

Japan Exchange Group, Inc. and Consolidated Subsidiaries
 Consolidated financial results for the six months ended September 30, 2020
 (Based on IFRS), unaudited

Company name: Japan Exchange Group, Inc. Stock Exchange Listings: Tokyo
 Code number: 8697 URL: <https://www.jpx.co.jp/english/>
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1. Consolidated financial results for six months ended September 30, 2020
 (from April 1, 2020 to September 30, 2020)

(Figures less than a million yen are omitted)

(1) Consolidated operating results (cumulative)

(Percentages represent changes year on year)

	Operating revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent company		Comprehensive income	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%
Six months ended September 30, 2020	63,834	10.2	35,191	10.4	35,225	10.0	24,176	9.9	23,787	10.3	24,915	3.9
Six months ended September 30, 2019	57,936	(2.2)	31,870	(7.2)	32,011	(8.8)	21,992	(9.2)	21,573	(9.8)	23,977	(5.0)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2020	44.44	-
Six months ended September 30, 2019	40.29	-

(2) Consolidated financial position

	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
	Mil. yen	Mil. yen	Mil. yen	%
As of September 30, 2020	60,545,559	313,463	306,325	0.5
As of March 31, 2020	67,286,302	305,375	298,228	0.4

* Sizable amounts of "Clearing business financial assets and liabilities" and "Deposits from clearing participants" pertaining to clearing business conducted by consolidated subsidiary Japan Securities Clearing Corporation are included in assets and liabilities of JPX Group (meaning JPX and its subsidiaries). For JPX Group's financial position excluding "Clearing business financial assets and liabilities", "Deposits from clearing participants", etc., see "1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION - (2) Explanation on Financial Position" on Page 4 of the Appendix.

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2020	–	24.00	–	30.00	54.00
Year ending March 31, 2021	–	26.00			
Year ending March 31, 2021 (Forecast)			–	26.00	52.00

(Note) Change in dividends forecast from the most recent announcement: Yes

The interim dividend per share and the year-end dividend forecast have been revised from those stated in "Consolidated financial results for the fiscal year ended March 31, 2020 (Based on IFRS), unaudited" released on April 30, 2020. For details, please refer to "Notice of Dividend from Surplus" and "Notice of Revision to Earnings Forecast and Dividend Forecast" released today.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages represent changes year on year)

	Operating revenue		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent company		Basic earnings per share
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	
Year ending March 31, 2021	126,000	1.9	65,500	(4.4)	65,600	(5.1)	46,000	(4.8)	45,500	(4.4)	yen 85.00

(Note) Change in earnings forecast from the most recent announcement: Yes

* Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries that caused changes in the scope of consolidation): None

(2) Changes in accounting policies / changes in accounting estimates

1) Changes in accounting policies due to revisions in accounting standards under IFRS: None

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimates: None

(3) Number of issued shares (common shares)

1) Number of issued shares at the end of the period (including treasury shares):

As of September 30, 2020: 536,351,448

As of March 31, 2020: 536,351,448

2) Number of treasury shares at the end of the period:

As of September 30, 2020: 1,069,255

As of March 31, 2020: 904,476

3) Average number of shares:

Six months ended September 30, 2020: 535,311,832

Six months ended September 30, 2019: 535,480,869

*This release is outside the scope of the quarterly review by certified public accountants or an audit firm.

* Explanation on appropriate use of forecast and other special items

This material contains earnings forecast and other forward-looking statements which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors may cause actual results, etc. to be materially different from those expressed in these forward-looking statements.

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(Appendix)

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1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

(1) Explanation on Operating Results

During the consolidated cumulative second quarter (from April 1, 2020 to September 30, 2020), JPX Group recorded operating revenue of ¥63,834 million (increased 10.2% from the same period of the previous fiscal year (i.e., year on year)), and operating expenses were ¥30,332 million (increased 10.4% year on year). As a result, JPX Group recorded operating income of ¥35,191 million (increased 10.4% year on year) and income before income tax of ¥35,225 million (increased 10.0% year on year).

