



JPX
JAPAN EXCHANGE
GROUP

Overview of Earnings for Q1 FY2021

Total smart exchange

Japan Exchange Group, Inc.

July 28, 2021



1 Overview of Earnings for Q1 FY2021 [IFRS]

2 Reference Materials



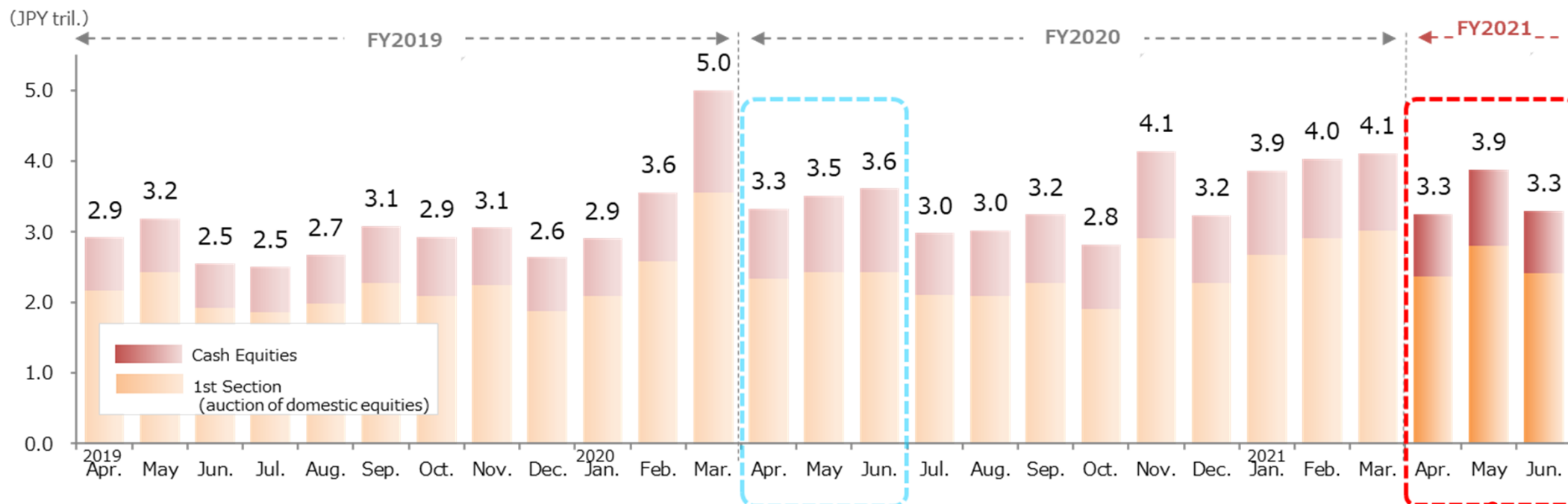
I. Overview of Earnings for Q1 FY2021 [IFRS] (April 1, 2021 – June 30, 2021)

* 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 2019 – June 2021)



Daily Average Trading Value by Market Division (JPY)

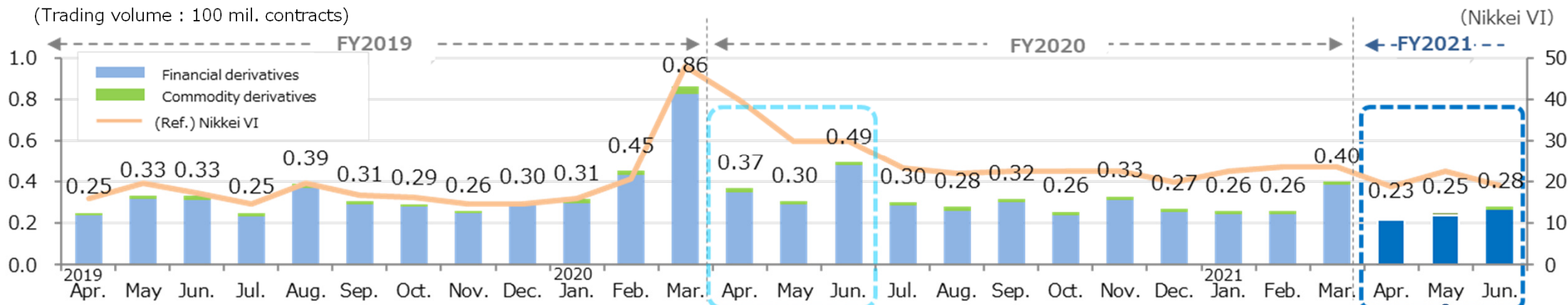
		FY2019	FY2020	FY2021		
		Annual Ave.	Annual Ave.	Q1 Ave.	Q1 FY2020 Ave.	y/y
Auction	1st Section Domestic Equities	2.25 tril.	2.44 tril.	2.52 tril.	2.39 tril.	+5.2 %
	ETFs / ETNs	211.5 bil.	272.9 bil.	219.6 bil.	381.5 bil.	(42.4 %)
	Markets for Emerging Companies (JASDAQ & Mothers)	135.9 bil.	268.2 bil.	210.4 bil.	248.5 bil.	(15.3 %)
Off-auction		392.4 bil.	402.8 bil.	416.6 bil.	360.7 bil.	+15.5 %
Cash Equities (auction/off-auction) Total*		3.08 tril.	3.48 tril.	3.45 tril.	3.49 tril.	(0.9 %)

* 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.

Market Trends (Derivatives)

Monthly Trading Volume (April 2019 - June 2021)

(Trading volume : 100 mil. contracts)



