

**Japan Exchange Group, Inc. and Consolidated Subsidiaries**  
**Consolidated financial results for the fiscal year ended March 31, 2021**  
**(Based on IFRS), unaudited**

Company name: Japan Exchange Group, Inc. Stock Exchange Listings: Tokyo  
Code number: 8697 URL: <https://www.jpx.co.jp/english/>  
Representative: Kiyota Akira, Director & Representative Executive Officer, Group CEO  
Contact: Lin Kei, Director, Corporate Communications  
Scheduled date of annual general shareholders meeting: June 16, 2021  
Scheduled date of start of dividend payment: May 27, 2021  
Scheduled date of filing of annual securities report: June 9, 2021  
Preparation of earnings presentation material: Yes  
Holding of earnings announcement: Yes (For institutional investors and analysts)

1. Consolidated financial results for the fiscal year ended March 31, 2021  
(from April 1, 2020 to March 31, 2021)

(Figures less than a million yen are omitted)

## (1) Consolidated operating results

(Percentages represent changes year on year)

|                           | Operating revenue |     | Operating income |       | Income before income tax |       | Net income |       | Net income attributable to owners of the parent company |       | Comprehensive income |     |
|---------------------------|-------------------|-----|------------------|-------|--------------------------|-------|------------|-------|---|-------|----------------------|-----|
|                           | Mil. yen          | %   | Mil. yen         | %     | Mil. yen                 | %     | Mil. yen   | %     | Mil. yen  | %     | Mil. yen             | %   |
| Year ended March 31, 2021 | 133,343           | 7.8 | 74,565           | 8.8   | 74,732                   | 8.2   | 52,017     | 7.7   | 51,389  | 7.9   | 54,102               | 7.8 |
| Year ended March 31, 2020 | 123,688           | 2.1 | 68,533           | (1.4) | 69,095                   | (2.4) | 48,314     | (2.5) | 47,609  | (3.0) | 50,195               | 1.4 |

|                           | Basic earnings per share | Diluted earnings per share | Return on equity attributable to owners of the parent company | Ratio of income before income tax to total assets | Ratio of operating income to operating revenue |
|---------------------------|--------------------------|----------------------------|---|---|--|
|                           | yen                      | yen                        | %   | %   | %  |
| Year ended March 31, 2021 | 96.00                    | —                          | 16.6  | 0.1   | 55.9   |
| Year ended March 31, 2020 | 88.91                    | —                          | 16.3  | 0.1   | 55.4   |

(Reference)

Share of income of investments accounted for using the equity method:

Year ended March 31, 2021: ¥2,263 million

Year ended March 31, 2020: ¥2,457 million

## (2) Consolidated financial position

|                      | 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 | Total equity attributable to owners of the parent company per share |
|----------------------|--------------|--------------|---|--|---|
|                      | Mil. yen     | Mil. yen     | Mil. yen  | %  | yen   |
| As of March 31, 2021 | 60,075,678   | 328,769      | 321,391   | 0.5  | 600.38  |
| As of March 31, 2020 | 67,286,302   | 305,375      | 298,228   | 0.4  | 556.97  |

\* Sizable amounts of "Clearing business financial assets and liabilities" and "Deposits from clearing participants" pertaining to clearing business conducted by consolidated subsidiaries Japan Securities Clearing Corporation are included in assets and liabilities of JPX Group (meaning JPX and its subsidiaries). For JPX Group's financial position excluding "Clearing business financial assets and liabilities" and "Deposits from clearing participants", etc., see "1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION - (2) Explanation on Financial Position" on Page 4 of the Appendix.

## (3) Consolidated cash flows

|                           | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the year |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                           | Mil. yen                             | Mil. yen                             | Mil. yen                             | Mil. yen   |
| Year ended March 31, 2021 | 71,750                               | (1,513)                              | (33,932)                             | 108,209  |
| Year ended March 31, 2020 | 56,881                               | (9,434)                              | (39,411)                             | 71,883   |

## 2. Dividends

|                                       | Annual dividends per share |                    |                   |                 |       | Total cash dividends | Dividend payout ratio | Ratio of dividends to total equity attributable to owners of the parent company |
|---------------------------------------|----------------------------|--------------------|-------------------|-----------------|-------|----------------------|-----------------------|---|
|                                       | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |                      |                       |   |
|                                       | yen                        | yen                | yen               | yen             | yen   | Mil. yen             | %                     | %   |
| Year ended March 31, 2020             | —                          | 24.00              | —                 | 30.00           | 54.00 | 28,962               | 60.7                  | 9.9   |
| Year ended March 31, 2021             | —                          | 26.00              | —                 | 42.00           | 68.00 | 36,471               | 70.8                  | 11.8  |
| Year ending March 31, 2022 (Forecast) | —                          | 26.00              | —                 | 26.00           | 52.00 |                      | 61.2                  |   |

\* Breakdown of year-end dividend for the fiscal year ended March 31, 2021: Ordinary Dividend ¥32; Special Dividend ¥10.

