



JPX
JAPAN EXCHANGE
GROUP

3rd Medium-Term Management Plan Update for FY2020

FY2019 ▶ FY2021

March 31, 2020

Japan Exchange Group, Inc.

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Review of the First Year (FY2019)

The first year saw steady implementation of measures based on the four core strategies

- ✓ Launched cash equity trading platform "arrowhead 2.5" and shortened stock settlement cycle to T+2
- ✓ Moved toward the comprehensive exchange by completing a business combination with Tokyo Commodity Exchange (TOCOM)
- ✓ Developed new partnerships to work toward diversifying data services; carried out simultaneous ETF listings in Japan & China

Pursue "the shape of the market" toward the next generation



- ✓ Launched cash equity trading platform "arrowhead 2.5"
- ✓ Shortened stock settlement cycle to T+2
- ✓ Yearly IPO count reached 94
- ✓ Carried out simultaneous ETF listings in Japan and China through Japan-China ETF Connectivity program

Diversify and propel data services into the next generation



- ✓ Launched proof-of-concept (PoC) and data sandbox programs to create new services and client bases
- ✓ Made progress in developing new data services through these programs (launched 2 services; testing in progress for 5 services)

Launch and develop a comprehensive exchange



- ✓ Completed business combination with Tokyo Commodity Exchange (TOCOM)
- ✓ Developed and announced specifications for product transfer and clearing house integration
- ✓ Integrated administrative departments to help achieve business combination synergies
- ✓ Promoted measures to boost markets with integrated promotion teams

Develop a foundation to support the future of our business and the society



- ✓ Promoted constructing Kansai backup center for BCP
- ✓ Launched a new project to build infrastructure for utilizing Blockchain/Distributed Ledger Technology (DLT)
- ✓ Publicly appealed about the importance of asset building in the age of the 100-year lifespan

Progress Made in the First Year (FY2019)

- Steadily progressed towards achieving primary targets based on core strategies, for the most part

I

Pursue "the shape of the market" toward the next generation

- Complete trading platforms for **cash products in FY2019** **Achieved** and **derivative products in FY2021** **Development Started**
- Meet **system requirements** for trading platforms **Achieved** (for cash products)
- Shorten stock settlement cycle to **T+2 in FY2019** **Achieved**
- Aim for IPO count of approx.100/year **Achieved**

II

Launch and develop a comprehensive exchange

- **Achieve early integration with TOCOM** **Achieved** (Made TOCOM a wholly-owned subsidiary; integrated administrative departments and the HR system)
- **Achieve integration of clearing houses** **In Progress** (Published outlines of trading & clearing rules for product transfer and clearing house integration)
- **Raise trading volume** through synergies **In Progress** (Integrated promotion teams to improve trading volume)

III

Diversify and propel data services into the next generation

- Diversify channels incorporating **API, etc. in FY2020** **Development Started**
- Create **10 new services** and attract **150 new clients** **In Progress**
(Launched and began utilizing a platform for creating new services and client bases)

IV

Develop a foundation to support the future of our business and the society

- Launch **Kansai backup center** in phases **starting in FY2021** **Building Progressing**
- Build industry-shared **Blockchain/DLT infrastructure in FY2021** **In Progress**
- Contribute to **10% annual increase** in the number of users of **Tsumitate (installment-type) NISA & iDeCo** via initiatives to raise financial literacy **Achieved**

No. of Tsumitate NISA Accounts : 1.7 mil. (as of Sep. 30, 2019; up 34% from the end of FY2018)
No. of DC pension plan subscribers: 1.46 mil. (as of Dec. 31, 2019; up 21% from the end of FY2018)

3rd Medium-Term Management Plan (2019-2021)

Basic Policy for Updates and Core Strategies

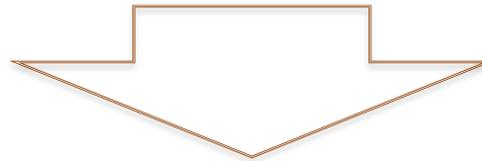


Policy for Updates Starting from the Second Year

Our most important mission is to securely provide market infrastructure that satisfies users, while properly responding to various risks stemming from environmental uncertainties and unknowns

It is important to continue stabilizing and strengthening our finances, so as not to excessively rely on revenues impacted by the market condition of Japanese equities.

It is important to make a more active contribution to building a "sustainable society" in our role as a responsible infrastructure operator supporting Japanese financial and capital markets.



While maintaining the overall framework of the 3rd Medium –Term Management Plan, we will:

- Review concrete measures, flexibly managing costs in response to changes in the environment and the progress of the plan.
As part of this, actively develop ways to further diversify the revenue stream, such as by invigorating the comprehensive exchange and creating new data services.
- As ESG becomes an important topic around the world, further strengthen measures to promote sustainability by encouraging the spread of ESG investment and ESG disclosure, as well as improving JPX's ESG disclosure and ESG ratings as a company.

