



**JPX**  
JAPAN EXCHANGE  
GROUP

# Overview of Earnings for Q1 FY2020

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## Total smart exchange

Japan Exchange Group, Inc.

July 29, 2020



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## **1** Overview of Earnings for Q1 FY2020 [IFRS]

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## **2** Reference Materials

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# I. Overview of Earnings for Q1 FY2020 [IFRS] (April 1, 2020 – June 30, 2020)

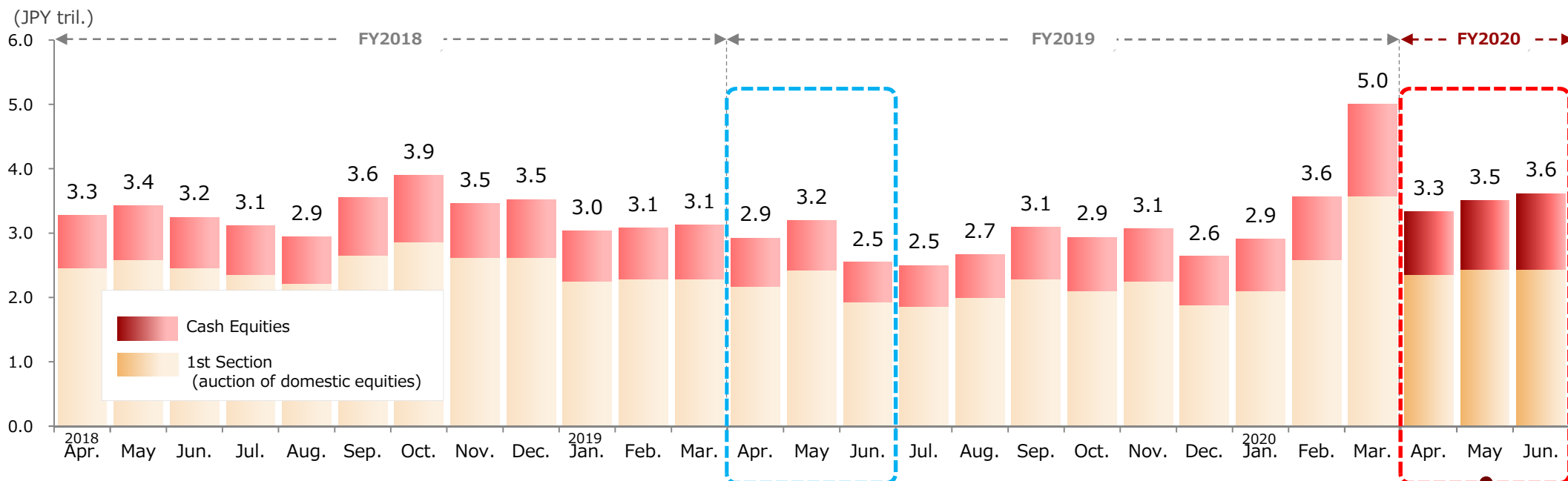
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\* This document is not subject to the review procedures required under the Financial Instruments and Exchange Act.  
Please note that its contents have not been reviewed on a consolidated basis in accordance with the Act as of the time of disclosure.



# Market Trends (Cash Equities)

## Cash Equities Average Daily Trading Value (April 2018 – June 2020)



## Daily Average Trading Value by Market Division (JPY)

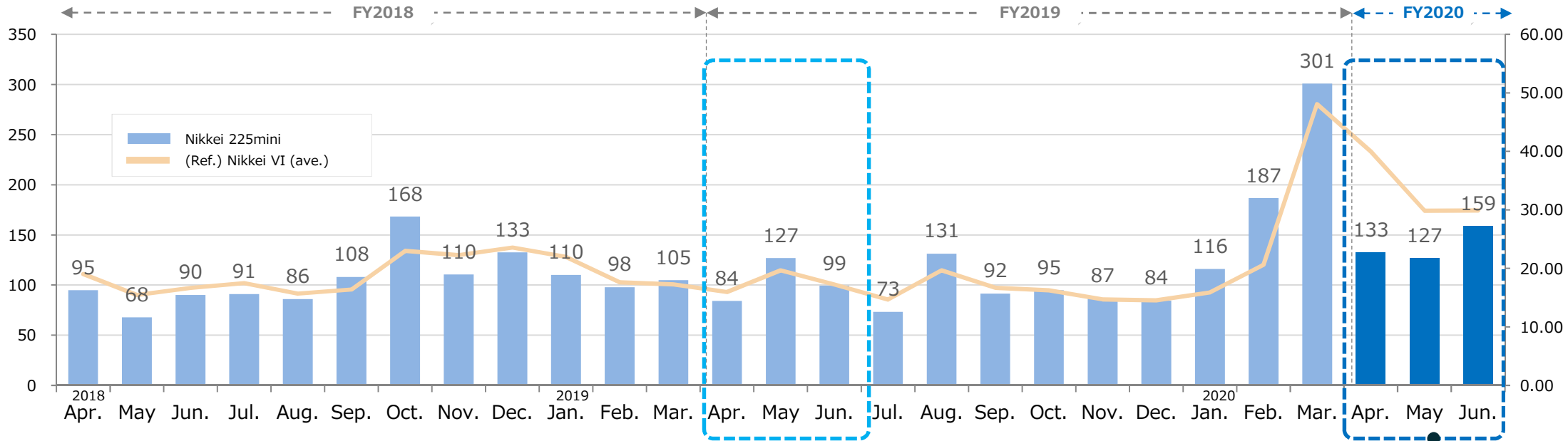
		FY2018	FY2019	FY2020		
		Annual Ave.	Annual Ave.	Q1 Ave.	Q1 FY2019 Ave.	y/y
Auction	1st Section Domestic Equities	2,461.3 bil.	2,249.9 bil.	<b>2,393.7 bil.</b>	2,161.6 bil.	<b>+10.7 %</b>
	ETFs / ETNs	198.0 bil.	211.5 bil.	<b>381.5 bil.</b>	158.1 bil.	<b>+141.3 %</b>
	Markets for Emerging Companies (JASDAQ & Mothers)	155.4 bil.	135.9 bil.	<b>248.5 bil.</b>	155.5 bil.	<b>+59.8 %</b>
Off-auction		422.1 bil.	392.4 bil.	<b>360.7 bil.</b>	339.4 bil.	<b>+6.3 %</b>
<b>Cash Equities (auction/off-auction) Total</b>		<b>3,306.8 bil.</b>	<b>3,081.1 bil.</b>	<b>3,487.3 bil.</b>	2,883.4 bil.	<b>+20.9 %</b>

# Market Trends (Derivatives)

## Nikkei 225mini (April 2018 - June 2020)

(Trading volume : 10,000 contracts)

(Nikkei VI)