## 3. Consolidated earnings forecast for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages represent changes year on year)

|                            | Operating revenue |       | Operating income |        | Income before income tax |        | Net income |        | Net income attributable to owners of the parent company |        | Basic earnings per share |
|----------------------------|-------------------|-------|------------------|--------|--------------------------|--------|------------|--------|---|--------|--------------------------|
|                            | Mil. yen          | %     | Mil. yen         | %      | Mil. yen                 | %      | Mil. yen   | %      | Mil. yen  | %      |                          |
| Year ending March 31, 2022 | 130,000           | (2.5) | 66,000           | (11.5) | 66,000                   | (11.7) | 46,000     | (11.6) | 45,500  | (11.5) | yen<br>85.00             |

\* Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries that caused changes in the scope of consolidation): None

(2) Changes in accounting policies / changes in accounting estimates

1) Changes in accounting policies due to revisions in accounting standards under IFRS: None

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimates: None

(3) Number of issued shares (common shares)

1) Number of issued shares at the end of the period (including treasury shares):

|                       |             |
|-----------------------|-------------|
| As of March 31, 2021: | 536,351,448 |
|-----------------------|-------------|

|                       |             |
|-----------------------|-------------|
| As of March 31, 2020: | 536,351,448 |
|-----------------------|-------------|

2) Number of treasury shares at the end of period:

|                       |           |
|-----------------------|-----------|
| As of March 31, 2021: | 1,034,400 |
|-----------------------|-----------|

|                       |         |
|-----------------------|---------|
| As of March 31, 2020: | 904,476 |
|-----------------------|---------|

3) Average number of shares:

|                            |             |
|----------------------------|-------------|
| Year ended March 31, 2021: | 535,304,490 |
|----------------------------|-------------|

|                            |             |
|----------------------------|-------------|
| Year ended March 31, 2020: | 535,464,274 |
|----------------------------|-------------|

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2021

(from April 1, 2020 to March 31, 2021)

(1) Operating results

(Percentages represent changes year on year)

|                              | Operating revenue |       | Operating income |       | Ordinary income |       | Net income |       |
|------------------------------|-------------------|-------|------------------|-------|-----------------|-------|------------|-------|
|                              | Mil. yen          | %     | Mil. yen         | %     | Mil. yen        | %     | Mil. yen   | %     |
| Year ended<br>March 31, 2021 | 47,642            | 1.2   | 41,055           | (0.2) | 41,419          | (1.2) | 45,643     | 0.5   |
| Year ended<br>March 31, 2020 | 47,057            | (3.8) | 41,143           | (4.5) | 41,906          | (5.8) | 45,396     | (3.0) |

|                              | Basic earnings<br>per share | Diluted earnings<br>per share |
|------------------------------|-----------------------------|-------------------------------|
|                              | yen                         | yen                           |
| Year ended<br>March 31, 2021 | 85.27                       | —                             |
| Year ended<br>March 31, 2020 | 84.78                       | —                             |

(2) Financial position

|                      | Total assets | Total net assets | Ratio of<br>shareholders' equity<br>to total assets | Net assets per share |
|----------------------|--------------|------------------|---|----------------------|
|                      | Mil. yen     | Mil. yen         | %   | yen                  |
| As of March 31, 2021 | 265,247      | 135,331          | 51.0  | 252.81               |
| As of March 31, 2020 | 242,849      | 124,091          | 51.1  | 231.75               |

(Reference)

Shareholders' equity:

As of March 31, 2021: ¥135,331 million

As of March 31, 2020: ¥124,091 million

\* This release is outside the scope of audit procedures by certified public accountants and audit firms.

\* Explanation on appropriate use of forecast and other special items

This material contains an earnings forecast 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, etc. to be materially different from those expressed in these forward-looking statements.

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(Appendix)

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## 1. QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

### (1) Explanation on Operating Results

In the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021), JPX Group recorded operating revenue of ¥133,343 million (increased 7.8% from the same period of the previous fiscal year (i.e., year on year)), and operating expenses were ¥61,394 million (increased 4.9% year on year). As a result, JPX Group recorded operating income of ¥74,565 million (increased 8.8% year on year) and income before income tax of ¥74,732 million (increased 8.2% year on year).

In addition, net income attributable to owners of the parent company after tax was ¥51,389 million (increased 7.9% year on year).

(Operating revenue)

#### 1) Trading services revenue

Trading services revenue is comprised of "Transaction fees" based on the value of securities traded or volume of financial and commodity derivatives traded, "Basic fees" based on the types of the trading participant's trading qualification, "Access fees" based on the number of orders, "Trading system facilities usage fees" based on the types of trading system facilities used, and other similar fees.

For the fiscal year ended March 31, 2021, trading services revenue increased 9.4% year on year to ¥53,171 million due mainly to an increase in transaction fees resulting from a year-on-year increase in trading value of cash equities.