Management Policy

Sail to the future. Keep the market secure.

Under rapid innovation and global dynamics, we aim to evolve into a **total smart exchange**, where anyone can trade any product in a secure and easy way, by further cooperating with stakeholders and entering new partnerships. We will also make a more active contribution to building a "sustainable society" in our role as a responsible infrastructure operator. UPDATED

Four Core Strategies

I Pursue "the shape of the market" toward the next generation

Raise global competitiveness while working on enhancing the appeal of the Japanese market in the pursuit of "the shape of the market" toward the next generation.

III Diversify and propel data services into the next generation

Explore our new business model as an exchange by creating highly convenient data services emerging from an open and innovative framework.

II Launch, invigorate, and develop the comprehensive exchange UPDATED

Invigorate the Japanese derivatives market and evolve it into a leading global derivatives market, while swiftly generating synergies from the business combination.

IV Develop a foundation to support the future of our business and the society

Keep our markets robust as a market infrastructure by means such as developing and managing reliable IT systems and enforcing appropriate self-regulations. Strengthen cyber security measures and improve preparedness for the risk of natural disasters.

Promoting Sustainability

- **Sustainability Committee set up in July 2018 with CEO as Chair, to strengthen/speed up initiatives**
- **Sustainability made a top priority for improving the attractiveness of the Japanese market, in step with global trends**
 - Working towards more ESG disclosure among listed companies
 - Encouraging wider ESG investment and promoting ESG-related investment products
 - Improving and enhancing JPX company information disclosure
 - Implementing ESG as a company and research of ESG ratings

Listed company ESG disclosure

Corporate Governance Code (excerpts)

Principle 2.3 Sustainability Issues, Including Social and Environmental Matters

Companies should take appropriate measures to address sustainability issues, including social and environmental matters.

Principle 2.4 Ensuring Diversity, Including Active Participation of Women

Companies should recognize that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics is a strength that supports their sustainable growth. As such, companies should promote diversity of personnel, including the active participation of women.

Notable activities

- ◆ Dec. 2017 : Joined Sustainable Stock Exchanges Initiative
- ◆ Jan. 2018 : Established Green and Social Bonds Platform on TOKYO PRO-BOND MARKET
- ◆ Sept. 2018 : Began publication of S&P/JPX Carbon Efficient Index. Index selected as Global Environmental Stock Index by GPIF*
- ◆ Jun. 2019 : Published Japanese translation of Model Guidance for Companies on Reporting on ESG Information
- ◆ Jan. 2020 : Announced calculation of new Infrastructure Fund Index (April)
- ◆ Feb. 2020 : First ETF based on S&P/JPX Carbon Efficient Index listed

* GPIF: Government Pension Investment Fund

Joining the global conversation

- ◆ **Expressed support for Financial Stability Board's TCFD Recommendations (Oct. 2018)**



Climate Disclosure Standards Board

- ◆ **SASB/CDSB "TCFD Implementation Guide" seminar (Oct. 10, 2019)**

Seminar held with Sustainability Accounting Standards Board (SASB) and Climate Disclosure Standards Board (CDSB) to introduce the Japanese translation of their "TCFD Implementation Guide"

ESG-related products

- ◆ **ESG-related indices (10 indices)**
ESG-related indices calculated and published, including governance-focused JPX-Nikkei Index 400 and S&P/JPX Carbon Efficient Index
- ◆ **ESG ETFs (21 ETFs)**
Various ESG-related ETFs listed, including those based on the above ESG-related indices as well as those following women's participation and other themes.
- ◆ **Infrastructure funds (7 funds)**
Funds listed that invest in renewable energy such as solar power.
- ◆ **Green and Social Bonds (7 bonds)**
Green and social bonds listed and information posted on the Green and Social Bonds Platform.

Core Strategy I

Pursue "the shape of the market"
toward the next generation

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Raise global competitiveness while working on enhancing the appeal of the Japanese market in the pursuit of "the shape of the market" toward the next generation.



Core Strategy I - Initiatives

- Implement the "Action Program for Strengthening the Functions of the Cash Equity Market" in order to appropriately respond to changes in the market environment
- Implement the market structure reforms and aim for a smooth transition, taking into account the final report from the Expert Study Group on Capital Markets in Japan of the Financial System Council

1 Strengthen the functions of the cash equity market and work to develop a next-generation platform for cash products UPDATED

- Implement the Action Program for Strengthening the Functions of the Cash Equity Market
(Introduce market access rule, respond to regulations on dark pools, optimize tick sizes, address various execution needs in the ToSTNeT market, etc.)
- Formulate plans for the development of a next-generation platform for cash products

2 Develop TSE's market structure and enhance corporate governance at listed companies for a more appealing Japanese market UPDATED