In addition, net income attributable to owners of the parent company after tax was ¥23,787 million (increased 10.3% year on year).

(Operating revenue)

1) Trading services revenue

Trading services revenue is comprised of "Transaction Fees" based on the value of securities traded or volume of financial and commodity derivatives traded, "Basic Fees" based on the types of the trading participant's trading qualification, "Access Fees" based on the number of orders, and "Trading System Facilities Usage Fees" based on the types of trading system facilities used, and other similar fees.

During the consolidated cumulative second quarter, trading services revenue increased 17.8% year on year to ¥25,882 million due mainly to an increase in transaction fees resulting from a year-on-year increase in trading of cash equities.

Breakdown of trading services revenue

(Mil. yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change (%)
Trading services revenue	21,965	25,882	17.8
Transaction fees	17,343	21,066	21.5
Cash equities	12,049	14,865	23.4
Financial derivatives	5,294	5,138	(2.9)
TOPIX futures transactions	1,037	947	(8.6)
Nikkei 225 futures transactions *1	2,111	2,314	9.6
Nikkei 225 options transactions *2	1,115	1,218	9.3
10-year JGB futures transactions	943	558	(40.8)
Others	87	99	14.2
Commodity derivatives	—	1,062	—
Basic fees	496	512	3.3
Access fees	2,289	2,496	9.1
Trading system facilities Usage fees	1,791	1,760	(1.7)
Others	45	46	2.4

*1: Figures include Nikkei 225 mini futures transactions.

*2: Figures exclude Nikkei 225 Weekly Options transactions.

2) Clearing services revenue

Clearing services revenue is comprised of clearing fees related to the assumption of obligations of financial instrument transactions carried out by Japan Securities Clearing Corporation and other similar fees.

During the consolidated cumulative second quarter, clearing services revenue increased 13.4% year on year to ¥13,992 million.

3) Listing services revenue

Listing services revenue is comprised of "Initial/Additional Listing Fees" that are received based on the issue amount when a company initially lists or when a listed company issues additional shares, and "Annual Listing Fees" received from listed companies based on their market capitalization, and other similar fees.

During the consolidated cumulative second quarter, listing services revenue increased 1.1% year on year to ¥6,718 million due mainly to an increase in annual listing fees.

Breakdown of listing services revenue

(Mil. yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change (%)
Listing services revenue	6,646	6,718	1.1
Initial/Additional listing fees	1,667	1,345	(19.3)
Annual listing fees	4,979	5,372	7.9

4) Information services revenue

Information services revenue is comprised of market information fees, which consist of revenue related to the provision of market information to information vendors, etc., as well as revenue related to the index business, and revenue related to the provision of corporate action information and other information.

During the consolidated cumulative second quarter, information services revenue increased 9.0% year on year to ¥11,589 million due mainly to an increase in market information fees.

5) Other operating revenue

Other operating revenue includes the following main items:

- Usage fees for arrownet, which connects trading, market information, and other systems to trading participants and other users;
- Usage fees related to co-location services that allow trading participants, information vendors, and other users to install devices in the system center for the purpose of improving trade execution efficiency by shortening order transmission time, etc.; and
- Revenue from system development and operations conducted by consolidated subsidiary TOSHO SYSTEM SERVICE CO., LTD.

During the consolidated cumulative second quarter, other operating revenue decreased 11.2% year on year to ¥5,651 million.

Breakdown of other operating revenue

(Mil. yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change (%)
Other operating revenue	6,360	5,651	(11.2)
arrownet usage fees	1,667	1,665	(0.1)
Co-location services usage fees	1,989	2,125	6.8
Other	2,703	1,860	(31.2)

(Operating expenses)

During the consolidated cumulative second quarter, personnel expenses increased 12.8% year on year to ¥9,207 million.