Breakdown of trading services revenue

(Mil. yen)

|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2021 | Change (%) |
|---|------------------------------|------------------------------|------------|
|   |                              |                              |            |
| Trading services revenue                      | 48,589                       | 53,171                       | 9.4        |
| Transaction fees                              | 39,118                       | 43,463                       | 11.1       |
| Cash equities                                 | 25,757                       | 31,056                       | 20.6       |
| Financial derivatives                         | 12,255                       | 10,393                       | (15.2)     |
| TOPIX futures transactions                    | 2,254                        | 1,933                        | (14.2)     |
| Nikkei 225 futures transactions <sup>*1</sup> | 5,101                        | 4,380                        | (14.1)     |
| Nikkei 225 options transactions <sup>*2</sup> | 2,888                        | 2,555                        | (11.5)     |
| 10-year JGB futures transactions              | 1,811                        | 1,353                        | (25.3)     |
| Others  | 200                          | 170                          | (14.6)     |
| Commodity derivatives                         | 1,104                        | 2,014                        | 82.3       |
| Basic fees                                    | 1,020                        | 1,018                        | (0.2)      |
| Access fees                                   | 4,701                        | 5,047                        | 7.4        |
| Trading system facilities usage fees          | 3,646                        | 3,544                        | (2.8)      |
| Others  | 101                          | 96                           | (4.8)      |

\*1 Figures include Nikkei 225 mini futures transactions.

\*2 Figures exclude Nikkei 225 Weekly Options transactions.

#### 2) Clearing services revenue

Clearing services revenue is comprised of clearing fees related to the assumption of obligations of financial instrument transactions carried out by Japan Securities Clearing Corporation and other similar fees.

For the fiscal year ended March 31, 2021, clearing services revenue increased 5.7% year on year to ¥27,939 million.

### 3) Listing services revenue

Listing services revenue is comprised of "Initial/Additional listing fees" that are received based on the issue amount when a company initially lists or when a listed company issues additional shares, "Annual listing fees" received from listed companies based on their market capitalization, and other similar fees.

For the fiscal year ended March 31, 2021, listing services revenue increased 16.3% year on year to ¥16,660 million due mainly to an increase in initial/additional listing fees.

#### Breakdown of listing services revenue

(Mil. yen)

|                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2021 | Change (%) |
|---------------------------------|------------------------------|------------------------------|------------|
|                                 |                              |                              |            |
| Listing services revenue        | 14,322                       | 16,660                       | 16.3       |
| Initial/Additional listing fees | 3,965                        | 5,630                        | 42.0       |
| Annual listing fees             | 10,356                       | 11,029                       | 6.5        |

### 4) Information services revenue

Information services revenue is comprised of market information fees, which consist of revenue related to the provision of market information to information vendors, etc., as well as revenue related to the index business, and revenue related to the provision of corporate action information and other information.

For the fiscal year ended March 31, 2021, information services revenue increased 9.8% year on year to ¥24,128 million due mainly to an increase in market information fees.

### 5) Other operating revenue

Other operating revenue includes the following main items:

- Usage fees for arrownet, which connects trading, market information, and other systems to trading participants and other users;
- Usage fees related to co-location services that allow trading participants, information vendors, and other users to install devices in the system center for the purpose of improving trade execution efficiency by shortening order transmission time, etc.; and
- Revenue from system development and operations conducted by consolidated subsidiary TOSHO SYSTEM SERVICE CO., LTD.

For the fiscal year ended March 31, 2021, other operating revenue decreased 7.5% year on year to ¥11,443 million.

#### Breakdown of other operating revenue

(Mil. yen)

|                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2021 | Change (%) |
|---------------------------------|------------------------------|------------------------------|------------|
|                                 |                              |                              |            |
| Other operating revenue         | 12,371                       | 11,443                       | (7.5)      |
| arrownet usage fees             | 3,311                        | 3,363                        | 1.6        |
| Co-location services usage fees | 3,917                        | 4,504                        | 15.0       |
| Other                           | 5,142                        | 3,575                        | (30.5)     |

#### (Operating expenses)

For the fiscal year ended March 31, 2021, personnel expenses increased 10.0% year on year to ¥19,255 million.

System maintenance and operation expenses are comprised of expenses related to maintenance and management/operations of various systems including the cash equities and derivatives trading systems. System maintenance and operation expenses increased 12.0% year on year to ¥13,524 million.

Depreciation and amortization increased 1.7% year on year to ¥16,761 million.

Other operating expenses decreased 4.9% year on year to ¥11,852 million.

(2) Explanation on Financial Position

(Assets, liabilities, and equity)

For assets and liabilities of JPX Group, "Clearing business financial assets and liabilities" assumed by Japan Securities Clearing Corporation as a clearing organization and "Deposits from clearing participants" deposited by clearing participants as collateral are included under both assets and liabilities. "Clearing business financial assets and liabilities" and "Deposits from clearing participants" 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 clearing participants' positions. In addition, "Legal guarantee funds", "Trading participant security money", and "Default compensation reserve funds" based on the rules for securing safety of financial instruments transactions and other transactions are included under both assets and either liabilities or equity.

Total assets as of March 31, 2021 decreased by ¥7,210,624 million from the end of the previous fiscal year to ¥60,075,678 million due mainly to a decrease in "Clearing business financial assets". Excluding "Clearing business financial assets", "Deposits from clearing participants", "Legal guarantee funds", and "Default compensation reserve funds", assets increased by ¥22,312 million from the end of the previous fiscal year to ¥401,132 million.

Total liabilities as of March 31, 2021 decreased by ¥7,234,018 million from the end of the previous fiscal year to ¥59,746,908 million due mainly to the same decrease in "Clearing business financial liabilities". Excluding "Clearing business financial liabilities", "Deposits from clearing participants", "Legal guarantee funds", and "Trading participant security money", liabilities decreased by ¥994 million from the end of the previous fiscal year to ¥92,149 million.