- Carry out the following to enhance the investment appeal of the Japanese market and encourage listed companies to raise corporate value:
- Implementation of the market structure reforms and creation of an environment to ensure a smooth transition
 - Further enhancing substantial aspects of corporate governance at listed companies and cultivating an environment conducive to more dialogue between investors and listed companies

3 Improve clearing services for better global competitiveness UPDATED

- Boost activity in the ETF market via introduction of clearing services for the creation/redemption of ETFs
- Refine margin rules and framework for listed derivatives
- Improve OTC clearing services to encourage more usage
- Prepare for global interest rate benchmark reforms, review the loss compensation rules and systems for listed derivatives, and renovate the system and increase the convenience of clearing services for OTC JGB transactions

4 Create new communication channels with retail investors and enhance support for global investors

- Improve marketing to attract more retail investors
- Improve marketing and strengthen ties to attract more global investors
- Revamp outreach to global investors to attract more investment in Japanese equities

5 Boost ETF market activity and develop new methods or channels for new investors UPDATED

- Enhance the market making scheme to boost activity in the ETF market and consider an RFQ function*
- Consider development of new methods or channels for new investors, such as diversifying trading participants and small-lot investments using assets held in trust

*RFQ: Request For Quote - i.e. a market driven by customers' requests for quotes

6 Expand lineup of high-quality listed companies and products with high investment appeal UPDATED

- Attract a greater variety of enterprises to the market
- Boost support for IPOs with mind to the market structure reforms
- Create a greater variety of investable products such as ETFs and ETNs

※ ■ Underlines indicate additions/revisions to individual initiatives.

Raising the Appeal of the Japanese Cash Equity Market

Action Program for Strengthening the Functions of the Cash Equity Market

(Published on Jan. 30, 2020)

Changes in the environment surrounding the cash equity market

Increasing automation and speed of trade executions, shift toward passive investment, more diverse execution needs, increasingly sophisticated services offered by securities firms, emergence of new securities ventures



We will respond swiftly and flexibly to the constantly changing market environment, so that the Japanese cash equity market remains attractive to investors

Improving the reliability and safety of the market

- (1) Introducing market access rule
- (2) Introducing self-trade prevention function
- (3) Implementing sophisticated trade monitoring and market surveillance
- (4) Responding to regulations on dark pools

Developing an environment that facilitates investment

- (1) Vitalizing the ETF market
- (2) Promoting the appeal of investment in individual stocks to retail investors
- (3) Developing new methods or channels for new investors
- (4) Optimizing tick sizes
- (5) Enriching information for investors
- (6) Enhancing the convenience of margin transactions
- (7) Addressing various execution needs in the ToSTNeT market

Considering the trading rules for the future in light of changes in the market environment

- (1) Assessing the trading rules amid the shift toward passive investment
- (2) Conducting a study on the next-generation market

Market Structure Review (Published on Feb. 21, 2020)

Restructuring of market segments

Our mission is to contribute to the realization of an affluent society, and through restructuring of the Cash Equity Market with a clear market concept, incentivizing sustainable growth and mid-to long-term corporate value creation of listed companies that further attracts various types of investors, both domestic and foreign, we aim to promote the sustainable development of the Cash Equity Market.



Published an overview of the market structure reforms in February, with the aim of transitioning to new market segments in April 2022. Plan to gradually phase in rule revisions from FY2021.

Review of TOPIX

- Transition to new TOPIX that functions properly as an investable index and a benchmark representing wide investment opportunities
- Implement measures to further strengthen index governance (Introduce Index Consultation function and establish Index Advisory Panel)
- Start using new rules for index calculation after restructuring the market segments (Phased changes to minimize impact on the market, etc.)

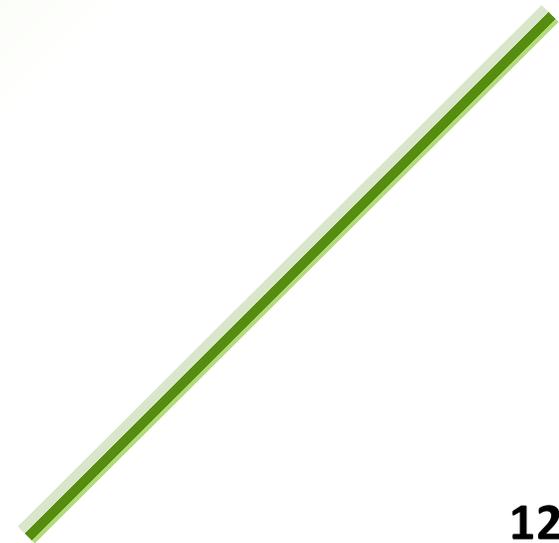
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Core Strategy II

Launch, invigorate, and develop
the comprehensive exchange

UPDATED

Invigorate the Japanese derivatives market
and evolve it into a leading global
derivatives market, while swiftly generating
synergies from the business combination.



