

# Overview of Earnings for FY2023

Japan Exchange Group, Inc.

April 30, 2024



# INDEX

Overview of Earnings for FY2023 [IFRS]

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Reference Materials

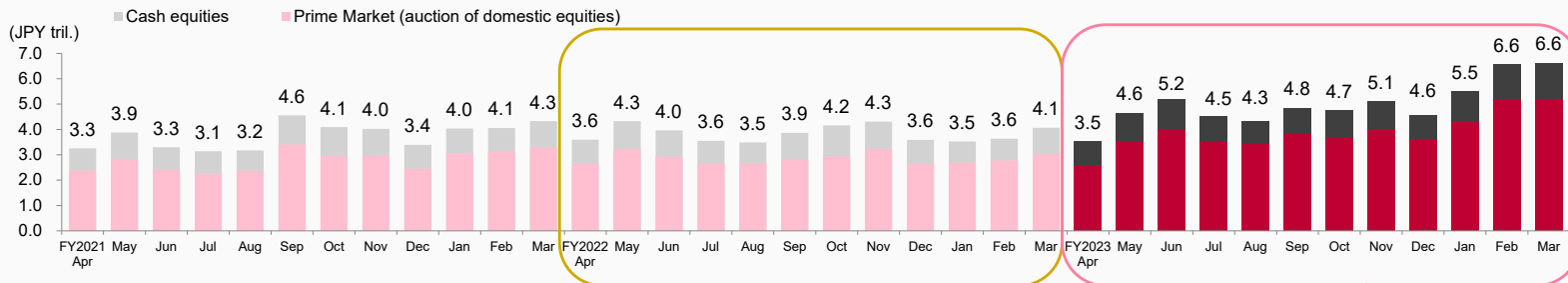
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# Overview of Earnings for FY2023 [IFRS]

## (April 1, 2023 – March 31, 2024)

\* This document is not subject to the audit procedures required under the Financial Instruments and Exchange Act.  
Please note that its contents have not been audited on a consolidated basis in accordance with the Act as of the time of disclosure.

## Cash Equities Average Daily Trading Value (April 2021 – March 2024)



## Daily Average Trading Value by Market Division (JPY)

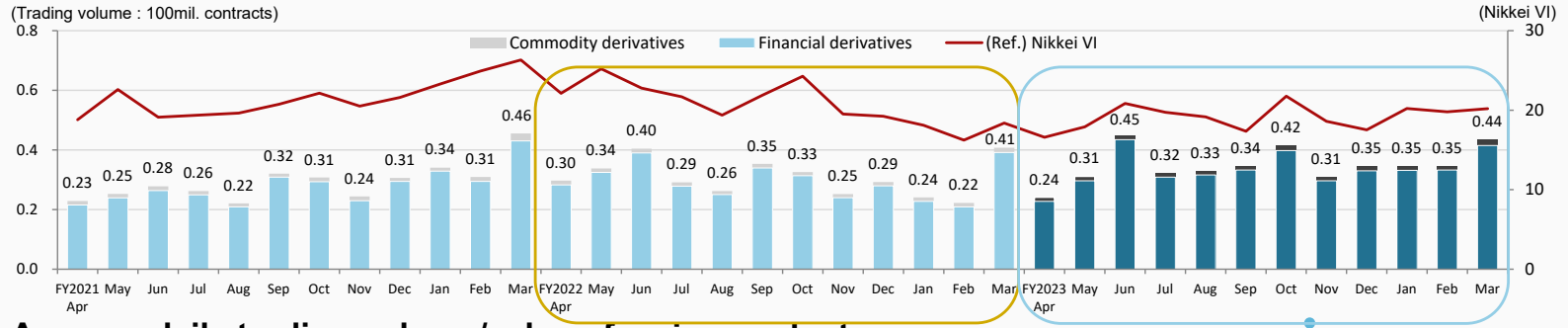
|   |  | FY2021      | FY2022      | FY2023            |                |
|---|--|-------------|-------------|-------------------|----------------|
|   |  | Annual Ave. | Annual Ave. | Annual Ave.       | y/y            |
| Auction   | Prime Market (prev. 1st Sec.) Domestic Stocks <sup>*1</sup>  | 2.78 tril.  | 2.85 tril.  | <b>3.87 tril.</b> | <b>+35.8 %</b> |
|   | Standard Market (prev. 2nd Sec. + JQ Standard) <sup>*1</sup> | 77.2 bil.   | 85.1 bil.   | <b>132.0 bil.</b> | <b>+55.0 %</b> |
|   | Growth Market (prev. Mothers + JQ Growth) <sup>*1</sup>      | 160.9 bil.  | 142.5 bil.  | <b>152.0 bil.</b> | <b>+6.7 %</b>  |
|   | ETFs / ETNs  | 261.1 bil.  | 251.9 bil.  | <b>244.6 bil.</b> | <b>(2.9 %)</b> |
| Off-auction   |  | 425.4 bil.  | 463.8 bil.  | <b>556.4 bil.</b> | <b>+20.0 %</b> |
| Cash Equities (auction/off-auction) Total <sup>*2</sup> |  | 3.76 tril.  | 3.84 tril.  | <b>5.00 tril.</b> | <b>+30.2 %</b> |

<sup>\*1</sup> Trading value from before April 1, 2022 has been reclassified to match the new market segments.

<sup>\*2</sup> Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets (1st/2nd Sections, Mothers, and JASDAQ up to FY2021) and TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.

## Monthly Trading Volume (April 2021 – March 2024)

(Trading volume : 100mil. contracts)



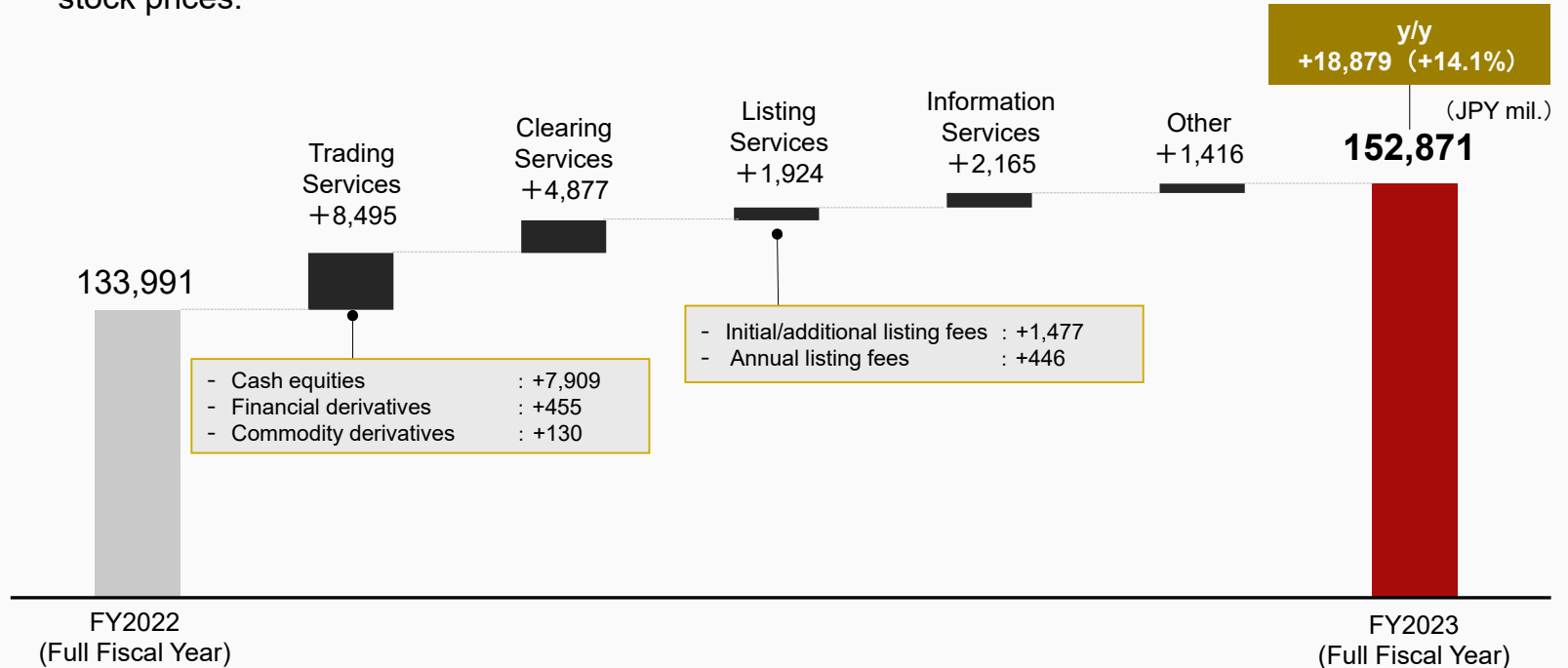
## Average daily trading volume/value of major products

(Trading volume : 10,000 contracts)

|   | FY2021             | FY2022             | FY2023                    |                |
|---|--------------------|--------------------|---------------------------|----------------|
|   | Annual Ave.        | Annual Ave.        | Annual Ave.               | y/y            |
| TOPIX Futures   | 9.6                | 10.4               | 11.1                      | +6.4 %         |
| Nikkei 225 Futures (Large)                            | 7.6                | 8.8                | 8.7                       | (0.3 %)        |
| Nikkei 225 mini                                       | 98.9               | 104.6              | 104.6                     | +0.1 %         |
| Nikkei 225 Options *Excluding Weekly Options.         | JPY 23.6 bil.      | JPY 25.7 bil.      | JPY 26.3 bil.             | +2.4 %         |
| 10-year JGB Futures                                   | 3.3                | 3.2                | 4.2                       | +29.7 %        |
| <b>Total Trading Volume for Financial Derivatives</b> | 335 mil. contracts | 352 mil. contracts | <b>402 mil. contracts</b> | <b>+13.9 %</b> |
| Gold Futures (standard)                               | 2.7                | 2.9                | 3.3                       | +16.3 %        |
| Platts Dubai Crude Oil                                | 1.5                | 0.9                | 0.7                       | (16.7 %)       |
| <b>Total Trading Volume for Commodity Derivatives</b> | 1,692              | 1,583              | <b>1,772</b>              | <b>+11.9 %</b> |