Total equity as of March 31, 2021 increased by ¥23,394 million from the end of the previous fiscal year to ¥328,769 million, due to capital increase from net income attributable to owners of the parent company despite a capital reduction as a result of dividend payment. In addition, after excluding default compensation reserve funds, total equity as of the same date was ¥300,821 million.

<Reference>

|                      | 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 |
|----------------------|--------------|--------------|---|--|
|                      | Mil. yen     | Mil. yen     | Mil. yen  | %  |
| As of March 31, 2021 | 60,075,678   | 328,769      | 321,391   | 0.5  |
|                      | *401,132     | *300,821     | *293,443  | *73.2  |
| As of March 31, 2020 | 67,286,302   | 305,375      | 298,228   | 0.4  |
|                      | *378,820     | *277,427     | *270,280  | *71.3  |

|                      | Return on equity attributable to owners of the parent company | Ratio of income before income tax to total assets | Total equity attributable to owners of the parent company per share |
|----------------------|---|---|---|
|                      | %   | %   | yen   |
| As of March 31, 2021 | 16.6  | 0.1   | 600.38  |
|                      | *18.2   | *19.2   | *548.17   |
| As of March 31, 2020 | 16.3  | 0.1   | 556.97  |
|                      | *18.1   | *18.7   | *504.78   |

(Notes)

Figures marked "\*" under "Total assets" exclude "Clearing business financial assets", "Deposits from clearing participants", "Legal guarantee funds", and "Default compensation reserve funds", and those marked "\*" under "Total equity" and total equity attributable to owners of the parent company exclude "Default compensation reserve funds".



(Cash flows)

Cash and cash equivalents as of March 31, 2021 increased by ¥36,325 million from the end of the previous fiscal year to ¥108,209 million.

1) Cash flows from operating activities

There was cash inflow of ¥71,750 million from operating activities mainly as a result of adding ¥16,783 million in depreciation and amortization to and deducting ¥20,794 million in income taxes paid from ¥74,732 million in income before income tax.

2) Cash flows from investing activities

There was cash outflow of ¥1,513 million from investment activities mainly as a result of cash outflow of ¥12,558 million from purchase of intangible assets and cash inflow of ¥12,719 million from sale of invested securities.

3) Cash flows from financing activities

There was cash outflow of ¥33,932 million from financing activities mainly as a result of cash outflow of ¥30,035 million from dividend payment.

<Reference> Cash flow-related indicators

|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Ratio of total equity attributable to owners<br>of the parent company to total assets | 0.4%                         | 0.5%                         |
|   | *71.3%                       | *73.2%                       |
| Ratio of interest-bearing debt to cash flow   | 98.0%                        | 73.3%                        |
| Interest coverage ratio   | 591.4                        | 767.8                        |

Ratio of total equity attributable to owners of the parent company to total assets: Total equity attributable to owners of the parent company / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payment

\* Ratio of total equity attributable to owners of the parent company to total assets are calculated excluding "Clearing business financial assets", "Deposits from clearing participants", "Legal guarantee funds", "Default compensation reserve funds" from total assets, and excluding "Default compensation reserve funds" from total equity attributable to owners of the parent company.

(3) Explanation on Forecast Information such as Consolidated Earnings Forecast, etc.

(i) Consolidated Earnings Forecast

The consolidated earnings forecast for the fiscal year ending March 31, 2022 is based on the assumptions that the average daily trading values and volumes are ¥3.45 trillion for cash equities<sup>\*1</sup>, 36,000 contracts for 10-year JGB futures transactions, 108,000 contracts for TOPIX futures transactions, 213,000 contracts for Nikkei 225 futures transactions<sup>\*2</sup>, and ¥26.5 billion for Nikkei 225 options transactions<sup>\*3</sup>. Based on these assumptions, ¥130.0 billion in operating revenue, ¥66.0 billion in operating income, ¥66.0 billion in net income before income tax, ¥46.0 billion in net income, and ¥45.5 billion in net income attributable to owners of the parent are expected.

<sup>\*1</sup> 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)

<sup>\*2</sup> Includes Nikkei 225 mini contract volumes converted into large-sized contracts

<sup>\*3</sup> Excludes Weekly Options transactions

(ii) Dividend Forecast

JPX adopts a dividend policy with a target payout ratio of approximately 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 JPX Group to pursue investment opportunities to raise the competitiveness of its markets as they arise.

In line with the abovementioned policy, the dividend for the fiscal year ending March 31, 2022 is planned to be ¥52 per share (¥26 per share as of the end of the second quarter).

2. BASIC RATIONALE TO THE SELECTION OF ACCOUNTING STANDARDS

From the perspective of facilitating comparability of financial results with those of overseas exchanges and increasing investor convenience, JPX has voluntarily adopted IFRS to its disclosure material.