Core Strategy II – Initiatives

- **Invigorate the derivatives market by developing new platforms and attracting diverse order flows through integrated market operations**
- **Deploy new measures for market development, such as introducing derivatives trading on national holidays and nurturing the energy market**

1 Launch the comprehensive exchange UPDATED

- Launch the comprehensive exchange with the product transfer
- Integrate the clearing houses and provide commodity clearing functions via JSCC
- Swiftly generate synergies from the business combination
- Enhance market operations to be fit for the comprehensive exchange and strengthen BCP structures in the Tokyo and Osaka bases

2 Develop the next generation derivatives platform "J-GATE3.0" UPDATED

- Develop trading rules and frameworks and consider creation of new products in connection with J-GATE3.0
- Construct a system that enables timely addition of new products with the primary concept of "Launch Timely"
- Work to enhance information services
- Attract flow from the OTC market by utilizing and improving the J-NET Portal

3 Invigorate the derivatives market by attracting diverse investment flows UPDATED

- Invigorate the markets through reinforcing sales and promotion activities
 - ◆ Attract more flow from retail investors and global investors
 - ◆ Boost trading of Flexible Options and non-flagship products such as TSE Mothers Index Futures
 - ◆ Attract flow to the commodity market from financial institutions and maintain existing flow

4 Drive new initiatives to enhance the derivatives market NEW

- Develop rules and frameworks for derivatives trading on national holidays
- Work on broadening investor base for the electricity futures market and facilitate market entry by commercials
- Develop rules and frameworks for listing LNG Futures

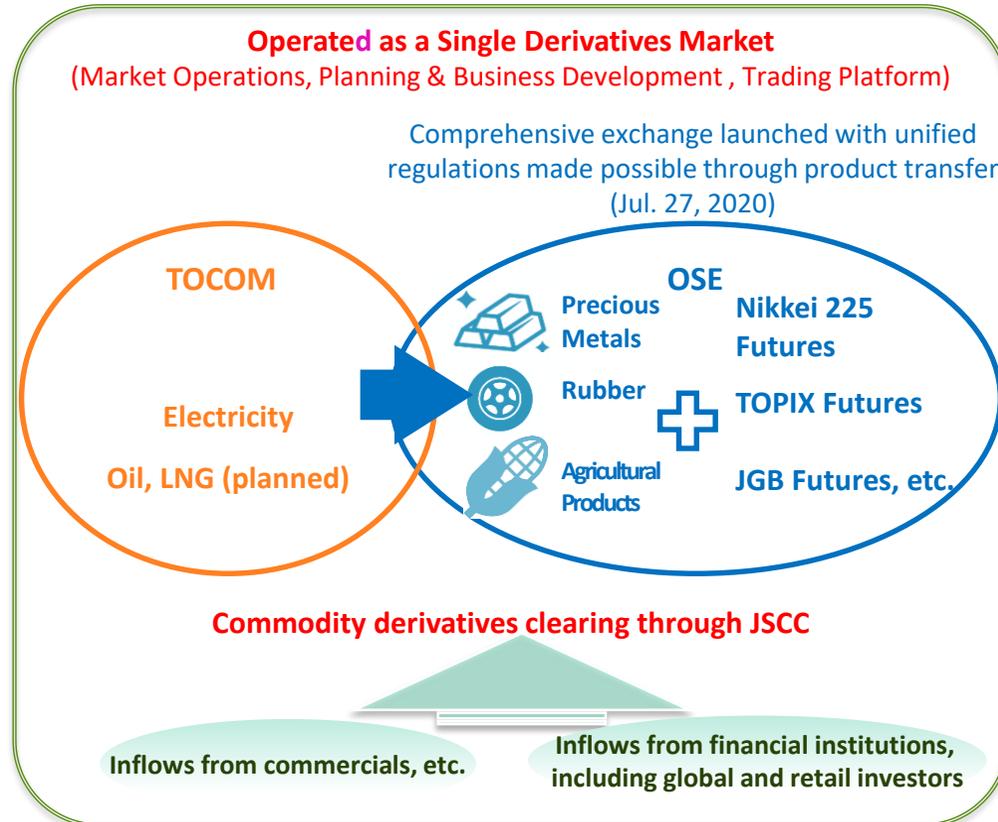
Realizing our medium- to long-term vision

- Drive initiatives in such areas as relationship building and R&D to evolve into an "exchange where anyone can trade any product"

※ ■ Underlines indicate additions/revisions to individual initiatives.

