

(Reference Translation)

February 22, 2022

To whom it may concern

Company Name: Japan Exchange Group, Inc.
Name of Representative: Kiyota Akira, Director & Representative
Executive Officer, Group CEO
(Code No.: 8697, TSE 1st Section)
Inquiries: Lin Kay, Director, Corporate Communications
(TEL: +81-3-3666-1361)

Restructuring of Subsidiaries for Launch of JPX Market Innovation & Research, Inc. Operations

Japan Exchange Group, Inc. (JPX) has today resolved to carry out an organizational restructuring (company split and merger) among its wholly-owned subsidiaries, Tokyo Stock Exchange, Inc. (TSE), Osaka Exchange, Inc. (OSE), JPX Market Innovation & Research, Inc. (JPXI) and TOSHO SYSTEM SERVICE CO.,LTD. (TSS) (hereinafter, the "Restructuring"), with the effective date of April 1, 2022.

1. Outline of the Restructuring

The Restructuring will integrate the data and digital-related businesses of the JPX group into JPXI by enacting a company split, to transfer the data and digital related business of TSE and OSE to JPXI, and a merger between TSS and JPXI.

(For the reasons and purposes of the Restructuring, please refer to JPX's timely disclosure document "Establishment of New Subsidiary" published on November 25, 2021.)

2. Details of the Restructuring

(1) Schedule

Agreement date of absorption-type company split and absorption-type merger	February 22, 2022 (Tue)
Date of general shareholders meeting approval of absorption-type merger agreement (Note 1)	In February 2022 (planned)
Announcement date of absorption-type company split and absorption-type merger	February 24, 2022 (Thu) (planned)
Enactment date (effective date)	April 1, 2022 (Fri) (planned)

Note 1: With regards to TSE and OSE, as this absorption-type company split falls under the simplified absorption-type company split provided for in Article 784, Paragraph (2) of the Companies Act, approvals from the general shareholders meetings are not necessary. With regards to JPXI, as the absorption-type company split and absorption-type merger fall under the simplified absorption-type company split and absorption-type merger provided for in Article 796, Paragraph (2) of the Companies Act, approval from the general shareholders meeting is not necessary. TSS plans to obtain the necessary approval for the absorption-type merger from its general shareholders meeting.

(2) Method

The Restructuring will take the form of an absorption-type company split whereby TSE and OSE are the splitting companies and JPXI is the succeeding company, and an absorption-type merger whereby JPXI is the surviving company and TSS is the absorbed company.

(3) Details of related allocations

As the purpose of the Restructuring is to reorganize JPX's wholly-owned subsidiaries, there are no allotments of stocks, cash or similar.

(4) Treatment of subscription warrants and corporate bonds with subscription warrants

Not applicable.

(5) Changes in capital, etc.

There will be no changes in capital, etc., at any company subject to the Restructuring.

(6) Rights and obligations inherited by JPXI

JPXI will inherit the rights and obligations related to the information services business, the information systems business, and the IT services business conducted by TSE and OSE on the effective date of the absorption-type company split in accordance with the absorption-type company split agreement (excluding the information service business related to the provision of the market information). In addition, JPXI will inherit the rights and obligations of all businesses conducted by TSS on the effective date of the absorption-type merger in accordance with the merger agreement.

(7) Prospects of fulfilling performance obligation

Each company subject to the Restructuring has judged that there will be no issues around the certainty of fulfilling its performance obligation as to debt borne following the Restructuring.