System maintenance and operation expenses include expenses related to maintenance and management/operations of various systems including the cash equities and derivatives trading systems. System maintenance and operation expenses increased 10.0% year on year to ¥6,513 million.

Depreciation and amortization increased 15.0% year on year to ¥8,880 million.

Other operating expenses increased 1.0% year on year to ¥5,730 million.

(2) Explanation on Financial Position

(Assets, liabilities, and equity)

For assets and liabilities of JPX Group, "Clearing business financial assets and liabilities" assumed by Japan Securities Clearing Corporation as a clearing organization and "Deposits from clearing participants" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business financial assets and liabilities" and "Deposits from clearing participants" 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 clearing participants' positions. In addition, "Legal guarantee funds", "Trading participant security money", and "Default compensation reserve funds" based on the rules for securing the safety of financial instruments transactions and other transactions are included both under assets and either liabilities or equity.

Total assets as of September 30, 2020 decreased by ¥6,740,742 million from the end of the previous fiscal year to ¥60,545,559 million due mainly to a decrease in clearing business financial assets. Excluding clearing business financial assets, deposits from clearing participants, legal guarantee funds, and default compensation reserve funds, assets increased by ¥3,218 million from the end of the previous fiscal year to ¥382,039 million.

Total liabilities as of September 30, 2020 decreased by ¥6,748,830 million from the end of the previous fiscal year to ¥60,232,096 million due mainly to the same decrease in clearing business financial liabilities. Excluding clearing business financial liabilities, deposits from clearing participants, legal guarantee funds, and trading participant security money, liabilities decreased by ¥4,846 million from the end of the previous fiscal year to ¥88,297 million.

Total equity as of September 30, 2020 increased by ¥8,087 million from the end of the previous fiscal year to ¥313,463 million, due to a capital increase from net income attributable to owners of the parent company despite a capital reduction as a result of dividend payment. In addition, after excluding default compensation reserve funds, total equity as of the same date was ¥285,515 million.

<Reference>

	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
	Mil. yen	Mil. yen	Mil. yen	%
As of September 30, 2020	60,545,559	313,463	306,325	0.5
	*382,039	*285,515	*278,377	*72.9
As of March 31, 2020	67,286,302	305,375	298,228	0.4
	*378,820	*277,427	*270,280	*71.3

(Note)

Figures marked "*" under "Total assets" exclude "Clearing business financial assets", "Deposits from clearing participants", "Legal guarantee funds", and "Default compensation reserve funds", and those marked "*" under "Total equity" and "Total equity attributable to owners of the parent company" exclude "Default compensation reserve funds".

(3) Explanation on Forecast Information such as Consolidated Earnings Forecast, etc.

1) Consolidated Earnings Forecast

Figures in the consolidated earnings forecast for the period have been revised based on the revised assumptions for daily average trading values and volumes indicated below.

In light of recent market conditions, the assumptions for the average daily trading values and volumes, which were used in the consolidated earnings forecast in the "Consolidated financial results for the fiscal year ended March 31, 2020 (Based on IFRS), unaudited" disclosed on April 30, 2020 (hereinafter "previously disclosed material") have been revised to ¥3.1 trillion for cash equities^{*1} (up ¥100 billion from previously disclosed material; the same applies to comparisons hereafter), 31,000 contracts for 10-year JGB futures (down 8,000 contracts), 104,000 contracts for TOPIX futures (down 2,000 contracts), 214,000 contracts for Nikkei 225 futures^{*2} (up 4,000 contracts), and ¥26.0 billion for Nikkei 225 options^{*3} (up ¥1.5 billion). For details, please refer to "Notice of Revision to Earnings Forecast and Dividend Forecast" released today.