Launching and Invigorating the Comprehensive Exchange

- Focus on completing the launch of the comprehensive exchange through a smooth product transfer and clearing house integration (Scheduled for July 27, 2020)
- Boost the market by operating OSE and TOCOM as a single derivatives market



- ▼ Mar. '19: Basic agreement toward business combination
- ▼ Jul. '19: Published draft rules, etc. for product transfer & clearing house integration
- ▼ Aug. '19 : Commenced tender offer for TOCOM shares
- ▼ Nov. '19: Made TOCOM a wholly-owned subsidiary
- ▼ Dec. '19: Integrated administrative departments
- ◆ Apr. '20: Scheduled integration of operations departments and the HR system

- Attract investment flows from financial institutions, such as overseas market makers, and retail investors
- Enhance inflows from domestic and overseas business, such as commercials
- Strengthen efforts to invigorate the market, such as introducing trading on national holidays and LNG Futures, etc.
- Enhance promotion activity using the launch of the comprehensive exchange

Core Strategy III

Diversify and propel data services
into the next generation

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Explore our new business model as an exchange
by creating highly convenient data services
emerging from an open and innovative framework.



Core Strategy III – Initiatives

- **Diversify and propel data services into the next generation through two programs that will help forge new partnerships**
- **Renovate TOPIX into a properly functioning investable index, taking into account the report from the Expert Study Group on Capital Markets in Japan of the Financial System Council**

1 Create new information services by utilizing innovations and partnerships

UPDATED

- Create new services and develop new customer bases by utilizing open and innovative frameworks
 - ◆ A Proof of Concept program with the aim of providing new contents (from Apr. 2019)
 - ◆ A data sandbox program to develop new customer bases (from Aug. 2019)
- Research investor needs and tailor data/information services to meet the needs

2 Build a next-generation system for disseminating information that employs API* & the cloud

- Build a next-generation system for disseminating information that incorporates the use of API* and cloud computing
- Tap into new user segments with diverse services generated from next-generation systems

* API = Application Programming Interface

3 Develop indices & enhance operations in response to needs & external changes

- Strengthen ties and partnerships and leverage TSE brand in developing indices
- Raise robustness and efficiency of operation of an index calculation system by improving IT infrastructure for calculating indices and for managing basic data

4 Renovate TOPIX into properly functioning investable index

NEW

- Renovate TOPIX into a properly functioning investable index and a benchmark representing wide investment opportunities

Realizing our medium- to long-term vision

- Drive initiatives in such areas as relationship building and R&D to evolve into an exchange where anyone can trade in a secure and easy way

※ Underlines indicate additions/revisions to individual initiatives.

Diversifying and Propelling Data Services into the Next Generation

- Work together with a wide range of partners to create new data and services
- Create new data services together with partners by utilizing their expertise, technologies, data, and networks

Diversifying and propelling data services into the next generation

Sustainable Development of the Market through creation and provision of sophisticated data services

Resolve technical issues, create investment opportunities, streamline operations, reduce costs



Platform which openly recruits new partners

◆ Initiatives aimed at distribution of new contents

- Proof of Concept Program for Utilizing Securities Data (from Apr. 2019)

- Users can utilize data assets of JPX and Partners free of charge
- Services may be commercialized, with data content and distribution methods designed based on users' needs

◆ Initiatives to attract new information services users

- Data Sandbox Program (from Aug. 2019)

- Provides data from JPX, information vendors, and financial institutions to start-up companies
- Supports creation of market services of start-ups in partnership with incubation organizations and industry associations

Initiatives aimed at distribution of new contents

#	Project	Project Owner	Schedule
1	J-GATE Derivative Trading Information	Osaka Exchange, Inc.	Service Launched in Jul. 2019
2	J-GATE Derivative Trading System Information	Osaka Exchange, Inc.	Service Launched in Jul. 2019
3	Detail Breakdown Trading Data	Tokyo Stock Exchange, Inc.	Service Launched in Apr. 2020
4	Corporate investor event transcripts and their English translations	SCRIPTS Asia, Inc.	PoC Started in Oct. 2019
5	Intangible Asset Data (IP/IT, HR, network, etc.)	astamuse company, Ltd.	PoC Started in Apr. 2019
6	Mid/Small Cap Analyst Reports in English	Nowcast Inc.	PoC Started in Oct. 2019
7	Symphony Bot for Timely Disclosure	Tokyo Stock Exchange, Inc.	PoC Started in Mar. 2020

Data Sandbox Partners



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Core Strategy IV

Develop a foundation to support the future of our business and the society

Keep our markets robust as a market infrastructure by means such as developing and managing reliable IT systems and enforcing appropriate self-regulations. Strengthen cyber security measures and improve preparedness for the risk of natural disasters.