### 3. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

#### (1) Consolidated Statement of Financial Position

|  | As of March 31, 2020 | As of March 31, 2021 |
|--|----------------------|----------------------|
|  | Mil. yen             | Mil. yen             |
| <b>Assets</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and cash equivalents                                | 71,883               | 108,209              |
| Trade and other receivables                              | 16,686               | 14,936               |
| Clearing business financial assets                       | 60,329,672           | 53,649,780           |
| Specified assets for deposits from clearing participants | 6,549,099            | 5,996,143            |
| Specified assets for legal guarantee funds               | 762                  | 673                  |
| Income tax receivables                                   | 5,922                | 5,286                |
| Other financial assets                                   | 117,400              | 116,800              |
| Other current assets                                     | 1,837                | 2,033                |
| Total current assets                                     | 67,093,263           | 59,893,862           |
| Non-current assets                                       |                      |                      |
| Property and equipment                                   | 14,798               | 10,697               |
| Goodwill   | 67,374               | 67,374               |
| Intangible assets  | 35,045               | 35,977               |
| Retirement benefit assets                                | 5,642                | 8,204                |
| Investments accounted for using the equity method        | 14,703               | 16,736               |
| Specified assets for default compensation reserve funds  | 27,948               | 27,948               |
| Other financial assets                                   | 18,156               | 5,309                |
| Other non-current assets                                 | 6,049                | 6,181                |
| Deferred tax assets                                      | 3,321                | 3,385                |
| Total non-current assets                                 | 193,039              | 181,815              |
| Total assets   | 67,286,302           | 60,075,678           |

|   | As of March 31, 2020     | As of March 31, 2021     |
|---|--------------------------|--------------------------|
|   | Mil. yen                 | Mil. yen                 |
| Liabilities and equity                                    |                          |                          |
| Liabilities   |                          |                          |
| Current liabilities                                       |                          |                          |
| Trade and other payables                                  | 6,643                    | 4,132                    |
| Bonds and loans payable                                   | 32,500                   | 32,500                   |
| Clearing business financial liabilities                   | 60,329,672               | 53,649,780               |
| Deposits from clearing participants                       | 6,549,099                | 5,996,143                |
| Legal guarantee funds                                     | 762                      | 673                      |
| Trading participant security money                        | 8,248                    | 8,161                    |
| Income tax payables                                       | 10,289                   | 15,038                   |
| Other current liabilities                                 | 10,062                   | 8,746                    |
| Total current liabilities                                 | <u>66,947,278</u>        | <u>59,715,175</u>        |
| Non-current liabilities                                   |                          |                          |
| Bonds and loans payable                                   | 19,953                   | 19,960                   |
| Retirement benefit liabilities                            | 8,866                    | 9,018                    |
| Other non-current liabilities                             | 2,162                    | 2,336                    |
| Deferred tax liabilities                                  | 2,665                    | 418                      |
| Total non-current liabilities                             | <u>33,648</u>            | <u>31,732</u>            |
| Total liabilities   | <u>66,980,926</u>        | <u>59,746,908</u>        |
| Equity  |                          |                          |
| Share capital   | 11,500                   | 11,500                   |
| Capital surplus   | 39,716                   | 39,716                   |
| Treasury shares   | (1,548)                  | (1,825)                  |
| Other components of equity                                | 5,602                    | 992                      |
| Retained earnings   | 242,958                  | 271,006                  |
| Total equity attributable to owners of the parent company | <u>298,228</u>           | <u>321,391</u>           |
| Non-controlling interests                                 | 7,146                    | 7,378                    |
| Total equity  | <u>305,375</u>           | <u>328,769</u>           |
| Total liabilities and equity                              | <u><u>67,286,302</u></u> | <u><u>60,075,678</u></u> |

(2) Consolidated Statement of Income

|   | Fiscal year ended<br>March 31, 2020 | Fiscal year ended<br>March 31, 2021 |
|---|-------------------------------------|-------------------------------------|
|   | Mil. yen                            | Mil. yen                            |
| Revenue   |                                     |                                     |
| Operating revenue   | 123,688                             | 133,343                             |
| Other revenue   | 975                                 | 359                                 |
| Total revenue   | 124,663                             | 133,702                             |
| Expenses  |                                     |                                     |
| Operating expenses  | 58,532                              | 61,394                              |
| Other expenses  | 54                                  | 5                                   |
| Total expenses  | 58,587                              | 61,399                              |
| Share of income of investments accounted for using<br>the equity method | 2,457                               | 2,263                               |
| Operating income  | 68,533                              | 74,565                              |
| Financial income  | 665                                 | 266                                 |
| Financial expenses  | 103                                 | 99                                  |
| Income before income tax  | 69,095                              | 74,732                              |
| Income tax expense  | 20,781                              | 22,714                              |
| Net income  | 48,314                              | 52,017                              |
| Net income attributable to  |                                     |                                     |
| Owners of the parent company  | 47,609                              | 51,389                              |
| Non-controlling interests   | 705                                 | 628                                 |
| Net income  | 48,314                              | 52,017                              |
| Earnings per share  |                                     |                                     |
| Basic (Yen)   | 88.91                               | 96.00                               |
| Diluted (Yen)   | —                                   | —                                   |

