



**JPX**  
JAPAN EXCHANGE  
GROUP

## Initiatives to Work Toward a "New Form of Capitalism"

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### Exchange & beyond

Japan Exchange Group, Inc.

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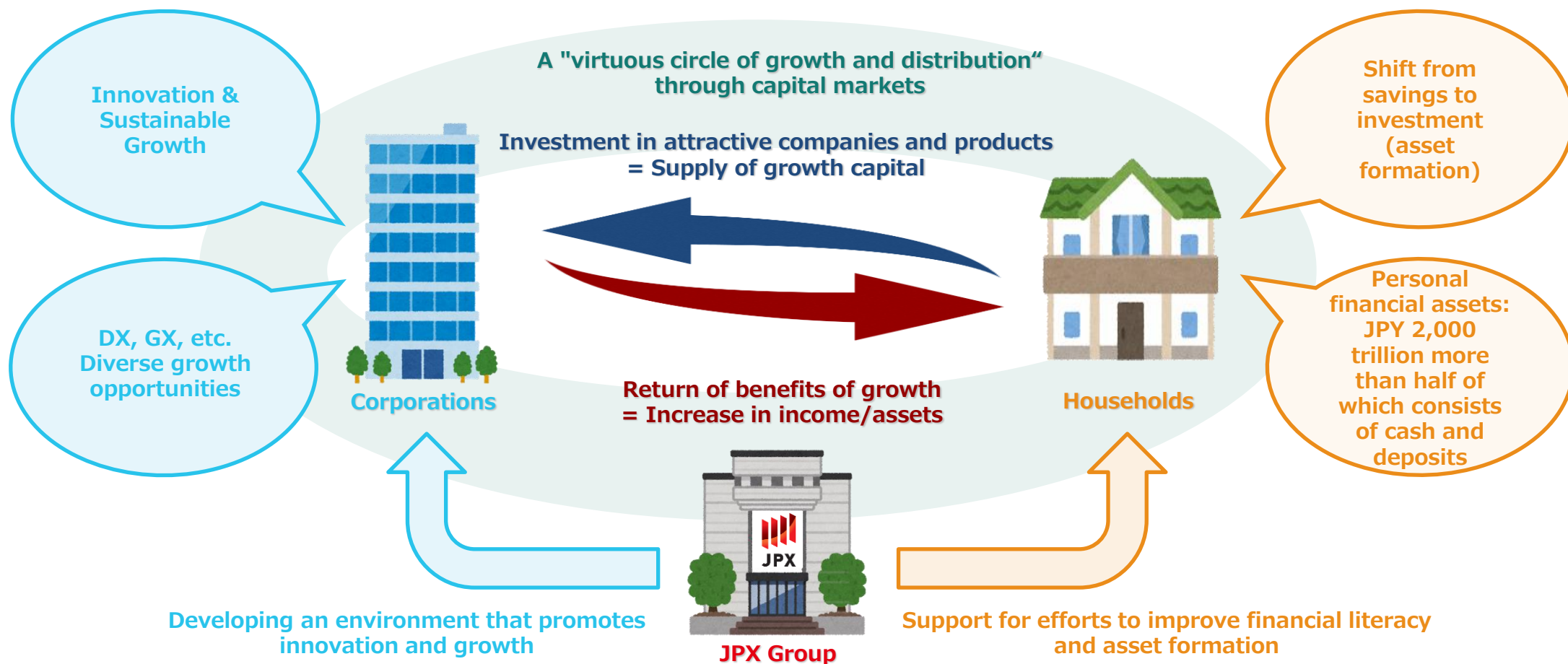


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# Creation of a "Virtuous Circle of Growth and Distribution"

- In order to achieve the "virtuous cycle of growth and distribution" that "New Form of Capitalism" aims for, it is imperative for companies to increase their corporate value through innovation and sustainable growth and for the benefits of increased corporate value to be widely returned to households through a shift from savings to investment (asset formation) to expand the middle class demographic.
- The JPX Group will contribute to the creation of a "virtuous cycle of growth and distribution" through the capital markets by **developing an environment that promotes innovation and growth among companies** and by **supporting efforts to improve financial literacy and asset formation among households**.



## Developing an environment that promotes corporate innovation and growth

### **Strengthening the ability to provide funding for startups**

- Diversify options for startups by revising the IPO process (e.g., setting listing dates) and establishing listing screening methods for companies seeking growth in cutting-edge areas.
- Establish an IPO ecosystem that contributes to the revitalization of the local economy by promoting the development of people involved in IPOs and networking in the region.

### **Promoting the enhancement of corporate value of listed companies**

- Support listed companies' efforts to enhance their corporate value by following up on the status of listed companies in the new market segments (profitability, capital efficiency, engagement with investors, corporate governance, etc.)