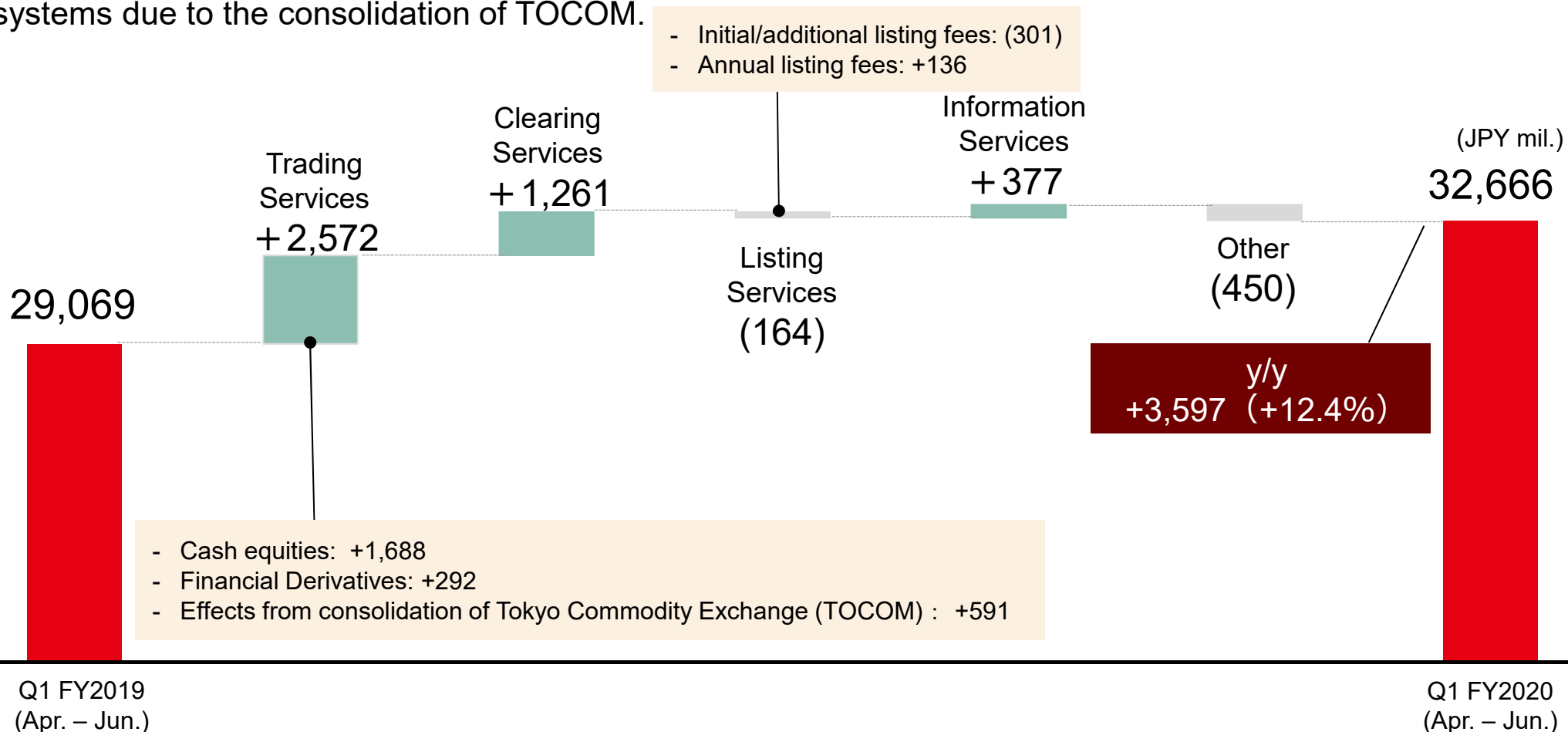
## Average daily trading volume/value of major products

	FY2018	FY2019	FY2020		
	Annual Ave.	Annual Ave.	Q1 Ave.	Q1 FY2019 Ave.	y/y
TOPIX Futures	103,896 contracts	121,034 contracts	103,832 contracts	106,428 contracts	(2.4 %)
Nikkei 225 Futures (Large)	99,939 contracts	110,041 contracts	110,751 contracts	95,637 contracts	+15.8 %
Nikkei 225 mini	1,051,071 contracts	1,227,800 contracts	1,402,301 contracts	1,031,245 contracts	+36.0 %
Nikkei 225 Options*	JPY 23.0 bil.	JPY 26.8 bil.	JPY 37.8 bil.	JPY 21.4 bil.	+76.3 %
10-year JGB Futures	42,087 contracts	39,640 contracts	20,055 contracts	41,862 contracts	(52.1 %)
<b>Total Trading Volume for Financial Derivatives</b>	364 mil. contracts	412 mil. contracts	111 mil. contracts	86 mil. contracts	+29.3 %
<b>Total Trading Volume for Commodity Derivatives</b>	21.07 mil. contracts	21.42 mil. contracts	4.57 mil. contracts	4.72 mil. contracts	(3.1 %)

\* Excluding Weekly Options.

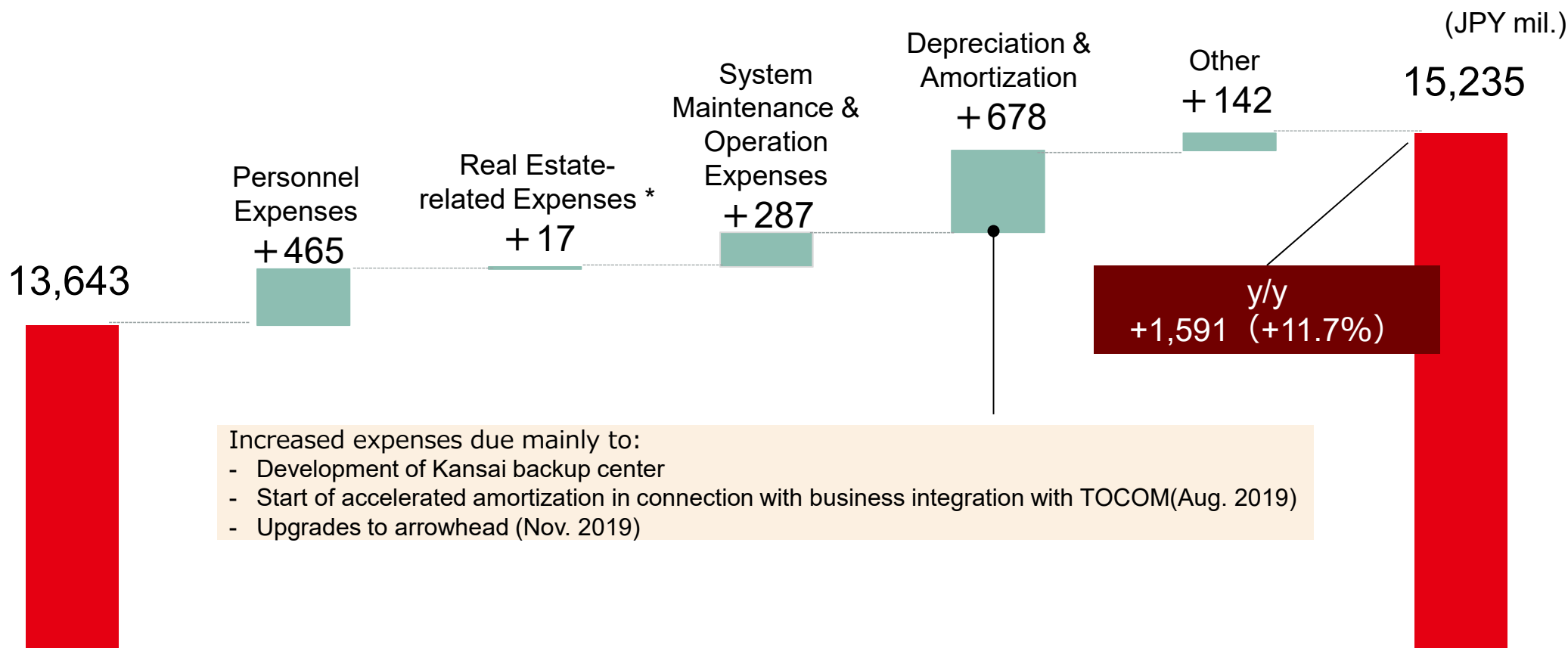
# Operating Revenue

- Revenues from trading services and clearing services increased due to increases in trading of cash equities and financial derivatives, as well as the addition of the commodity derivatives consolidated from TOCOM.
- Revenues from listing services decreased due mainly to a decrease in capital raised by listed companies, which was booming in the same period last year.
- Revenues from information services grew due to an increase in market data usage fees resulting from increased market data usage.
- Other operating revenues decreased due to a decline in income from service provision such as for trading systems due to the consolidation of TOCOM.



# Operating Expenses

- System maintenance & operation expenses and depreciation & amortization increased due mainly to development of the Kansai backup center and upgrades to arrowhead.
- Depreciation & amortization increased due to the start of accelerated amortization in August 2019 in connection with the TOCOM integration.