Average daily trading volume/value of major products

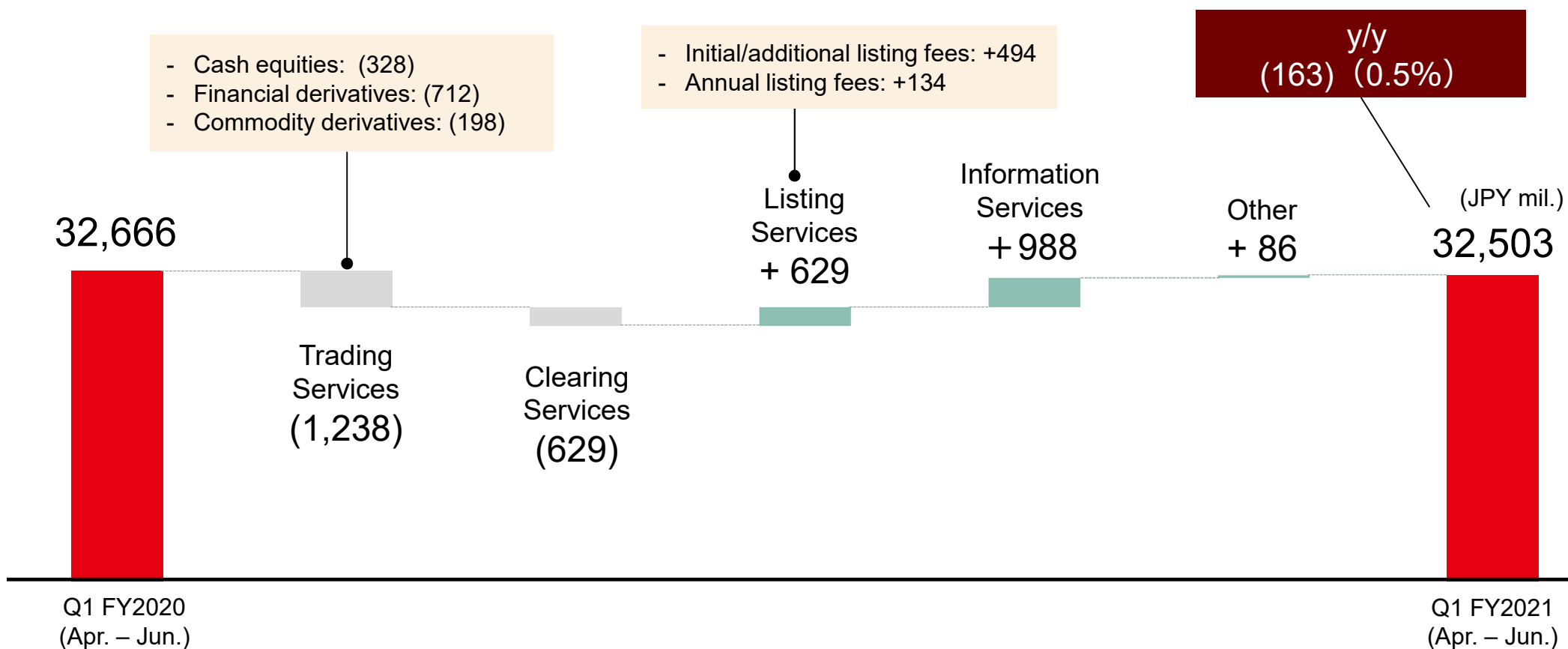
(Trading volume : 10,000 contracts)

	FY2019	FY2020	FY2021		
	Annual Ave.	Annual Ave.	Q1 Ave.	Q1 FY2020 Ave.	y/y
TOPIX Futures	12.1	10.2	9.3	10.4	(10.7 %)
Nikkei 225 Futures (Large)	11.0	9.2	6.3	11.1	(43.3 %)
Nikkei 225 mini	122.8	107.6	82.5	140.2	(41.2 %)
Nikkei 225 Options*	JPY 26.8 bil.	JPY 26.5 bil.	JPY 20.3 bil.	JPY 37.8 bil.	(46.4 %)
10-year JGB Futures	4.0	2.9	2.9	2.0	+45.8 %
Total Trading Volume for Financial Derivatives	412 mil. contracts	363 mil. contracts	71 mil. contracts	111 mil. Contracts	(35.7 %)
Gold Futures (standard)	4.1	2.8	2.5	2.1	+19.8 %
Gold Futures (mini)	0.4	0.7	0.8	0.4	+90.8 %
Platts Dubai Crude Oil	1.2	2.5	1.6	3.6	(54.9 %)
Total Trading Volume for Commodity Derivatives	2,136	1,945	410	456	(10.2 %)

* Excluding Weekly Options.

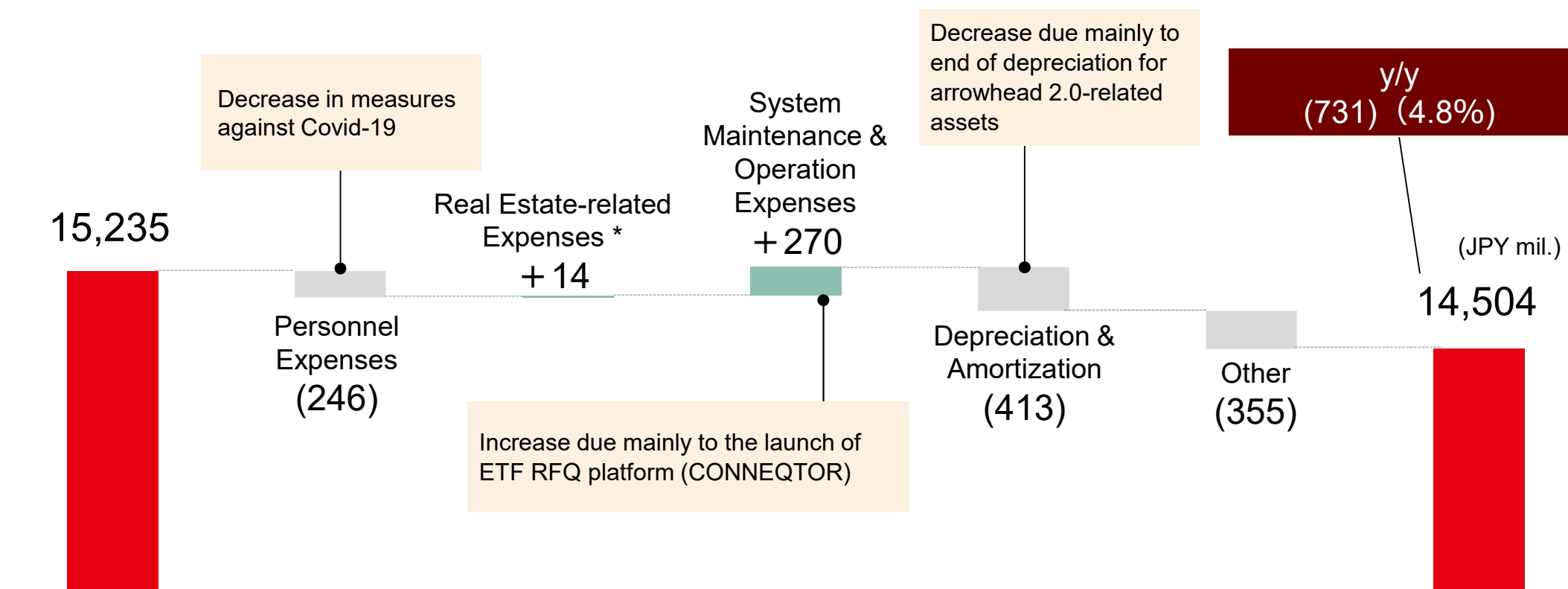
Operating Revenue

- Revenues from trading services and clearing services decreased due to decreases in derivatives and cash equities trading.
- Listing services revenue grew due to growth in ETF AUM and an increase in capital raised by listed companies.
- Information services revenue grew due mainly to an increase in market data usage fees resulting from increased market data usage.



Operating Expenses

- Personnel expenses decreased due to a decrease in measures against Covid-19.
- System maintenance and operation expenses increased due mainly to the launch of the ETF RFQ platform (CONNEQTOR).
- Depreciation and amortization decreased due mainly to the end of depreciation for arrowhead 2.0-related assets.