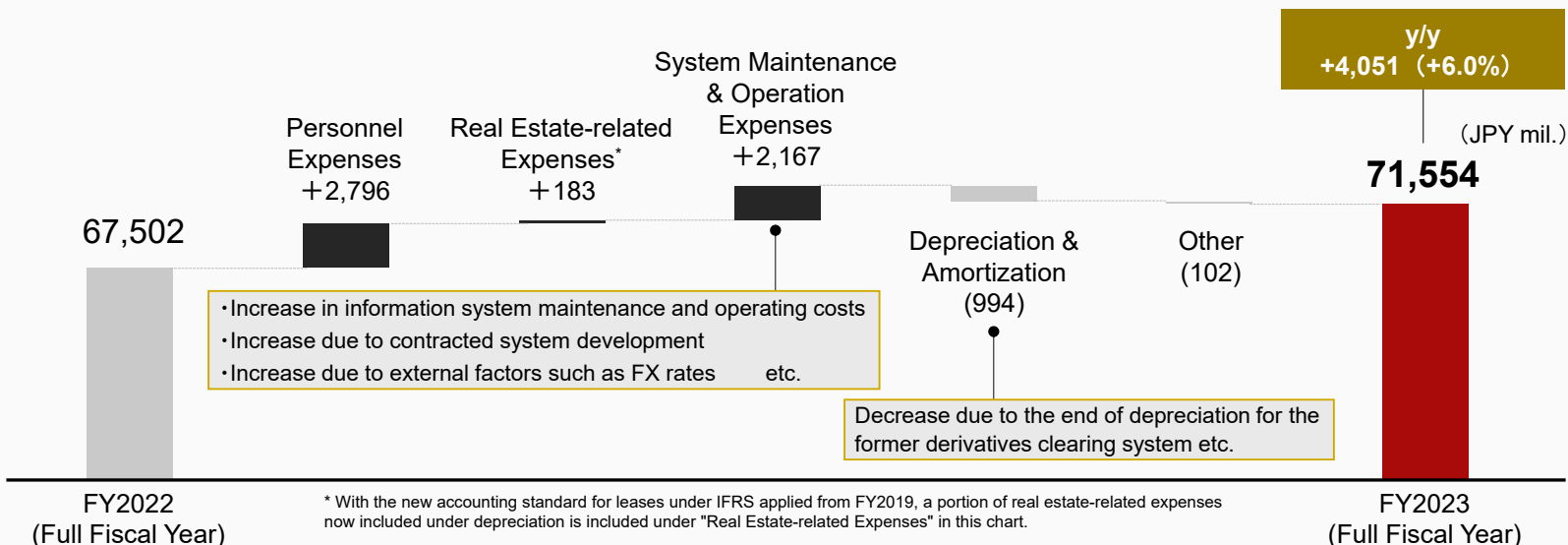
# Operating Revenue

- All revenue items increased due to the lively Japanese stock market. In particular, revenue from trading services and clearing services increased significantly.
- Revenue from listing services and information services increased due mainly to the impact of higher stock prices.

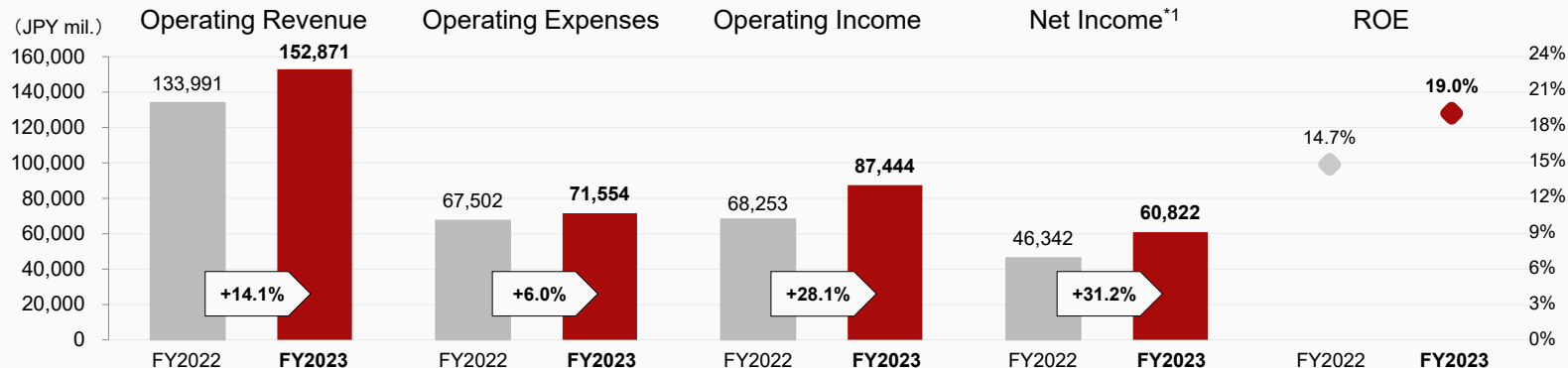


# Operating Expenses

- Personnel expenses increased due to factors such as wage increases.
- System maintenance and operation expenses increased due to an increase in maintenance and operation expenses for information systems, as well as contracted system development and external factors such as FX rates.
- On the other hand, depreciation & amortization decreased due to the end of depreciation for the former derivatives clearing system.



- While there was an increase in operating expenses such as personnel and system maintenance and operation expenses, this was more than offset by an increase in operating revenue due to the lively Japanese stock market, among other things, resulting in a 31.2% year-on-year increase in net income for the period.



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

## ■ Average Daily Trading Volume/Value of Major Products

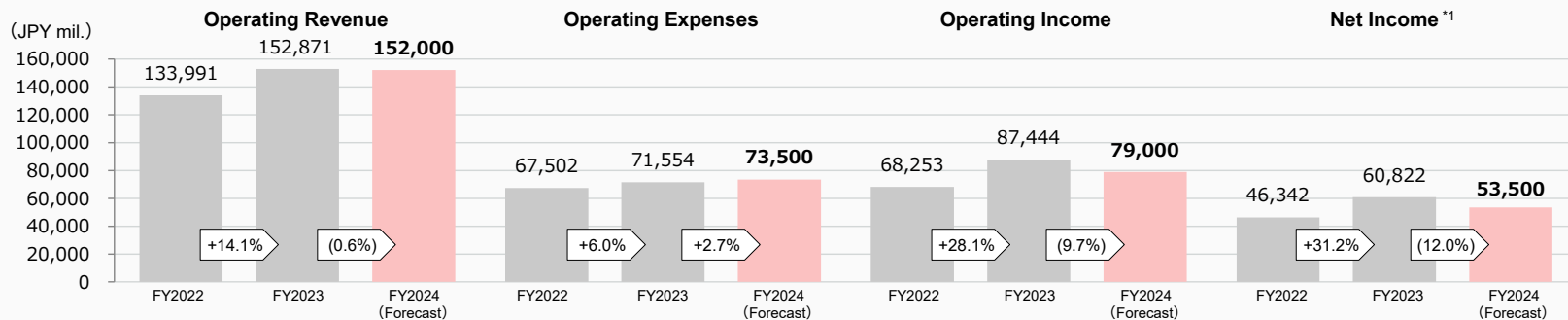
|   | FY2022            | FY2023            |         |
|---|-------------------|-------------------|---------|
|   |                   |                   | y/y     |
| Cash Equities <sup>*1</sup> (trading value)       | JPY 3,836.9 bil.  | JPY 4,997.3 bil.  | +30.2 % |
| TOPIX Futures (trading volume)                    | 104,415 contracts | 111,051 contracts | +6.4 %  |
| Nikkei 225 Futures <sup>*2</sup> (trading volume) | 192,187 contracts | 192,001 contracts | (0.1 %) |
| Nikkei 225 Options <sup>*3</sup> (trading value)  | JPY 25.7 bil.     | JPY 26.3 bil.     | +2.4 %  |
| 10-year JGB Futures (trading volume)              | 32,191 contracts  | 41,737 contracts  | +29.7 % |

\*1 Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.

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



- Operating revenue is expected to be at roughly the same level as the previous year, based on the assumption that the average daily trading value of cash equities will be at the same level as the previous year.
- Operating expenses increased by 2.7% year-on-year, mainly because the next-generation cash equities trading system is scheduled to go live in November 2024.
- Operating income decreased by 9.7% year-on-year due to a decrease back down from the previous year, when income was recorded from the sale of some assets, and an increase in operating expenses. Net income decreased by 12.0% year-on-year.



