- Appropriateness of the audit team
- Audit plan and implementation status of audits
- Communication with management, Audit Committee, etc.
- Response to fraud risks
- Appropriateness of audit fees, etc.

During the fiscal year, as is usual, the Audit Committee evaluated the items above through methods such as communication with the accounting auditor by reporting its audit plan, quarterly reviews and implementation status of its year-end audit, as well as through hearing evaluation results on the accounting auditor from the executive officer in charge of treasury and the Treasury Department.

As a result, the Audit Committee confirmed that the audit methods and results of the accounting auditor were appropriate and do not fall under the abovementioned Policy Regarding Decisions to Dismiss or to Not Reappoint the Accounting Auditor, and thus determined that the reelection was appropriate.

(g) Change of Audit Firm

There are no matters to report.

(iv) Details regarding Audit Fees, etc.

(a) Details regarding Compensation for Certified Public Accountants for Audits

Classification	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
	Compensation for audit certificate services (JPY million)	Compensation for non-audit services (JPY million)	Compensation for audit certificate services (JPY million)	Compensation for non-audit services (JPY million)
Reporting company	43	–	45	–
Consolidated subsidiaries	67	–	70	–
Total	110	–	115	–

(b) Compensation for the Same Network as Certified Public Accountants for Audits (Excluding (a))

Classification	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
	Compensation for audit certificate services (JPY million)	Compensation for non-audit services (JPY million)	Compensation for audit certificate services (JPY million)	Compensation for non-audit services (JPY million)
Reporting company	–	14	–	30
Consolidated subsidiaries	3	28	3	21
Total	3	43	3	51

The non-audit services provided for the Company and its consolidated subsidiaries include tax consulting services.

(c) Details on Compensation for Other Significant Audit Certificate Services

There are no matters to report.

(d) Policy on Determining Audit Fees

There are no matters to report.

(e) Reasons the Audit Committee Agreed to the Audit Fees

The Audit Committee reviewed the audits performed during the preceding fiscal year and the content of the audit plan for the fiscal year in accordance with "Practical Guidelines Regarding Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. It then considered the appropriateness of the estimated audit duration and compensation before granting the consent required pursuant to Article 399, Paragraphs 1 and 4 of the Companies Act for the amount of audit fees.

(4) Compensation for Directors and Other Officers

(i) Policy on Determining Compensation Amount, etc. for Directors and Other Officers and the Calculation Methods Thereof, and Method for Determining the Policy

Compensation for directors and other officers of the Company is comprised of a. basic salary, b. annual incentive (bonus), and c. medium- to long-term incentive (stock compensation and monetary compensation) in accordance with "1) Basic Policy on Compensation for Directors and Other Officers" below. Directors who are not concurrently serving as executive officers will only be paid a. basic salary.

1) Basic Policy on Compensation for Directors and Other Officers

In order to contribute to the sustainable growth of the Company and the improvement of corporate value over the medium to long term, compensation for directors and other officers shall be determined in accordance with the following policies:

- Compensation should be appropriate for the duties and responsibilities of the directors, executive officers, etc.
- Compensation should provide motivation for achieving the long-term vision and management plan
- Compensation should maintain enough competitiveness to secure the personnel necessary to steadily implement the Company's corporate philosophy
- In view of our responsibility as a social infrastructure, compensation should be appropriate in light of social conditions, and ensure that decision-making procedures, etc. are objective and transparent

The details of each type of compensation are as follows.

a. Basic Salary

As compensation for executives executing their duties and participating in management, basic salary is determined in accordance with their position and responsibilities with reference to the level of executive compensation at other companies based on research conducted by external expert organizations.

b. Annual Incentive (Bonus)

Annual incentive (bonus) is paid to executive officers at an amount proportionate to net income (meaning net income attributable to owners of the parent company on the consolidated statement of income, hereinafter the same). Net income is used as the indicator for two major reasons. First, net income is a source of funds for dividends to shareholders and for investments intended to enhance corporate value. Second, it is also appropriate to base the payment of the annual incentive (bonus) for each fiscal year on the net income recorded in the relevant fiscal year. Other than this, a bonus related to individual performance is paid in order to evaluate the achievement of each executive for each fiscal year.