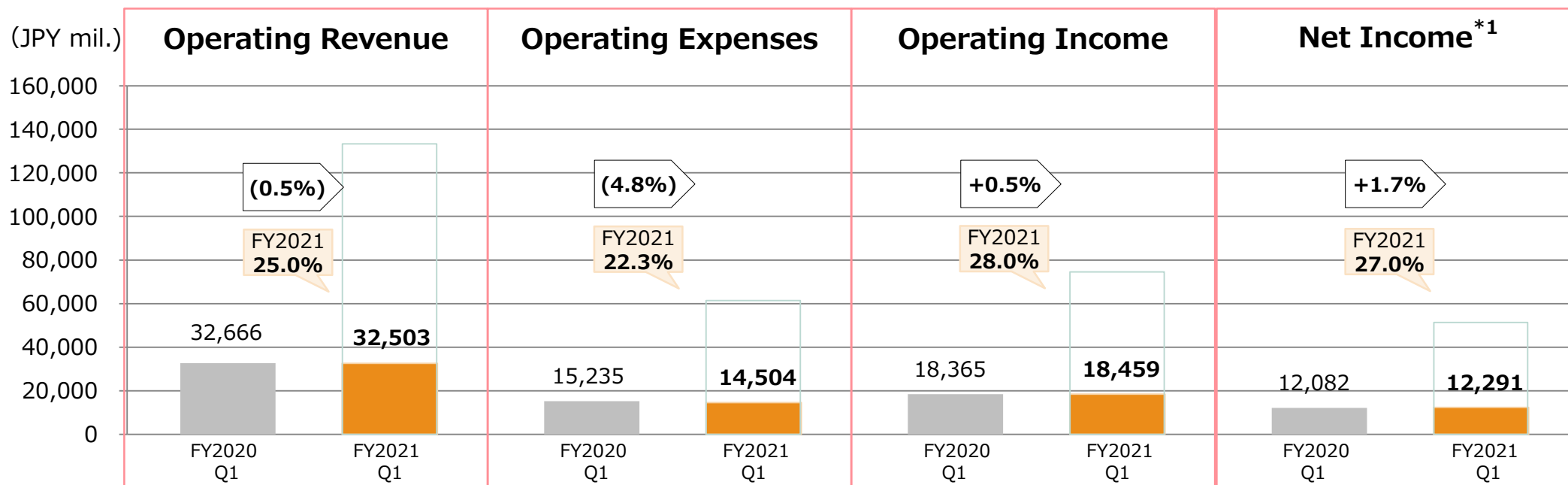


Q1 FY2020
(Apr. – Jun.)

*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 FY2021
(Apr. – Jun.)

- Quarterly net income increased by 1.7% year on year, as although operating revenue decreased by 0.5% due to decreases in derivatives and cash equities trading, this was exceeded by the decrease in operating expenses such as depreciation and amortization.



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

➤ Average Daily Trading Volume/Value of Major Products

	Q1 FY2020	Q1 FY2021	
			y/y
Cash Equities (trading value) *1	JPY 3,487.3 bil.	JPY 3,454.3 bil.	(0.9%)
TOPIX Futures (trading volume)	103,832 contracts	92,709 contracts	(10.7%)
Nikkei 225 Futures (trading volume) *2	250,981 contracts	145,280 contracts	(42.1%)
Nikkei 225 Options (trading value) *3	JPY 37.8 bil.	JPY 20.3 bil.	(46.4%)
10-year JGB Futures (trading volume)	20,055 contracts	29,244 contracts	+ 45.8%

*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.

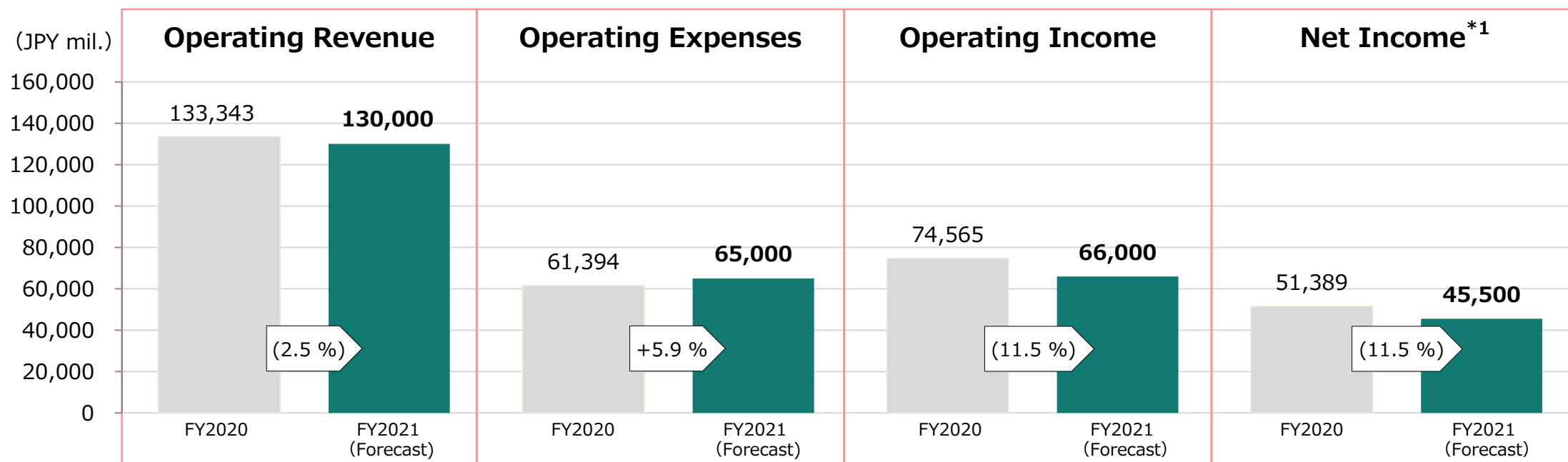
*2 Contracts of Nikkei 225 mini are calculated using a factor of 1/10. *3 Excluding Weekly Options.

FY2021 Forecast

No change from "Overview of Earnings for FY2020" published on April 28, 2021



- The market conditions for cash equities average daily trading value, which serves as a base for the forecast, is assumed to be consistent with the previous year. Thus, operating revenue is forecast the same level as that in FY2020.
- Operating expenses are expected to increase by 5.9% year on year due to measures for stable market operation and medium- to long-term growth. As a result, operating income and net income are forecast to decrease by 11.5% from FY2020.



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

➤ Average Daily Trading Volume/Value of Major Products

	FY2020	FY2021 (Forecast)	
			y/y
Cash Equities (trading value) *1	JPY 3,483.8 bil.	JPY 3,450.0 bil.	(1.0 %)
TOPIX Futures (trading volume)	101,917 contracts	108,000 contracts	+ 6.0 %
Nikkei 225 Futures (trading volume) *2	199,383 contracts	213,000 contracts	+ 6.8 %
Nikkei 225 Options (trading value) *3	JPY 26.5 bil.	JPY 26.5 bil.	(0.0 %)
10-year JGB Futures (trading volume)	29,090 contracts	36,000 contracts	+ 23.8 %

*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



➤ Quarterly Business Performance

(JPY mil.)