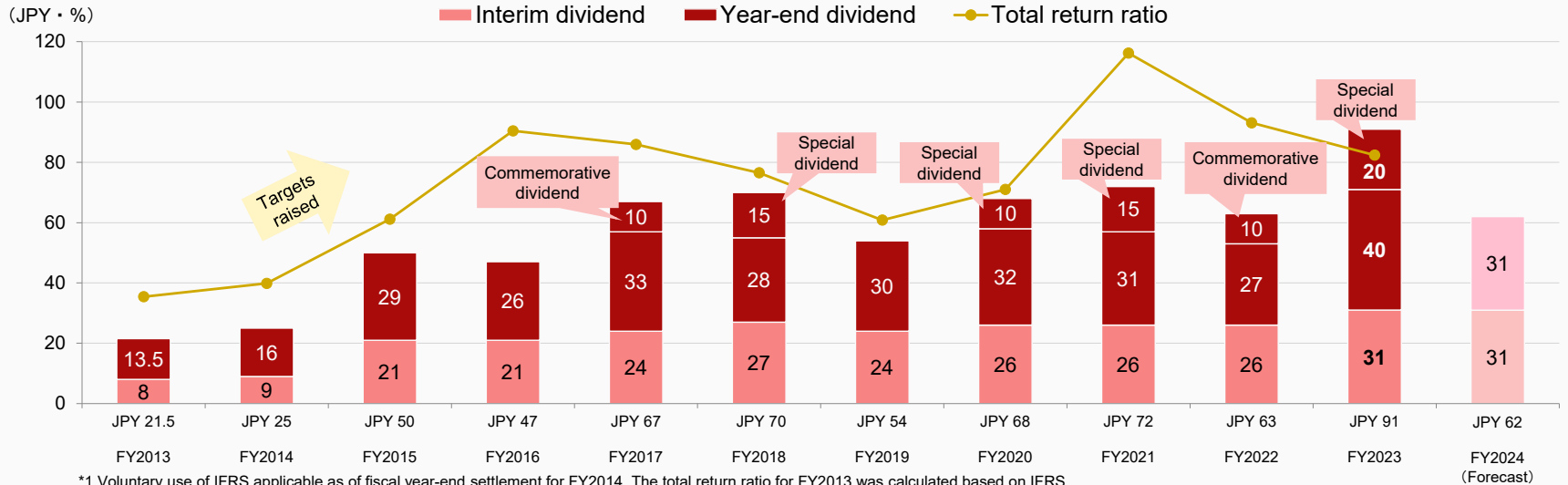
## ■ Average Daily Trading Volume/Value of Major Products

|   | FY2022            | FY2023            |         | FY2024 (Forecast) |         |
|---|-------------------|-------------------|---------|-------------------|---------|
|   |                   |                   | y/y     |                   | y/y     |
| Cash Equities (trading value) <sup>*1</sup>       | JPY 3,836.9 bil.  | JPY 4,997.3 bil.  | +30.2 % | JPY 5 tril.       | +0.1 %  |
| TOPIX Futures (trading volume)                    | 104,415 contracts | 111,051 contracts | +6.4 %  | 108,000 contracts | (2.7 %) |
| Nikkei 225 Futures (trading volume) <sup>*2</sup> | 192,187 contracts | 192,001 contracts | (0.1 %) | 189,000 contracts | (1.6 %) |
| Nikkei 225 Options (trading value) <sup>*3</sup>  | JPY 25.7 bil.     | JPY 26.3 bil.     | +2.4 %  | JPY 24.5 bil.     | (7.0 %) |
| 10-year JGB Futures (trading volume)              | 32,191 contracts  | 41,737 contracts  | +29.7 % | 45,000 contracts  | +7.8 %  |

<sup>\*1</sup> Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.

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

- Since FY2015, JPX has raised its target dividend payout ratio from approx. 40% to approx. 60%.
- JPX acquired approx. JPY 20 billion worth of its own shares between each of a) July 2016 and May 2017 and b) April and September 2021. It then acquired JPY 12.6 billion worth of its own shares between January and April 2023.
- For FY2023, as JPX achieved its highest ever net income and achieved the management and financial figures set forth in the Medium-Term Management Plan 2024 one year ahead of schedule, a special dividend of JPY 20 per share will be paid in addition to the ordinary dividend of JPY 71 per share.



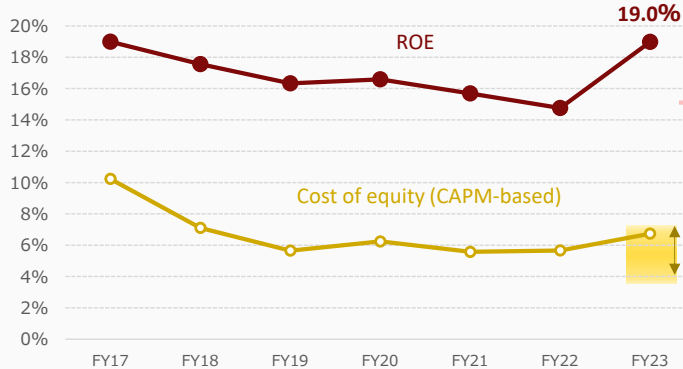
\*1 Voluntary use of IFRS applicable as of fiscal year-end settlement for FY2014. The total return ratio for FY2013 was calculated based on IFRS.

\*2 The figure for dividend per share accounts for the 5-for-1 stock split which was conducted effective October 1, 2013 and the 2-for-1 stock split which was conducted effective October 1, 2015.

## Current Understanding of profitability

- Cost of equity is on a declining trend, and ROE continually exceeds it.
- PBR has also remained above 3.0 on an ongoing basis.
- While remaining conscious of cost of equity calculated referencing several models, we will take initiatives to enhance corporate value in order to achieve the financial target of ROE of at least 15%, which is requested in our dialogue with shareholders, investors, and other stakeholders.

### ROE and Cost of equity



Financial target for the Medium-Term Management Plan 2024: ROE of at least 15%

Cost of equity based on the Capital Asset Pricing Model (CAPM) is around 6%-7%.  
Estimates from other major calculation models are around 4%-7%.

⇒ Our "hurdle rate" for CAPEX is 7%.

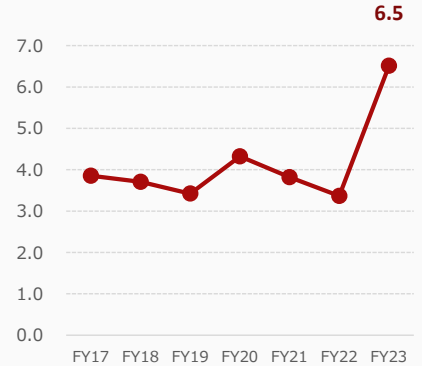
| Calculation Model        | Cost of Equity |
|--------------------------|----------------|
| Dividend Discount Model  | Approx. 4%     |
| Residual Income Model    | Approx. 4%     |
| Calculated back from PBR | Approx. 7%     |

(Figures are as of end of FY2023. Parameters are set independently by JPX.)

### Reference: Assumptions used in CAPM-based cost of equity

- Risk-free rate: Most recent yield on 10-year JGB (0.75% as of end of FY2023)
- Market return: Annualized returns since the start of TOPIX calculation (TOPIX total return index, when calculated) (7.09% as of end of FY2023)
- Beta: Adjusted beta based on monthly returns over the past five years (0.95 as of end of FY2023)

### PBR



### Reference: Assumptions used in PBR for FY2023

- Share price at the end of FY2023: JPY 4,110
- Equity attributable to owners of the parent company per share at the end of FY2023: JPY 631.08

## Fundamental Approach to Enhancing Corporate Value

In pursuing the sustainable development of our markets, we must continue to accommodate the diverse needs of shareholders and other stakeholders, and through this we will enhance our corporate value over the medium to long term.

### Major Initiatives to Enhance Corporate Value

#### Business Strategy

- Through the formulation of the Medium-Term Management Plan, **the board of directors regularly discusses the medium- to long-term priority areas for the appropriate allocation of management resources and other issues.**
- **We have set “Target 2030,”** our long-term vision to be achieved by 2030, formulated **the Medium-Term Management Plan 2024 (three-year plan starting from FY2022) as the first stage to realize this vision, and are steadily advancing the plan.**
- **We will expand and stabilize revenue sources** by, in addition to **making the Japanese market more attractive,** utilizing M&As where needed to create new services including market-related services that are less susceptible to market downturns.

#### Capital and Financial Strategy

- Irrespective of market conditions, we will **maintain ROE of 10% exceeding cost of equity over the mid to long term (at least 15% for the Medium-Term Management Plan 2024), with a basic policy to maintain a dividend payout ratio of approximately 60%.** At the same time, **with regards to cash/deposits that could be deemed excessive, we will flexibly consider further shareholder returns** while taking into account the feasibility of M&As and other growth investments.
- Operating expenses, which are on an upward trend, will be appropriately controlled by prioritizing projects with attention to investment efficiency and by conducting business with an awareness of cost-effectiveness.

#### Commitment of Officers and Employees

- In addition to a performance-linked remuneration system, we have **a stock compensation plan for officers** (about 30% of total compensation) in order to further facilitate the alignment of interests with shareholders
- In order to give employees a sense of participation in management, **we have a stock granting plan for employees** and also **utilize an employee stock ownership plan** (membership is more than 90%).

#### Dialogue with Shareholders and Investors

- In addition to **holding regular briefings for retail investors and institutional investors, we proactively hold individual and other meetings with institutional investors** where needed, and **report regularly to the board of directors** on these, such as when they were held and the main opinions expressed.
- To enhance the disclosure of information that is a prerequisite for dialogue, **the Medium-Term Management Plan, Integrated Report (JPX Report), supplementary explanatory materials to the financial results, Annual Securities Report, and other disclosures are prepared in English as well as Japanese.**

## Policy for Constructive Dialogue with Shareholders

It is important to listen to the voices of a variety of stakeholders. We thus actively enter into dialogue with shareholders, investors, and others to build long-term relationships of trust.

