

March 22, 2021

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Notice of Revision to Earnings Forecast and Dividend Forecast

We hereby announce that the consolidated earnings forecast and year-end dividend forecast for the fiscal year ending March 31, 2021 released on October 28, 2020 have been revised as follows.

1. Revised Consolidated Earnings Forecast for Fiscal Year from April 1, 2020 to March 31, 2021

(Figures indicated in millions of yen, unless stated otherwise)

	Operating revenue	Operating income	Income before income tax	Net income	Net income attributable to owners of the parent company	Basic earnings per share (yen)
Previous forecast <A>	126,000	65,500	65,600	46,000	45,500	85.00
Revised forecast 	133,000	74,000	74,100	52,000	51,500	96.21
Change <B - A>	7,000	8,500	8,500	6,000	6,000	
Change <%>	5.6%	13.0%	13.0%	13.0%	13.2%	
(Reference) Consolidated results for the fiscal year ended March 31, 2020	123,688	68,533	69,095	48,314	47,609	88.91

2. Reason for Revision

In light of recent market conditions, we have revised the average daily trading values and volumes, which were the assumptions used in the consolidated earnings forecast in the "Notice of Revision to Earnings Forecast and Dividend Forecast" disclosed on October 28, 2020 (hereinafter "previously disclosed material"). Specifically, the consolidated earnings forecast was revised based on the revised assumptions of average daily trading values and volumes (changes from previously disclosed material indicated in parentheses) of ¥3.45 trillion for stocks^{*1} (up ¥350 billion), 29,000 contracts for 10-year JGB futures transactions (down 2,000 contracts), 100,000 contracts for TOPIX futures transactions (down 4,000 contracts), 197,000 contracts for Nikkei 225 futures transactions^{*2} (down 17,000 contracts), and ¥26.5 billion for Nikkei 225 options transactions^{*3} (up ¥ 0.5 billion).

^{*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

3. Revised Dividend Forecast

We adopt a dividend policy with a target payout ratio of about 60% tied to business performance while giving

due consideration to the importance of internal reserves for the following purposes:

- Maintaining sound financial health as a financial instruments exchange group,
- Preparing for risks as a clearing organization, and
- Enabling the group to pursue investment opportunities to raise the competitiveness of its markets as they arise.

In line with the above mentioned policy, the forecast for the year-end ordinary dividend with the record date of March 31, 2021 has been revised to ¥32 per share 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 consolidated financial results for this fiscal year are expected to exceed the financial targets set out in the 3rd Medium-Term Management Plan (FY2019-FY2021) (i.e. operating revenue: JPY 130 billion; net income attributable to owners of the parent company: JPY 50 billion; and ROE 15.0% or higher). As such, in order to express its gratitude to shareholders who supported the various measures we enacted to ensure stable market operation amid the spread of Covid-19, the Company has decided to pay a special dividend of ¥10 per share.

As a result, the forecast for the year-end dividend per share, with the record date of March 31, 2021, will be ¥42 (ordinary dividend of ¥32 plus special dividend of ¥10). The dividend payment will be made after it is formally decided at the Board of Directors meeting to be held in May 2021.

	Dividend per share		
	Second quarter	Year-end	Annual
Previous forecast		¥26.00	¥52.00
Revised forecast		¥42.00 (Ordinary Dividend ¥32.00) (Special Dividend ¥10.00)	¥68.00 (Ordinary Dividend ¥58.00) (Special Dividend ¥10.00)
Actual	¥26.00		
For the fiscal year ended March 31, 2020	¥24.00	¥30.00	¥54.00

Note on Forward-looking Statements

This material contains earnings forecasts, projections, 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 to be materially different from those expressed in these forward-looking statements.

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