	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	y/y
Operating Revenue	32,666	31,167	33,439	36,069	32,503	(0.5%)
Operating Expenses	15,235	15,096	14,720	16,342	14,504	(4.8%)
Operating Income	18,365	16,826	19,173	20,200	18,459	+0.5%
Net Income *¹	12,082	11,705	13,573	14,027	12,291	+1.7%
EBITDA	22,919	21,237	23,165	24,270	22,562	(1.6%)

➤ Annual Business Performance

(JPY mil.)

	FY2016	FY2017	FY2018	FY2019	FY2020
Operating Revenue	107,885	120,711	121,134	123,688	133,343
Operating Expenses	50,185	50,902	54,111	58,532	61,394
Operating Income	59,377	71,791	69,535	68,533	74,565
Net Income *¹	42,124	50,484	49,057	47,609	51,389
EBITDA	71,595	82,505	82,568	85,683	91,594

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

Referential Financial Data

➤ Quarterly Operating Revenue

(JPY mil.)

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1		
					Ratio	y/y	
Trading services revenue	13,630	12,252	13,185	14,103	12,391	38%	(9.1%)
Transaction Fees	11,175	9,890	10,764	11,632	9,969		(10.8%)
Cash Equities	7,725	7,140	7,799	8,390	7,398	74%*1	(4.2%)
Financial Derivatives	2,920	2,218	2,473	2,781	2,176	22%*1	(25.5%)
TOPIX Futures	474	473	488	496	449		(5.1%)
Nikkei 225 Futures (incl. mini)	1,340	973	1,007	1,058	846		(36.9%)
Nikkei 225 Options *2	823	394	588	748	494		(39.9%)
10-year JGB Futures	232	325	357	437	338		+ 45.8%
Others	49	50	31	40	47		(3.7%)
Commodity Derivatives	530	531	491	460	394	4%*1	(25.6%)
Basic Fees	258	254	252	253	250		(3.0%)
Access Fees	1,283	1,212	1,251	1,299	1,230		(4.2%)
Trading System Facilities Usage Fees	887	873	893	890	918		+ 3.5%
Others	25	21	22	27	22		(9.4%)
Clearing services revenue	7,418	6,573	6,880	7,066	6,789	21%	(8.5%)
Listing services revenue	3,126	3,592	4,262	5,678	3,756	12%	+ 20.2%
Initial/Additional Listing Fees	432	912	1,472	2,811	927		+ 114.3%
Annual Listing Fees	2,693	2,679	2,790	2,866	2,828		+ 5.0%
Information services revenue	5,723	5,865	6,125	6,414	6,711	21%	+ 17.3%
Other	2,767	2,883	2,985	2,807	2,854	9%	+ 3.1%
arrownet Usage Fees	819	845	848	849	859		+ 4.8%
Co-location Usage Fees	1,025	1,100	1,225	1,153	1,185		+ 15.6%
Others*3	922	938	911	804	809		(12.2%)
Total	32,666	31,167	33,439	36,069	32,503	100%	(0.5%)

*1 Figures are indicate percentage of Transaction Fees.

*2 Excluding Weekly Options.

*3 Including Proximity Usage Fees.

➤ Annual Operating Revenue

(JPY mil.)

	FY2016	FY2017	FY2018	FY2019	FY2020
Trading services revenue	45,703	51,766	48,660	48,589	53,171
Clearing services revenue	21,454	23,473	24,788	26,427	27,939
Listing services revenue	12,903	14,547	14,025	14,322	16,660
Information services revenue	18,112	19,878	21,029	21,977	24,128
Other	9,711	11,045	12,630	12,371	11,443
Total	107,885	120,711	121,134	123,688	133,343

Referential Financial Data

➤ Quarterly Operating Expenses

(JPY mil.)

	FY2020*1				FY2021*1		FY2021 IFRS 16 Leases applied	
	Q1	Q2	Q3	Q4	Q1	y/y	Q1	y/y
Personnel expenses	4,582	4,624	4,454	5,594	4,336	(5.4%)	4,336	(5.4%)
System maintenance & operation expenses	3,223	3,290	3,445	3,565	3,493	+8.4%	3,493	+8.4%
Depreciation & amortization	3,697	3,619	3,104	3,211	3,283	(11.2%)	4,065	(9.2%)
Real Estate-related Expenses	1,083	1,094	1,097	1,097	1,097	+1.3%	315	+4.7%
Other	2,648	2,469	2,618	2,873	2,293	(13.4%)	2,293	(13.4%)
Total	15,235	15,096	14,720	16,342	14,504	(4.8%)	14,504	(4.8%)

➤ Annual Operating Expenses

(JPY mil.)

	FY2016	FY2017	FY2018	FY2019*1	FY2020*1
Personnel expenses	15,614	16,329	16,584	17,512	19,255
System maintenance & operation expenses	10,813	12,100	11,898	12,071	13,524
Depreciation & amortization	10,983	9,431	11,699	13,354	13,632
Real Estate-related Expenses	4,062	3,904	3,939	4,275	4,372
Other	8,711	9,136	9,989	11,318	10,609
Total	50,185	50,902	54,111	58,532	61,394

*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, 2021	As of Jun. 30, 2021
Assets		
Current assets		
Cash and cash equivalents	108,209	76,163
Trade and other receivables	14,936	17,895
*1 Clearing business financial assets	53,649,780	55,488,219
*2 Specified assets for deposits from clearing participants	5,996,143	5,399,131
*3 Specified assets for legal guarantee funds	673	666
Income tax receivables	5,286	14,892
Other financial assets	116,800	115,600
Other current assets	2,033	1,628
Total current assets	59,893,862	61,114,197
Non-current assets		
Property and equipment	10,697	15,389
Goodwill	67,374	67,374
Intangible assets	35,977	37,320
Retirement benefit assets	8,204	8,189
Investments accounted for using the equity method	16,736	16,998
*5 Specified assets for default compensation reserve funds	27,948	27,948
Other financial assets	5,309	3,974
Other non-current assets	6,181	6,139
Deferred tax assets	3,385	3,685
Total non-current assets	181,815	187,020
Total assets	60,075,678	61,301,218

*1 Clearing business financial assets and liabilities assumed as a clearing organization

*2 Deposits from clearing participants deposited by clearing participants as collateral

*3 *4 *5 Deposits and reserve funds based on the rules for securing the safety of financial instruments transactions and other transactions

*6 Including "default compensation reserve funds"*5"