(3) Consolidated Statement of Comprehensive Income

|  | Fiscal year ended<br>March 31, 2020 | Fiscal year ended<br>March 31, 2021 |
|--|-------------------------------------|-------------------------------------|
|  | Mil. yen                            | Mil. yen                            |
| Net income   | 48,314                              | 52,017                              |
| Other comprehensive income   |                                     |                                     |
| Items that will not be reclassified to profit or loss  |                                     |                                     |
| Net gain (loss) on revaluation of financial assets<br>measured at fair value through other comprehensive<br>income | 1,930                               | 271                                 |
| Remeasurements of defined benefit plan   | (49)                                | 1,813                               |
| Share of other comprehensive income of<br>investments accounted for using the equity method                        | 0                                   | 0                                   |
| Other comprehensive income, net of tax   | 1,881                               | 2,084                               |
| Comprehensive income   | 50,195                              | 54,102                              |
| Comprehensive income attributable to   |                                     |                                     |
| Owners of the parent company   | 49,490                              | 53,474                              |
| Non-controlling interests  | 705                                 | 628                                 |
| Comprehensive income   | 50,195                              | 54,102                              |

## (4) Consolidated Statement of Changes in Equity

|   | Equity attributable to owners of the parent company |                 |                 |  |  |
|---|---|-----------------|-----------------|--|--|
|   | Share capital                                       | Capital surplus | Treasury shares | Other components of equity   |  |
|   |   |                 |                 | Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plan |
|   | Mil. yen  | Mil. yen        | Mil. yen        | Mil. yen   | Mil. yen                               |
| Balance as of April 1, 2019                                   | 11,500  | 39,716          | (1,213)         | 7,688  | —                                      |
| Net income  | —   | —               | —               | —  | —                                      |
| Other comprehensive income, net of tax                        | —   | —               | —               | 1,930  | (49)                                   |
| Total comprehensive income                                    | —   | —               | —               | 1,930  | (49)                                   |
| Acquisitions of treasury shares                               | —   | —               | (350)           | —  | —                                      |
| Dividends paid  | —   | —               | —               | —  | —                                      |
| Transfer from other components of equity to retained earnings | —   | —               | —               | (4,016)  | 49                                     |
| Other   | —   | —               | 15              | —  | —                                      |
| Total transactions with the owners                            | —   | —               | (334)           | (4,016)  | 49                                     |
| Balance as of March 31, 2020                                  | 11,500  | 39,716          | (1,548)         | 5,602  | —                                      |

|   | Equity attributable to owners of the parent company |                   |          |                           |              |
|---|---|-------------------|----------|---------------------------|--------------|
|   | Other components of equity                          | Retained earnings | Total    | Non-controlling interests | Total equity |
|   | Total   |                   |          |                           |              |
|   | Mil. yen  | Mil. yen          | Mil. yen | Mil. yen                  | Mil. yen     |
| Balance as of April 1, 2019                                   | 7,688   | 227,317           | 285,009  | 6,441                     | 291,450      |
| Net income  | —   | 47,609            | 47,609   | 705                       | 48,314       |
| Other comprehensive income, net of tax                        | 1,881   | —                 | 1,881    | —                         | 1,881        |
| Total comprehensive income                                    | 1,881   | 47,609            | 49,490   | 705                       | 50,195       |
| Acquisitions of treasury shares                               | —   | —                 | (350)    | —                         | (350)        |
| Dividends paid  | —   | (35,935)          | (35,935) | —                         | (35,935)     |
| Transfer from other components of equity to retained earnings | (3,966)   | 3,966             | —        | —                         | —            |
| Other   | —   | —                 | 15       | —                         | 15           |
| Total transactions with the owners                            | (3,966)   | (31,968)          | (36,270) | —                         | (36,270)     |
| Balance as of March 31, 2020                                  | 5,602   | 242,958           | 298,228  | 7,146                     | 305,375      |

Equity attributable to owners of the parent company

|   | Share capital | Capital surplus | Treasury shares | Other components of equity   |  |
|---|---------------|-----------------|-----------------|--|--|
|   |               |                 |                 | Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plan |
|   | Mil. yen      | Mil. yen        | Mil. yen        | Mil. yen   | Mil. yen                               |
| Balance as of April 1, 2020                                   | 11,500        | 39,716          | (1,548)         | 5,602  | —                                      |
| Net income  | —             | —               | —               | —  | —                                      |
| Other comprehensive income, net of tax                        | —             | —               | —               | 271  | 1,813                                  |
| Total comprehensive income                                    | —             | —               | —               | 271  | 1,813                                  |
| Acquisitions of treasury shares                               | —             | —               | (366)           | —  | —                                      |
| Dividends paid  | —             | —               | —               | —  | —                                      |
| Changes of interests in subsidiaries without losing control   | —             | —               | —               | —  | —                                      |
| Transfer from other components of equity to retained earnings | —             | —               | —               | (4,881)  | (1,813)                                |
| Other   | —             | —               | 90              | —  | —                                      |
| Total transactions with the owners                            | —             | —               | (276)           | (4,881)  | (1,813)                                |
| Balance as of March 31, 2021                                  | 11,500        | 39,716          | (1,825)         | 992  | —                                      |