However, an annual incentive (bonus) will not be paid if net income for the fiscal year fails to reach JPY 10.0 billion.

c. Medium- to Long-Term Incentive (Stock Compensation and Monetary Compensation)

The medium to long term incentive (stock compensation) is paid to executive officers with the aim of strengthening the alignment of interests with shareholders, increasing the motivation for medium- to long-term improvement in corporate value, as well as strengthening the link between performance and compensation. The Company's stock compensation utilizes a stock-granting trust mechanism and is comprised of a fixed portion and a performance-linked portion.

For the fixed portion, points are issued to executives in accordance with their position and other aspects for each fiscal year, and shares corresponding to the points issued are granted after three years from the issuance date of such points.

For the performance-linked portion, "Performance-linked Basic Points" are issued to executives for each fiscal year, and after three years from the point issuance date, "Performance-linked Points" are calculated by multiplying such Performance-linked Basic Points by a "Performance-linked Factor" in accordance with the degree of achievement of the Company's performance conditions, and then shares corresponding to the Performance-linked Points are granted. In accordance with the chart below, the Performance-linked Factor will be determined between 0–150% based on the relative evaluation of (i) the Company's consolidated ROE when three years have elapsed from the issuance date of such Performance-linked Basic Points and (ii) Total Shareholder Return (TSR) of the Company shares for the period from the end of the last fiscal year before the issuance date of such points until three years have elapsed (in comparison with the growth rate of JPX-Nikkei 400 Total Return Index). Consolidated ROE is used as an indicator from the perspective of

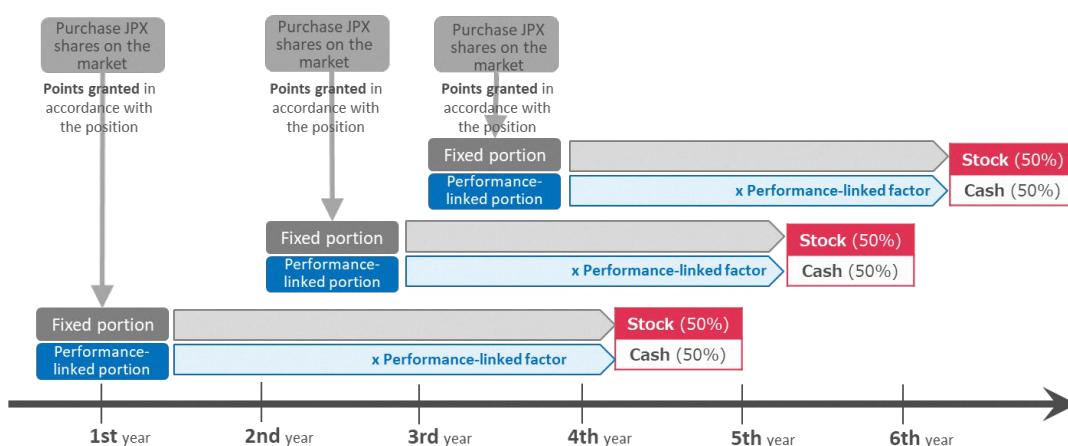
improving capital efficiency, while Total Shareholder Return (TSR) is used from the perspective of enhancing shareholder value.

In accordance with the Company's rules for executive officers, in principle, shares in the Company acquired through stock compensation or other means may not be sold for one year from the time of departure from the Company. Furthermore, based on the share delivery regulations, in the event of any misconduct on the part of the officer to whom the stock compensation is granted, in the case of issuance prior to the delivery of shares, delivery shall be canceled, and if delivery has been made, a request for the return of the amount equivalent to the delivery may be made to the officer.