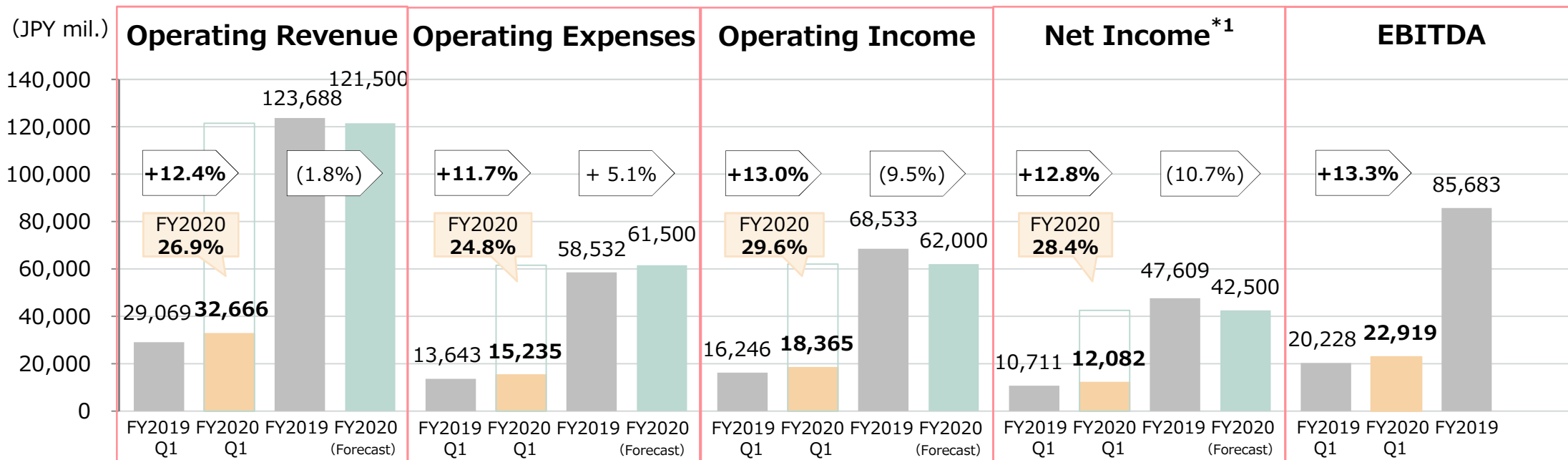
Q1 FY2019  
(Apr. – Jun.)

\*With the new accounting standard for leases under IFRS applied from FY2019, a portion of real estate-related expenses now included under depreciation is included under "Real Estate-related Expenses" in this chart.

Q1 FY2020  
(Apr. – Jun.)

# Highlights and FY2020 Forecast

- Operating expenses increased due mainly to increases in system-related expenses. However, this was surpassed by growth in operating revenue associated with an increase in trading of cash equities. As a result, quarterly net income increased by 12.8% year on year.



\*1 Net Income attributable to owners of the parent company.

## Average Daily Trading Volume/Value of Major Products

	Q1 FY2019	Q1 FY2020		FY2019	FY2020 (Assumptions for forecasts)	
			y/y			y/y
Cash Equities (trading value) *1	JPY 2,883.4 bil.	JPY 3,487.3 bil.	+20.9 %	JPY 3,081.1 bil.	JPY 3,000.0 bil.	(2.6 %)
TOPIX Futures (trading volume)	106,428 contracts	103,832 contracts	(2.4 %)	121,034 contracts	106,000 contracts	(12.4 %)
Nikkei 225 Futures (trading volume) *2	198,762 contracts	250,981 contracts	+26.3 %	232,821 contracts	210,000 contracts	(9.8 %)
Nikkei 225 Options (trading value) *3	JPY 21.4 bil.	JPY 37.8 bil.	+ 76.3 %	JPY 26.8 bil.	JPY 24.5 bil.	(8.8 %)
10-year JGB Futures (trading volume)	41,862 contracts	20,055 contracts	(52.1 %)	39,640 contracts	39,000 contracts	(1.6 %)

\*1 Total value of daily averages of auction and off-auction trading of common stocks on 1st/2nd Sections, Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs etc.

\*2 Contracts of Nikkei 225 mini are calculated using a factor of 1/10. \*3 Excluding Weekly Options.



## II. Reference Materials

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## ➤ Quarterly Business Performance

(JPY mil.)

	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	y/y
<b>Operating Revenue</b>	29,069	28,867	29,496	36,254	32,666	+12.4%
<b>Operating Expenses</b>	13,643	13,839	14,535	16,514	15,235	+11.7%
<b>Operating Income</b>	16,246	15,623	16,306	20,356	18,365	+13.0%
<b>Net Income *1</b>	10,711	10,862	11,744	14,292	12,082	+12.8%
<b>EBITDA</b>	20,228	19,556	20,807	25,091	22,919	+13.3%

## ➤ Annual Business Performance

(JPY mil.)

	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Operating Revenue</b>	114,776	107,885	120,711	121,134	123,688
<b>Operating Expenses</b>	50,925	50,185	50,902	54,111	58,532
<b>Operating Income</b>	66,271	59,377	71,791	69,535	68,533
<b>Net Income *1</b>	44,877	42,124	50,484	49,057	47,609
<b>EBITDA</b>	77,791	71,595	82,505	82,568	85,683

\*1 Net income attributable to owners of the parent company.

## ➤ Quarterly Operating Revenue

(JPY mil.)

	FY2019				FY2020		
	Q1	Q2	Q3	Q4	Q1		
					Ratio	y/y	
<b>Trading services revenue</b>	<b>11,057</b>	<b>10,908</b>	<b>11,399</b>	<b>15,224</b>	<b>13,630</b>	<b>42%</b>	<b>+ 23.3%</b>
Transaction Fees	8,735	8,607	9,045	12,729	11,175		+ 27.9%
Cash Equities	6,141	5,907	6,187	7,521	7,725	69%*1	+ 25.8%
Financial Derivatives	2,593	2,700	2,448	4,513	2,920	26%*1	+ 12.6%
TOPIX Futures	493	543	521	695	474		(4.0%)
Nikkei 225 Futures (incl. mini)	1,038	1,072	966	2,024	1,340		+ 29.1%
Nikkei 225 Options *2	559	556	493	1,279	823		+ 47.3%
10-year JGB Futures	467	475	426	441	232		(50.3%)
Others	34	52	40	72	49		+ 41.4%
Commodity Derivatives	-	-	410	694	530	5%*1	-
Basic Fees	249	247	262	261	258		+ 3.7%
Access Fees	1,149	1,139	1,128	1,284	1,283		+ 11.7%
Trading System Facilities Usage Fees	901	889	937	918	887		(1.6%)
Others	21	23	24	31	25		+ 17.1%
<b>Clearing services revenue</b>	<b>6,157</b>	<b>6,177</b>	<b>6,450</b>	<b>7,641</b>	<b>7,418</b>	<b>23%</b>	<b>+ 20.5%</b>
<b>Listing services revenue</b>	<b>3,290</b>	<b>3,356</b>	<b>3,507</b>	<b>4,168</b>	<b>3,126</b>	<b>10%</b>	<b>(5.0%)</b>
Initial/Additional Listing Fees	734	933	825	1,472	432		(41.0%)
Annual Listing Fees	2,556	2,423	2,681	2,695	2,693		+ 5.4%
<b>Information services revenue</b>	<b>5,345</b>	<b>5,282</b>	<b>5,406</b>	<b>5,942</b>	<b>5,723</b>	<b>18%</b>	<b>+ 7.1%</b>
<b>Other</b>	<b>3,218</b>	<b>3,142</b>	<b>2,733</b>	<b>3,277</b>	<b>2,767</b>	<b>8%</b>	<b>(14.0%)</b>
arrownet Usage Fees	837	829	828	816	819		(2.1%)
Co-location Usage Fees	1,019	970	965	962	1,025		+ 0.6%
Others*3	1,360	1,342	939	1,499	922		(32.2%)
<b>Total</b>	<b>29,069</b>	<b>28,867</b>	<b>29,496</b>	<b>36,254</b>	<b>32,666</b>	<b>100%</b>	<b>+ 12.4%</b>

\*1 Figures are indicate percentage of Transaction Fees.

\*2 Excluding Weekly Options.

\*3 Including Proximity Usage Fees.

## ➤ Annual Operating Revenue

(JPY mil.)