Equity attributable to owners of the parent company

|   | Other components of equity | Retained earnings | Total    | Non-controlling interests | Total equity |
|---|----------------------------|-------------------|----------|---------------------------|--------------|
|   | Total                      |                   |          |                           |              |
|   | Mil. yen                   | Mil. yen          | Mil. yen | Mil. yen                  | Mil. yen     |
| Balance as of April 1, 2020                                   | 5,602                      | 242,958           | 298,228  | 7,146                     | 305,375      |
| Net income  | —                          | 51,389            | 51,389   | 628                       | 52,017       |
| Other comprehensive income, net of tax                        | 2,084                      | —                 | 2,084    | —                         | 2,084        |
| Total comprehensive income                                    | 2,084                      | 51,389            | 53,474   | 628                       | 54,102       |
| Acquisitions of treasury shares                               | —                          | —                 | (366)    | —                         | (366)        |
| Dividends paid  | —                          | (30,035)          | (30,035) | —                         | (30,035)     |
| Changes of interests in subsidiaries without losing control   | —                          | —                 | —        | (396)                     | (396)        |
| Transfer from other components of equity to retained earnings | (6,694)                    | 6,694             | —        | —                         | —            |
| Other   | —                          | —                 | 90       | —                         | 90           |
| Total transactions with the owners                            | (6,694)                    | (23,341)          | (30,311) | (396)                     | (30,708)     |
| Balance as of March 31, 2021                                  | 992                        | 271,006           | 321,391  | 7,378                     | 328,769      |



## (5) Consolidated Statement of Cash Flows

|   | Fiscal year ended<br>March 31, 2020 | Fiscal year ended<br>March 31, 2021 |
|---|-------------------------------------|-------------------------------------|
|   | Mil. yen                            | Mil. yen                            |
| Cash flows from operating activities                                    |                                     |                                     |
| Income before income tax  | 69,095                              | 74,732                              |
| Depreciation and amortization   | 16,499                              | 16,783                              |
| Financial income  | (665)                               | (266)                               |
| Financial expenses  | 96                                  | 93                                  |
| Share of income of investments accounted for using<br>the equity method | (2,457)                             | (2,263)                             |
| (Increase) decrease in trade and other receivables                      | (5,246)                             | 1,750                               |
| Increase (decrease) in trade and other payables                         | 420                                 | (288)                               |
| (Increase) decrease in retirement benefit assets                        | 230                                 | (2,562)                             |
| Increase (decrease) in retirement benefit liabilities                   | 12                                  | 151                                 |
| Other   | (424)                               | 4,010                               |
| Subtotal  | <u>77,560</u>                       | <u>92,140</u>                       |
| Interest and dividends received   | 899                                 | 498                                 |
| Interest paid   | (96)                                | (93)                                |
| Income taxes paid   | (21,482)                            | (20,794)                            |
| Cash flows generated from operating activities                          | <u>56,881</u>                       | <u>71,750</u>                       |
| Cash flows from investing activities                                    |                                     |                                     |
| Payments into time deposits   | (117,400)                           | (116,300)                           |
| Proceeds from withdrawal of time deposits                               | 113,100                             | 117,400                             |
| Purchase of property and equipment                                      | (1,199)                             | (2,880)                             |
| Purchase of intangible assets   | (12,379)                            | (12,558)                            |
| Proceeds from sales of investment securities                            | 11,585                              | 12,719                              |
| Payments for acquisition of subsidiaries                                | (3,165)                             | —                                   |
| Other   | 23                                  | 106                                 |
| Cash flows generated from (used in) investing<br>activities             | <u>(9,434)</u>                      | <u>(1,513)</u>                      |
| Cash flows from financing activities                                    |                                     |                                     |
| Proceeds from loans payable   | 9,000                               | —                                   |
| Repayments of loans payable   | (9,000)                             | —                                   |
| Repayments of lease liabilities   | (3,125)                             | (3,133)                             |
| Dividends paid  | (35,935)                            | (30,035)                            |
| Purchase of treasury shares   | (350)                               | (366)                               |
| Other   | —                                   | (397)                               |
| Cash flows used in financing activities                                 | <u>(39,411)</u>                     | <u>(33,932)</u>                     |
| Net increase (decrease) in cash and cash equivalents                    | <u>8,035</u>                        | <u>36,305</u>                       |
| Cash and cash equivalents at the beginning of the year                  | <u>63,891</u>                       | <u>71,883</u>                       |
| Effect of changes in exchange rate on cash and cash<br>equivalents      | (43)                                | 19                                  |
| Cash and cash equivalents at the end of the year                        | <u><u>71,883</u></u>                | <u><u>108,209</u></u>               |

(6) Notes on Consolidated Financial Statements

(Note on Going-concern Assumption)

Not applicable

(Operating Revenue)

The breakdown of "Operating revenue" is as follows:

|                              | Fiscal year ended<br>March 31, 2020 | Fiscal year ended<br>March 31, 2021 |
|------------------------------|-------------------------------------|-------------------------------------|
|                              | Mil. yen                            | Mil. yen                            |
| Trading services revenue     | 48,589                              | 53,171                              |
| Clearing services revenue    | 26,427                              | 27,939                              |
| Listing services revenue     | 14,322                              | 16,660                              |
| Information services revenue | 21,977                              | 24,128                              |
| Other                        | 12,371                              | 11,443                              |
| Total                        | 123,688                             | 133,343                             |

(Operating Expenses)

The breakdown of "Operating expenses" is as follows:

|   | Fiscal year ended<br>March 31, 2020 | Fiscal year ended<br>March 31, 2021 |
|---|-------------------------------------|-------------------------------------|
|   | Mil. yen                            | Mil. yen                            |
| Personnel expenses                        | 17,512                              | 19,255                              |
| System maintenance and operation expenses | 12,071                              | 13,524                              |
| Depreciation and amortization             | 16,484                              | 16,761                              |
| Other                                     | 12,464                              | 11,852                              |
| Total                                     | 58,532                              | 61,394                              |

(Segment Information, etc.)