(Reference) Conditions Regarding Performance Pertaining to Performance-linked Portion of Medium- to Long-Term Incentive (Stock Compensation)

		Consolidated ROE		
		Below 10%	10% to under 14%	14% and above
Total Shareholder Returns (TSR) VS JPX-Nikkei400 (including dividends)	Outperform	Performance-linked factor 50%	Performance-linked factor 100%	Performance-linked factor 150%
	Underperform	Performance-linked factor 0%	Performance-linked factor 50%	Performance-linked factor 100%

Image of Stock Compensation Plan



(Formula for Calculating Points)

(i) Calculation of Fixed Points (note 1)

Fixed Points = Stock compensation base amount for the fixed portion / Average acquisition price (note 2) (rounded down to the nearest integer)

(ii) Calculation of Performance-linked Points (note 1)

Performance-linked base points = Stock compensation base amount for the performance-linked portion / Average acquisition price (note 2) (rounded down to the nearest integer)

Performance-linked points = Performance-linked base points x Performance-linked factor (rounded down to the nearest integer)

- (Notes)
1. The number of the Company's shares per point shall be one share.
 2. The amount shall be the average acquisition price of the Company's shares acquired by the Trust during the fiscal year in which such points are issued.

(Total Fixed Points and Total Performance-linked Base Points by Position)

	The Company			Core subsidiaries		
	Fixed points	Performance-linked base points	Maximum performance-linked points	Fixed points	Performance-linked base points	Maximum performance-linked points
Group CEO/President and CEOs	21,933	3,987	5,980	15,032	7,814	11,721
Executive officers with titles	10,048	5,104	7,656	13,118	6,699	10,048
Executive officers, etc.	1,914	957	1,435	19,140	9,570	14,355

The medium to long term incentive (monetary compensation) is paid to executive officers in accordance with the achievement level of consolidated ROE and sustainability measures specified in the Medium-Term Management Plan 2024.

With respect to consolidated ROE, the condition for payment is that consolidated ROE is 10% or more in each year during the period of the Medium-Term Management Plan (three years), and the amount will be decided in accordance with the average consolidated ROE during the three years. The amount paid will reach a maximum if either of the consolidated ROE in the final year of the Medium-Term Management Plan or the average consolidated ROE across the period of the Medium-Term Management Plan (three years) is 15% or more. The amount to be paid to each executive will be decided in accordance with their respective positions.

In addition, in conjunction with the start of a new Medium-Term Management Plan in FY2022, in order to underline the Group's commitment to sustainability measures, we have decided to reflect the degree of achievement of sustainability measures in this incentive.

Specifically, with respect to the sustainability measures specified in the Medium-Term Management Plan 2024 (promoting sustainability using market mechanisms, achieving carbon neutrality as a corporation, achieving carbon neutrality in securities market operations by 2030, etc.), if the plan has been achieved by the end of the Medium-Term Management Plan 2024, the final incentive amount will be calculated by multiplying the incentive amount calculated based on the degree of achievement of the consolidated ROE above by a factor of 2 for the Group CEO and 1.5 for the other executive officers.

2) Composition of Executive Officers' Compensation

Compensation for executive officers consists of a basic salary, annual incentive (bonus) and medium- to long-term incentive.

In conjunction with the start of its new Medium-Term Management Plan in FY2022, the Group has decided to revise the composition ratio of the compensation of executive officers, with the goal of sharing more profit with shareholders than in the past and promoting medium- to long-term improvement of the Group's corporate value. As a result, assuming the profit level of the fiscal year and assuming the Performance-linked Factor of the stock compensation to be 100%, the compensation composition ratio for the Company's executive officers is expected to be as follows:

	Basic salary	Annual incentive	Medium- to long-term Incentive
CEO	30	25	45
Executive Officers excluding CEO	40	30	30

(ii) 1) Total Amount of Compensation for Directors/Other Officers by Classification, Total Amount of Compensation by Type, and Number of Eligible Directors/Other Officers

Director/Executive classification	Total amount of compensation, etc. (JPY million)	Total compensation by category (JPY million)					Eligible number of directors/executives
		Basic salary	Annual incentive	Medium- to long-term incentive			
		Monetary compensation	Monetary compensation (bonus)	Stock compensation		Monetary compensation (degree of achievement of the Medium-Term Management Plan)	
Fixed portion	Performance-linked portion						
Directors (excluding outside directors)	28	28	–	–	–	–	1
Executive officers	528	200	157	84	36	49	6
Outside directors	164	164	–	–	–	–	10