	As of Mar. 31, 2021	As of Jun. 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,132	5,353
Bonds and loans payable	32,500	32,500
*1 Clearing business financial liabilities	53,649,780	55,488,219
*2 Deposits from clearing participants	5,996,143	5,399,131
*3 Legal guarantee funds	673	666
*4 Trading participant security money	8,161	8,720
Income tax payables	15,038	5,830
Other current liabilities	8,746	18,373
Total current liabilities	59,715,175	60,958,795
Non-current liabilities		
Bonds and loans payable	19,960	19,961
Retirement benefit liabilities	9,018	9,128
Other non-current liabilities	2,336	4,624
Deferred tax liabilities	418	418
Total non-current liabilities	31,732	34,133
Total liabilities	59,746,908	60,992,928
Equity		
Share capital	11,500	11,500
Capital surplus	39,716	39,746
Treasury shares	(1,825)	(12,487)
Other components of equity	992	430
*6 Retained earnings	271,006	261,550
Total equity attributable to owners of the parent company	321,391	300,740
Non-controlling interests	7,378	7,549
Total equity	328,769	308,289
Total liabilities and equity	60,075,678	61,301,218

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

	FY2018				FY2019				FY2020				FY2021	Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Shares sold (% of shareholding)*	2,947 (5.6%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	4,421 (8.3%)	1,473 (2.8%)	53,051 (100.0%)
Total value sold	1,766	2,691	2,554	2,728	2,603	2,812	3,116	2,946	3,133	2,890	3,126	3,568	1,244	35,184

* 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^{*1}" assumed by JSCC as a clearing organization and "deposits from clearing participants^{*2}" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business financial assets and liabilities^{*1}" and "deposits from clearing participants^{*2}" 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^{*3}", "trading participant security money^{*4}", and "default compensation reserve funds^{*5}" 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.

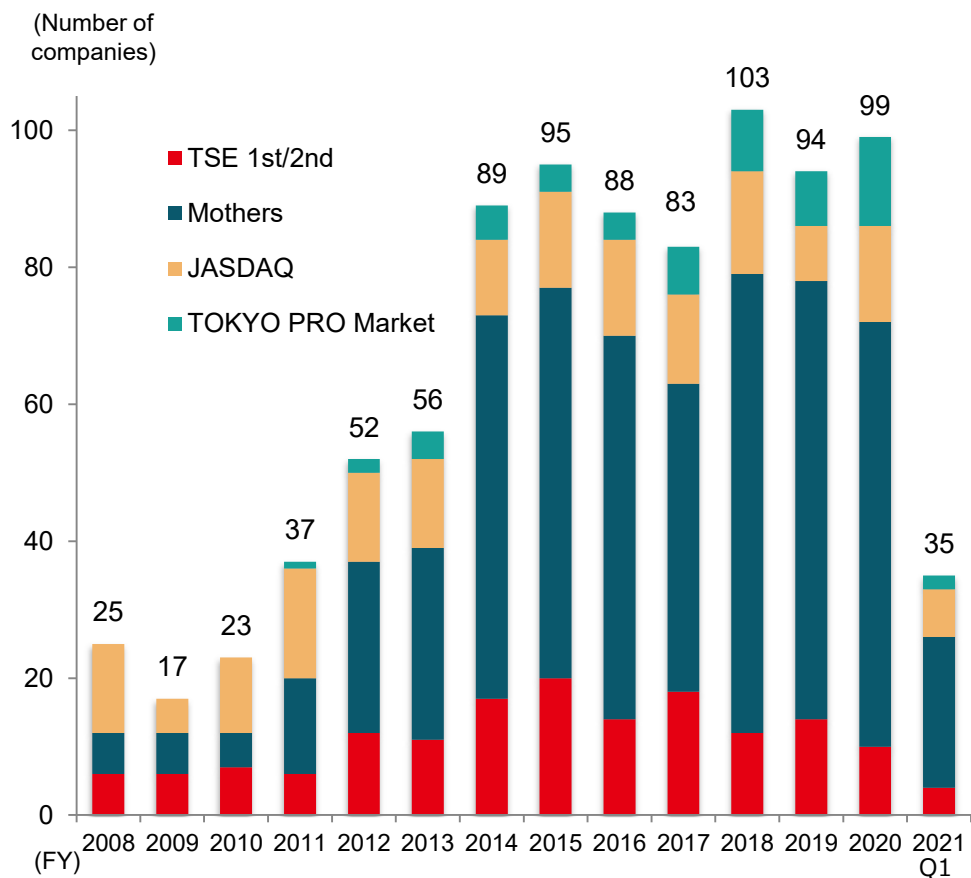
The figures shown in parentheses in the table below are those calculated by excluding "clearing business financial assets^{*1}", "deposits from clearing participants^{*2}", "legal guarantee funds^{*3}", and "default compensation reserve funds^{*5}" for total assets, and by excluding "default compensation reserve funds^{*5}" 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.	%
FY2021 Q1	61,301,218 (385,252)	308,289 (280,341)	300,740 (272,792)	0.5 (70.8)
FY2020	60,075,678 (401,132)	328,769 (300,821)	321,391 (293,443)	0.5 (73.2)

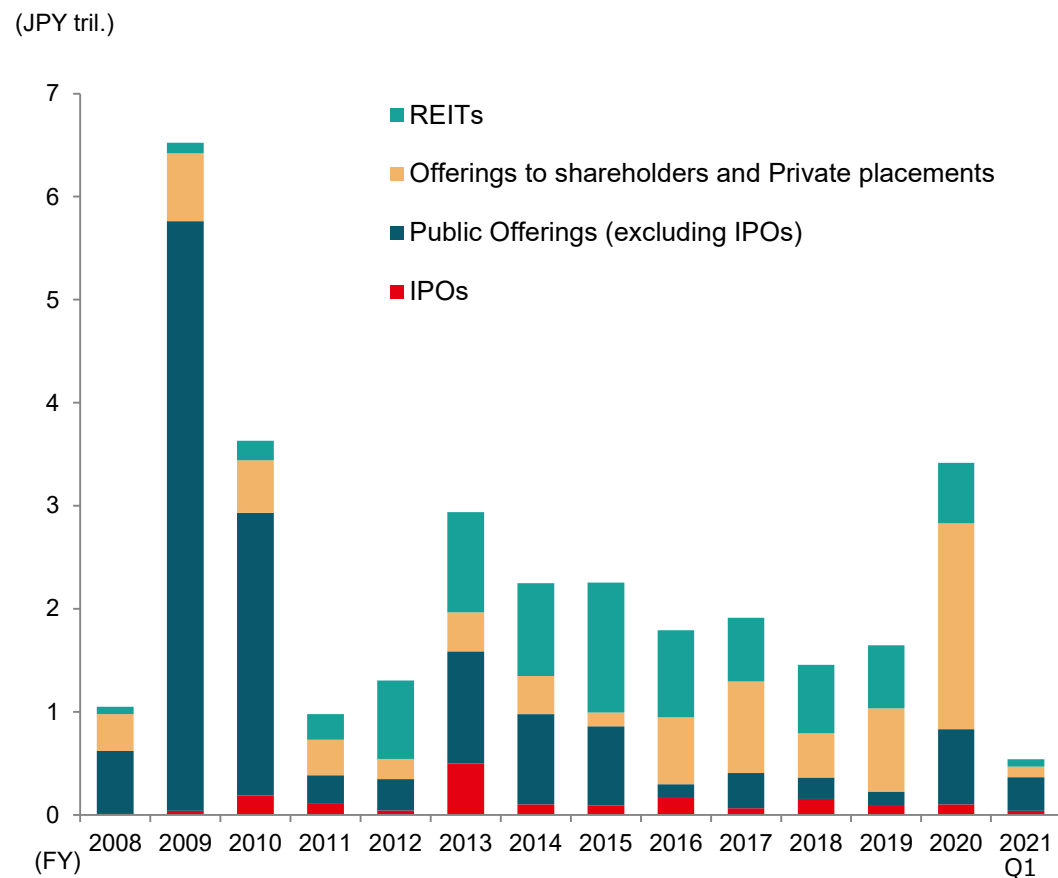
* The footnotes from page 15 also apply in those the contents of this page.