- **Management System for Dialogue with Shareholders:** Dialogue is overseen by the executive officer in charge of IR. Actual meetings will take place with the CEO, a director, an executive officer, or the department in charge of IR, depending on the purpose of the meeting.
- **Main IR Activities**

| Activity  | Details  |
|---|--|
| Company Briefings for Retail Investors                        | On a regular basis   |
| Company Briefings for Analysts and Institutional Investors    | Financial results briefings and business briefings (JPX Investor Day)  |
| Individual Meetings with Analysts and Institutional Investors | Individual meetings in person or online as and when necessary, in addition to participating in conferences for institutional investors |

- **Status of Dialogue with Shareholders**

|  |  |
|--|--|
| Shareholders, investors, and other stakeholders with whom we had dialogue (numbers are total institutions in FY2023) | <ul style="list-style-type: none"> <li>• Individual meetings                             <ul style="list-style-type: none"> <li>Overseas investors: 141 (of these, 45 hosted by CEO and/or CFO)</li> <li>Domestic investors: 24 (of these, 13 hosted by CFO); sell-side analysts: 8 (all hosted by CFO)</li> </ul> </li> <li>• Financial results briefings (held twice and hosted by CEO and CFO)                             <ul style="list-style-type: none"> <li>Business briefing (held once and hosted by CEOs of TSE, OSE, and JPXI and CFO)                                     <ul style="list-style-type: none"> <li>➢ Number of participants: 27 overseas investors, 18 domestic investors, 20 sell-side analysts</li> </ul> </li> </ul> </li> <li>• Company briefing for retail investors (held once online and hosted by CFO)                             <ul style="list-style-type: none"> <li>➢ Number of participants: Approx. 1,300</li> </ul> </li> </ul> |
| Main topics and points of interest   | <ul style="list-style-type: none"> <li>• TSE's initiatives to enhance the effectiveness of listed companies' responses to TSE's request regarding cost of capital</li> <li>• Growth strategies and M&amp;A opportunities to expand earnings</li> <li>• Approach to capital requirements and shareholder returns</li> </ul>   |
| Feedback to the board of directors and employees   | <ul style="list-style-type: none"> <li>• Report of and discussions on the content of dialogue at board of directors' meetings (twice a year)</li> <li>• Contents of dialogue shared with employees (quarterly)</li> </ul>  |
| Actions taken based on dialogue, etc.  | <ul style="list-style-type: none"> <li>• Provision of a list of historical data including various financial figures and indicators on the website</li> <li>• Clarification of capital requirements</li> <li>• Announcement of abolition of the shareholder benefit plan</li> <li>• Additional returns given to shareholders</li> </ul>   |

# Reference Materials

## ■Quarterly Business Performance

(JPY mil.)

|                    | FY2022 |        |        |        | FY2023 |        |        |        |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|
|                    | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     |
| Operating Revenue  | 33,576 | 32,910 | 34,042 | 33,462 | 36,953 | 36,432 | 38,254 | 41,231 |
| Operating Expenses | 16,397 | 16,843 | 16,966 | 17,295 | 17,135 | 17,209 | 17,106 | 20,103 |
| Operating Income   | 17,777 | 16,350 | 17,637 | 16,488 | 25,038 | 19,460 | 21,543 | 21,401 |
| Net Income*        | 12,089 | 11,099 | 11,986 | 11,167 | 17,736 | 13,696 | 15,158 | 14,230 |
| EBITDA             | 22,387 | 21,106 | 22,571 | 21,210 | 29,700 | 23,964 | 26,127 | 26,019 |

## ■Annual Business Performance

(JPY mil.)

|                    | FY2018  | FY2019  | FY2020  | FY2021  | FY2022  | FY2023  | y/y     |
|--------------------|---------|---------|---------|---------|---------|---------|---------|
| Operating Revenue  | 121,134 | 123,688 | 133,343 | 135,432 | 133,991 | 152,871 | +14.1 % |
| Operating Expenses | 54,111  | 58,532  | 61,394  | 63,220  | 67,502  | 71,554  | +6.0 %  |
| Operating Income   | 69,535  | 68,533  | 74,565  | 73,473  | 68,253  | 87,444  | +28.1 % |
| Net Income*        | 49,057  | 47,609  | 51,389  | 49,955  | 46,342  | 60,822  | +31.2 % |
| EBITDA             | 82,568  | 85,683  | 91,594  | 91,025  | 87,275  | 105,811 | +21.2 % |

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

# Referential Financial Data

## ■ Quarterly Operating Revenue

(JPY mil.)

|                                      | FY2022        |               |               |               | FY2023        |               |               |               |                | FY2022         | FY2023         |                |                |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
|                                      | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |                |                | Ratio          | Ratio          | y/y            |
|                                      |               |               |               |               |               |               |               |               |                |                |                |                |                |
| <b>Trading services revenue</b>      | <b>13,479</b> | <b>12,924</b> | <b>13,568</b> | <b>13,116</b> | <b>15,118</b> | <b>14,458</b> | <b>15,047</b> | <b>16,960</b> | <b>41.1 %</b>  | <b>53,089</b>  | <b>61,585</b>  | <b>40.3 %</b>  | <b>+16.0 %</b> |
| Transaction Fees                     | 10,944        | 10,466        | 11,078        | 10,653        | 12,606        | 11,991        | 12,488        | 14,390        |                | 43,143         | 51,477         |                | +19.2 %        |
| Cash Equities                        | 7,898         | 7,513         | 8,273         | 7,729         | 9,280         | 9,151         | 9,398         | 11,332        | 78.8 %*1       | 31,414         | 39,163         | 76.1 %*1       | +24.7 %        |
| Financial Derivatives                | 2,694         | 2,625         | 2,482         | 2,559         | 2,959         | 2,517         | 2,695         | 2,665         | 18.5 %*1       | 10,361         | 10,838         | 21.1 %*1       | +4.6 %         |
| TOPIX Futures                        | 505           | 525           | 485           | 510           | 566           | 519           | 508           | 540           |                | 2,027          | 2,135          |                | +5.3 %         |
| Nikkei 225 Futures (incl. mini)      | 1,184         | 1,058         | 1,017         | 1,046         | 1,179         | 1,026         | 1,024         | 1,086         |                | 4,306          | 4,316          |                | +0.2 %         |
| Nikkei 225 Options *2                | 534           | 642           | 575           | 538           | 790           | 471           | 490           | 643           |                | 2,291          | 2,395          |                | +4.6 %         |
| 10-year JGB Futures                  | 417           | 339           | 352           | 389           | 376           | 454           | 597           | 507           |                | 1,498          | 1,934          |                | +29.1 %        |
| Others                               | 52            | 59            | 52            | 73            | 46            | 45            | 75            | (112)         |                | 237            | 55             |                | (76.7 %)       |
| Commodity Derivatives                | 352           | 327           | 322           | 364           | 366           | 322           | 393           | 393           | 2.7 %*1        | 1,366          | 1,476          | 2.9 %*1        | +8.0 %         |
| Basic Fees                           | 248           | 245           | 246           | 245           | 245           | 245           | 244           | 242           |                | 986            | 978            |                | (0.8 %)        |
| Access Fees                          | 1,341         | 1,269         | 1,289         | 1,264         | 1,296         | 1,265         | 1,350         | 1,356         |                | 5,165          | 5,269          |                | +2.0 %         |
| Trading System Facilities Usage Fees | 916           | 916           | 929           | 928           | 940           | 929           | 936           | 940           |                | 3,691          | 3,746          |                | +1.5 %         |
| Others                               | 28            | 25            | 24            | 25            | 28            | 26            | 28            | 30            |                | 103            | 113            |                | +10.4 %        |
| <b>Clearing services revenue</b>     | <b>7,273</b>  | <b>6,869</b>  | <b>7,114</b>  | <b>6,751</b>  | <b>7,974</b>  | <b>7,781</b>  | <b>8,378</b>  | <b>8,751</b>  | <b>21.2 %</b>  | <b>28,008</b>  | <b>32,885</b>  | <b>21.5 %</b>  | <b>+17.4 %</b> |
| <b>Listing services revenue</b>      | <b>3,286</b>  | <b>3,357</b>  | <b>3,462</b>  | <b>3,558</b>  | <b>3,627</b>  | <b>3,539</b>  | <b>3,889</b>  | <b>4,533</b>  | <b>11.0 %</b>  | <b>13,666</b>  | <b>15,590</b>  | <b>10.2 %</b>  | <b>+14.1 %</b> |
| Initial/Additional Listing Fees      | 321           | 457           | 572           | 671           | 726           | 675           | 726           | 1,371         |                | 2,021          | 3,499          |                | +73.1 %        |
| Annual Listing Fees                  | 2,965         | 2,900         | 2,890         | 2,887         | 2,901         | 2,864         | 3,162         | 3,161         |                | 11,644         | 12,090         |                | +3.8 %         |
| <b>Information services revenue</b>  | <b>6,723</b>  | <b>6,851</b>  | <b>6,975</b>  | <b>7,045</b>  | <b>7,142</b>  | <b>7,414</b>  | <b>7,619</b>  | <b>7,586</b>  | <b>18.4 %</b>  | <b>27,597</b>  | <b>29,763</b>  | <b>19.5 %</b>  | <b>+7.8 %</b>  |
| <b>Other</b>                         | <b>2,812</b>  | <b>2,907</b>  | <b>2,921</b>  | <b>2,988</b>  | <b>3,090</b>  | <b>3,237</b>  | <b>3,319</b>  | <b>3,399</b>  | <b>8.3 %</b>   | <b>11,630</b>  | <b>13,047</b>  | <b>8.5 %</b>   | <b>+12.2 %</b> |
| arownet Usage Fees                   | 827           | 822           | 830           | 829           | 831           | 835           | 844           | 837           |                | 3,309          | 3,349          |                | +1.2 %         |
| Co-location Usage Fees               | 1,142         | 1,155         | 1,184         | 1,193         | 1,229         | 1,265         | 1,268         | 1,394         |                | 4,676          | 5,158          |                | +10.3 %        |
| Others*3                             | 842           | 929           | 906           | 965           | 1,029         | 1,136         | 1,205         | 1,167         |                | 3,644          | 4,539          |                | +24.6 %        |
| <b>Total</b>                         | <b>33,576</b> | <b>32,910</b> | <b>34,042</b> | <b>33,462</b> | <b>36,953</b> | <b>36,432</b> | <b>38,254</b> | <b>41,231</b> | <b>100.0 %</b> | <b>133,991</b> | <b>152,871</b> | <b>100.0 %</b> | <b>+14.1 %</b> |

\*1 Figures are indicate percentage of Transaction Fees.