	FY2015	FY2016	FY2017	FY2018	FY2019
Trading services revenue	52,471	45,703	51,766	48,660	48,589
Clearing services revenue	23,140	21,454	23,473	24,788	26,427
Listing services revenue	13,250	12,903	14,547	14,025	14,322
Information services revenue	17,706	18,112	19,878	21,029	21,977
Other	8,208	9,711	11,045	12,630	12,371
<b>Total</b>	<b>114,776</b>	<b>107,885</b>	<b>120,711</b>	<b>121,134</b>	<b>123,688</b>

## ➤ Quarterly Operating Expenses

(JPY mil.)

	FY2019*1				FY2020*1		FY2020 IFRS 16 Leases applied	
	Q1	Q2	Q3	Q4	Q1	y/y	Q1	y/y
Personnel expenses	4,117	4,047	4,064	5,282	4,582	+11.3%	4,582	+11.3%
System maintenance & operation expenses	2,935	2,987	2,931	3,216	3,223	+9.8%	3,223	+9.8%
Depreciation & amortization	3,018	3,140	3,423	3,772	3,697	+22.5%	4,479	+17.8%
Real Estate-related Expenses	1,066	1,070	1,072	1,067	1,083	+1.6%	301	+6.1%
Other	2,505	2,593	3,044	3,175	2,648	+5.7%	2,648	+5.7%
<b>Total</b>	<b>13,643</b>	<b>13,839</b>	<b>14,535</b>	<b>16,514</b>	<b>15,235</b>	<b>+11.7%</b>	<b>15,235</b>	<b>+11.7%</b>

## ➤ Annual Operating Expenses

(JPY mil.)

	FY2015	FY2016	FY2017	FY2018	FY2019*1
Personnel expenses	16,437	15,614	16,329	16,584	17,512
System maintenance & operation expenses	11,923	10,813	12,100	11,898	12,071
Depreciation & amortization	9,973	10,983	9,431	11,699	13,354
Real Estate-related Expenses	4,620	4,062	3,904	3,939	4,275
Other	7,970	8,711	9,136	9,989	11,318
<b>Total</b>	<b>50,925</b>	<b>50,185</b>	<b>50,902</b>	<b>54,111</b>	<b>58,532</b>

\*1: As new accounting standards for leases under IFRS are applied from FY2019, a portion of the amount previously included under "Real Estate-related Expenses" is now included under depreciation. For the purpose of comparison, this portion is included under "Real Estate-related Expenses" in these columns.

# Referential Financial Data

## ➤ Consolidated Statement of Financial Position

	As of Mar. 31, 2020	As of Jun. 30, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	71,883	64,103
Trade and other receivables	16,686	17,008
*1 Clearing business financial assets	60,329,672	54,751,156
*2 Specified assets for deposits from clearing participants	6,549,099	5,673,869
*3 Specified assets for legal guarantee funds	762	754
Income tax receivables	5,922	14,105
Other financial assets	117,400	116,300
Other current assets	1,837	1,753
Total current assets	67,093,263	60,639,051
Non-current assets		
Property and equipment	14,798	13,744
Goodwill	67,374	67,374
Intangible assets	35,045	34,431
Retirement benefit assets	5,642	5,617
Investments accounted for using the equity method	14,703	15,356
*5 Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	18,156	14,223
Other non-current assets	6,049	5,971
Deferred tax assets	3,321	3,349
Total non-current assets	193,039	188,016
<b>Total assets</b>	<b>67,286,302</b>	<b>60,827,068</b>

\*1 Assets and liabilities assumed by Japan Securities Clearing Corporation (JSCC) and Japan Commodity Clearing House (JCCH) for derivatives trading, etc. as of the end of the fiscal year and the quarter.

\*2 Deposits from clearing participants required by JSCC and JCCH for covering the risk of clearing participants defaulting on their obligations.

\*3 Deposits from trading participants required by Tokyo Stock Exchange (TSE), Osaka Exchange (OSE), and Tokyo Commodity Exchange for covering the risk at parties who have entrusted securities trading, etc. with trading participants defaulting on their obligations.

\*4 Deposits from trading participants required by TSE and OSE for covering the risk of trading participants defaulting on their obligations.

\*5 Reserve funds for compensating losses incurred by JSCC in clearing operations.

\*6 Including reserve funds for compensating losses incurred by JSCC in clearing operations.

	As of Mar. 31, 2020	As of Jun. 30, 2020
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	6,643	3,808
Bonds and loans payable	32,500	32,500
*1 Clearing business financial liabilities	60,329,672	54,751,156
*2 Deposits from clearing participants	6,549,099	5,673,869
*3 Legal guarantee funds	762	754
*4 Trading participant security money	8,248	8,088
Income tax payables	10,289	5,797
Other current liabilities	10,062	16,882
Total current liabilities	66,947,278	60,492,857
Non-current liabilities		
Bonds and loans payable	19,953	19,955
Retirement benefit liabilities	8,866	8,968
Other non-current liabilities	2,162	2,324
Deferred tax liabilities	2,665	1,888
Total non-current liabilities	33,648	33,136
Total liabilities	66,980,926	60,525,994
Equity		
Share capital	11,500	11,500
Capital surplus	39,716	39,716
Treasury shares	(1,548)	(1,902)
Other components of equity	5,602	3,841
*6 Retained earnings	242,958	240,590
Total equity attributable to owners of the parent company	298,228	293,747
Non-controlling interests	7,146	7,326
Total equity	305,375	301,073
<b>Total liabilities and equity</b>	<b>67,286,302</b>	<b>60,827,068</b>

## ➤ Sale of SGX Shares (thou. shares, JPY mil.)

	FY2018				FY2019				FY2020	Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Shares sold	2,947	4,421	4,421	4,421	4,421	4,421	4,421	4,421	4,421	38,315
(% of shareholding)*	(5.6%)	(8.3%)	(8.3%)	(8.3%)	(8.3%)	(8.3%)	(8.3%)	(8.3%)	(8.3%)	(72.2%)
Total value sold	1,766	2,691	2,554	2,728	2,603	2,812	3,116	2,946	3,133	24,353

\* Percentage of shareholding of 53,051,000 shares as of Mar. 30, 2018

## ➤ Assets, Liabilities, and Equity

For assets and liabilities of JPX Group, "clearing business financial assets and liabilities<sup>\*1</sup>" assumed by JSCC and JCCH as clearing organizations and "deposits from clearing participants<sup>\*2</sup>" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business financial assets and liabilities<sup>\*1</sup>" and "deposits from clearing participants<sup>\*2</sup>" have a large impact on the amount of assets and liabilities of JPX Group due to their sizable amounts and daily fluctuations subject to changes in, for example, clearing participants' positions. In addition, "legal guarantee funds<sup>\*3</sup>", "trading participant security money<sup>\*4</sup>", and "default compensation reserve funds<sup>\*5</sup>" based on the rules for securing the safety of financial instruments transactions and commodity derivatives transactions are included both under assets and either liabilities or equity.

The figures shown in parentheses in the table below are those calculated by excluding "clearing business financial assets<sup>\*1</sup>", "deposits from clearing participants<sup>\*2</sup>", "legal guarantee funds<sup>\*3</sup>", and "default compensation reserve funds<sup>\*5</sup>" for total assets, and by excluding "default compensation reserve funds<sup>\*6</sup>" for total equity and total equity attributable to owners of the parent company.