- The number of IPOs at TSE was 35, up from 11 in the same period a year earlier.

➤ IPOs at TSE



➤ Financing by Listed Companies and REITs



Major Products Data

Trading Volume/Value

	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	y/y
Trading Value of Cash Equities (JPY mil.)						
TSE 1st/2nd Section *1	168,384,294	153,038,671	174,155,955	203,410,053	178,699,266	+ 6.1%
Mothers *1	11,559,220	13,502,882	14,289,630	12,192,991	9,185,275	(20.5%)
JASDAQ *1	4,074,021	3,737,963	4,112,366	4,306,280	4,130,135	+ 1.4%
ETFs/ETNs and REITs etc. *2	28,707,905	17,987,354	19,351,859	20,687,205	18,698,361	(34.9%)
Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	6,333,737	6,053,651	6,234,194	6,348,002	5,655,262	(10.7%)
Total Nikkei 225 Futures/mini *3	15,309,855	11,212,710	11,034,837	11,291,358	8,862,095	(42.1%)
Nikkei 225 Futures	6,755,820	5,092,953	5,420,614	5,207,601	3,830,038	(43.3%)
Nikkei 225 mini	85,540,350	61,197,574	56,142,234	60,837,567	50,320,574	(41.2%)
Nikkei 225 Options (JPY mil.) *4	2,306,982	1,057,950	1,347,226	1,782,365	1,237,033	(46.4%)
10-year JGB Futures	1,223,356	1,716,030	1,883,945	2,303,641	1,783,904	+ 45.8%
Commodity Derivatives Trading Volume (contracts) *5						
Gold Futures (Total standard/mini/rolling spot) *6	1,318,623	2,231,317	1,899,310	1,770,113	1,578,369	+ 19.7%
Platinum Futures (Total standard/mini/rolling spot) *7	290,796	379,714	487,397	767,881	643,661	+ 121.3%
Platts Dubai Crude Oil	2,168,889	1,421,190	1,356,187	1,181,999	978,210	(54.9%)
Rubber Futures (RSS3)	192,679	239,788	379,576	224,304	168,100	(12.8%)

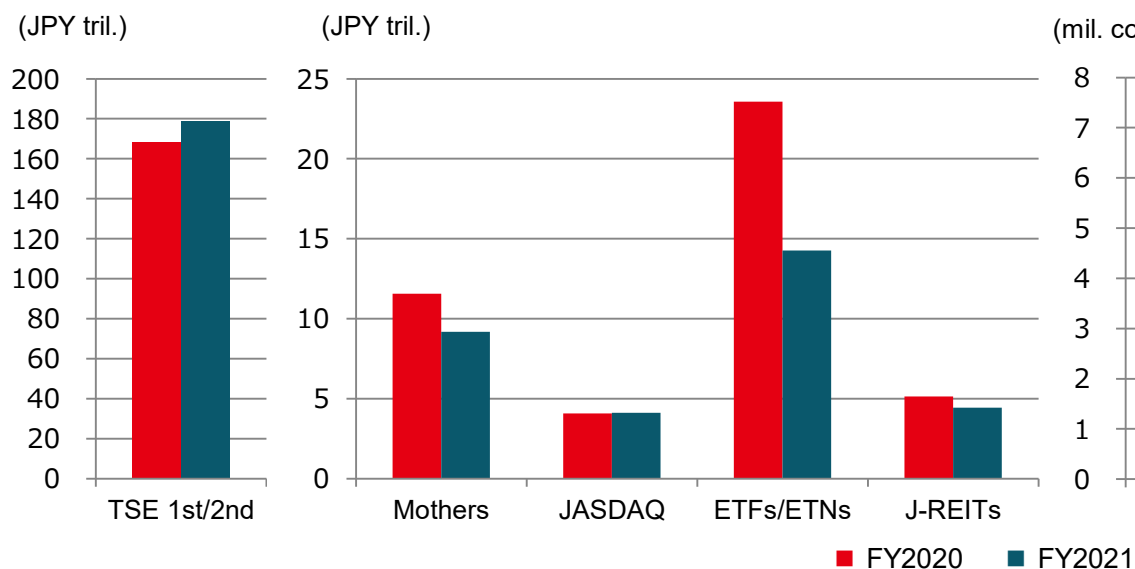
Average Daily Trading Volume/Value

	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	y/y
Trading Value of Cash Equities (JPY mil.) *8	3,487,302	3,086,368	3,363,649	4,009,943	3,454,317	(0.9%)
Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options)						
TOPIX Futures	103,832	99,240	98,955	105,800	92,709	(10.7%)
Total Nikkei 225 Futures/mini *3	250,981	183,815	175,156	188,189	145,280	(42.1%)
Nikkei 225 Futures	110,751	83,491	86,041	86,793	62,788	(43.3%)
Nikkei 225 mini	1,402,301	1,003,239	891,147	1,013,959	824,927	(41.2%)
Nikkei 225 Options (JPY mil.) *4	37,819	17,343	21,385	29,706	20,279	(46.4%)
10-year JGB Futures	20,055	28,132	29,904	38,394	29,244	+ 45.8%
Commodity Derivatives Trading Volume (contracts) *5						
Gold Futures (Total standard/mini/rolling spot) *6	21,617	36,579	30,148	29,502	25,875	+ 19.7%
Platinum Futures (Total standard/mini/rolling spot) *7	4,767	6,225	7,736	12,798	643,661	+ 121.3%
Platts Dubai Crude Oil	35,556	23,298	21,527	19,700	16,036	(54.9%)
Rubber Futures (RSS3)	3,159	3,931	6,025	3,738	2,756	(12.8%)