\*2 Excluding Weekly Options.

\*3 Including Proximity Usage Fees.



## ■Annual Operating Revenue

(JPY mil.)

|                                     | FY2019  | FY2020  | FY2021  | FY2022  | FY2023  |
|-------------------------------------|---------|---------|---------|---------|---------|
| <b>Trading services revenue</b>     | 48,589  | 53,171  | 53,196  | 53,089  | 61,585  |
| <b>Clearing services revenue</b>    | 26,427  | 27,939  | 27,945  | 28,008  | 32,885  |
| <b>Listing services revenue</b>     | 14,322  | 16,660  | 15,736  | 13,666  | 15,590  |
| <b>Information services revenue</b> | 21,977  | 24,128  | 27,175  | 27,597  | 29,763  |
| <b>Other</b>                        | 12,371  | 11,443  | 11,378  | 11,630  | 13,047  |
| <b>Total</b>                        | 123,688 | 133,343 | 135,432 | 133,991 | 152,871 |

# Referential Financial Data

## ■ Quarterly Operating Expenses\*2

(JPY mil.)

|   | FY2022*1      |               |               |               | FY2023*1      |               |               |               |                |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|   | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            | y/y            |
| Personnel expenses                      | 4,887         | 4,911         | 4,916         | 4,884         | 4,920         | 5,535         | 5,169         | 6,770         | +38.6 %        |
| System maintenance & operation expenses | 3,963         | 4,518         | 4,142         | 4,307         | 4,820         | 4,540         | 4,783         | 4,954         | +15.0 %        |
| Depreciation & amortization             | 3,791         | 3,968         | 4,007         | 3,789         | 3,679         | 3,556         | 3,649         | 3,677         | (3.0 %)        |
| Real Estate-related Expenses            | 1,098         | 1,098         | 1,264         | 1,225         | 1,228         | 1,242         | 1,209         | 1,190         | (2.9 %)        |
| Other                                   | 2,657         | 2,345         | 2,634         | 3,088         | 2,485         | 2,334         | 2,293         | 3,510         | +13.6 %        |
| <b>Total</b>                            | <b>16,397</b> | <b>16,843</b> | <b>16,966</b> | <b>17,295</b> | <b>17,135</b> | <b>17,209</b> | <b>17,106</b> | <b>20,103</b> | <b>+16.2 %</b> |

| FY2023<br>IFRS 16 Leases applied |               |               |               |                |
|----------------------------------|---------------|---------------|---------------|----------------|
| Q1                               | Q2            | Q3            | Q4            | y/y            |
| 4,920                            | 5,535         | 5,169         | 6,770         | +38.6 %        |
| 4,820                            | 4,540         | 4,783         | 4,954         | +15.0 %        |
| 4,604                            | 4,499         | 4,583         | 4,611         | (2.2 %)        |
| 304                              | 299           | 275           | 256           | (14.8 %)       |
| 2,485                            | 2,334         | 2,293         | 3,510         | +13.6 %        |
| <b>17,135</b>                    | <b>17,209</b> | <b>17,106</b> | <b>20,103</b> | <b>+16.2 %</b> |

## ■ Summary of annual operating expenses\*1\*2

(JPY mil.)

|   | FY2018        | FY2019        | FY2020        | FY2021        | FY2022        | FY2023        | y/y           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personnel expenses                      | 16,584        | 17,512        | 19,255        | 19,048        | 19,599        | 22,396        | +14.3 %       |
| System maintenance & operation expenses | 11,898        | 12,071        | 13,524        | 14,984        | 16,931        | 19,099        | +12.8 %       |
| Depreciation & amortization             | 11,699        | 13,354        | 13,632        | 14,364        | 15,557        | 14,562        | (6.4 %)       |
| Real Estate-related Expenses            | 3,939         | 4,275         | 4,372         | 4,391         | 4,687         | 4,871         | +3.9 %        |
| Other                                   | 9,989         | 11,318        | 10,609        | 10,431        | 10,727        | 10,624        | (1.0 %)       |
| <b>Total</b>                            | <b>54,111</b> | <b>58,532</b> | <b>61,394</b> | <b>63,220</b> | <b>67,502</b> | <b>71,554</b> | <b>+6.0 %</b> |

\*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.

\*2 Expense recording classifications have been partially changed from the FY2022 financial results due to the establishment of JPX Market Innovation & Research, Inc. (system development-related costs previously included in "other" under operating expenses are now included in personnel expenses and system maintenance & operation expenses).

## ■ Consolidated Statement of Financial Position

(JPY mil.)

|   | As of Mar. 31,2023 | As of Mar. 31,2024 |
|---|--------------------|--------------------|
| <b>Assets</b>   |                    |                    |
| <b>Current assets</b>                                       |                    |                    |
| Cash and cash equivalents                                   | 98,812             | 128,019            |
| Trade and other receivables                                 | 16,023             | 19,550             |
| *1 Clearing business financial assets                       | 72,108,539         | 70,741,262         |
| *2 Specified assets for deposits from clearing participants | 9,655,223          | 9,490,971          |
| *3 Specified assets for legal guarantee funds               | 616                | 620                |
| Income tax receivables                                      | 5,359              | 7,374              |
| Other financial assets                                      | 112,400            | 110,810            |
| Other current assets  | 3,582              | 2,619              |
| <b>Total current assets</b>                                 | <b>82,000,557</b>  | <b>80,501,228</b>  |
| <b>Non-current assets</b>                                   |                    |                    |
| Property and equipment                                      | 11,041             | 13,199             |
| Goodwill  | 72,043             | 71,184             |
| Intangible assets   | 36,109             | 32,768             |
| Retirement benefit assets                                   | 10,025             | 791                |
| Investments accounted for using the equity method           | 18,593             | 19,619             |
| *5 Specified assets for default compensation reserve funds  | 27,948             | 27,948             |
| Other financial assets                                      | 3,068              | 3,449              |
| Other non-current assets                                    | 6,253              | 5,897              |
| Deferred tax assets   | 1,751              | 6,539              |
| <b>Total non-current assets</b>                             | <b>186,834</b>     | <b>181,398</b>     |
| <b>Total assets</b>   | <b>82,187,392</b>  | <b>80,682,627</b>  |

|   | As of Mar. 31,2023 | As of Mar. 31,2024 |
|---|--------------------|--------------------|
| <b>Liabilities and equity</b>                             |                    |                    |
| <b>Liabilities</b>  |                    |                    |
| <b>Current liabilities</b>                                |                    |                    |
| Trade and other payables                                  | 8,883              | 4,233              |
| Bonds and loans payable                                   | 33,000             | 32,500             |
| *1 Clearing business financial liabilities                | 72,108,539         | 70,741,262         |
| *2 Deposits from clearing participants                    | 9,655,223          | 9,490,971          |
| *3 Legal guarantee funds                                  | 616                | 620                |
| *4 Trading participant security money                     | 8,757              | 8,885              |
| Income tax payables                                       | 9,963              | 17,143             |
| Other current liabilities                                 | 8,274              | 14,165             |
| <b>Total current liabilities</b>                          | <b>81,833,258</b>  | <b>80,309,783</b>  |
| <b>Non-current liabilities</b>                            |                    |                    |
| Bonds and loans payable                                   | 19,973             | 19,980             |
| Retirement benefit liabilities                            | 8,485              | 8,462              |
| Other non-current liabilities                             | 3,795              | 5,834              |
| Deferred tax liabilities                                  | 69                 | —                  |
| <b>Total non-current liabilities</b>                      | <b>32,324</b>      | <b>34,277</b>      |
| <b>Total liabilities</b>                                  | <b>81,865,583</b>  | <b>80,344,060</b>  |
| <b>Equity</b>   |                    |                    |
| Share capital   | 11,500             | 11,500             |
| Capital surplus   | 38,841             | 38,840             |
| Treasury shares   | (13,575)           | (3,839)            |
| Other components of equity                                | 445                | 522                |
| *6 Retained earnings                                      | 275,523            | 281,336            |
| Total equity attributable to owners of the parent company | 312,734            | 328,359            |
| Non-controlling interests                                 | 9,075              | 10,206             |
| <b>Total equity</b>                                       | <b>321,809</b>     | <b>338,566</b>     |
| <b>Total liabilities and equity</b>                       | <b>82,187,392</b>  | <b>80,682,627</b>  |

