

March 22, 2022

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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, 2022 released on October 27, 2021 have been revised as follows.

1. Revised Consolidated Earnings Forecast for Fiscal Year from April 1, 2021 to March 31, 2022

(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>	131,000	67,500	67,500	46,700	46,000	86.88
Revised forecast 	135,500	73,500	73,500	50,700	50,000	94.43
Change <B - A>	4,500	6,000	6,000	4,000	4,000	
Change <%>	3.4%	8.9%	8.9%	8.6%	8.7%	
(Reference) Consolidated results for the fiscal year ended March 31, 2021	133,343	74,565	74,732	52,017	51,389	96.00

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 27, 2021 (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 ¥3.75 trillion for stocks^{*1} (up ¥250 billion), 34,000 contracts for 10-year JGB futures transactions (up 4,000 contracts), 96,000 contracts for TOPIX futures transactions (down 1,000 contracts), 178,000 contracts for Nikkei 225 futures transactions^{*2} (up 8,000 contracts), and ¥23.5 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 abovementioned policy, the forecast for the year-end ordinary dividend with the record date of March 31, 2022 has been revised to ¥31 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) for the second consecutive fiscal year. Also, with the support of our shareholders, we have achieved steady progress with the core strategies set forth in the 3rd Medium-Term Management Plan, such as TSE's cash equity market restructuring. In order to express its gratitude for this, the Company has decided to pay a special dividend of ¥15 per share.

As a result, the forecast for the year-end dividend per share, with the record date of March 31, 2022, will be ¥46 (ordinary dividend of ¥31 plus special dividend of ¥15). The dividend payment will be made after it is formally decided at the Board of Directors meeting to be held in May 2022.

	Dividend per share		
	Second quarter	Year-end	Annual
Previous forecast		¥27.00	¥53.00
Revised forecast		¥46.00 (Ordinary Dividend ¥31.00) (Special Dividend ¥15.00)	¥72.00 (Ordinary Dividend ¥57.00) (Special Dividend ¥15.00)
Actual	¥26.00		
For the fiscal year ended March 31, 2021	¥26.00	¥42.00 (Ordinary Dividend ¥32.00) (Special Dividend ¥10.00)	¥68.00 (Ordinary Dividend ¥58.00) (Special Dividend ¥10.00)

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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