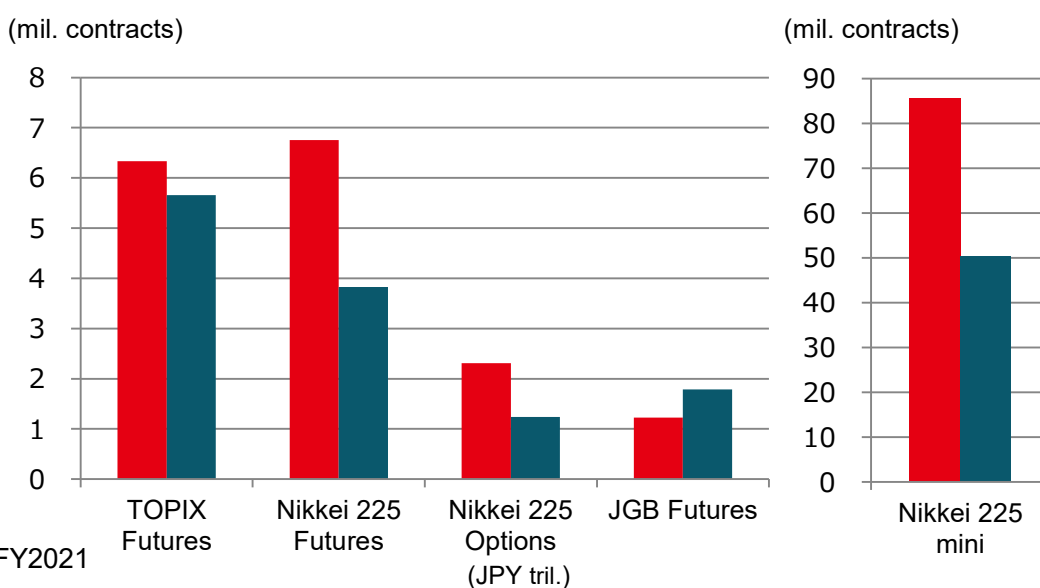
*1 Value of auction and off-auction trading of common stocks. *2 Total value of auction and off-auction trading. *3 Nikkei 225 mini contracts are calculated using a factor of 1/10.

*4 Excluding Weekly Options. *5 Excluding 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.