\*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"<sup>5</sup>

## ■Assets, Liabilities, and Equity

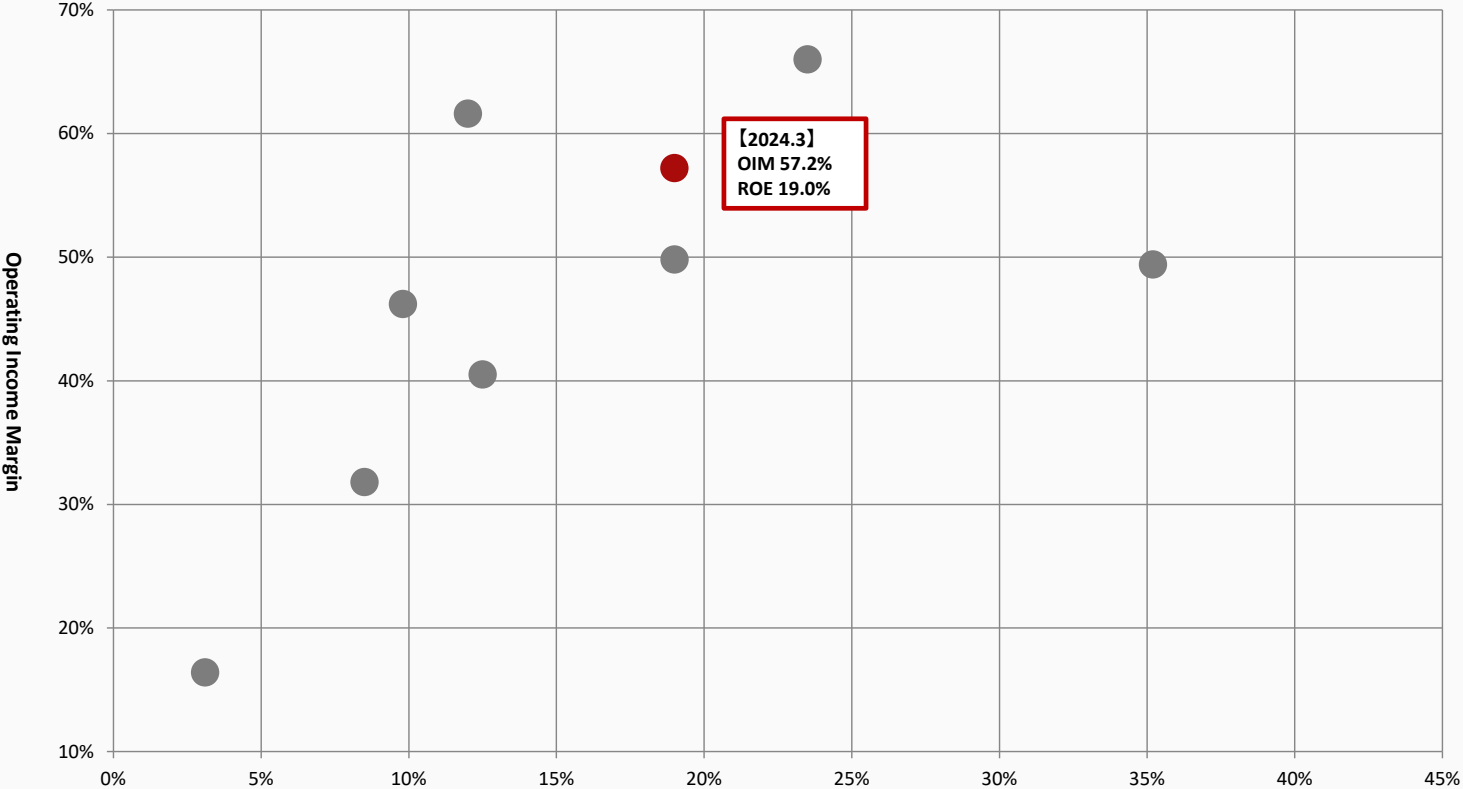
For assets and liabilities of JPX Group, "clearing business financial assets and liabilities\*1" assumed by JSCC as a clearing organization and "deposits from clearing participants\*2" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business 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.  | %  |
| FY2023 | 80,682,627 (421,823) | 338,566 (310,618) | 328,359 (300,411)   | 0.4 (71.2)   |
| FY2022 | 82,187,392 (395,064) | 321,809 (293,861) | 312,734 (284,786)   | 0.4 (72.1)   |

\* The footnotes from page 16 also apply in those the contents of this page.

# Operating Income Margin and ROE of Overseas Exchanges

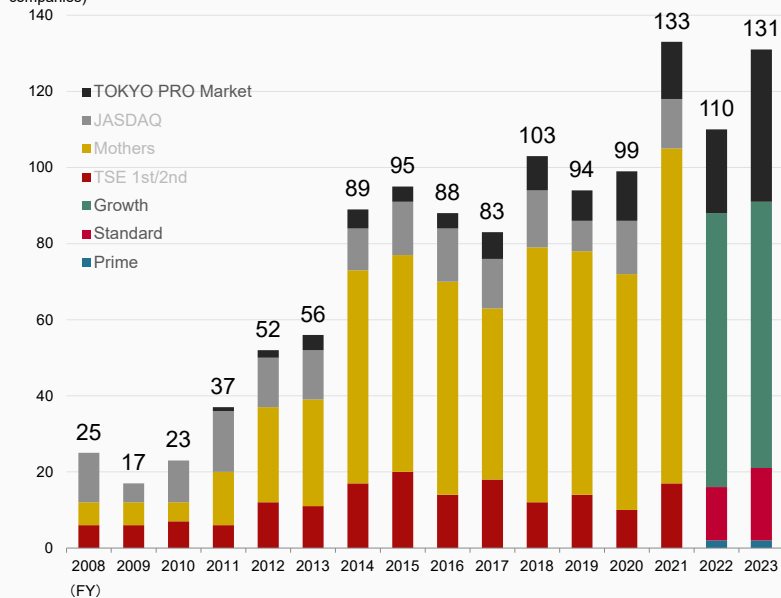


\* Values for other exchanges are current figures aggregated by JPX for reference.

- The number of IPOs at TSE was 131, up from 110 in the same period a year earlier.

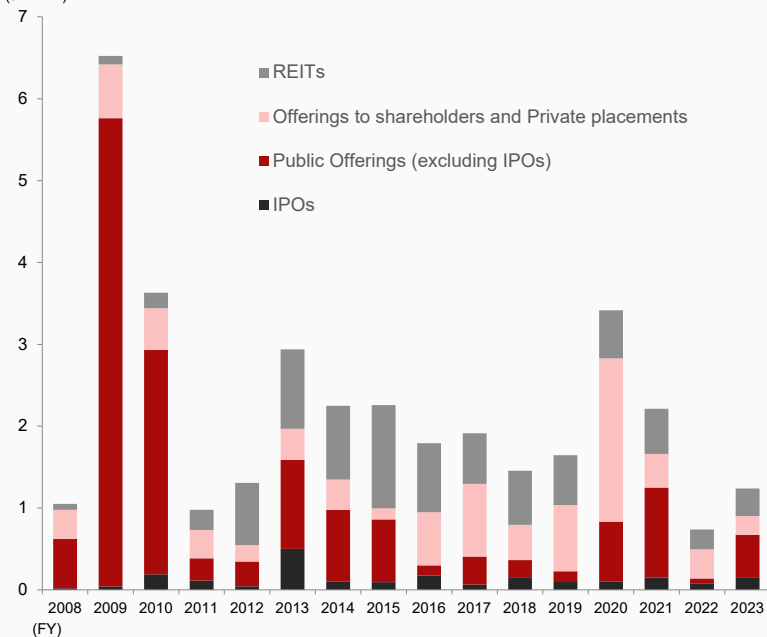
## ■IPOs at TSE

(Number of companies)



## ■Financing by Listed Companies and REITs

(JPY tril.)



# Major Products Data

## ■Trading Volume/Value

|   | FY2022      |             |             |             | FY2023      |             |             |             | FY2022      | FY2023        | y/y      |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|----------|
|   | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          | Q3          | Q4          |             |               |          |
| Trading Value of Cash Equities (JPY mil.)   |             |             |             |             |             |             |             |             |             |               |          |
| Prime *1  | 206,680,551 | 191,273,932 | 210,931,517 | 194,154,812 | 237,858,406 | 248,410,119 | 263,533,065 | 319,031,021 | 803,040,814 | 1,068,832,621 | +33.1 %  |
| Standard *1   | 5,200,484   | 5,570,782   | 5,766,558   | 5,731,478   | 9,061,688   | 7,109,093   | 7,787,006   | 9,838,482   | 22,269,304  | 33,796,271    | +51.8 %  |
| Growth *1   | 7,907,617   | 7,506,935   | 10,091,660  | 10,214,860  | 11,846,732  | 9,064,752   | 7,349,236   | 9,687,670   | 35,721,074  | 37,948,391    | +6.2 %   |
| ETFs/ETNs and REITs etc. *2   | 21,341,369  | 20,739,994  | 21,576,263  | 15,341,994  | 19,105,255  | 18,045,914  | 18,913,559  | 22,700,184  | 78,999,622  | 78,764,913    | (0.3 %)  |
| Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options) |             |             |             |             |             |             |             |             |             |               |          |
| TOPIX Futures   | 6,428,242   | 6,653,322   | 6,170,551   | 6,329,632   | 7,113,869   | 6,643,255   | 6,540,400   | 6,798,882   | 25,581,747  | 27,096,406    | +5.9 %   |
| Total Nikkei 225 Futures/mini <sup>3</sup>  | 13,315,416  | 11,650,491  | 11,123,306  | 10,996,566  | 12,509,141  | 11,244,413  | 11,394,522  | 11,700,095  | 47,085,779  | 46,848,171    | (0.5 %)  |
| Nikkei 225 Futures  | 5,833,563   | 5,392,311   | 5,142,834   | 5,098,590   | 5,851,383   | 5,059,859   | 5,086,223   | 5,323,020   | 21,467,298  | 21,320,485    | (0.7 %)  |
| Nikkei 225 mini   | 74,818,530  | 62,581,804  | 59,804,719  | 58,979,760  | 66,577,581  | 61,845,536  | 63,082,986  | 63,770,754  | 256,184,813 | 255,276,857   | (0.4 %)  |
| Nikkei 225 Options (JPY mil.) <sup>4</sup>  | 1,372,170   | 1,847,609   | 1,664,767   | 1,418,914   | 1,998,220   | 1,314,412   | 1,259,361   | 1,856,213   | 6,303,461   | 6,428,208     | +2.0 %   |
| 10-year JGB Futures   | 2,196,612   | 1,785,743   | 1,856,545   | 2,047,906   | 1,980,167   | 2,392,173   | 3,142,085   | 2,669,467   | 7,886,806   | 10,183,892    | +29.1 %  |
| Commodity Derivatives Trading Volume (contracts) <sup>5</sup>                           |             |             |             |             |             |             |             |             |             |               |          |
| Gold Futures (Total standard/mini/rolling spot) <sup>6</sup>                            | 1,889,735   | 1,718,051   | 1,657,135   | 2,032,419   | 2,082,341   | 1,741,923   | 2,386,232   | 2,252,751   | 7,297,342   | 8,463,248     | +16.0 %  |
| Platinum Futures (Total standard/mini/rolling spot) <sup>7</sup>                        | 636,933     | 706,240     | 634,708     | 631,315     | 625,846     | 542,671     | 718,630     | 900,668     | 2,609,197   | 2,787,816     | +6.8 %   |
| Platts Dubai Crude Oil  | 600,953     | 498,079     | 507,845     | 487,839     | 487,975     | 436,206     | 435,607     | 377,936     | 2,094,716   | 1,737,724     | (17.0 %) |
| Rubber Futures (RSS3)   | 144,468     | 129,797     | 147,574     | 161,981     | 136,964     | 210,652     | 140,356     | 137,946     | 583,820     | 625,918       | +7.2 %   |