- (Notes)
- The Company does not pay director compensation to directors who concurrently serve as executive officers.
 - Of the executive officers, those who also serve as representative directors of Tokyo Stock Exchange, Inc., Osaka Exchange, Inc., Tokyo Commodity Exchange, Inc., and Japan Securities Clearing Corporation are not included in the number of eligible executive officers because they are not paid compensation as executive officers.
 - The above table includes one outside director who retired at the conclusion of the Annual General Shareholders Meeting held on June 16, 2021.
 - Bonuses are mainly paid at an amount that correlates with the Company's net income for the year under review, and are not paid if net income fails to reach JPY 10.0 billion. Net income for the fiscal year was JPY 49,955 million.
 - Concerning the indicators used for the performance-linked portion of stock compensation, consolidated ROE comprises a two-tier target of 10% or more and 14% or more, and the performance-linked coefficient changes depending on the level of achievement. Concerning Total Shareholder Return (TSR), the goal is for TSR to outperform the growth rate of JPX-Nikkei Index 400 (total return index). The amount of stock compensation in the table above is the amount among the stock compensation for FY2018 to FY2021 that was recorded as an expense in the fiscal year of reporting. Of that, the indicators for stock compensation granted in FY2018 were as follows: consolidated ROE was 16.6%, and the three-year TSR of the Company's shares outperformed the growth rate of the JPX-Nikkei Index 400 (total return index) over the same period. Accordingly, the highest possible performance conditions were achieved.
 - With respect to monetary compensation related to the degree of achievement of the Medium-Term Management Plan, during the period of the Medium-Term Management Plan (three years), the consolidated ROE for each fiscal year must be at least 10% to be eligible for the payment, and if either the consolidated ROE for the final year of the Medium-Term Management Plan or the average consolidated ROE during the period of the Medium-Term Management Plan (three years) reaches 15% or more, the maximum amount will be paid. Since the consolidated ROE was 15.7% in FY2021, the maximum payment amount was reached.
 - The bonus, the performance-linked portion of the stock compensation, and the monetary compensation related to the degree of achievement of the Medium-Term Management Plan fall under "performance-linked compensation, etc." provided for by the Regulation for Enforcement of the Companies Act, and stock compensation falls under "non-monetary compensation, etc." provided for by the same Act.

2) Compensation for Directors/Other Officers whose Total Consolidated Compensation is JPY 100 million or More

Name	Total consolidated compensation, etc. (JPY million)	Director/Executive classification	Corporate classification	Total consolidated compensation by category (JPY million)				
				Basic salary	Annual incentive	Medium- to long-term incentive		
				Monetary compensation	Monetary compensation (bonus)	Stock compensation		Monetary compensation (degree of achievement of the Medium-Term Management Plan)
Fixed portion	Performance-linked portion							
Kiyota Akira	193	Director & Representative Executive Officer (Group CEO)	Reporting company	60	48	54	14	15
Yamaji Hiromi	129	President & CEO (Note 1)	Tokyo Stock Exchange, Inc.	54	41	12	8	12
Iwanaga Moriyuki	108	President & CEO (Note 2)	Osaka Exchange, Inc.	46	36	9	6	9

- (Notes) 1. Yamaji Hiromi concurrently serves as Director and Representative Executive Officer of the reporting company, but does not receive compensation as Director or Representative Executive Officer thereof.
2. Iwanaga Moriyuki concurrently serves as Director and Executive Officer of the reporting company, but does not receive compensation as Director or Executive Officer thereof.
3. The amount of stock compensation in the table above is the amount among the stock compensation for FY2018 to FY2021 that is recorded as an expense in the fiscal year of reporting.
4. The bonus, the performance-linked portion of the stock compensation, and the monetary compensation related to the degree of achievement of the Medium-Term Management Plan fall under "performance-linked compensation, etc." provided for by the Regulation for Enforcement of the Companies Act, and stock compensation falls under "non-monetary compensation, etc." provided for by the same Act.