### **Support for sustainability initiatives**

- Supporting corporate initiatives through market mechanisms by strengthening functions related to the dissemination of ESG information (e.g., climate change, diversity, etc.)
- Promote social infrastructure products such as ESG-related index calculation, related ETFs, infrastructure funds and sustainability bonds, and supporting the financing of sustainability projects

## Support for efforts to improve household financial literacy and asset formation

### **Development of comprehensive, multi-generation financial and economic education**

- Provide comprehensive financial and economic education that contributes to money and life planning, and raise awareness and educate people from a fair and neutral standpoint about the importance of asset formation, the appeal of Japanese stocks, and the significance of participating in society through investment.
- Promoting the improvement of financial literacy among all generations, including young people and the elderly, by improving access to and credibility of educational content and strengthening and expanding activities such as school education, job-based training, and seminars through the use of outside experts and collaboration with relevant organizations.

### **Creation of a safe and easy investment environment**

- Diversification of products that contribute to asset formation, including ETFs, and improvement of trading systems and functions to create an environment in which individuals can invest more easily.
- To maintain and improve investor confidence in the market by properly and accurately performing self-regulatory activities from the perspective of ensuring fair price formation and smooth distribution in the exchange market, and investor protection.

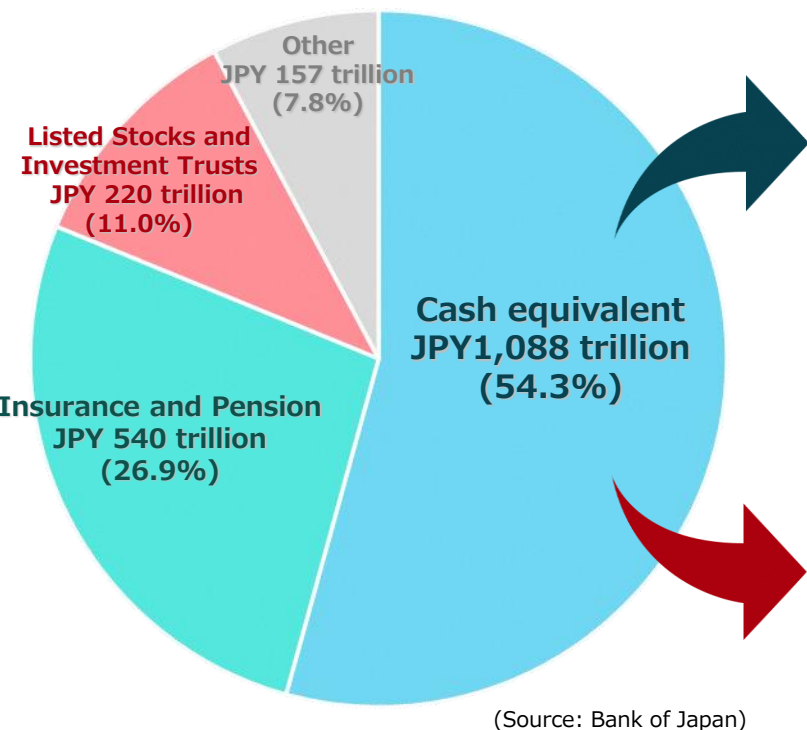
### **Industry collaboration for fundamental expansion of NISA**

- To make NISA stable and user-friendly as a gateway for households to invest their savings, including existing savings, and as a source of growth capital, we will work with the Japan Securities Dealers Association, the Investment Trusts Association, and others to fundamentally expand the system (make the system permanent, make it easier to understand and use, and strengthen incentives).

# Reference Materials (Financial Literacy)




## Composition of Household Financial Assets (Preliminary figures as of March 2022)



## Interest

## Capital



(e.g., 10-year fixed term)

**Deposits**

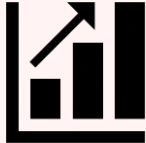
Deposit interest rate **0.002%** (\*1)

In the case of a principal of JPY 1 million  
**JPY 200** over 10 years (Simple interest)

Up to JPY 10 million Protected by deposit insurance system

Over JPY 10 million is subject to credit risk

(\*1) Average interest rate for deposits of less than 3 million yen (published by the Bank of Japan, as of March 2022)



(e.g., Prime Market)

**Investment**

Dividend yield **2.42%** (\*2)

Depending on the growth of the company, etc. Capital gain/loss

For an investment amount of JPY 1 million  
**JPY 240,000** over 10 years (Simple interest)

PBR: median 1.0, mean 1.8 (\*3)  
Less than 1x: 900 companies (out of 1,837)

(\*2) Weighted average yield (total cash dividends / market capitalization x 100) for domestic companies listed on the Prime Market (as of June 2022)

(\*3) Aggregated for domestic companies listed on the Prime Market (as of June 30, 2022)

## Availability of education on securities investment

"Haven't received" **80.8%**  
 "Do not remember much" **12.7%**  
 "Received" **6.4%**



## Education

To promote a shift from savings to investments, we need to make an accurate comparison between savings and investments.

Improving households' financial literacy is essential.

(Source: Japan Securities Dealers Association, "National Survey on Securities Investment" (FY2021))



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