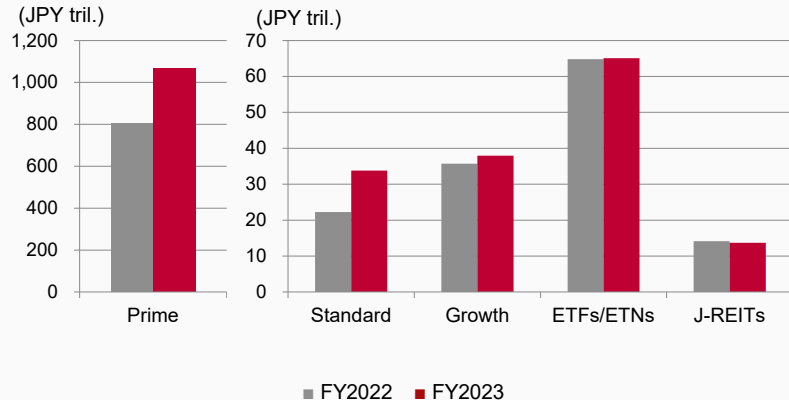
## ■Average Daily Trading Volume/Value

|   | FY2022    |           |           |           | FY2023    |           |           |           | FY2022    | FY2023    | y/y      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
|   | Q1        | Q2        | Q3        | Q4        | Q1        | Q2        | Q3        | Q4        |           |           |          |
| Trading Value of Cash Equities (JPY mil.) <sup>8</sup>                                  | 3,952,963 | 3,630,558 | 4,005,906 | 3,757,388 | 4,481,810 | 4,558,608 | 4,799,738 | 6,228,576 | 3,836,877 | 4,997,324 | +30.2 %  |
| Financial Derivatives Trading Volume (contracts) (Trading Value for Nikkei 225 Options) |           |           |           |           |           |           |           |           |           |           |          |
| TOPIX Futures   | 105,381   | 107,312   | 99,525    | 105,494   | 114,740   | 107,149   | 105,490   | 117,222   | 104,415   | 111,051   | +6.4 %   |
| Total Nikkei 225 Futures/mini <sup>3</sup>  | 218,286   | 187,911   | 179,408   | 183,276   | 201,760   | 181,361   | 183,783   | 201,726   | 192,187   | 192,001   | (0.1 %)  |
| Nikkei 225 Futures  | 95,632    | 86,973    | 82,949    | 84,977    | 94,377    | 81,611    | 82,036    | 91,776    | 87,622    | 87,379    | (0.3 %)  |
| Nikkei 225 mini   | 1,226,533 | 1,009,384 | 964,592   | 982,996   | 1,073,832 | 997,509   | 1,017,468 | 1,099,496 | 1,045,652 | 1,046,217 | +0.1 %   |
| Nikkei 225 Options (JPY mil.) <sup>4</sup>  | 22,495    | 29,800    | 26,851    | 23,649    | 32,229    | 21,200    | 20,312    | 32,004    | 25,728    | 26,345    | +2.4 %   |
| 10-year JGB Futures   | 36,010    | 28,802    | 29,944    | 34,132    | 31,938    | 38,583    | 50,679    | 46,025    | 32,191    | 41,737    | +29.7 %  |
| Commodity Derivatives Trading Volume (contracts) <sup>5</sup>                           |           |           |           |           |           |           |           |           |           |           |          |
| Gold Futures (Total standard/mini/rolling spot) <sup>6</sup>                            | 30,979    | 27,711    | 26,728    | 33,874    | 33,586    | 28,096    | 38,488    | 38,841    | 29,785    | 34,685    | +16.5 %  |
| Platinum Futures (Total standard/mini/rolling spot) <sup>7</sup>                        | 10,442    | 11,391    | 10,237    | 10,522    | 10,094    | 8,753     | 11,591    | 15,529    | 10,650    | 11,425    | +7.3 %   |
| Platts Dubai Crude Oil  | 9,852     | 8,034     | 8,191     | 8,131     | 7,871     | 7,036     | 7,026     | 6,516     | 8,550     | 7,122     | (16.7 %) |
| Rubber Futures (RSS3)   | 2,368     | 2,094     | 2,380     | 2,700     | 2,209     | 3,398     | 2,264     | 2,378     | 2,383     | 2,565     | +7.7 %   |

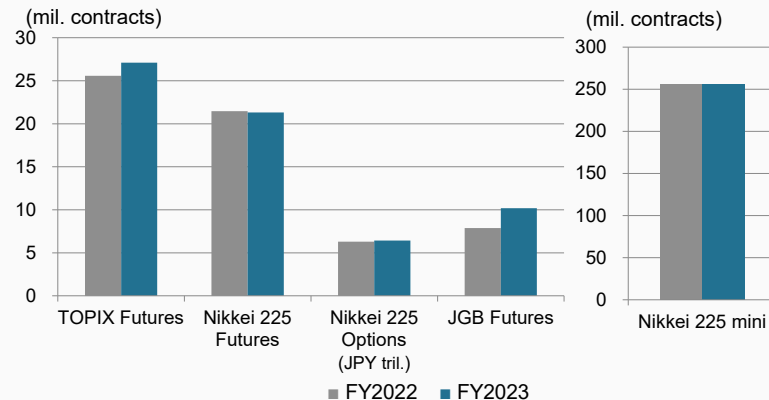
\*1 Value of auction and off-auction trading of common stocks. \*2 Total value of auction and off-auction trading. \*3 Nikkei 225 mini contracts are calculated using a factor of 1/10.

\*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 Average daily trading value of auction and off-auction trades of common stock on the Prime, Standard, and Growth Markets and the TOKYO PRO Market, as well as ETFs/ETNs/REITs, etc.