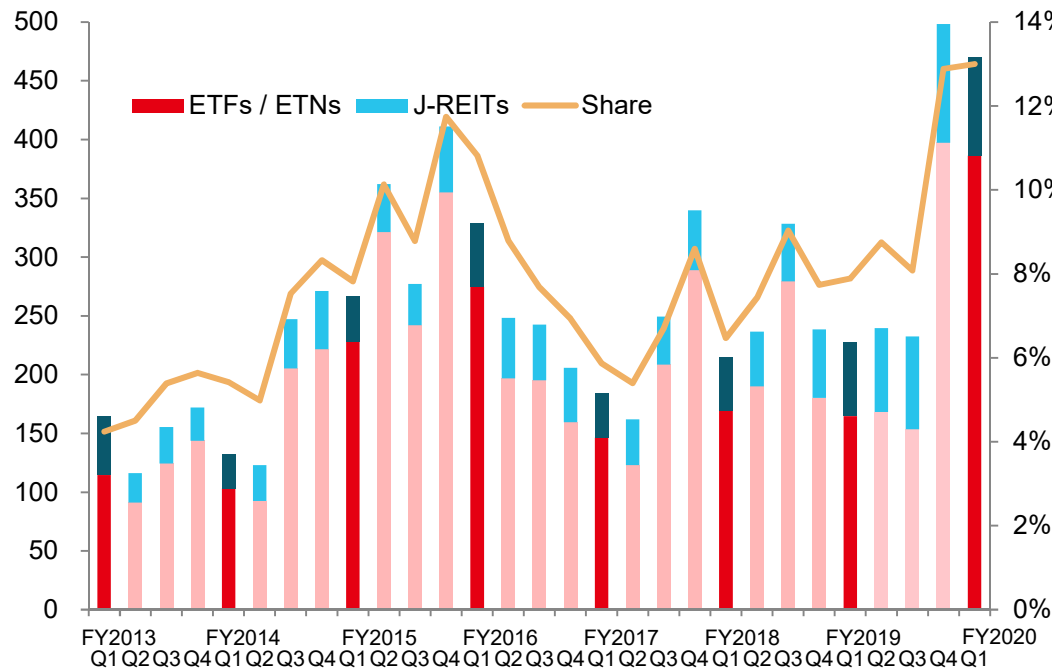
	Total assets	Total equity	Total equity attributable to owners of the parent company	Ratio of total equity attributable to owners of the parent company to total assets
	JPY mil.	JPY mil.	JPY mil.	%
FY2020 Q1	60,827,068 (373,339)	301,073 (273,125)	293,747 (265,799)	0.5 (71.2)
FY2019	67,286,302 (378,820)	305,375 (277,427)	298,228 (270,280)	0.4 (71.3)

\* The footnotes from page 14 also apply in those the contents of this page.

- Average daily trading value of ETFs/ETNs and REITs increased 107% year on year as trading continued at a high level for the second consecutive quarter.
- ETF AUM, mainly for ETFs tracking TOPIX, continued on an upward trend.

## ➤ ADV of ETFs/ETNs and REITs

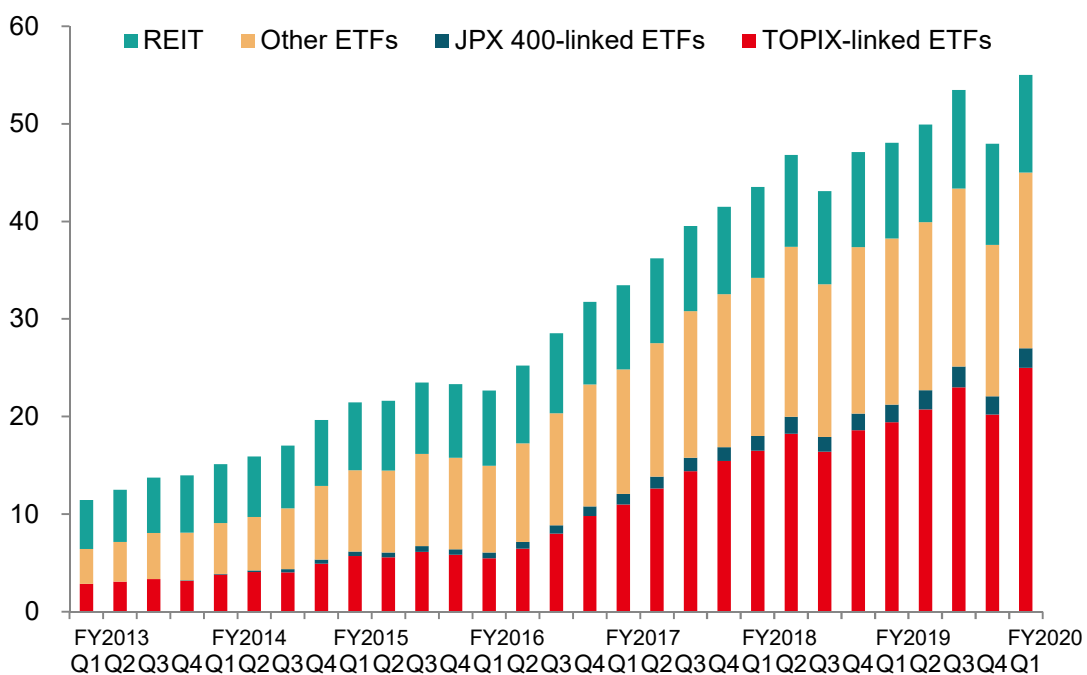
(JPY bil.)



\* Share indicates the percentage of trading value of ETFs, ETNs, and REITs out of overall cash equities trading value.

## ➤ ETF / REIT AUM

(JPY tril.)

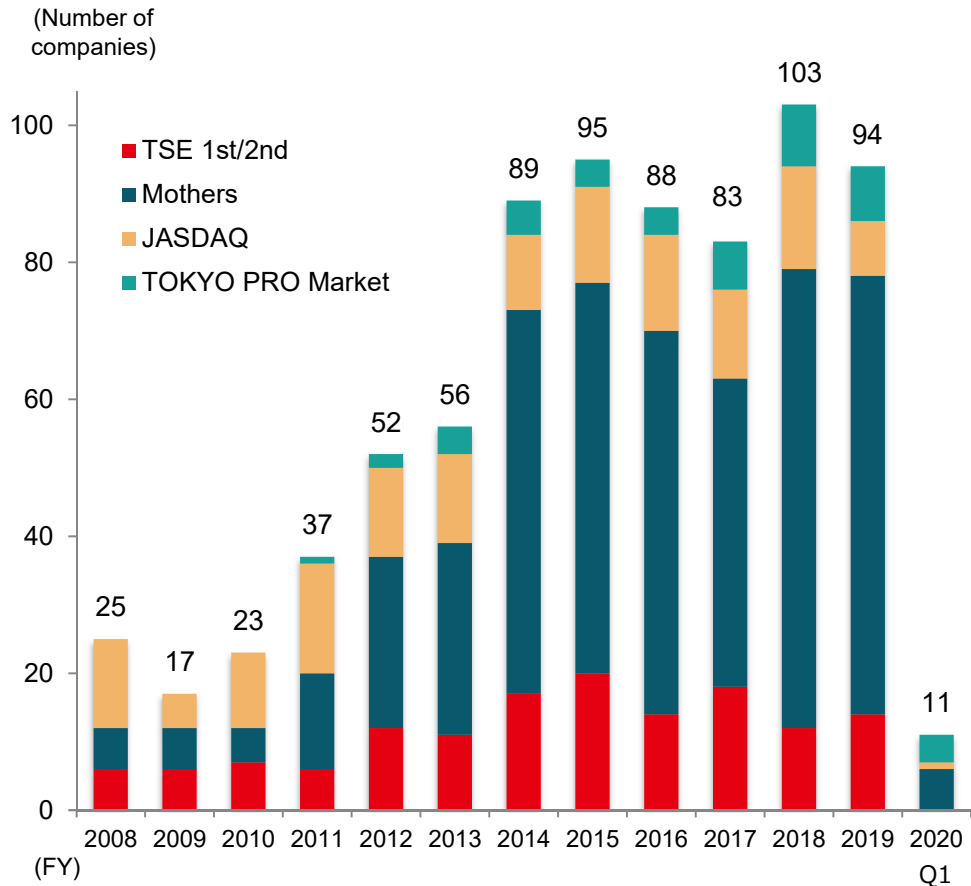


\* Excludes foreign ETFs and REITs, as well as certain ETFs with different creation structures.