3. Outline of companies subject to the Restructuring (as of the date of this disclosure. In millions of JPY. Excluding some specified details)

	1. Splitting company in the absorption-type company split	2. Splitting company in the absorption-type company split
(1) Name	Tokyo Stock Exchange, Inc.	Osaka Exchange, Inc.
(2) Address	Chuo-ku, Tokyo	Chuo-ku, Osaka City, Osaka
(3) Position and Name of Representative	Yamaji Hiromi, President & CEO	Iwanaga Moriyuki, President & CEO
(4) Business Description	Business related to the operation of markets for securities trading, etc.	Business related to the operation of markets for market transactions of derivatives, etc.
(5) Capital	JPY 11.5 billion	JPY 4.723 billion
(6) Establishment Date	April 1, 1949	April 1, 1949
(7) Number of Shares Outstanding	2,300,000 shares	270,000 shares
(8) Fiscal Year End	March	March
(9) Major Shareholder and Shareholding Ratio	Japan Exchange Group, Inc. 100%	Japan Exchange Group, Inc. 100%
(10) Business Performance and Financial Condition for Most Recent Fiscal Year (Ended March 2021)		

	Tokyo Stock Exchange, Inc. (Unconsolidated)	Osaka Exchange, Inc. (Unconsolidated)
Net assets	125,763	20,671
Total assets	160,818	29,941
Net assets per share (JPY)	54,679.84	76,561.30
Operating revenue	100,320	17,306
Operating income	57,399	5,144
Ordinary income	58,888	5,149
Net income	41,257	3,540
Net income per share (JPY)	17,937.83	13,114.23
	3. Absorbed company in the absorption-type merger	4. Succeeding company in the absorption-type company split /surviving company in the absorption- type merger
(1) Name	TOSHO SYSTEM SERVICE CO.,LTD.	JPX Market Innovation & Research, Inc.
(2) Address	Chuo-ku, Tokyo	Chuo-ku, Tokyo
(3) Position and Name of Representative	Miyahara Koichiro, President	(See note 2)
(4) Business Description	System development, operations, consulting, and telecommunication businesses related to the financial instruments markets, etc.	Data and index services and system- related services related to the financial instruments markets, etc.
(5) Capital	JPY 100 million	JPY 100 million
(6) Date of Establishment	June 3, 1986	December 1, 2021
(7) Number of Shares Outstanding	1,600 shares	2,000 shares
(8) Fiscal Year End	March	March
(9) Major Shareholder and Shareholding Ratio	Tokyo Stock Exchange, Inc. 100%	Japan Exchange Group, Inc. 100%
(10) Business Performance and Financial Condition for Most Recent Fiscal Year (Ended March 2021)		
	TOSHO SYSTEM SERVICE CO., LTD. (Unconsolidated)	JPX Market Innovation & Research, Inc. (Unconsolidated)
Net assets	3,573	(Established December 1, 2021)
Total assets	5,217	
Net assets per share (JPY)	2,233,175.26	
Net sales	10,147	
Operating income	1,232	
Ordinary income	1,233	
Net income	818	
Net income per share (JPY)	511,508.12	

(Note 2) Information omitted as the company has not yet begun operations. For the status of the company as of the effective date (April 1), please see section 4.(3).

Outline of transferred business

JPXI will inherit the rights and obligations pertaining to the information services business, information systems business and IT services business of TSE and OSE (excluding the information services business related to the provision of market information). JPXI will also inherit the rights and obligations of all business carried out by TSS in accordance with the merger agreement. Through inheriting these, it will conduct business pertaining to data and index services and system-related services related to the financial instruments markets.

4. Status after the Restructuring (outline of succeeding company in the absorption-type company split/surviving company in the absorption-type merger)

(1)	Name	JPX Market Innovation & Research, Inc.
(2)	Address	Chuo-ku, Tokyo
(3)	Position and Name of Representative	President & CEO Miyahara Koichiro (scheduled to take up the position on April 1, 2022)
(4)	Business Description	Data and index services and system-related services related to the financial instruments markets, etc.
(5)	Capital	JPY 1 billion (capital increase planned on April 1, 2022)
(6)	Fiscal Year End	March
(7)	Net Assets	JPY 18.3 billion
(8)	Total Assets	JPY 20.7 billion

5. Future outlook

As the Restructuring is a reorganization among the wholly-owned subsidiaries of JPX, the impact of the Restructuring on the consolidated financial results of JPX is not expected to be significant.