(iii) Those Who have Authority to Determine the Policy on Determining Compensation Amount, etc. for Directors and Other Officers and its Calculation Methods

The Company is a Company with Three Committees (Nomination, Audit and Compensation). It has established a statutory Compensation Committee for the purpose of ensuring transparency and objectivity concerning compensation paid to directors and other officers. The Compensation Committee is made up of a majority of independent directors and chaired by an independent director. Based on laws and regulations, the Compensation Committee has the authority to establish the policy concerning decisions on the details of compensation for each director and other officer and the authority to decide the details of compensation for each director and other officer based on said policy. The Compensation Committee determines the policy concerning decisions on compensation for directors and other officers of the Company and its calculation methods.

The Compensation Committee has determined the compensation for directors and other officers for the fiscal year as follows:

Date	Resolution details
March 19, 2021	Basic salary and stock compensation for each executive officer
April 28, 2021	Additional contribution following the extension of a share delivery trust contract relating to stock compensation
June 16, 2021	Basic salary for each director who does not concurrently serve as executive officer
April 18, 2022	Bonuses and monetary compensation relating to the degree of achievement of the Medium-term Management Plan for each executive officer

- (Notes)
1. The Compensation Committee held study sessions on November 1, 2021, December 24, 2021, and February 22, 2022, and discussed the compensation system for directors and other officers for FY2022 and beyond.
 2. On May 13, 2022, the Compensation Committee made a decision regarding the additional contribution by the stock delivery trust for stock compensation.

(5) Shareholding

The Group classifies shares held solely for the purposes of gaining income from movements in share values or dividends from those shares as "investment shares held for pure investment," whereas it classifies investment shares other than these as "investment shares held for purposes other than pure investment." With regard to investment shares held for purposes other than pure investment, the Company may hold shares issued by other companies if the holding is expected to enhance the corporate value of the Group for the medium to long term through, for instance, strengthening business relationships. In addition, regarding shares issued by listed companies, the board of directors shall evaluate every year whether the continued holding of shares issued by each listed company is justifiable from the perspective of enhancing corporate value, and consider reducing the holding if its maintenance is deemed as having limited necessity.

As a result of considering the necessity of continuing to hold the shares of Singapore Exchange Limited (SGX) based on the above policy, the Company determined that holding the shares was not a necessary requirement to continue its cooperative relationship with SGX. Accordingly, the Company decided on March 30, 2018 that the Company would sell said shares in stages for the next three years, and sold all of those shares by April 30, 2021.

The following shows information regarding the Company, the amount of investment securities of which, as recorded on each balance sheet, is the largest among the Company and its consolidated subsidiaries.

(a) Number of Issues and Total Investment Securities Amount on Balance Sheet for Investment Shares Held for Purposes Other than Pure Investment

	Number of issues	Total amount on balance sheet (JPY million)
Unlisted stocks	6	1,158
Stocks other than unlisted stocks	–	–

(Issues for which the number of held shares increased during the fiscal year)

	Number of issues	Total acquisition cost for share increase (JPY million)	Reasons for increase in number of shares
Unlisted stocks	1	363	Acquiring state-of-the-art insight into the digital asset field and developing new fields
Stocks other than unlisted stocks	–	–	–

(Issues for which the number of held shares decreased during the fiscal year)

	Number of issues	Total sales amount for share decrease (JPY million)
Unlisted stocks	–	–
Stocks other than unlisted stocks	1	1,244

(b) Issue Names, Number of Shares, and Amount on Balance Sheet, etc. for Specified Investment Shares Held for Purposes
Other than Pure Investment

Issue name	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021		Purpose of shareholding, etc.	Whether issuing company holds the Company's shares
	a	Number of shares	a	Number of shares		
	b	Amount on balance sheet (JPY million)	b	Amount on balance sheet (JPY million)		
Singapore Exchange Limited	a	–	a	1,473,000	The Company determined that holding the shares was not a necessary requirement to continue its cooperative relationship with Singapore Exchange Limited and thus decided on March 30, 2018 that the Company would sell said shares in stages for the next three years. (Note)	No
	b	–	b	1,189		

(Note) The Company sold all shares by April 30, 2021.

(c) Number of Shares and Total Amount on the Balance Sheet for the Previous Fiscal Year and the Fiscal Year, as Well as
Each Total Amount of Dividend Income, Profit or Loss Relating to Asset Sales, and Valuation Profit or Loss Regarding
Investment Shares Held for Purposes Other than Pure Investment

There are no matters to report.