This information is omitted because JPX Group only has a single segment of financial instruments exchange business .

(Earnings per Share)

|   | Fiscal year ended<br>March 31, 2020 | Fiscal year ended<br>March 31, 2021 |
|---|-------------------------------------|-------------------------------------|
|   | Mil. yen                            | Mil. yen                            |
| Net income attributable to owners of the parent company | 47,609                              | 51,389                              |
|   | Thousand shares                     | Thousand shares                     |
| Weighted average number of ordinary shares outstanding  | 535,464                             | 535,304                             |
|   | yen                                 | yen                                 |
| Basic earnings per share                                | 88.91                               | 96.00                               |

\*1 Basic earnings per share was calculated based on the net income attributable to owners of the parent company and the weighted average number of ordinary shares outstanding.

\*2 Diluted earnings per share is omitted as there were no potential shares.

(Significant Subsequent Events)

Acquisition of Own Shares

JPX reached a resolution in its Board of Directors meeting, held on April 28, 2021, on matters regarding acquisition of own shares in accordance with the provisions of its Articles of Incorporation and Article 459, Paragraph 1 of the Companies Act.

(1) Reason for Acquiring Own Shares

To enhance shareholder returns by implementing swift and flexible capital measures

(2) Matters Pertaining to Acquisition of Own Shares

1) Classification of Shares to be Acquired:

Common shares

2) Total No. of Shares to be Acquired:

20,000,000 shares (maximum)

3) Total Value of Shares to be Acquired:

JPY 20 billion (maximum)

4) Acquisition Period:

April 30, 2021 - October 26, 2021

5) Acquisition Method:

Purchase on the market of Tokyo Stock Exchange

<Attachment>

Information on Risks Related to Coronavirus, etc.

#### (1) Measures to Ensure Business Continuity

In the case of a further spread of novel coronavirus (COVID-19) in Japan, JPX Group may face risks to its business continuity resulting from, for example, impacts on the public transportation system that JPX Group employees use to commute, or COVID-19 infection cases among JPX Group employees.

To prevent the stable operation of its markets from being affected, JPX Group has implemented the following measures to ensure business continuity. This is in addition to various measures to prevent further spread of COVID-19 in line with guidance such as the Japanese government's Basic Policies for Prevention and Control of the Novel Coronavirus.

- Established a BCP (Business Continuity Plan) Emergency Headquarters headed by Group CEO Kiyota Akira, in line with the JPX Group's BCP;
  - Carefully examined each department's duties and situation, and is encouraging remote working for employees whose duties are judged to not require physical attendance at the office based on this;
  - For employees whose duties require physical attendance at the office, actively implement staggered working hours using the flex time system;
  - Developed and implemented a multi-channel operational structure for employees whose duties require physical attendance at the office, by dividing them into several teams which work at physically different locations, in principle rotating between the office and home but also using nearby back up facilities;
- and so on.

While persisting with measures to prevent the further spread of COVID-19, JPX Group will continue striving for stable market operations by flexibly implementing initiatives as needed to ensure business continuity in response to the changing situation.

#### (2) Impact on Earnings

Among JPX Group's operating revenue, "trading services revenue" and "clearing services revenue" (which accounted respectively for 39.9% and 21.0% of consolidated operating revenue for the fiscal year ended March 31, 2021) are heavily reliant on the value of securities traded and volume of derivatives traded. Meanwhile, listing services revenue (which accounted for 12.5% over the same period) is reliant on the market capitalization of and the funds raised by listed companies as well as the number of new listings.

Although the Japanese economy remains in difficult circumstances due to COVID-19, it continues to demonstrate improvement while exhibiting some weakness. The Japanese economy is expected to recover with help from various government policy measures and improvement of overseas economies. However, we will need to monitor the impact of COVID-19 on domestic and overseas economies along with developments in the financial and capital markets.

JPX Group's revenue is greatly affected by trends in the secondary market for securities and derivatives products as well as the primary market for securities, and furthermore by trends in global financial markets and economic conditions in Japan and overseas. In particular, as most TSE listed companies are Japanese companies, JPX Group's earnings are strongly linked to economic conditions in Japan, meaning that they are at risk of significantly adverse impacts if economic stagnation, etc. causes a deterioration of the environment surrounding the primary and secondary markets, leading to a decrease in trading volume and value on the cash equity and derivatives markets and a decrease in market capitalization of or funds raised by listed companies. Furthermore, since trends in the primary and secondary markets can also be strongly affected by other varying factors including economic circumstances, it is extremely difficult to accurately predict these trends.

In order to fulfill its duty as public infrastructure despite the impacts of COVID-19, JPX Group will place top priority on continuing stable market operations and take every possible measure to that end.

The consolidated earnings forecast for the fiscal year ending March 31, 2022, was calculated based on certain assumptions of trading values and volumes. Actual trading value and volume may differ from these assumptions depending on future market conditions, resulting in a large impact on consolidated earnings.