^{*1} The trading value of stocks listed on the TSE 1st and 2nd Sections, Mothers, JASDAQ, and TOKYO PRO Market, and that of ETFs, ETNs, REITs, etc. (includes auction and off-auction trading)

^{*2} Includes Nikkei 225 mini contract volumes converted into large-sized contracts

^{*3} Excludes Weekly Options transactions

2) Dividend Forecast

JPX adopts a dividend policy with a target payout ratio of approximately 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 organization, and
- Enabling JPX Group to pursue investment opportunities to raise the competitiveness of its markets as they arise.

In line with the abovementioned policy, we have decided to pay an interim dividend of ¥26.00 per share with the record date of September 30, 2020, due to an expected increase in net income attributable to owners of the parent company from the revision to the consolidated earnings forecast. In addition, the year-end dividend forecast has been revised to ¥26.00 per share. For details, please refer to "Notice of Dividend from Surplus" and "Notice of Revision to Earnings Forecast and Dividend Forecast" disclosed today.

2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

(1) Condensed Consolidated Statement of Financial Position

	As of March 31, 2020	As of September 30, 2020
	Mil. yen	Mil. yen
Assets		
Current assets		
Cash and cash equivalents	71,883	85,062
Trade and other receivables	16,686	12,593
Clearing business financial assets	60,329,672	54,231,199
Specified assets for deposits from clearing participants	6,549,099	5,903,680
Specified assets for legal guarantee funds	762	692
Income tax receivables	5,922	7,420
Other financial assets	117,400	116,300
Other current assets	1,837	3,093
Total current assets	<u>67,093,263</u>	<u>60,360,042</u>
Non-current assets		
Property and equipment	14,798	12,558
Goodwill	67,374	67,374
Intangible assets	35,045	34,756
Retirement benefit assets	5,642	5,593
Investments accounted for using the equity method	14,703	15,933
Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	18,156	12,026
Other non-current assets	6,049	5,958
Deferred tax assets	3,321	3,367
Total non-current assets	<u>193,039</u>	<u>185,516</u>
Total assets	<u><u>67,286,302</u></u>	<u><u>60,545,559</u></u>

	As of March 31, 2020	As of September 30, 2020
	Mil. yen	Mil. yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,643	4,191
Bonds and loans payable	32,500	32,500
Clearing business financial liabilities	60,329,672	54,231,199
Deposits from clearing participants	6,549,099	5,903,680
Legal guarantee funds	762	692
Trading participant security money	8,248	8,226
Income tax payables	10,289	11,027
Other current liabilities	10,062	7,702
Total current liabilities	<u>66,947,278</u>	<u>60,199,220</u>
Non-current liabilities		
Bonds and loans payable	19,953	19,956
Retirement benefit liabilities	8,866	8,929
Other non-current liabilities	2,162	2,345
Deferred tax liabilities	2,665	1,643
Total non-current liabilities	<u>33,648</u>	<u>32,876</u>
Total liabilities	<u>66,980,926</u>	<u>60,232,096</u>
Equity		
Share capital	11,500	11,500
Capital surplus	39,716	39,716
Treasury shares	(1,548)	(1,889)
Other components of equity	5,602	3,288
Retained earnings	242,958	253,708
Total equity attributable to owners of the parent company	<u>298,228</u>	<u>306,325</u>
Non-controlling interests	7,146	7,138
Total equity	<u>305,375</u>	<u>313,463</u>
Total liabilities and equity	<u><u>67,286,302</u></u>	<u><u>60,545,559</u></u>

(2) Condensed Consolidated Statement of Income

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Mil. yen	Mil. yen
Revenue		
Operating revenue	57,936	63,834
Other revenue	122	232
Total revenue	58,059	64,067
Expenses		
Operating expenses	27,482	30,332
Other expenses	22	1
Total expenses	27,504	30,333
Share of income of investments accounted for using the equity method	1,315	1,458
Operating income	31,870	35,191
Financial income	190	85
Financial expenses	49	51
Income before income tax	32,011	35,225
Income tax expense	10,019	11,049
Net income	21,992	24,176
Net income attributable to		
Owners of the parent company	21,573	23,787
Non-controlling interests	419	388
Net income	21,992	24,176
Earnings per share		
Basic (Yen)	40.29	44.44
Diluted (Yen)	-	-