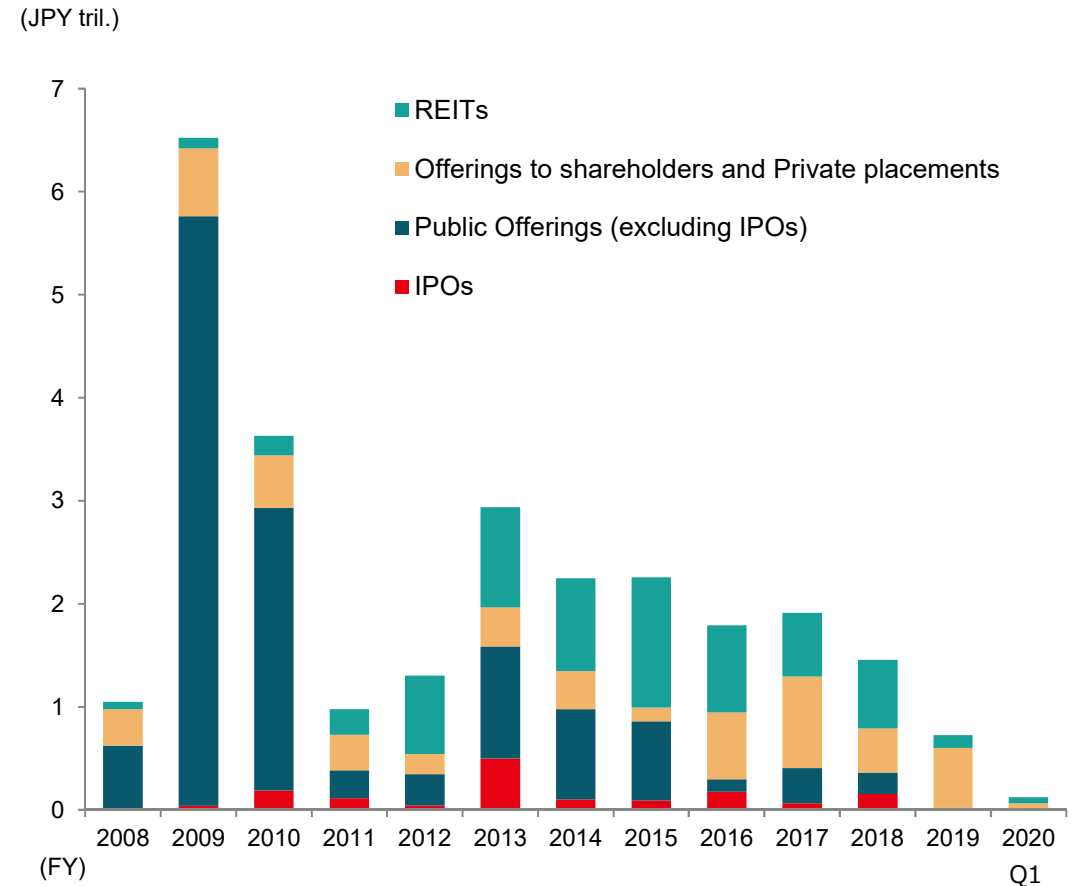


- The number of IPOs at TSE was 11, down from 16 in the same period a year earlier.

## ➤ IPOs at TSE



## ➤ Financing by Listed Companies and REITs



# Major Products Data

## ➤ Trading Volume/Value

	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	y/y
Trading Value of Cash Equities (JPY mil.)						
TSE 1st/2nd Section *1	147,178,363	147,629,790	155,138,128	186,786,898	168,384,294	+ 14.4%
Mothers *1	6,963,647	4,982,179	5,395,576	5,030,963	11,559,220	+ 66.0%
JASDAQ *1	2,563,385	2,275,480	3,366,223	3,646,753	4,074,021	+ 58.9%
ETFs/ETNs and REITs etc. *2	13,416,948	14,851,259	14,412,209	28,906,192	28,707,905	+ 114.0%
Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	6,279,228	6,991,769	6,817,513	9,080,694	6,333,737	+ 0.9%
Total Nikkei 225 Futures/mini *3	11,726,944	11,820,069	10,777,275	21,785,462	15,309,855	+ 30.6%
Nikkei 225 Futures	5,642,599	5,709,714	5,265,831	9,901,626	6,755,820	+ 19.7%
Nikkei 225 mini	60,843,454	61,103,555	55,114,443	118,838,361	85,540,350	+ 40.6%
Nikkei 225 Options (JPY mil.) *4	1,265,336	1,173,048	1,033,791	2,998,660	2,306,982	+ 82.3%
10-year JGB Futures	2,469,865	2,510,187	2,248,328	2,324,740	1,223,356	(50.5%)
Commodity Derivatives Trading Volume (contracts) *5						
Gold Futures (Total standard/mini/rolling spot) *6	2,075,592	2,986,310	1,649,335	3,467,766	1,318,749	(36.5%)
Platinum Futures (Total standard/mini/rolling spot) *7	893,064	871,815	722,679	1,109,223	290,874	(67.4%)
Crude Oil Futures	650,005	692,751	601,035	1,027,481	2,174,199	+ 234.5%
Rubber Futures (RSS3)	286,194	303,906	264,243	281,746	192,679	(32.7%)

## ➤ Average Daily Trading Volume/Value

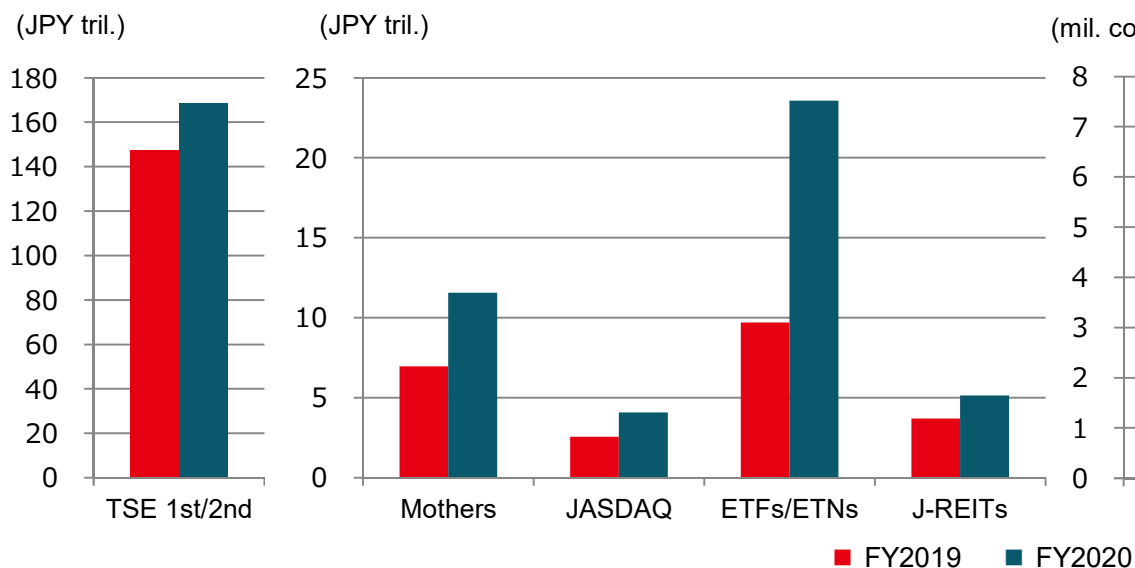
	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	y/y
Trading Value of Cash Equities (JPY mil.) *8	2,883,430	2,737,763	2,876,003	3,868,463	3,487,302	+ 20.9%
Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	106,428	112,770	109,960	156,564	103,832	(2.4%)
Total Nikkei 225 Futures/mini *3	198,762	190,646	173,827	375,611	250,981	+ 26.3%
Nikkei 225 Futures	95,637	92,092	84,933	170,718	110,751	+ 15.8%
Nikkei 225 mini	1,031,245	985,541	888,943	2,048,937	1,402,301	+ 36.0%
Nikkei 225 Options (JPY mil.) *4	21,446	18,920	16,674	51,701	37,819	+ 76.3%
10-year JGB Futures	41,862	40,487	36,263	40,082	20,055	(52.1%)
Commodity Derivatives Trading Volume (contracts) *5						
Gold Futures (Total standard/mini/rolling spot) *6	35,180	48,166	26,602	59,789	21,619	(38.5%)
Platinum Futures (Total standard/mini/rolling spot) *7	15,137	14,062	11,656	19,125	4,768	(68.5%)
Crude Oil Futures	11,017	11,173	9,694	17,715	35,643	+ 223.5%
Rubber Futures (RSS3)	4,851	4,902	4,262	4,858	3,159	(34.9%)

\*1 Value of auction and off-auction trading of common stocks. \*2 Total value of auction and off-auction trading. \*3 Nikkei 225 mini contracts are calculated using a factor of 1/10.