Core Strategy IV – Initiatives

- Accelerate actions for new value creation through digital transformation (DX)
- Strengthen cyber security measures and advance construction of the Kansai backup center in preparation for the risk of natural disasters

1 Bolster system bases, promote digital transformation, and develop highly-skilled IT personnel UPDATED

- Develop and manage IT systems that are secure and reliable for users (IT Master Plan)
- Promote digital transformation and utilize fintech in business
- Educate/train human resources on digitalization, etc.
- Increase efficiency/sophistication of operations by replacing information systems and incorporating the latest technologies

2 Strengthen cyber security measures and launch the Kansai backup center in preparation for the risk of natural disasters UPDATED

- Strengthen cyber security measures
- Advance construction of the Kansai backup center
- Improve stability of market operations with higher quality BCP

3 Exercise optimal self-regulation that adapts to external changes

- Conduct appropriate listing examinations in ways that reflect external changes and maintain/improve the depth of such examinations
- Steadily implement listed company compliance and enhance listed companies' awareness of corporate scandal prevention
- Inspect trading participants optimally to reflect external changes
- Make market surveillance more sophisticated through strengthening system functions and adopting advanced methods
- Implement appropriate trading participant inspections and market surveillance to suit a comprehensive exchange

4 Raise financial literacy to achieve stable asset building and strengthening of market functions UPDATED

- Implement more active efforts toward promoting the appeal of investment in individual stocks to retail investors
- Raise financial literacy and enhance education on economics/finance in response to aging population
- Promote education on investment in derivatives for asset-building

5 Strengthen business foundations UPDATED

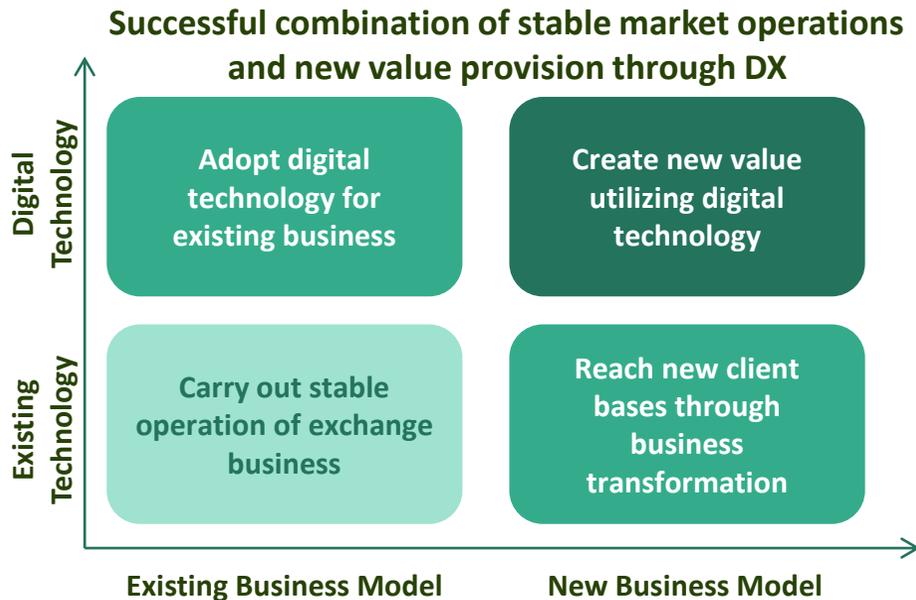
- Develop human resources and advance work style reforms
- Research global trends of regulations, etc. and take strategic steps
- Improve R&D, etc.
- Strengthen corporate communications, PR, and IR
- Promote cooperation with foreign markets
- Support Yangon Stock Exchange

※ Underlines indicate additions/revisions to individual initiatives.

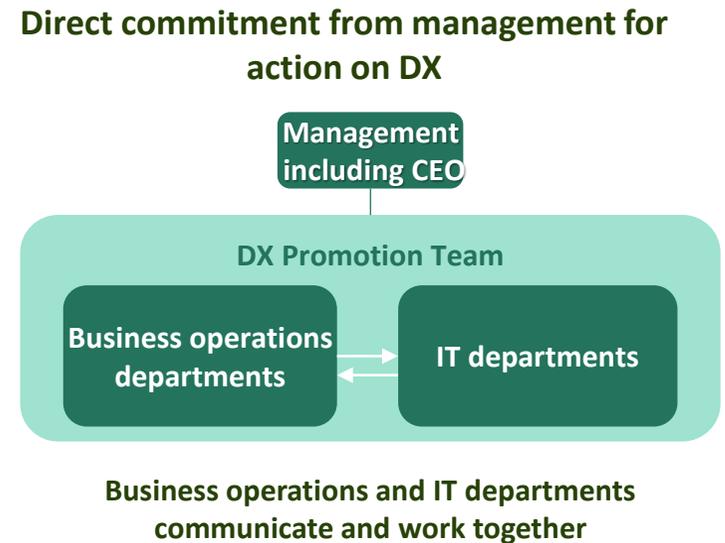
Utilizing Digital Technology and Action for New Value Creation

- Transform the business with digital technology in order to respond to environmental changes (Digital Transformation: DX)
- Work to introduce digital technology and transform IT systems for the creation of new services and transformation of existing ones