(3) Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Mil. yen	Mil. yen
Net income	21,992	24,176
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	1,985	739
Share of other comprehensive income of investments accounted for using the equity method	(0)	(0)
Other comprehensive income, net of tax	1,985	739
Comprehensive income	23,977	24,915
Comprehensive income attributable to		
Owners of the parent company	23,558	24,526
Non-controlling interests	419	388
Comprehensive income	23,977	24,915

(4) Condensed Consolidated Statement of Changes in Equity

Equity attributable to owners of the parent company

	Share capital	Capital surplus	Treasury shares	Other components of equity
	Mil. yen	Mil. yen	Mil. yen	Mil. yen
Balance as of April 1, 2019	11,500	39,716	(1,213)	7,688
Net income	–	–	–	–
Other comprehensive income, net of tax	–	–	–	1,985
Total comprehensive income	–	–	–	1,985
Acquisitions of treasury shares	–	–	(350)	–
Dividends paid	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(2,514)
Other	–	–	3	–
Total transactions with the owners	–	–	(346)	(2,514)
Balance as of September 30, 2019	11,500	39,716	(1,560)	7,160

	Equity attributable to owners of the parent company		Non-controlling interests	Total equity
	Retained earnings	Total		
	Mil. yen	Mil. yen	Mil. yen	Mil. yen
Balance as of April 1, 2019	227,317	285,009	6,441	291,450
Net income	21,573	21,573	419	21,992
Other comprehensive income, net of tax	–	1,985	–	1,985
Total comprehensive income	21,573	23,558	419	23,977
Acquisitions of treasury shares	–	(350)	–	(350)
Dividends paid	(23,063)	(23,063)	–	(23,063)
Transfer from other components of equity to retained earnings	2,514	–	–	–
Other	–	3	–	3
Total transactions with the owners	(20,549)	(23,409)	–	(23,409)
Balance as of September 30, 2019	228,341	285,158	6,860	292,019

Equity attributable to owners of the parent company

	Share capital	Capital surplus	Treasury shares	Other components of equity
	Mil. yen	Mil. yen	Mil. yen	Mil. yen
Balance as of April 1, 2020	11,500	39,716	(1,548)	5,602
Net income	–	–	–	–
Other comprehensive income, net of tax	–	–	–	739
Total comprehensive income	–	–	–	739
Acquisitions of treasury shares	–	–	(366)	–
Dividends paid	–	–	–	–
Changes of interests in subsidiaries without losing control	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(3,052)
Other	–	–	26	–
Total transactions with the owners	–	–	(340)	(3,052)
Balance as of September 30, 2020	11,500	39,716	(1,889)	3,288

	Equity attributable to owners of the parent company		Non-controlling interests	Total equity
	Retained earnings	Total		
	Mil. yen	Mil. yen	Mil. yen	Mil. yen
Balance as of April 1, 2020	242,958	298,228	7,146	305,375
Net income	23,787	23,787	388	24,176
Other comprehensive income, net of tax	–	739	–	739
Total comprehensive income	23,787	24,526	388	24,915
Acquisitions of treasury shares	–	(366)	–	(366)
Dividends paid	(16,090)	(16,090)	–	(16,090)
Changes of interests in subsidiaries without losing control	–	–	(397)	(397)
Transfer from other components of equity to retained earnings	3,052	–	–	–
Other	–	26	–	26
Total transactions with the owners	(13,037)	(16,430)	(397)	(16,827)
Balance as of September 30, 2020	253,708	306,325	7,138	313,463

(5) Notes on Condensed Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Operating Revenue)

The breakdown of "Operating revenue" is as follows:

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Mil. yen	Mil. yen
Trading services revenue	21,965	25,882
Clearing services revenue	12,335	13,992
Listing services revenue	6,646	6,718
Information services revenue	10,628	11,589
Other	6,360	5,651
Total	57,936	63,834

(Operating Expenses)

The breakdown of "Operating expenses" is as follows:

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Mil. yen	Mil. yen
Personnel expenses	8,164	9,207
System maintenance and operation expenses	5,923	6,513
Depreciation and amortization	7,723	8,880
Other	5,670	5,730
Total	27,482	30,332

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<Attachment>

Information on Risks Related to Coronavirus, etc.

(1) Measures to Ensure Business Continuity

With respect to the global pandemic of novel coronavirus (COVID-19), a further spread within Japan could lead to JPX Group facing risks to its business continuity resulting from, for example, impacts on the public transportation system that JPX Group employees use to commute, or COVID-19 infection cases among JPX Group employees.

To ensure that the impacts of COVID-19 do not affect the stable operation of its markets, JPX Group has implemented the following measures to ensure business continuity. This is in addition to various measures to prevent further spread of COVID-19 in line with guidance such as the Japanese government's Basic Policies for Prevention and Control of the Novel Coronavirus.

- Established a BCP (Business Continuity Plan) Emergency Headquarters headed by the Group CEO, in line with the JPX Group's BCP;
 - Carefully examined each department's duties and situation, and is encouraging remote working for employees whose duties are judged to not require physical attendance at the office based on this;
 - For employees whose duties involve 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.

While persisting with measures to prevent the further spread of COVID-19, JPX Group will continue striving for stable market operations by flexibly implementing initiatives as needed to ensure business continuity in response to the changing situation.

(2) Impact on Earnings

Among JPX Group's operating revenue, "trading services revenue" and "clearing services revenue" (which accounted respectively for 40.5% and 21.9% of consolidated operating revenue for the six months ended September 30, 2020) are heavily reliant on the value of securities traded and volume of derivatives traded. Meanwhile, listing services revenue (which accounted for 10.5% over the same period) is reliant on the market capitalization of and the funds raised by listed companies as well as the number of new listings.

Although the Japanese economy continues to be in difficult circumstances due to COVID-19, a certain level of improvement in these circumstances can be seen. The Japanese economy is expected to continue to improve, helped by various government policy measures and improvement of overseas economies. However, we need to keep an eye on the impact of the spread of COVID-19 in Japan and overseas as well as fluctuations in the financial and capital markets, among other factors.

JPX Group's revenue is greatly affected by trends in the secondary market for securities and derivatives products as well as the primary market for securities, and furthermore by trends in global financial markets and economic conditions in Japan and overseas. In particular, as most TSE listed companies are Japanese companies, JPX Group's earnings are strongly linked to economic conditions in Japan, meaning that they are at risk of significantly adverse impacts if economic stagnation, etc. causes a deterioration of the environment surrounding the primary and secondary markets, leading to a decrease in trading volume and value on the cash equity and derivatives markets and a decrease in market capitalization of or funds raised by listed companies. Furthermore, since trends in the primary and secondary markets can also be strongly affected by other varying factors including economic circumstances, it is extremely difficult to accurately predict these trends.

In order to fulfill its duty as public infrastructure despite the increasing impact of COVID-19, JPX Group will place top priority on continuing stable market operations and take every possible measure to that end.

In light of the market conditions in the six months ended September 30, 2020, etc., we have revised the average daily trading values and volumes for the fiscal year ending March 31, 2021, which were the assumptions used in the consolidated earnings forecast for said fiscal year, and have thus revised the consolidated earnings forecast for said fiscal year. The impact of COVID-19 continues to increase uncertainty in the market conditions. Depending on future market conditions, there is the possibility that actual trading values and volumes may differ from those for the assumptions, resulting in a large impact on consolidated earnings.