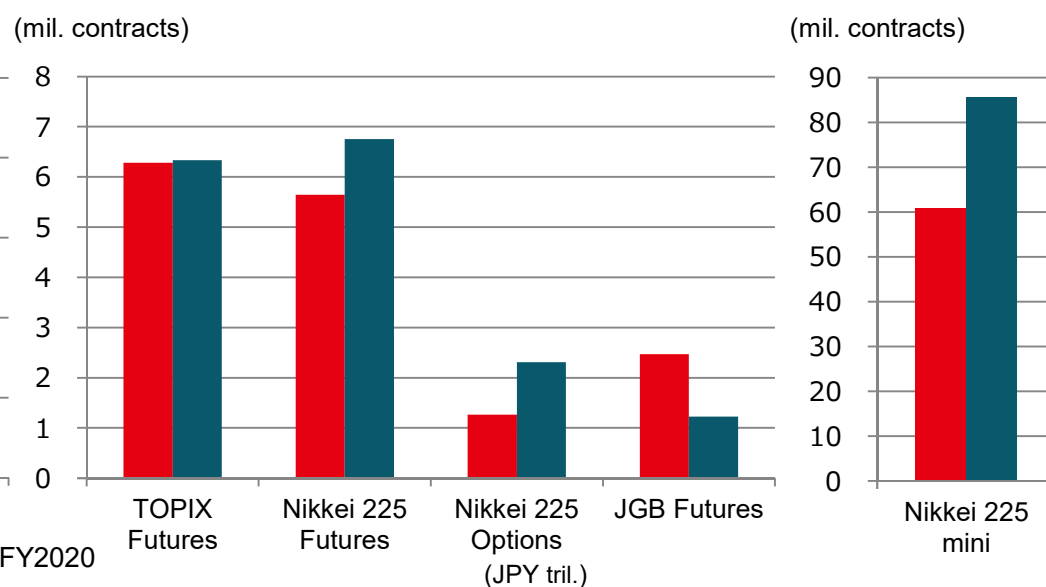
\*4 Excluding Weekly Options. \*5 Including cash-settled contracts. \*6 Mini and rolling spot contracts are calculated using a factor of 1/10. \*7 Mini and rolling spot contracts are calculated using a factor of 1/5.

\*8 Total value of daily averages of auction and off-auction trading of common stocks on 1st/2nd Sections, Mothers, JASDAQ, TOKYO PRO Market, and ETFs/ETNs, REITs, etc.

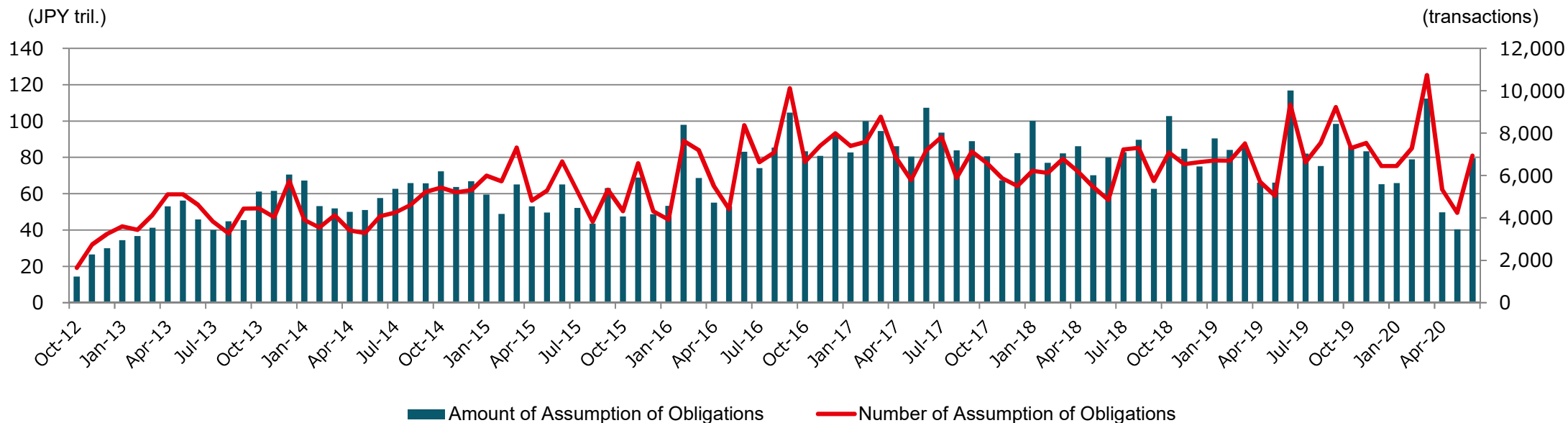
## Trading Value for Cash Equities in Q1



## Trading Volume for Derivatives in Q1



## Number and Amount of Assumption of Obligations (Interest Rate Swaps)



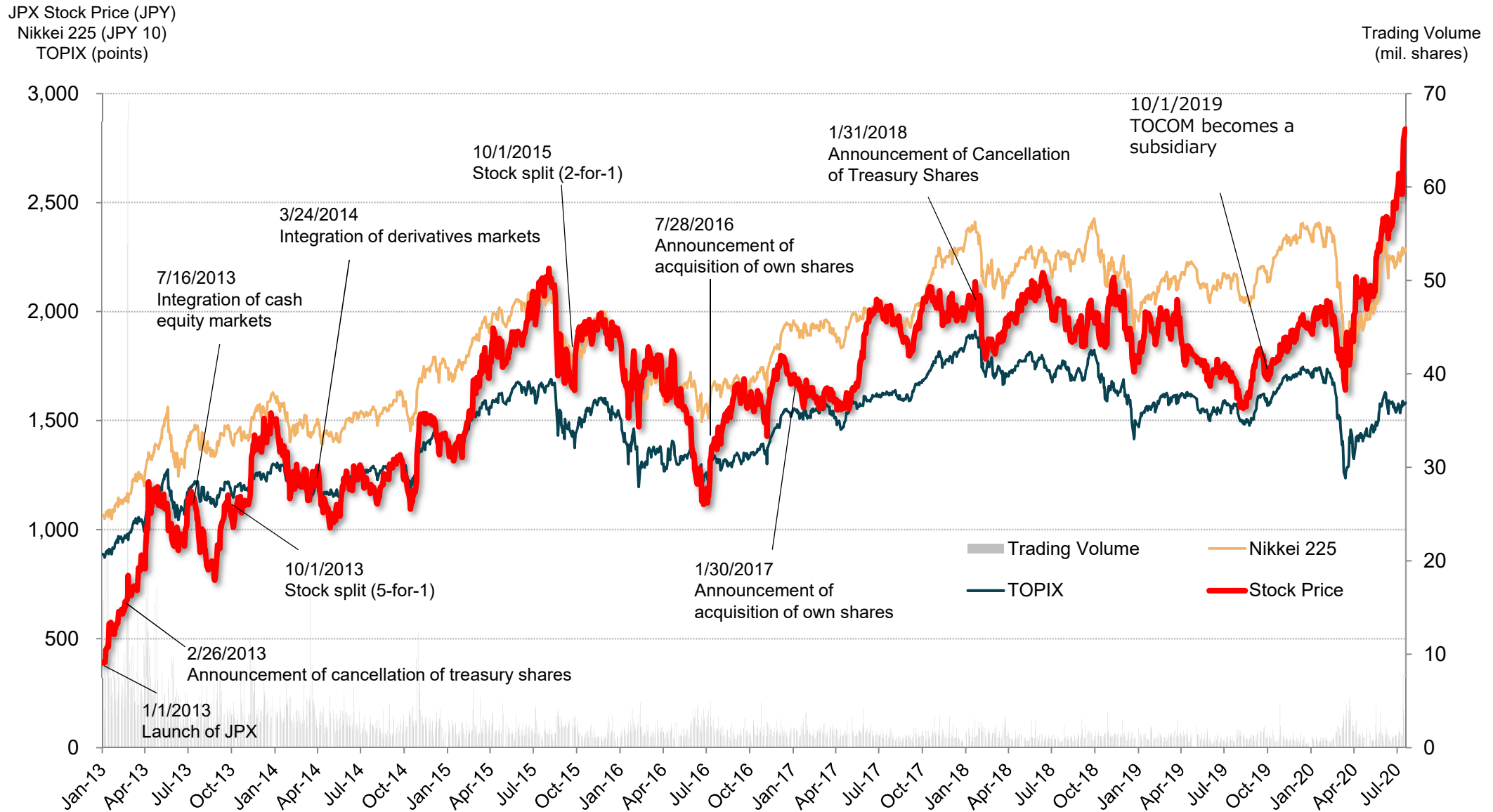
# Number of Listed Companies, ETFs, ETNs, and REITs