New service creation to provide new value for customers



Structure for promoting DX with top-level commitment



Further action aimed at digitalization of JPX's business

Increase the speed further on action to create new value through DX

- Aim to enhance the user experience through a service provision structure combining business operations and IT departments
- Implement agile development and automated testing to support rapid system development
- Develop highly-skilled IT personnel with thorough knowledge of digital technology and digital business

Initiatives in Global Strategy

- Promote initiatives aiming for a more appealing Japanese market and better global competitiveness in all business areas
- Aim to continue being a leading market in the world as a pivotal trading venue in the APAC region

■ Take measures to yield flow and investment in Japanese equity from global investors getting influence in the world

■ Improve reputation of listed companies among investors through better corporate governance and enhancement of dialogue

■ Promote global cooperation with foreign exchanges, primarily in Asia, such as Japan-China ETF connectivity

■ Advance the development of a next-generation cash trading platform that adapts to global trends and innovation

■ Improve clearing services for better global competitiveness

■ Develop Japan's derivatives market into a globally competitive one through launching and invigorating the comprehensive exchange

■ Improve connectivity of investors with arrownet global connect

■ Promote the variety of listed funds based on overseas assets

■ Boost activity in the ETF market by improving liquidity and efficiency of settlement

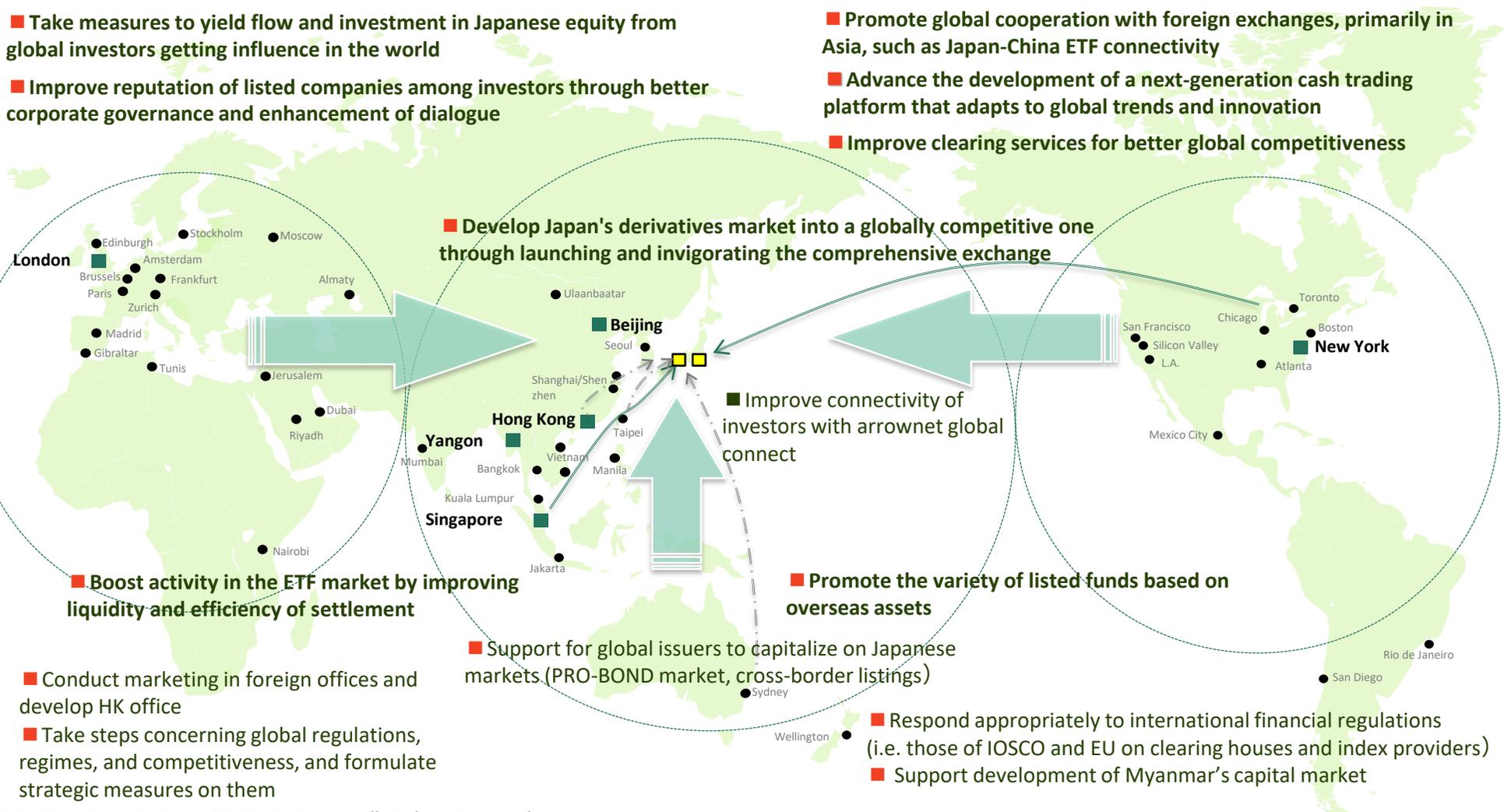
■ Conduct marketing in foreign offices and develop HK office