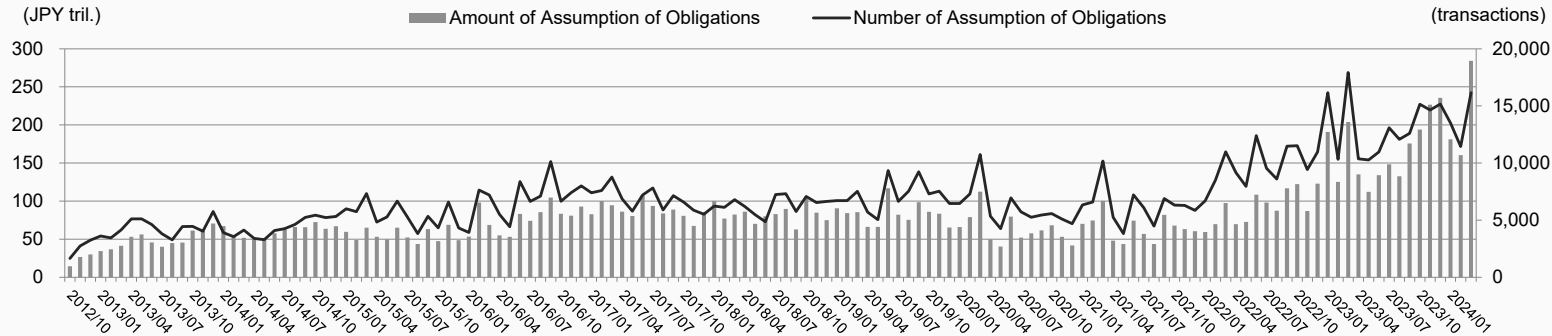
## Trading Value for Cash Equities



## Trading Volume for Derivatives



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

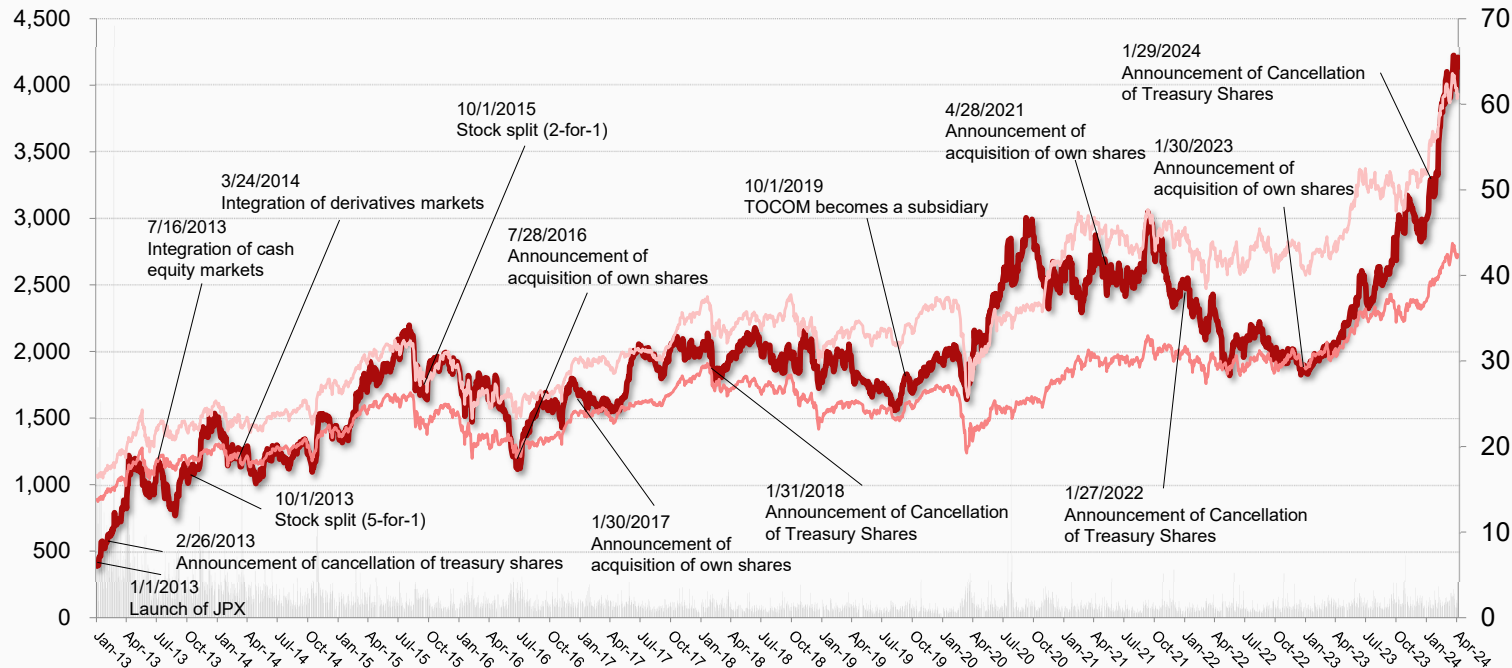




JPX Stock Price (JPY)  
Nikkei 225 (JPY 10)  
TOPIX (points)

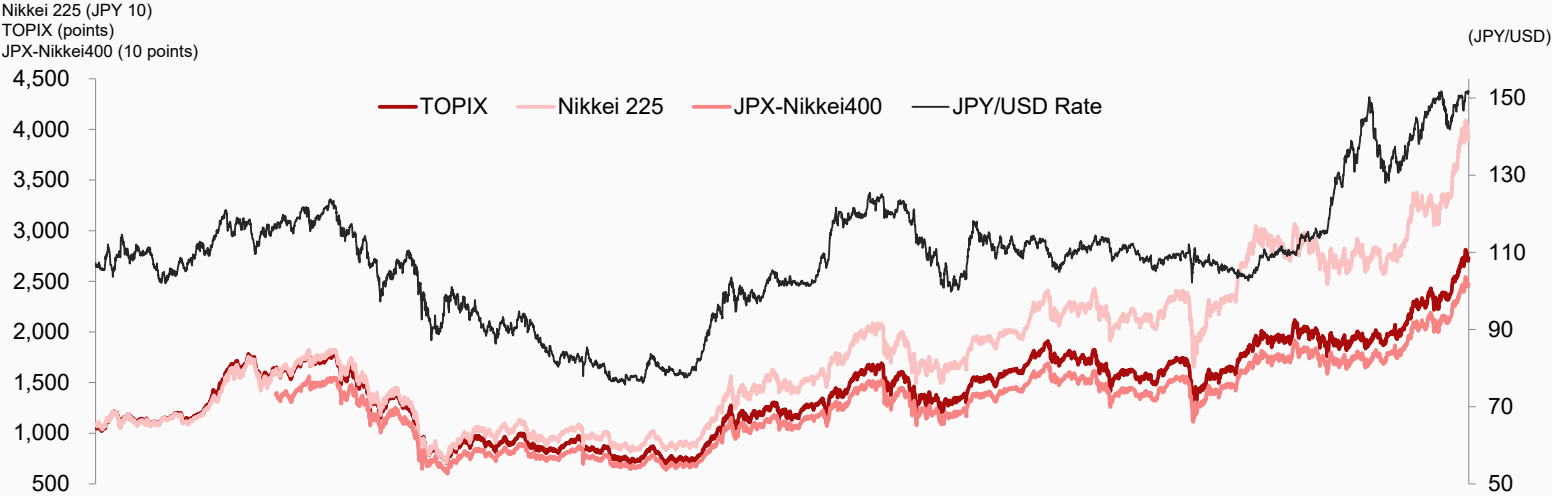
— Stock Price — TOPIX — Nikkei 225 — Trading Volume

Trading Volume  
(mil. shares)

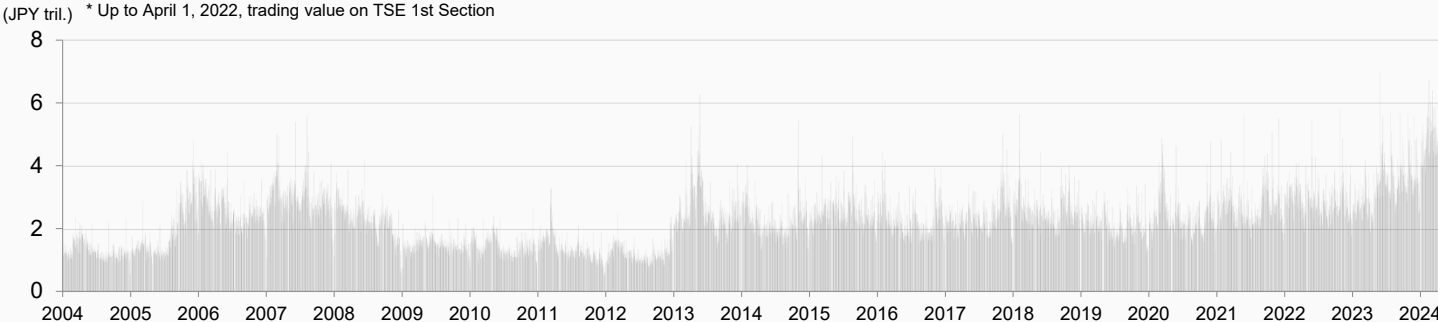


Listed on both the TSE1st Section and JASDAQ from January 1 to July 15, 2013. Prices above are prices on the TSE1st Section. Trading volumes above are the total of those on TSE1st Section and JASDAQ. Two stock splits were conducted separately with respective effective dates of October 1, 2013 and October 1, 2015. Stock prices and trading volume before said stock splits were converted to reflect both events.

# Japanese Stock Market

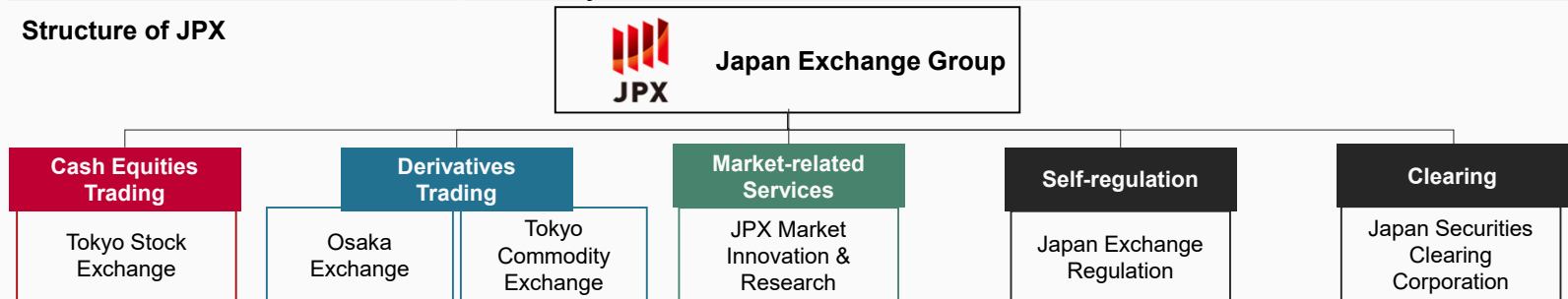


Daily Average Trading Value on the Prime Market



|   |   |
|---|---|
| <b>Stock Code</b>                           | 8697  |
| <b>Listed Exchange</b>                      | Tokyo Stock Exchange Prime market   |
| <b>Fiscal Year End</b>                      | March 31  |
| <b>Annual General Shareholders Meeting</b>  | June  |
| <b>Record Date</b>                          | Annual general shareholders meeting: March 31<br>Year-end dividend: March 31<br>Interim dividend: September 30  |
| <b>Number of Shares in One Trading Unit</b> | 100 shares  |
| <b>Total number of shares issued</b>        | 522,289,183   |
| <b>Basic Policy on Profit Distribution</b>  | <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"> <li>- Maintaining sound financial health as a financial instruments exchange group,</li> <li>- Preparing for risks as a clearing organization, and</li> <li>- Enabling the group to pursue investment opportunities to raise the competitiveness of its markets as they arise.</li> </ul> |

## Structure of JPX



These materials are prepared solely for the purpose of providing information regarding Japan Exchange Group, Inc., and as such, they are not intended as an offer or sale of securities or other similar action whether inside or outside Japan. Our securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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.