

March 22, 2024

Company Name: Japan Exchange Group, Inc.
 Name of Representative: Yamaji Hiromi,
 Director & Representative Executive Officer,
 Group CEO
 (Code No.: 8697, TSE Prime)
 Inquiries: Corporate Communications and Investor Relations
 (Tel: +81-3-3666-1361)

Notice of Revisions to Earnings Forecast and Dividend Forecast

Japan Exchange Group, Inc. (JPX) has decided to revise its consolidated earnings forecast and dividend forecast for the fiscal year ending March 31, 2024, which were released on September 25, 2023.

1. Revised Consolidated Earnings Forecast for Fiscal Year from April 1, 2023 to March 31, 2024

(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)	143,000	77,000	77,000	55,000	54,000	103.78
Revised forecast (B)	152,500	87,000	87,000	62,000	61,000	117.23
Change (B – A)	9,500	10,000	10,000	7,000	7,000	
Change (%)	6.6%	13.0%	13.0%	12.7%	13.0%	
(Reference) Consolidated results for the fiscal year ended March 31, 2023	133,991	68,253	68,207	47,219	46,342	88.03

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 September 25, 2023 (hereinafter "previously disclosed material"). Specifically, the consolidated earnings forecast has been revised based on the revised assumptions of average daily trading values and volumes (changes from previously disclosed material indicated in parentheses) of ¥5.0 trillion for stocks* (up ¥700 billion), 42,000 contracts for 10-year JGB Futures (up 9,000 contracts), 110,000 contracts for TOPIX Futures (up 4,000 contracts), 192,000 contracts for Nikkei 225 Futures** (down 2,000 contracts), and ¥26 billion for Nikkei 225 Options*** (down ¥ 1.0 billion).

* The trading value of stocks listed on the TSE Prime, Standard, and Growth Markets and TOKYO PRO Market, and that of ETFs, ETNs, and REITs, etc. (includes auction and off-auction trading)

** Includes Nikkei 225 mini contract volumes converted into large-sized contracts

*** Excludes Nikkei 225 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, 2024 has been revised to ¥40 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 be the highest ever, as well as meeting the financial targets set out in the Medium-Term Management Plan 2024 (FY2022-FY2024) (operating revenue of JPY 147 billion; net income attributable to owners of the parent company of JPY 53 billion; and ROE of 15.0% or higher). In order to express our gratitude for the support of our shareholders, JPX has decided to pay a special dividend of ¥20 per share.

As a result, the forecast for the year-end dividend per share with the record date of March 31, 2024 will be ¥60 (ordinary dividend of ¥40 plus special dividend of ¥20). The dividend payment will be made after it is formally decided at the Board of Directors meeting to be held in May 2024.

	Dividend per share		
	Second quarter	Year-end	Annual
Previous forecast		¥32.00	¥63.00
Revised forecast		¥60.00 (Ordinary ¥40.00) (Special ¥20.00)	¥91.00 (Ordinary ¥71.00) (Special ¥20.00)
Actual (for fiscal year ending March 31, 2024)	¥31.00		
Actual (for fiscal year ended March 31, 2023)	¥26.00	¥37.00 (Ordinary ¥27.00) (Commemorative ¥10.00)	¥63.00 (Ordinary ¥53.00) (Commemorative ¥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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