■ Take steps concerning global regulations, regimes, and competitiveness, and formulate strategic measures on them

■ Support for global issuers to capitalize on Japanese markets. (PRO-BOND market, cross-border listings)

■ Respond appropriately to international financial regulations (i.e. those of IOSCO and EU on clearing houses and index providers)

■ Support development of Myanmar's capital market





3rd Medium-Term Management Plan (2019-2021)

Primary Targets



Primary Targets on Core Strategies (Starting from the Second Year)

- We have set new targets for developing a next-generation cash trading platform and implementing reforms of the cash equity market structure
- We will focus on launching and invigorating the comprehensive exchange, first aiming for enough trading volume to make the commodity derivatives business profitable

I Pursue "the shape of the market" toward the next generation	<ul style="list-style-type: none"> • Next-generation cash trading platform Finalize concept in FY2020 • Implement reforms of cash equity market structure Start development in FY2021 • Aim for IPO count of approx. 100/year Phased implementation in FY2020
II Launch, invigorate, and develop the comprehensive exchange	<ul style="list-style-type: none"> • Launch the comprehensive exchange through smooth product transfer and clearing house integration Complete in FY2020 • Boost the commodity derivatives market through synergies Raise trading volume • Next-generation derivatives trading platform J-GATE3.0 Launch in FY2021
III Diversify and propel data services into the next generation	<ul style="list-style-type: none"> • Diversify channels incorporating API, etc. Complete in FY2020 • Create 10 new services and attract 150 new clients (by end of FY2021)
IV Develop a foundation to support the future of our business and the society	<ul style="list-style-type: none"> • Launch Kansai backup center in phases starting in FY2021 • Build industry-shared Blockchain/DLT* infrastructure in FY2021 • Contribute to 10% annual increase in the number of users of Tsumitate (installment-type) NISA & iDeCo via initiatives to raise financial literacy <p>* Distributed Ledger Technology</p>

3rd Medium-Term Management Plan (2019-2021)

Financial Policies



Financial Targets and Capital Policy

- **Maintain the financial targets. Flexibly manage costs, while monitoring the impacts of market conditions on financial performance**
- **Aim to further strengthen a business model not heavily reliant on stock market conditions in Japan such as by invigorating the comprehensive exchange**

Financial targets for the final fiscal year

Operating Revenue	JPY 130.0 bil.
Net Income <small>(attributable to owners of the parent company)</small>	JPY 50.0 bil.
ROE	15.0%+

Assumptions

Average Daily Trading Value for cash equity products	JPY 3.45 tril.
Annual Trading Volume for derivative products	400 mil. contracts

* Deviation from the assumptions may emerge depending on external factors such as market condition

CAPEX

For replacing core systems, building Kansai backup center, and taking forward-looking measures

Total CAPEXs for 3 years **Approx. JPY 45.0 bil.**

Capital policy

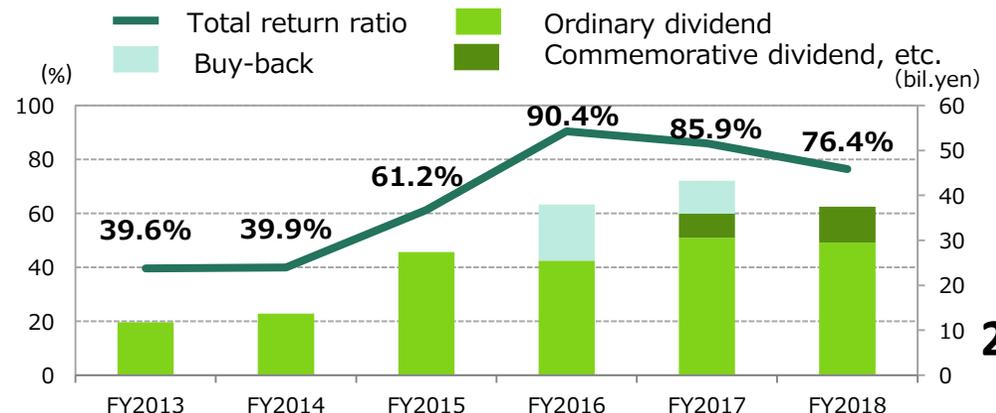
Support the sustainable development and evolution of the market by making constant investment while keeping a balance between shareholder returns and financial resilience for stable market operations

Maintain ROE of 10% in the mid- to long-term, that is above capital cost, regardless of market conditions

Return to shareholders

- Dividend payout ratio of approx. 60%
- Flexibly implement further shareholder returns in consideration of future investments, etc.

[Ref.] Historical records of total return ratios & value of return to shareholders





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