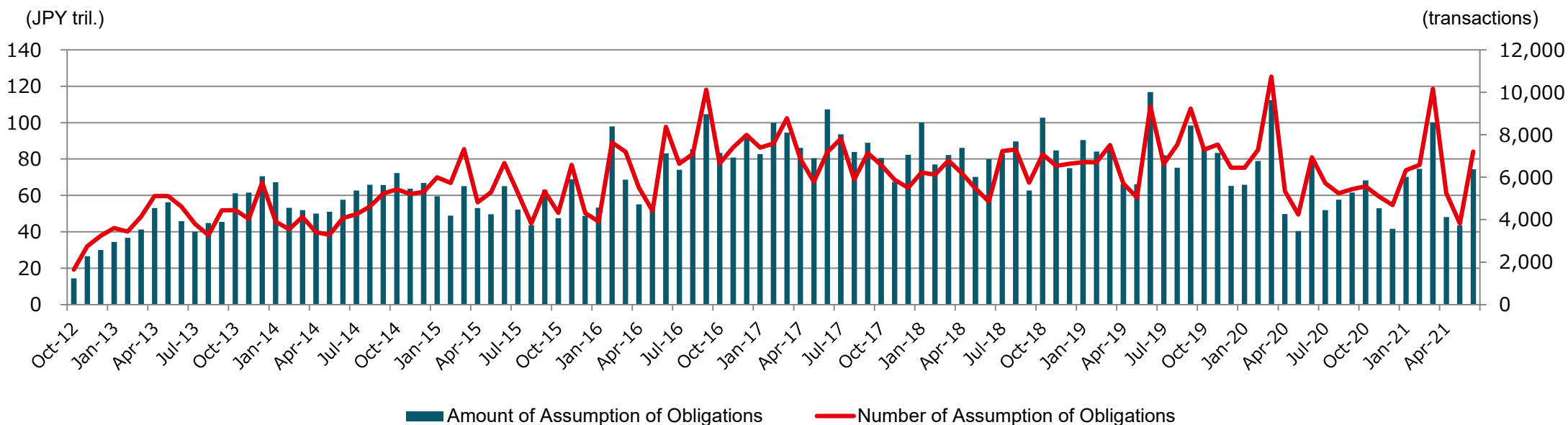
Trading Value for Cash Equities in Q1



Trading Volume for Derivatives in Q1



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

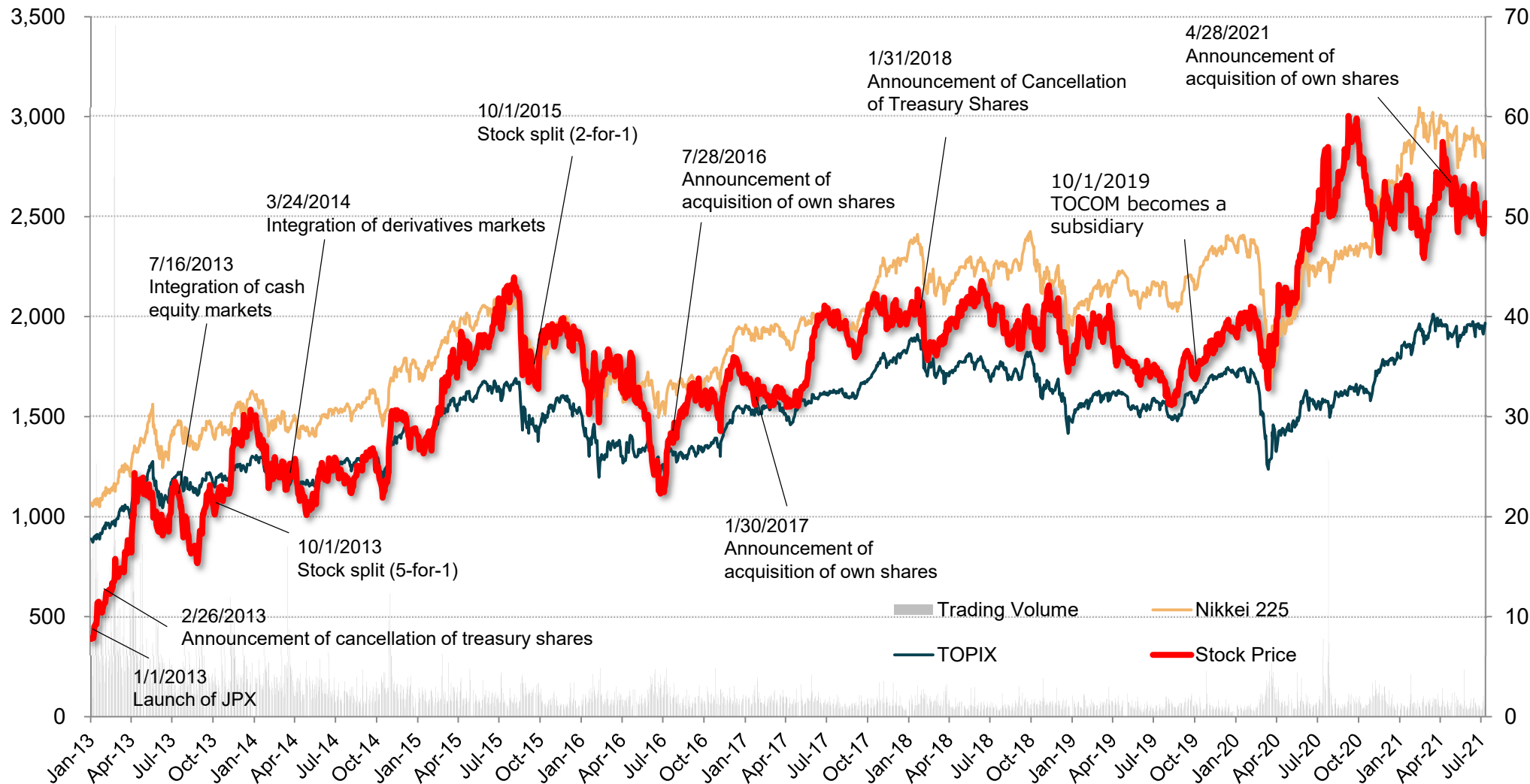


JPX Stock Price



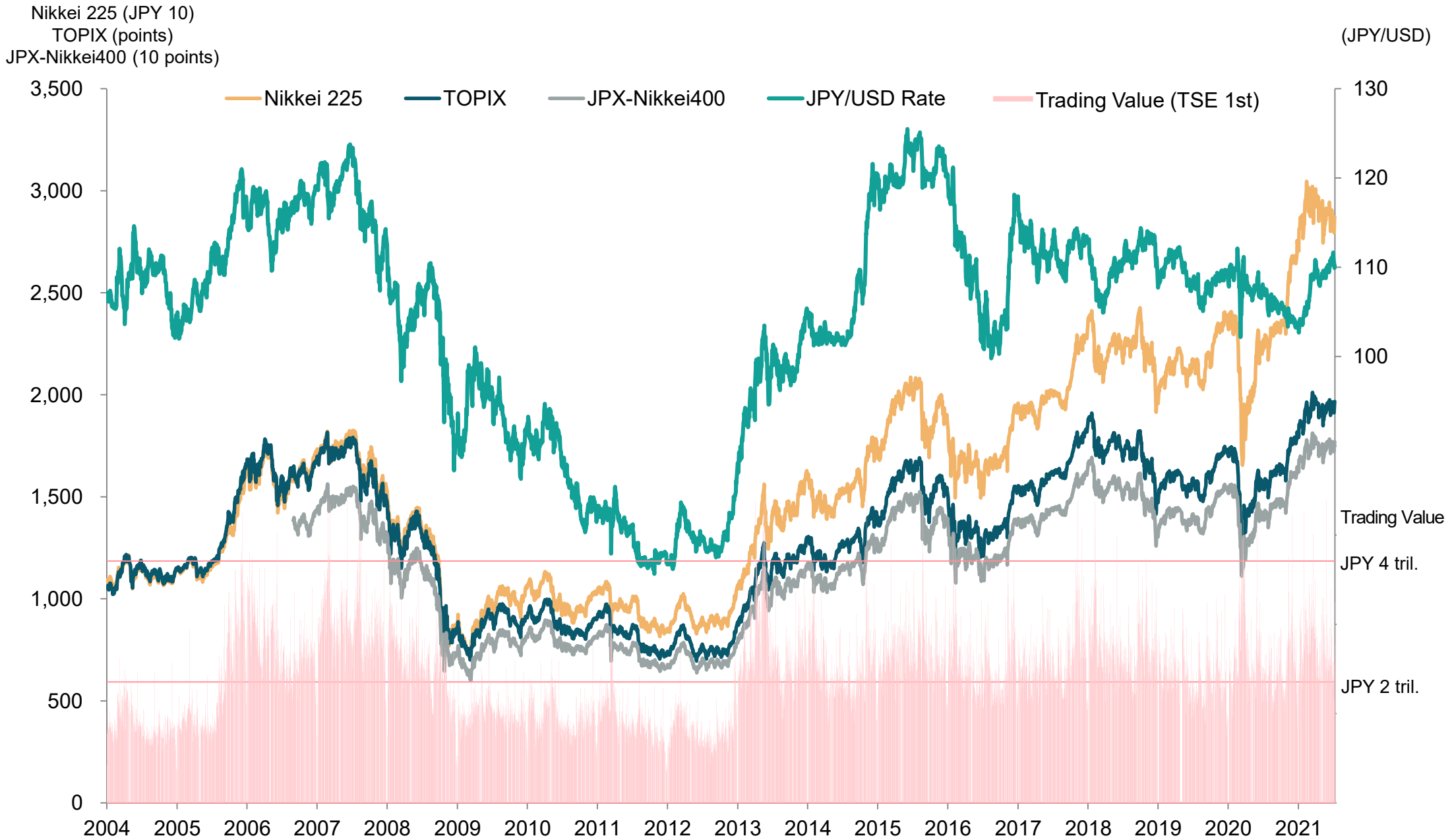
JPX Stock Price (JPY)
Nikkei 225 (JPY 10)
TOPIX (points)

Trading Volume
(mil. shares)



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

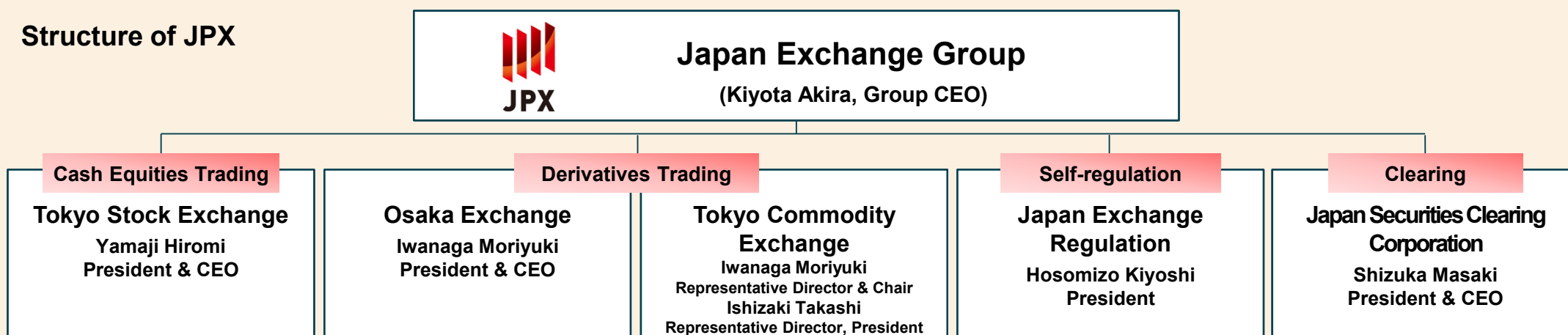


Outline of JPX Stock



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"> - 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.

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.