## ➤ Number of listed companies (issues)

(Companies/Issues)

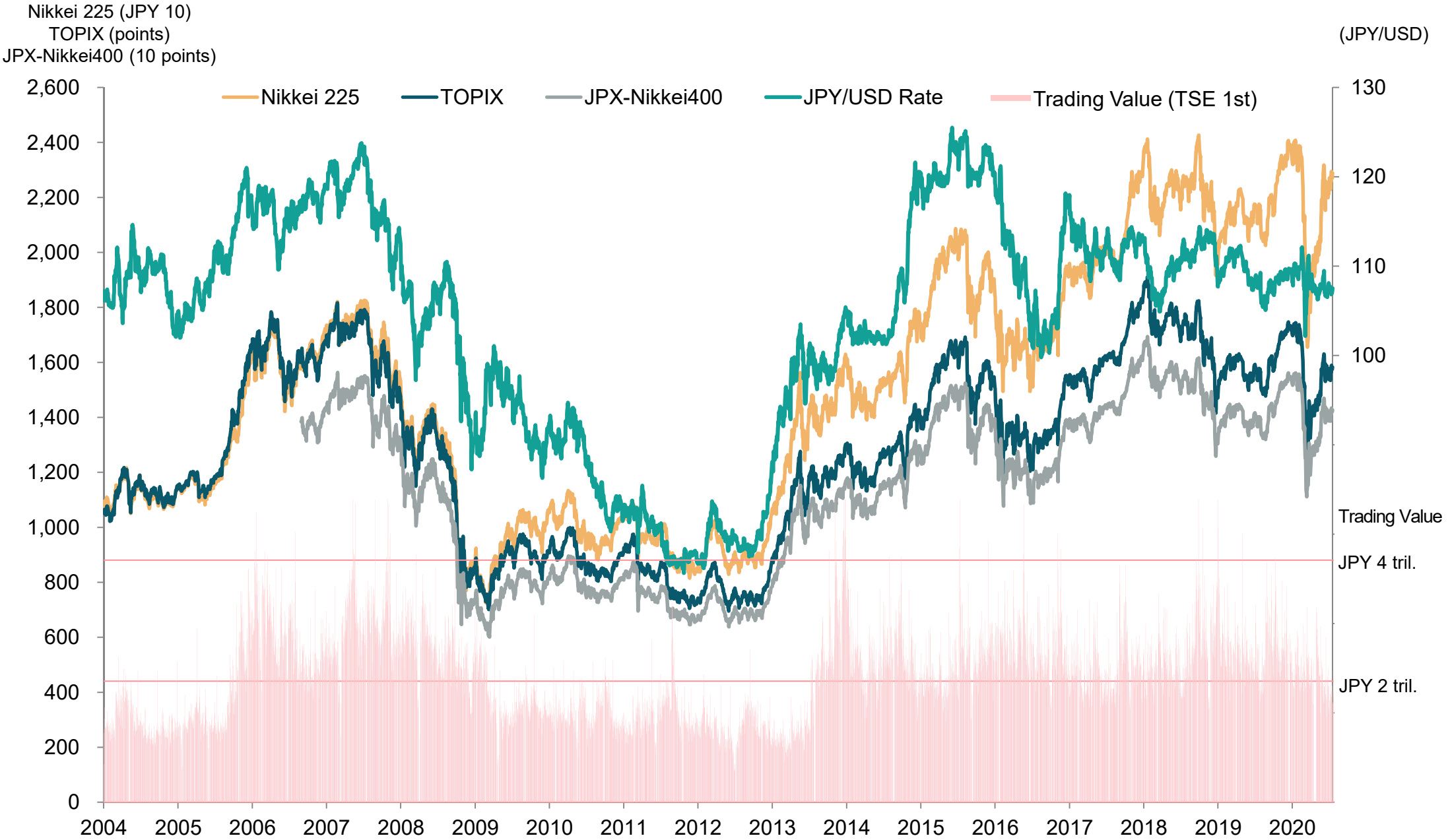
	Number of listed companies (issues)		
	As of March 31, 2020	As of June 30, 2020	Change
TSE 1st/2nd Section	2,650	2,649	(1)
Mothers	326	326	0
JASDAQ	703	700	(3)
TOKYO PRO Market	33	37	4
Total	3,712	3,712	0
ETFs / ETNs	245	245	0
REITs	63	63	0

# JPX Stock Price



Listed on both the TSE1st Section and JASDAQ from January 1 to July 15, 2013. Prices above are prices on the TSE1st Section. Trading volumes above are the total of those on TSE1st Section and JASDAQ. Two stock splits were conducted separately with respective effective dates of October 1, 2013 and October 1, 2015. Stock prices and trading volume before said stock splits were converted to reflect both events.

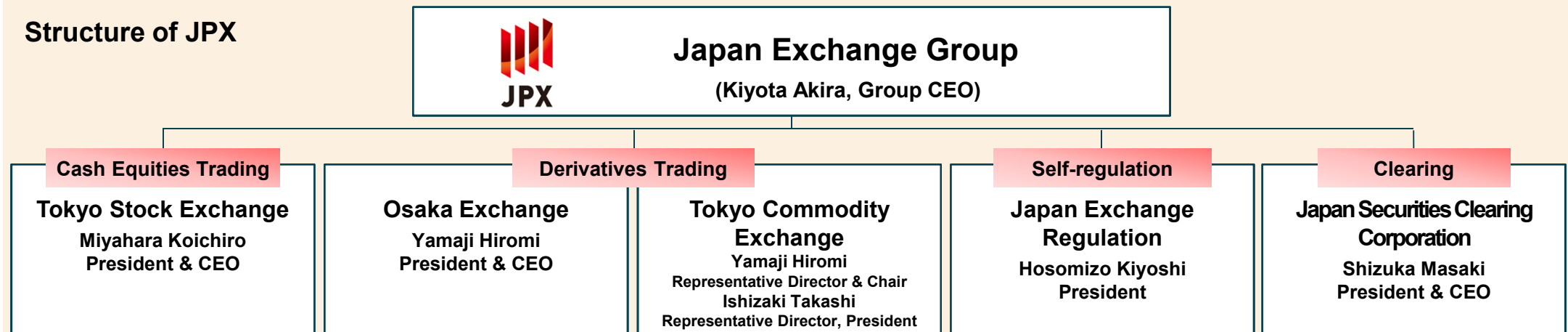
# Japanese Stock Market



# Outline of JPX Stock

Stock Code	8697
Listed Exchange	Tokyo Stock Exchange 1st Section
Fiscal Year End	March 31
Annual General Shareholders Meeting	June
Record Date	Annual general shareholders meeting: March 31 Year-end dividend: March 31 Interim dividend: September 30
Number of Shares in One Trading Unit	100 shares
Total number of shares issued	536,351,448
Basic Policy on Profit Distribution	<p>JPX 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:</p> <ul style="list-style-type: none"> <li>- Maintaining sound financial health as a financial instruments exchange group,</li> <li>- Preparing for risks as a clearing organization, and</li> <li>- Enabling the group to pursue investment opportunities to raise the competitiveness of its markets as they arise.</li> </ul>

## Structure of JPX



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These materials contain forward-looking statements. These statements are based on our assumptions and beliefs in light of the information currently available to us and are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of these materials. We disclaim any obligation to update any of the forward-looking statements contained in these materials to reflect future actual events or developments.